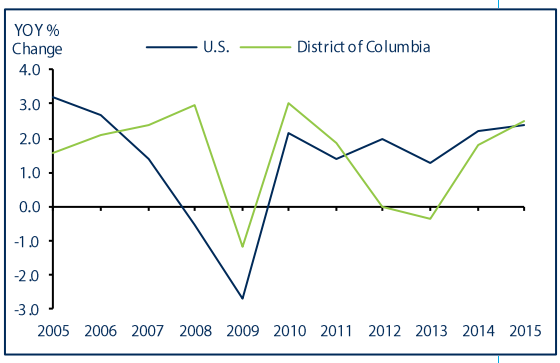
Regional Profiles

Economic Profile – District of Columbia

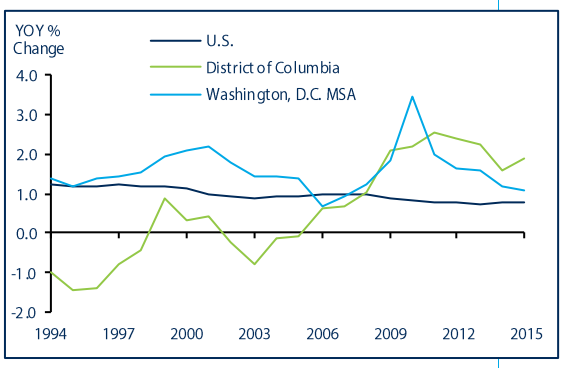
Economic activity in the District of Columbia strengthened in 2015, with growth in both real gross domestic product and real per capita income. Labor market conditions improved, as payroll employment grew and the unemployment rate declined. D.C.'s unemployment rate remains much higher than the national average, though the area continues to do well in measures of productivity and wealth. Conditions in the residential real estate market improved, as the number of new private building permits rose significantly, home values appreciated, and the foreclosure rate fell.

Figure 1: Real GDP



SOURCE: Bureau of Economic Analysis/Haver Analytics

Figure 2: Population



SOURCE: U.S. Census Bureau/Haver Analytics

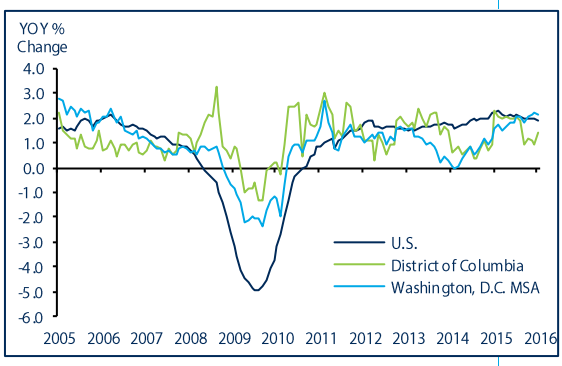
Economic Contribution

- The District of Columbia had a nominal GDP of $122.5 billion in 2015. This accounted for 7.0 percent and 0.7 percent of output in the Fifth District and the nation, respectively.
- D.C.'s real gross domestic product grew 2.5 percent in 2015, which was greater than the 1.9 percent Fifth District rate and national growth rate of 2.4 percent.

- Government and professional and business services accounted for the largest shares of the D.C. economy in 2015, representing 34.5 percent and 23.9 percent of real gross domestic product, respectively. Both industries continued to grow in 2015, with government growing 2.2 percent and professional and business services growing 4.1 percent.
- The information industry reported the greatest expansion in 2015, growing 7.1 percent in real terms. The construction industry, on the other hand, posted the largest decline in output of 3.6 percent.

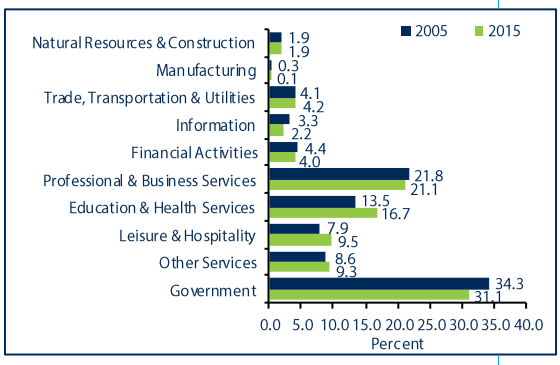
- The Washington, D.C. MSA had a nominal GDP of $471.6 billion in 2014, the most recent year of data available.
- Real GDP in the metro area grew 0.3 percent between 2013 and 2014 and represented 28.7 percent of Fifth District real GDP.

