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District of Columbia

Annual Labor Market and Economic Analysis Report

2006

Prepared by

**Office of Labor Market Research
and Information**

**District of Columbia Department
of Employment Services**

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Introduction

This report was prepared to aid District of Columbia policy makers, the Workforce Investment Council, and workforce development program managers in the development and administration of workforce development programs. The U.S. Department of Labor, Employment and Training Administration (ETA) provided funding for the development of this report through the Workforce Information Annual Grant. This report is the first annual labor market and economic analysis report to be produced under the ETA Workforce Information Grant. Future annual reports will be released five to six months after the reference year.

Summary

The year 2006 showed encouraging signs on various fronts of the labor market and the economy of the District of Columbia. In 2006, the resident labor force rose by 1,528 to 315,874 as the number of employed District residents increased by 3,057 to 296,957 and the number of unemployed residents declined by 1,529 to 18,917. As a result, the unemployment rate fell 0.5 percent to 6.0 percent. The same movements were evident beginning with the 2005 labor force data¹.

The 2006 population estimate for the District of 581,530 was a slight decrease over the 2005 estimate of 582,049. The estimates show, however, that the working age population increased over the year by 1,682 to 479,396 while the median age of the population was unchanged from 2005 at 35 years of age². The Census Bureau's American Community Survey (ACS) data show that educational attainment of the District's population was above the national percentages especially with regard to college graduates. In 2006, 84.3 percent (up from 83.6 in 2005) of the District's population 25 years and over were high school graduates and 45.9 percent (up from 45.3 in 2005) had a bachelor's degree compared to 84.1 percent and 27 percent, respectively for the nation. The ACS data also show that in 2006 household income in the District was higher for the District than for the nation. In 2006, the median household income in the District was \$51,847 compared to \$48,451 for the nation. On the other hand, the ACS data shows a higher percent of individuals below the poverty level in the District than in the nation, 19.6 percent compared to 13.3 percent.

For the eighth consecutive year, in 2006, wage and salary employment registered an increase over the prior year's level. The number of wage and salary jobs in the District rose by 6,100 or 0.9 percent to 688,300. In 2006, the District continued to evolve as a diversified economy with a decreasing percentage of government jobs and an increasing percentage of private sector jobs. The percent of total wage and salary jobs in the private sector rose from 65.7 percent in 2005 to 66.1 percent in 2006 as the percent of government jobs declined to 33.9 percent. In 2006, federal government employment accounted for 28.1 percent of total jobs, down from 28.4 percent in 2005. The professional and business services sector accounted for 80 percent of the 2006 job gain with an increase of 4,900 jobs³.

In 2006, annual average weekly wages of workers in the District increased 5.1 percent to \$1,349. Nationally, annual average weekly wages rose 4.6 percent in 2006 to \$818⁴.

Thirteen of the top twenty private sector employers in the District in 2006 were either universities or hospitals⁵. Howard University, Georgetown University, George Washington University, Washington Hospital Center, and Children's National Hospital ranked as the top five private sector employers in the District.

¹ U. S. Bureau of Labor Statistics, Local Area Unemployment Statistics

² Population Division, U.S. Census Bureau, Annual Estimates of the Population by Age and Sex for the District of Columbia

³ U. S. Bureau of Labor Statistics, Current Employment Statistics

⁴ U. S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

⁵ D.C. Department of Employment Services, Top 200 Major Employers

In terms of occupations, employment in the District is heavily concentrated in the management, business, financial, and professional and related occupations - not surprising given the high percentage of federal government employment in the District⁶. Based on Bureau of Labor Statistics Occupational Employment Statistics (OES) data, in 2006, jobs in management, business, financial, and professional and related occupations accounted for 54.8 percent of total jobs in the District compared to 28.5 percent nationally. The two occupations with the largest employment in the District in 2006 were lawyers, with an employment level of 28,230, and general and operations managers, with an employment level of 19,690. The OES data for 2006 shows that there was also significant employment among occupations that require only short to moderate-term training.

