

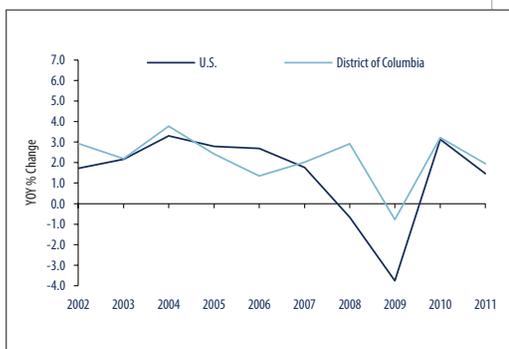
Regional Profiles



Economic Profile - District of Columbia

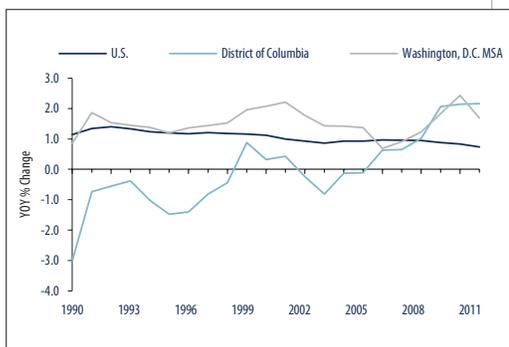
A slow but steady recovery continued in the District of Columbia during 2011, despite decelerating growth in real GDP and per capita income. Payroll employment increased, while unemployment continued to fall steadily. The housing market followed suit with incredible increases in building permits and housing starts, along with declines in delinquency and foreclosure rates.

Figure 1: Real GDP



SOURCE: Bureau of Economic Analysis/Haver Analytics

Figure 2: Population



SOURCE: U.S. Census Bureau/Haver Analytics

Economic Contribution

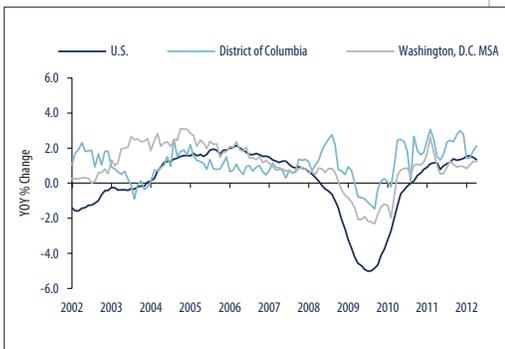
- D.C.'s gross state product (GSP) rose at a real rate of 1.9 percent in 2011—outpacing national growth of 1.5 percent—and was nominally valued at \$107.6 billion by the end of the year.
- D.C. had the second-lowest GSP in the Fifth District and accounted for 7.1 percent of nominal output in the District.
- The Washington, D.C. metro area's output grew at a real rate of 3.6 percent in 2010 and was nominally valued at \$425.2 billion by the end of the year.
- Output in the Washington, D.C. metro area accounted for 29.1 percent of nominal Fifth District output.
- The Washington, D.C. metro area had the fourth largest output of any MSA in the nation, after the New York, Los Angeles, and Chicago metro areas.

Population

- The population of D.C. grew 2.2 percent in 2011—more than three times the national rate of 0.7 percent—to reach 617,996 residents.
- D.C.'s population has now grown for six consecutive years; in comparison, only 6 of the preceding forty-one years saw population growth in D.C.
- The Washington, D.C. metro area's population grew 1.7 percent in 2011 to reach 5.7 million residents, more than nine times the population of D.C.
- The Washington, D.C. metro area has experienced population growth every year since 1970.

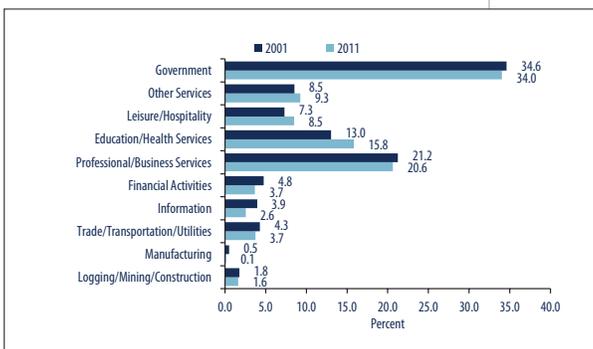
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Figure 3: Payroll Employment



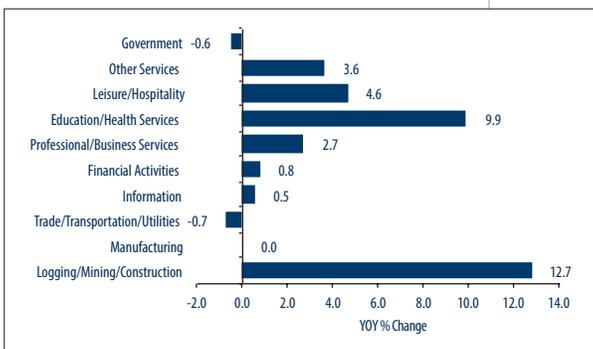
SOURCE: Bureau of Labor Statistics/Haver Analytics