Figure 3: Payroll Employment



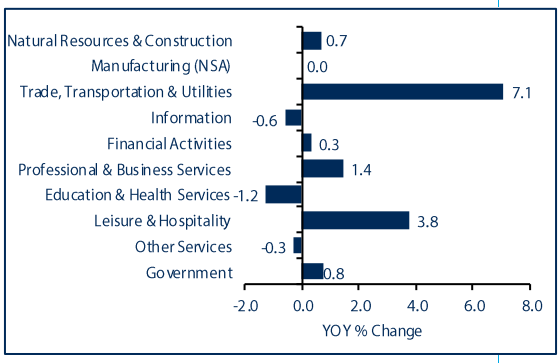
SOURCE: Bureau of Labor Statistics/Haver Analytics

Figure 4: Employment Share by Industry



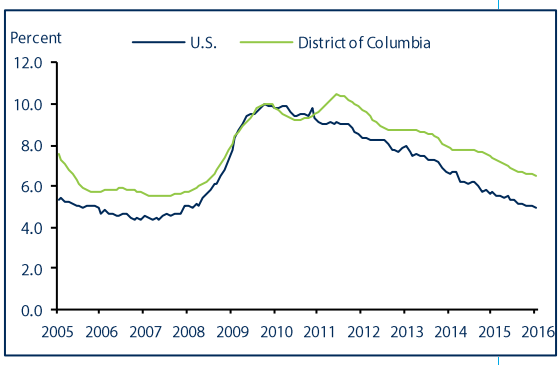
SOURCE: Bureau of Labor Statistics/Haver Analytics

Figure 5: Change in Employment by Industry (Dec 2015)



SOURCE: Bureau of Labor Statistics/Haver Analytics

Figure 6: Unemployment Rate



SOURCE: Bureau of Labor Statistics/Haver Analytics

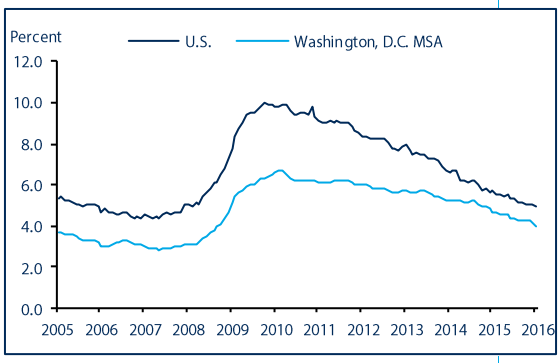
Population

- The District of Columbia had an estimated 672.2 thousand residents in 2015, making up 2.1 percent of the Fifth District population and 0.2 percent of the national population.
- Population in D.C. grew 1.9 percent in 2015, more quickly than either the Fifth District or the nation, which both experienced growth of 0.8 percent. D.C.'s population growth was the third highest in the United States in 2015, behind North Dakota and Colorado.
- The Washington, D.C. MSA had an estimated 6.1 million residents in 2015, growing 1.1 percent from 2014.
- The number of working age residents (between the ages of 16 and 64) grew 1.0 percent between 2013 and 2014, according to the most recent data, while the number of retirement age residents (aged 65 and older) grew 1.9 percent.
- In 2015, D.C.'s net migration was 8,282 people. Of these migrants, 45.0 percent were domestic, while 55.0 percent were international.