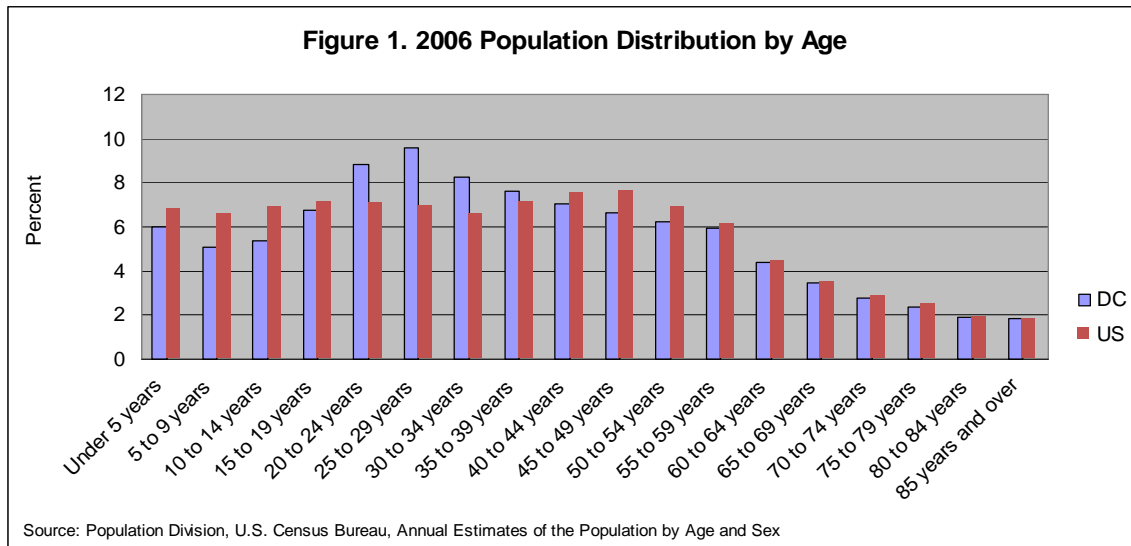
Population Demographics in 2006

The District of Columbia's population has grown by approximately 1.7 percent since 2000 to an estimated 581,530 in 2006, according to the U.S. Census Bureau (table 1). This represents an increase of 9,471 residents. Females accounted for 65 percent of this population growth. The working age population (16 years and older) grew at a rate of 2.3 percent during the period while the number of persons under 16 years of age declined by 1.3 percent as a result of a 2.1 percent drop in this age group in 2006. In 2006, the working age population rose by 0.4 percent. The median age of the population in 2006 was 35.0, unchanged from 2005 and up 0.4 year from 2000. Nationally, the Census Bureau estimates that the median age of the population is 37.8, up 0.2 year from 2005 and 1.2 years from 2000.

Table 1: District of Columbia Population by Age and Sex							
Sex and Age	Population Estimates		Census	Change From		Percent Change From	
	July 1, 2006	July 1, 2005	April 1, 2000	2005	2000	2005	2000
BOTH SEXES	581,530	582,049	572,059	-519	9,471	-0.1	1.7
Under 16 years	102,134	104,335	103,484	-2,201	-1,350	-2.1	-1.3
16 years and over	479,396	477,714	468,575	1,682	10,821	0.4	2.3
Median age (years)	35.0	35.0	34.6	0.0	0.4	0.0	1.2
MALE	272,664	273,000	269,366	-336	3,298	-0.1	1.2
Under 16 years	51,579	52,657	52,171	-1,078	-592	-2.0	-1.1
16 years and over	221,085	220,343	217,195	742	3,890	0.3	1.8
Median age (years)	34.2	34.3	33.7	0.0	0.5	-0.1	1.5
FEMALE	308,866	309,049	302,693	-183	6,173	-0.1	2.0
Under 16 years	50,555	51,678	51,313	-1,123	-758	-2.2	-1.5
16 years and over	258,311	257,371	251,380	940	6,931	0.4	2.8
Median age (years)	35.8	35.7	35.6	0.0	0.2	0.1	0.7
Source: Population Division, U.S. Census Bureau, Annual Estimates of the Population by Age and Sex for the District of Columbia							