Figure 4: Employment Share by Industry



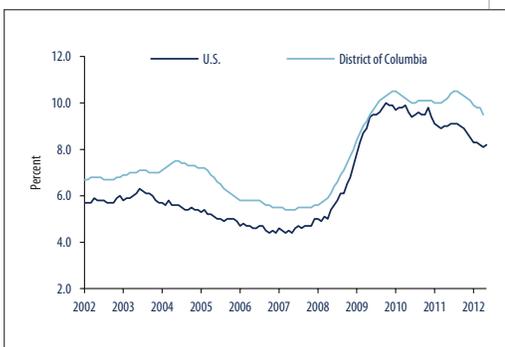
SOURCE: Bureau of Labor Statistics/Haver Analytics

Figure 5: Change in Employment by Industry (December 2011)



SOURCE: Bureau of Labor Statistics/Haver Analytics

Figure 6: Unemployment Rate



SOURCE: Bureau of Labor Statistics/Haver Analytics

Labor Market Conditions

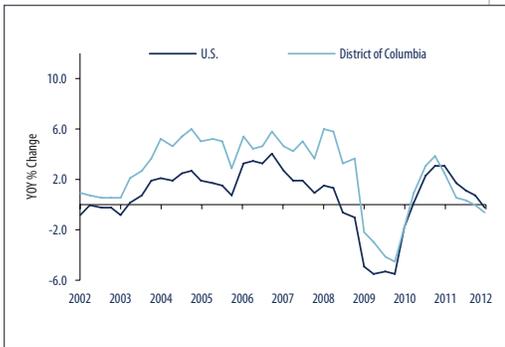
- The 2011 labor market strengthened in D.C., with employment expanding 2.8 percent (20,000 jobs).
- D.C. employment growth not only led the Fifth District, but was also double the national employment growth rate of 1.4 percent.
- Goods-producing industries in D.C. grew 11.7 percent in 2011, although only 1,400 jobs were created. Employment in these sectors continued to rise at a similar pace in 2012 with another 700 jobs added by May.
- Private service-providers contributed by far the most to employment growth in D.C. by expanding 4.4 percent (20,000 jobs) over the year.
- The leader among private service-providers was the education and health services industry with 9.9 percent growth (10,700 jobs) in 2011. Education and health services employment grew every year since 2003.
- Government employment fell 0.6 percent (1,400 jobs) in D.C. in 2011 after rising dramatically the previous two years.

Household Conditions

- The unemployment rate in D.C. remained at 10.1 percent for the second consecutive year in 2011.
- The D.C. unemployment rate was above 10 percent since the middle of 2009. This 29-month period was the longest time that the D.C. unemployment rate spent above 10 percent on record, just passing the 25 months that the rate was above 10 percent in the early 1980's.
- The unemployment rate in the Washington, D.C. MSA, which was already low at 6.1 percent by the end of 2010, fell even further to 5.6 percent in 2011. Jobless rates in the Washington, D.C. metro area have regularly been lower than the District of Columbia's rates and were as low as 3.0 percent in 2006.
- Nominal per capita income in D.C.—which has consistently been far higher than the national average—rose to \$73,105 in 2011, more than 175 percent of the national nominal per capita income of \$41,663.
- Real per capita personal income in the District of Columbia grew 0.9 percent in 2011, well below the national increase of 1.8 percent.

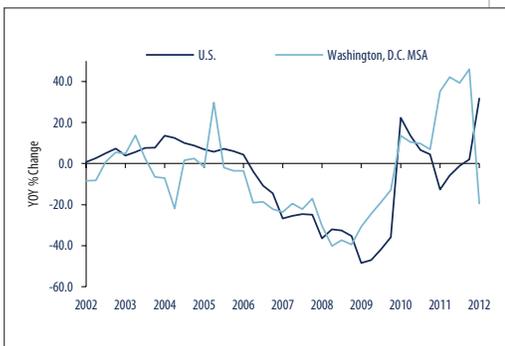
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Figure 7: Real Per Capita Income



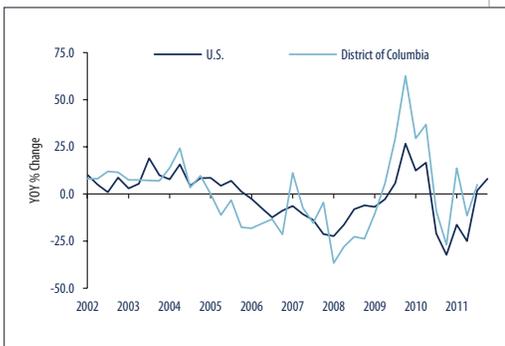
SOURCE: Bureau of Economic Analysis/Haver Analytics

Figure 8: Building Permits Issued (3-month moving average)



