The District of Columbia's economy improved somewhat in 2017, but generally lagged behind the Fifth District and the nation in economic growth. Real gross domestic product grew modestly while real per capita income was virtually unchanged. Payroll employment rose and the unemployment rate edged down, but job growth in D.C. lagged the national average and the jobless rate remained one of the highest in the country. Meanwhile, D.C. continued to report the highest nominal per capita income in the nation and the greater Washington, D.C., metro area generated nearly half a billion dollars in output.

Residential real estate conditions generally improved, with increases in home values and permitting activity and a decline in the foreclosure rate.

**Economic Contribution**

- The District of Columbia had a nominal GDP of $131.0 billion in 2017. This amounted to 0.7 percent of national output and 7.0 percent of Fifth District output.
- D.C. saw real GDP growth of 1.7 percent in 2017, which lagged behind the national and Fifth District growth rates of 2.1 percent and 2.0 percent, respectively.
- The government sector and professional and business services industry made up the largest shares of D.C.'s 2017 real GDP, producing 33.4 percent and 24.5 percent, respectively. Professional and business services saw an expansion of 2.2 percent while the government sector contracted 0.3 percent.
- The sectors with the highest real GDP growth in 2017 were information at 8.9 percent and utilities at 6.2 percent. The transportation and warehousing industry declined the most with a 2.7 percent decrease.
- In the Washington, D.C., metropolitan statistical area, nominal GDP was $509.2 billion in 2016, the most recent year of data available. This accounted for 31.1 percent of output in the Fifth District. Real GDP in the metro area grew 1.1 percent from 2015 to 2016, which lagged behind the national rate of 1.5 percent and Fifth District rate of 1.3 percent.
**Population**

- The District of Columbia’s population was 694 thousand persons in 2017, equal to 2.1 percent of the Fifth District’s population and 0.2 percent of the national population. The population of the greater Washington, D.C., metro area was 6.2 million.
- D.C.’s population grew 1.4 percent in 2017, above both the national and Fifth District growth rates of 0.7 percent and 0.8 percent, respectively.
- Net migration to D.C. was estimated at 5,312 people, with 21.7 percent of migration being domestic and 78.3 percent being international.

**Labor Market Conditions**

- The District of Columbia had 794 thousand workers in December 2017, which accounted for 5.4 percent of the Fifth District’s payroll employment and 0.5 percent of national payroll employment.
- Total nonfarm payroll employment grew in D.C. by 1.0 percent (7,700 jobs) on a year-over-year basis in December 2017, which lagged behind the national rate of 1.5 percent.
- The government sector was the only industry to post a decline in employment in 2017, decreasing by 1.2 percent; however, it remained the largest in D.C., representing 30.4 percent of total employment. Manufacturing, which was the smallest employer in D.C., experienced the highest growth rate in 2017, expanding by 8.3 percent.
- The Washington, D.C., metro area had payroll employment of 3.3 million persons in December 2017 and experienced year-over-year growth of 1.3 percent, equivalent to 42,500 jobs.
Household Conditions

- The District of Columbia’s nominal per capita income was $76,986 in 2017, approximately 1.5 times higher than the national average of $50,392, ranking as the highest in the country.

- Real per capita income in D.C. decreased at a rate of 0.1 percent in 2017. Meanwhile, real per capita income in the Fifth District grew 0.8 percent.

- In 2016, the most recent year of data available, the Washington, D.C., MSA had the highest nominal per capita income in the Fifth District. Real per capita income grew 1.4 percent in the metro area in 2017, which was above the Fifth District average.

- In December 2017, the District of Columbia had an unemployment rate of 5.9 percent, which was the 3rd highest in the nation and was above the national rate of 4.1 percent. The jobless rate declined 0.1 percentage point from the previous year.

- The unemployment rate in the Washington, D.C., MSA was 3.6 percent in December of 2017, declining 0.3 percentage point from December 2016.

- The labor force participation rate in D.C. was 70.1 percent, ranking as the second highest in the nation and above both the national rate of 62.7 percent and the Fifth District rate of 62.8 percent.

- Non-business bankruptcy filings increased to 695 in 2017 from 638 in the previous year.

- On average, 123,289 individuals per month participated in the Supplemental Nutritional Assistance Program in Fiscal Year 2017, 17.8 percent of the D.C. population. This rate was a 1.9 percentage point decline from the previous year.

- In 2016, D.C. had the 5th highest poverty rate in the country, with 16.3 percent of the population living below the poverty level.
Real Estate Conditions

- The District of Columbia issued 6,037 new residential building permits in 2017, which was a 28.7 percent year over year increase in December 2017. Permitting increased 6.2 percent nationally.

- Home values appreciated 7.2 percent in D.C. on a year-over-year basis in the fourth quarter of 2017, while values rose by 6.4 percent across the nation.

- The Washington, D.C., MSA saw an appreciation of home values of 4.3 percent on a year-over-year basis in the fourth quarter of 2017.

- Housing starts in D.C. increased by 14.5 percent, while they increased 2.5 percent nationally.

- D.C.’s share of mortgages with payments more than 90 days past due was 1.1 percent, unchanged from 2016.

- In the fourth quarter of 2017, the share of mortgages in foreclosure was 2.0 percent, above the national rate of 1.2 percent.