⁶ In 2006, management, business, financial, professional and related occupations accounted for 66 percent of federal jobs. See U. S. Bureau of Labor Statistics, Career Guide to Industries 2008 – 09 Edition at <http://www.bls.gov/oco/cg/cgs041.htm#related>

The 2006 population distribution by age (Figure 1) shows that the District has a much larger proportion of the population distributed among the younger working age population than in the nation. This is particularly evident in the 20 – 34 age groups which together account for 26.7 percent of the District’s population compared to 20.6 percent nationally. By contrast, the District’s proportion of the population in the 50 - 64 age groups is 16.6 percent compared to 17.4 percent nationally. This would indicate that baby boomer retirements over the coming years will have less of an impact on the District than is the case nationally.



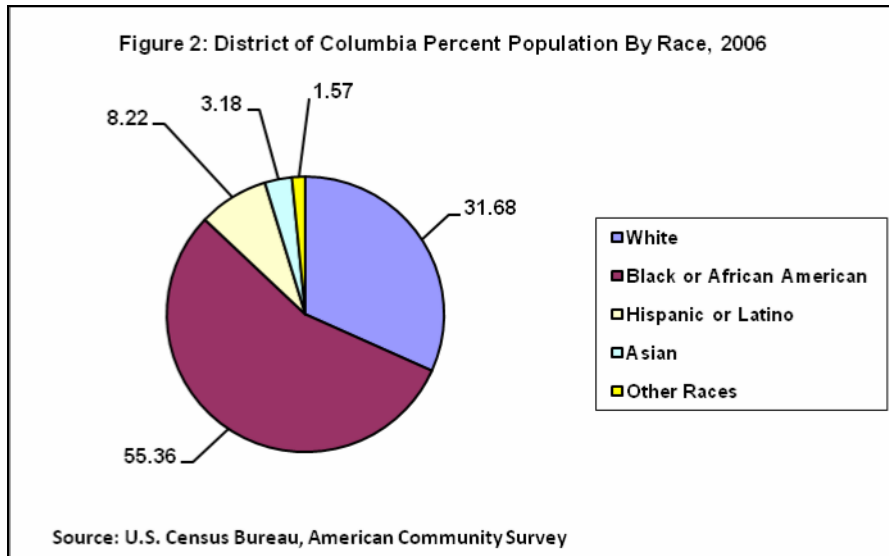
As shown in table 2 and figure 2, African Americans were the largest racial group with 321,922 persons (or 55%), followed by Whites with 184,255 persons (or 34%), then Hispanics or Latinos with 47,774 persons (or 8.2%).

Race*	Population**			Change		Percent Change	
	2006	2005	2000	2005-2006	2000-2006	2005-2006	2000-2006
Total All Races	581,530	582,049	572,059	-519	9,471	-0.09	1.66
White	184,255	179,617	161,260	4,638	22,995	2.58	14.26
Black or African American	321,922	327,313	342,464	-5,391	-20,542	-1.65	-6.00
Hispanic or Latino	47,774	48,341	44,953	-567	2,821	-1.17	6.28
Asian	18,470	17,796	15,402	674	3,068	3.79	19.92
Other Races	9,109	8,982	7,980	127	1,129	1.41	14.15

*Other Races include American Indian and Alaska Native, Native Hawaiian and Pacific Islander, and two or more races
 **The 2000 population is census data and the 2001-2006 are population estimates.
 Source: U.S. Census Bureau, American Community Survey

The African American population in the District has steadily declined over the years. From 2000 to 2006, the African American population has decreased by 6% (20,542 persons) from 342,464 persons to 321,922 persons. At the same time, the White population increased by 14% (22,995 persons), the Asian population increased by nearly 20% (3,068 persons), the Latino population increased by over 6% (2,821 persons), and all

other racial groups increased by just over 14% (1,129). In 2006, the African American and Latino populations declined by 5,391 and 567, respectively while the White, Asian, and Other Races population groups rose by 4,638, 674, and 127, respectively.