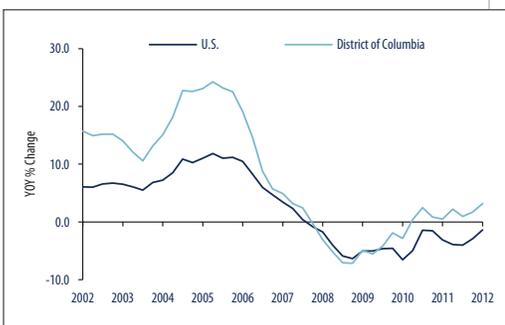
SOURCE: Bureau of Economic Analysis/Haver Analytics

Figure 9: Existing Home Sales



SOURCE: U.S. Census Bureau/Haver Analytics

Figure 10: House Price Index



SOURCE: Federal Housing Finance Agency/Haver Analytics

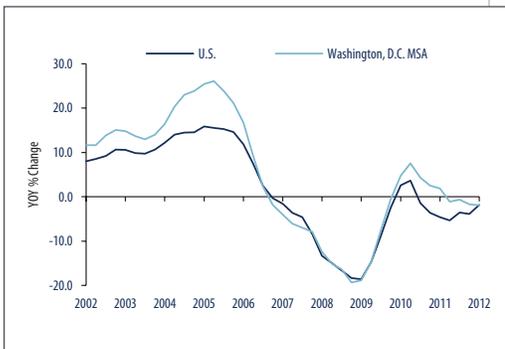
- Since 2000, real per capita income in D.C. grew at an annual rate of 3.3 percent while real per capita income throughout the nation only grew 0.7 percent annually.
- In 2010, the most recent year for which data are available, nominal per capita income was \$57,343 in the Washington, D.C. metro area. This was far below D.C.'s nominal per capita income of \$70,710, which indicates a concentration of wealthier people in D.C. proper.

Real Estate Conditions

- The D.C. real estate market improved dramatically in 2011, with unprecedented levels of new building permits and housing starts.
- The number of D.C. building permits issued in 2011 rose 524.1 percent, increasing from 739 new permits in 2010 to 4,612 in 2011.
- Housing starts followed a similarly prodigious expansion in D.C., growing 458.1 percent to reach 3,795 starts in 2011 from 680 in 2010.
- The previous record numbers of new permits and starts were 2,860 and 2,291, respectively, in 2005.
- D.C. home values continued to rise, increasing 1.7 percent in 2011. The broader Washington, D.C. metro area saw 0.4 percent growth in home prices in 2011.
- The mortgage delinquency rate for borrowers with payments at least 90 days past due increased 0.2 percentage point to 3.0 percent in 2011, though it remained below the national rate of 3.4 percent.
- While the percentage of prime borrowers at least 90 days behind on their mortgage payment in 2011 was approximately the same as the national rate of 2.0 percent, the portion of subprime borrowers at least 90 days behind (12.1 percent) was well above the national rate (9.9 percent).
- D.C. foreclosure starts fell 46.6 percent in 2011 from 3854 new foreclosures in 2010 to 2057 new foreclosures in 2011.
- The foreclosure starts rate in D.C. remained below the U.S. rate since the fourth quarter of 2002. The rates diverged noticeably in recent years.
- The D.C. foreclosure inventory rate in 2011 maintained the 2010 rate of around 3.2 percent.

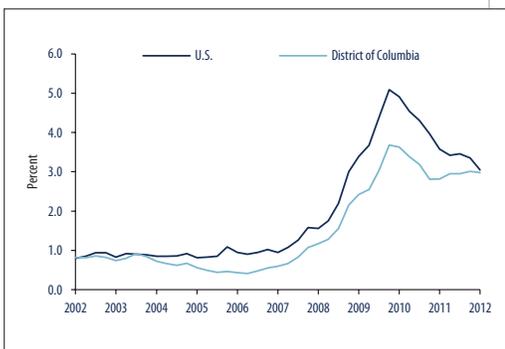
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Figure 11: House Price Index



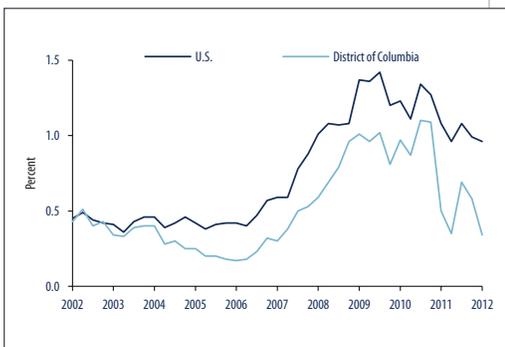
SOURCE: Federal Housing Finance Agency/HAVAR Analytics

Figure 12: 90+ Day Mortgage Delinquency Rate



SOURCE: Mortgage Bankers Association/HAVAR Analytics

Figure 13: Foreclosure Starts Rate



SOURCE: Mortgage Bankers Association/HAVAR Analytics

- The percent of prime borrowers in foreclosure inched up to 2.5 percent while the percent of subprime borrowers fell 1.0 percentage point to 12.4 percent.
- Although the portion of subprime borrowers in foreclosure fell significantly from its peak of 15.4 percent in second quarter 2009, it is nowhere near the pre-recession rate of 1.1 percent.

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