Labor Market Conditions

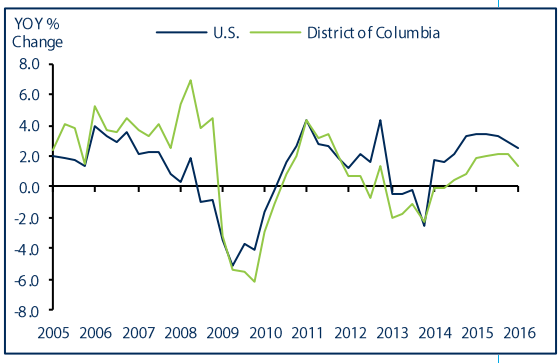
- The District of Columbia had 768.1 thousand workers in December 2015, which accounted for 5.3 percent of Fifth District payroll employment and 0.5 percent of national employment.
- Total nonfarm payroll employment grew 1.0 percent, the equivalent of 7,300 jobs, over the year ending in December 2015.
- Among D.C.'s industries, trade, transportation, and utilities posted the largest year-over-year employment gain of 7.1 percent (2,200 jobs), while education and health services posted the largest year-over-year decline of 1.2 percent (1,600 jobs).
- The government sector remained the largest in the District of Columbia, representing 238,000 jobs or 31.1 percent of total employment, and grew 0.8 percent over the year ending in December 2015.
- Employment in the Washington, D.C. MSA increased 2.2 percent, the equivalent of 68,500 jobs, from December 2014 to December 2015.

Figure 7: Unemployment Rate by Metro Area



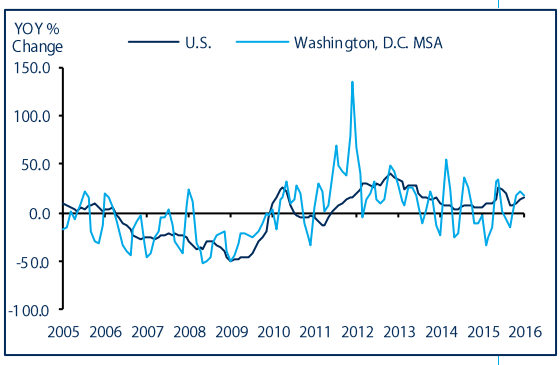
SOURCE: Bureau of Labor Statistics/Haver Analytics

Figure 8: Real Per Capita Income



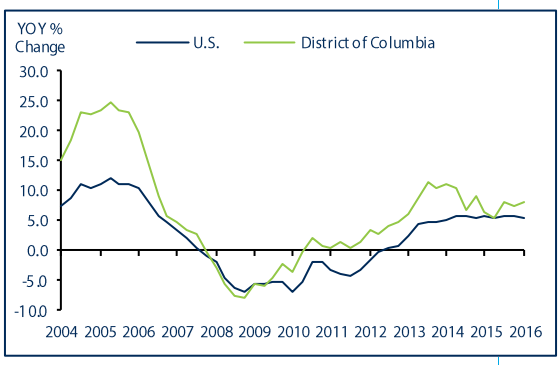
SOURCE: Bureau of Economic Analysis/Haver Analytics