The recent demographic shifts may be driven by convenience – e.g., arts and entertainment, restaurants, and reduced commute time - for the affluent moving into the city on one hand, and economics for the lower income moving out of the city as rents and real estate taxes rise, on the other.

Income and Poverty

According to the U.S. Census Bureau, in 2006 the District had a per capita income of \$37,043 which was 147% of the national average of \$25,257. The median household income was \$51,847, and the median income for a family was \$61,105. About 16.3% of families and 19.6% of the population were below the poverty line.

Area	Median Household Income*	Median Family Income*	Per Capita Income*	Families below poverty level	Individuals below poverty level
District of Columbia	\$ 51,847	\$ 61,105	\$ 37,043	16.3%	19.6%
United States	\$ 48,451	\$ 58,526	\$ 25,267	9.8%	13.3%

* In 2006 Inflation Adjusted Dollars
Source: U.S. Census Bureau, 2006 American Community Survey

Educational Attainment

As shown in Table 4, the District has a much more highly educated population than the nation as a whole. In 2006, 45.9 percent of the population 25 year and over in the District were college graduates compared to 27 percent for the nation. The percent of high school graduates in the District, at 84.3, was just slightly above the national average of 84.1 in 2006. In 2006, the percent of college and high school graduates increased by 0.6 and 0.7 percent, respectively in the District while declining slightly in the nation at large. The percent of high school and college graduates in the District’s population rose a

significant 6.5 and 6.8 percentage points, respectively from 2000 to 2006. Nationally the increase was 3.7 and 2.6 percentage points.

Area	Percent High School Graduates			Percent College Graduates		
	2006	2005	2000	2006	2005	2000
District of Columbia	84.3%	83.6%	77.8%	45.9%	45.3%	39.1%
United States	84.1%	84.2%	80.4%	27.0%	27.2%	24.4%

Source: U.S. Census Bureau, 2000 Census, 2005 and 2006 American Community Survey

Rental Housing

As shown in table 5, between 2000 and 2005, the U.S. Department of Housing and Urban Development’s fair market rent for a three-bedroom unit increased by 34%, for two-bedroom unit it increased by 41%, for efficiency and four-bedroom units it increased by 45%, and for one-bedroom unit it increased by 46%⁷.

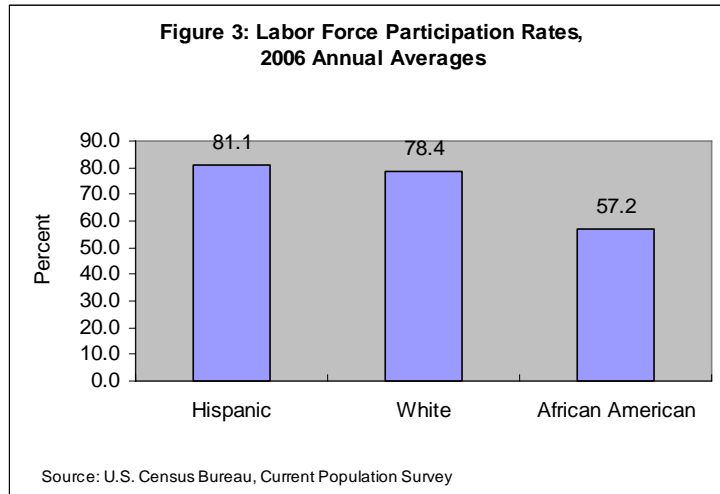
Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
2000	630	716	840	1145	1380
2001	680	773	907	1236	1491
2002	707	804	943	1285	1550
2003	865	984	1154	1573	1897
2004	913	1039	1218	1660	2002
2005	915	1045	1187	1537	2000

Source: U.S. Department of Housing and Urban Development

Labor Force Participation and Unemployment Rates by Demographic Groups

Labor force participation rates (LFPRs) measure the number of citizens employed or looking for employment as a percent of the civilian non-institutional population of 16 years and older. LFPR data help to identify the degree of attachment to the labor force for segments of the population may provide an indication of the potential existence of discouraged workers, or workers that have dropped out of the labor force. As indicated in figure 3, and table 6, Hispanics have the highest LFPRs at 81.1% then Whites (78.4%) and Blacks (57.2%). Overall, males (70.4%) have higher participation rates than females (64.3%); Hispanic males have the highest participation rates with 91% while Black females have the lowest participation rates with 57%.

⁷<http://www.huduser.org/datasets/fmr.html>



In 2006, 52 percent of the individuals in the District’s labor force were women, 49 percent were White, 45 percent were African American, and 10 percent were Hispanic. White males and African American women accounted for the largest percent of persons in the labor force at 25 percent each.

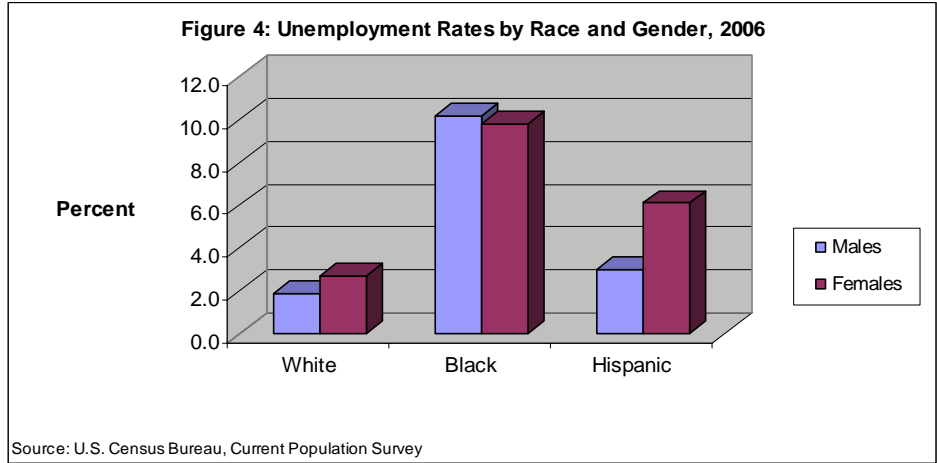
**Table 6: Employment Status of the District of Columbia Civilian Non-Institutional Population By Sex, Race and Hispanic Origin
2006 Annual Averages (in 000's)**

Race & Sex	Civilian Population	Civilian Labor Force		Employment	Unemployment	
		Percent of Population	Number		Number	Rate
Total Pop 16+	434.0	67.1	291.0	274.0	17.0	5.8
Men	200.0	70.4	141.0	133.0	8.0	5.4
Women	234.0	64.3	151.0	141.0	9.0	6.2
White	183.0	78.4	144.0	140.0	3.0	2.3
Men	90.0	81.9	74.0	73.0	1.0	1.9
Women	93.0	75.0	70.0	68.0	2.0	2.7
Black or African Americans	229.0	57.2	131.0	118.0	13.0	10.0
Men	100.0	58.3	58.0	52.0	6.0	10.2
Women	130.0	56.3	73.0	66.0	7.0	9.8
Hispanic	37.0	81.1	30.0	28.0	1.0	4.2
Men	20.0	91.0	18.0	18.0	1.0	3.0
Women	17.0	69.2	12.0	11.0	1.0	6.1