Figure 9: Building Permits Issued



SOURCE: U.S. Census Bureau/Haver Analytics

Figure 10: House Price Index

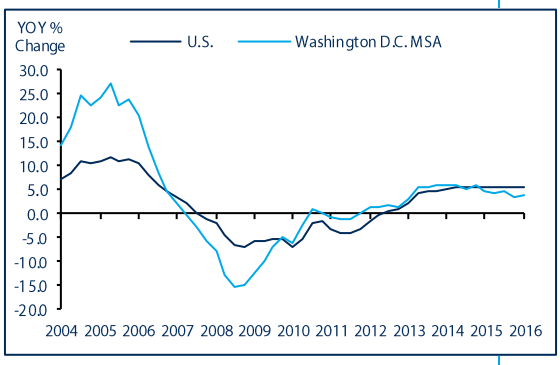


SOURCE: Federal Housing Finance Agency/Haver Analytics

Household Conditions

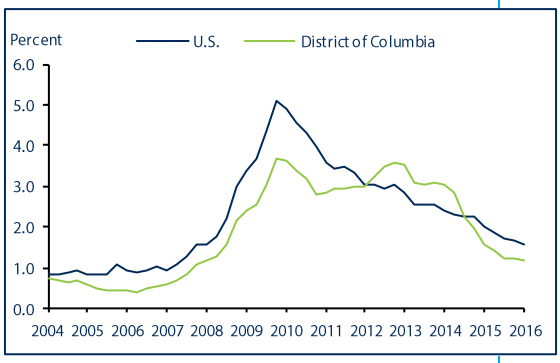
- Total nominal personal income in D.C. was $48.1 billion in 2015. Total real personal income grew 4.1 percent in 2015, slightly outpacing the 4.0 percent national growth rate.
- The District of Columbia's nominal per capita income was $71,496 in 2015, ranking as the highest in the country. The national average for 2015 was $47,669.
- Real per capita income rose 2.1 percent year-over-year in the fourth quarter of 2015, falling short of the national growth of 2.9 percent.
- In 2014, the most recent year of data available, the Washington, D.C. MSA reported the highest nominal per capita income in the Fifth District of $62,975.
- Real median household income in D.C. rose 11.9 percent to $68,277 in 2014, the most recent year of data available.
- The unemployment rate in D.C. fell 0.9 percentage point to 6.6 percent over the year ending in December 2015, remaining above the national rate of 5.0 percent and ranked 2nd highest in the nation.
- The Washington, D.C. MSA posted an unemployment rate of 4.2 percent in December 2015, a year-over-year decline of 0.6 percentage point.
- The labor force participation rate in D.C. fell 0.1 percentage point to 70.0 percent in 2015. This is higher than the national rate of 62.6 percent.
- Non-business bankruptcy filings in D.C. continued to decline in 2015, falling 0.3 percent.
- On average, 141,845 individuals per month participated in the Supplemental Nutrition Assistance Program (SNAP) in D.C. during the 2015 fiscal year, which was 21.1 percent of the state's 2015 population.

Figure 11: Metro Area House Price Index



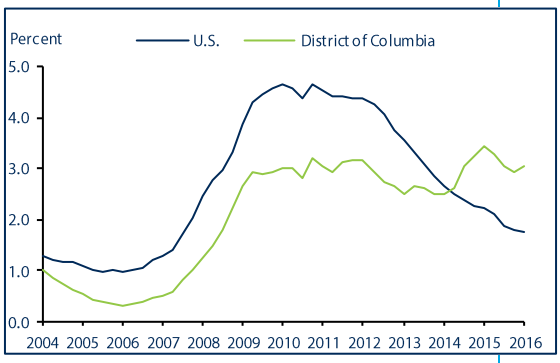
SOURCE: Federal Housing Finance Agency/Haver Analytics

Figure 12: 90+ Day Mortgage Delinquency Rate



SOURCE: Mortgage Bankers Association/Haver Analytics

Figure 13: Foreclosure Inventory Rate



SOURCE: Mortgage Bankers Association/Haver Analytics

Real Estate Conditions

- The District of Columbia issued 4,956 new private building permits in 2015, which was an 18.3 percent increase over 2014 and outpaced national permitting growth of 13.4 percent.
- The Washington, D.C. MSA issued 22,794 new private building permits in 2015, which was a 9.2 percent decrease over 2014.
- The FHFA house price index in D.C. rose 7.4 percent on a year-over-year basis in the fourth quarter of 2015, which was the largest increase among Fifth District jurisdictions.
- Home values in the Washington, D.C. MSA appreciated 3.4 percent on a year-over-year basis in the fourth quarter of 2015.
- Housing starts in D.C. increased 20.2 percent in 2015, which was higher than the national growth of 10.8 percent and the second highest growth in the Fifth District behind West Virginia.
- The 90+ day mortgage delinquency rate in D.C. fell from 2.0 percent in the fourth quarter of 2014 to 1.2 percent in the fourth quarter of 2015.
- In the fourth quarter of 2015, the share of D.C. mortgages in in foreclosure was 2.9 percent, down from 3.2 percent in the fourth quarter of 2014.

Report prepared by Kanitta Kulprathipanja, Regional Research Summer Intern
CONTACT: Michael Stanley DEPARTMENT: Research/Regional
PHONE: 804.697.8437 EMAIL: Michael.Stanley@rich.frb.org

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