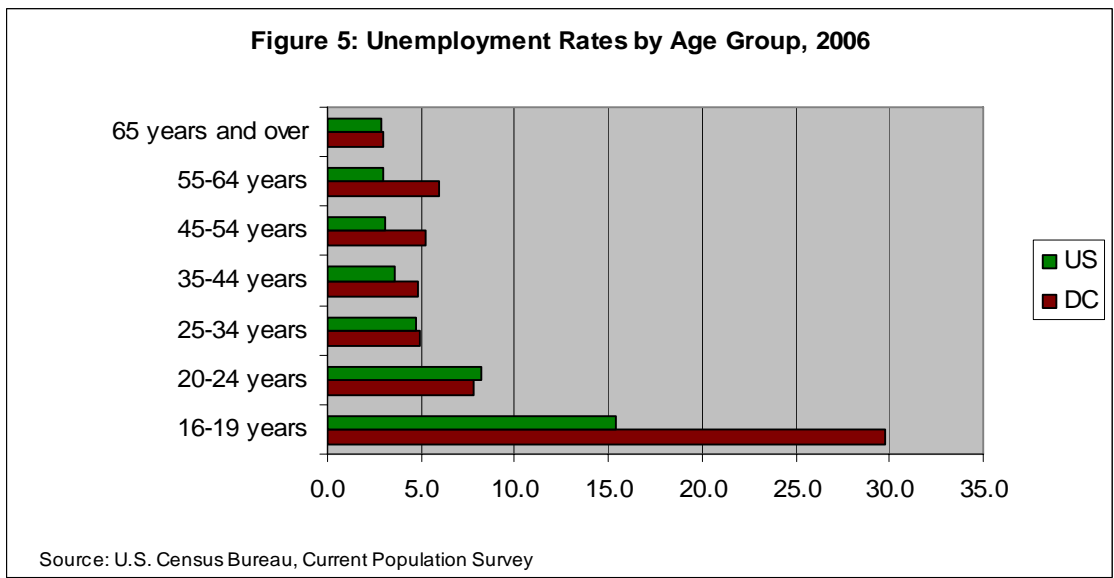
Source: U.S. Census Bureau, Current Population Survey

As shown in figure 4, White males had the lowest unemployment rate, at 1.9, followed by White females, at 2.7 percent, and Hispanic males, at 3.0 percent. At five times the rate for White males, African American men and women had the highest unemployment rates, 10.2 and 9.8 percent, respectively. Nationally in 2006, the rate for African American males was about two and a third times the rate for White males, according to Current

Population Survey data. The unemployment rate for Hispanic women in the District was just above the overall rate at 6.1 percent.



In terms of age groups, generally the groups with the least number of years experience in the labor market have the highest unemployment rates and those with the most number of years, the lowest rates. In the District, 16 – 19 year-olds had the highest unemployment rate at 29.8 percent, almost double the U.S. rate of 15.4 percent for this group. The lowest unemployment rates were for the 65+ age group. The unemployment rate for this group in the District was 3.0 percent, comparable to the U. S. rate of 2.9 percent. The age group with the second highest unemployment rate was the group from 20 – 24 years of age. In the District, this group had a rate of 7.8 percent, 0.4 percent below the national rate of 8.2 percent. The 55 – 64 years age group had the second lowest unemployment rate, nationally, at 3.0 percent. Normally, this is also the age group with the second lowest rate in the District. However, in 2006, the unemployment rate for this group in the District, at 6.0 percent, was the third highest of the age groups due to an unusually high rate for 55 – 64 year old males. In 2005, the unemployment rate for this age group was 3.1 percent⁸, the second lowest unemployment rate among the age groups in the District.



⁸ Source: U.S. Census Bureau, 2005 Current Population Survey

Table 7: Employment Status of the District of Columbia Civilian Non-Institutional Population By Age and Sex 2006 Annual Averages (in 000's)						
Age Group	Civilian Population	Civilian Labor Force		Employment	Unemployment	
		Percent of Population	Number		Number	Rate
16-19 years	21	27.4	6	4	2	29.8
20-24 years	44	64.8	29	27	2	7.8
25-34 years	102	85.3	87	82	4	4.9
35-44 years	76	83.8	65	61	3	4.8
45-54 years	72	79.8	57	54	3	5.2
55-64 years	57	65.7	38	35	2	6.0
65 years and over	60	17.7	11	10	**	3.0
Male						
16-19 years	10	26.7	3	2	1	27.8
20-24 years	21	64.9	14	13	1	6.7
25-34 years	46	89.3	41	39	2	4.3
35-44 years	38	87.9	34	32	1	4.4
45-54 years	34	80.4	27	26	1	4.8
55-64 years	25	67.3	17	15	1	7.4
65 years and over	25	22.2	6	5	**	3.6
Female						
16-19 years	11	28.4	3	2	1	31.8
20-24 years	23	64.7	15	14	1	8.7
25-34 years	56	82	46	43	2	5.4
35-44 years	38	79.7	31	29	2	5.2
45-54 years	38	79.2	30	28	2	5.6
55-64 years	32	64.4	21	20	1	4.9
65 years and over	35	14.5	5	5	**	2.5

Source: U.S. Census Bureau, Current Population Survey

Resident Labor Force, Employment and Unemployment

In 2006, the number of employed District residents increased by 3,057 to 296,957. At the same time, the number of unemployed residents declined by 1,529 to 18,917. As a result, the resident labor force rose by 1,528 to 315, 874 and the unemployment rate fell 0.5 percent to 6.0 percent (see table 8). The same general movements were observed in 2005⁹. Since 2000, the District's labor force has grown by 6,453 persons with the number of employed residents increasing by 5,041 and the number unemployed rising by

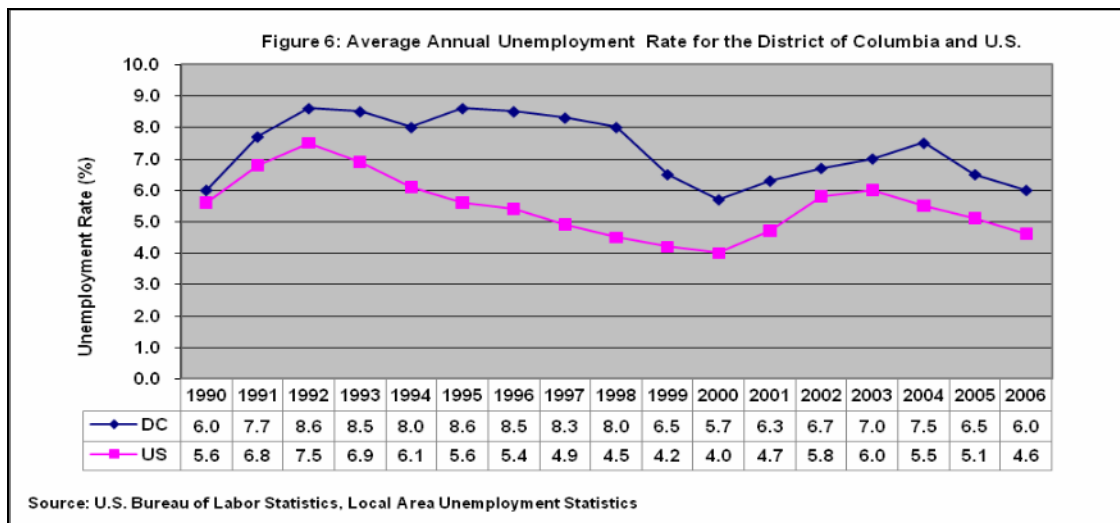
⁹ U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics data for the District of Columbia show a labor force increase of 5,619, an employment increase of 8,333, an unemployment decrease of 2,714, and an unemployment rate drop of 1 percent in 2005 .

1,412 resulting in a 0.3 percent increase in the unemployment rate. In 2006, 27.7 percent of the employed District residents worked outside the District¹⁰.

	2006	2005	2000	Change From	
				2005	2000
Civilian Labor Force	315,874	314,346	309,421	1,528	6,453
Total Employed	296,957	293,900	291,916	3,057	5,041
Total Unemployed	18,917	20,446	17,505	-1,529	1,412
Unemployment Rate	6.0	6.5	5.7	-0.5	0.3

Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

A comparison of the District’s historical unemployment rates with the national rates for the period 1990-2006 (figure 6), show that, with the exception of 1995 and 2004, the District’s unemployment rate followed the national trend, rising to its highest level, at 8.6% in 1992, and falling to its lowest level, at 5.7% in 2000. After 2000, the District’s unemployment rate rose, reaching 7.5% in 2004 before declining to 6.0% in 2006. During the early and mid 90’s, the gap between the U.S. and District rate widened as the District was undergoing a fiscal crisis and employed residents were moving to the suburbs. Following the 2001 recession¹¹, the gap in the rates had narrowed to 1 percent by 2003 as the District was less impacted by the recession.



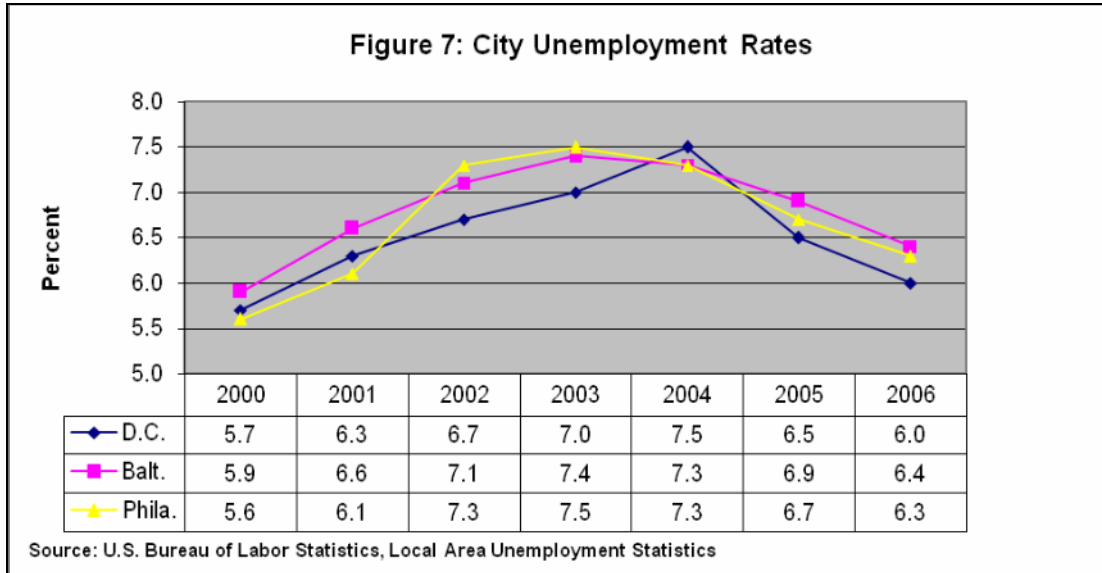
As shown in figure 6, in 2006, the District’s unemployment rate was significantly higher (1.4 percentage points higher) than the U.S. rate. Since the District is the principal city of a larger metropolitan area with much of the workforce living in the suburbs, it is useful to compare the District’s unemployment rate to the central city in other large metropolitan areas. A comparison of the District with the two cities in closest proximity to the District with a population of at least 500,000¹² reveals that in 2006, the District’s unemployment rate, at 6.0 percent, compared favorably to the rates in the other central cities. In 2006, unemployment rates in Baltimore, 6.4 percent, and Philadelphia, 6.3 percent, were both above the District’s rate (figure7). Over the period 2000 to 2006, the difference in the unemployment rates ranged from a low of 0.2 percent to high of 0.5

¹⁰ U.S. Census Bureau, 2006 American Community Survey

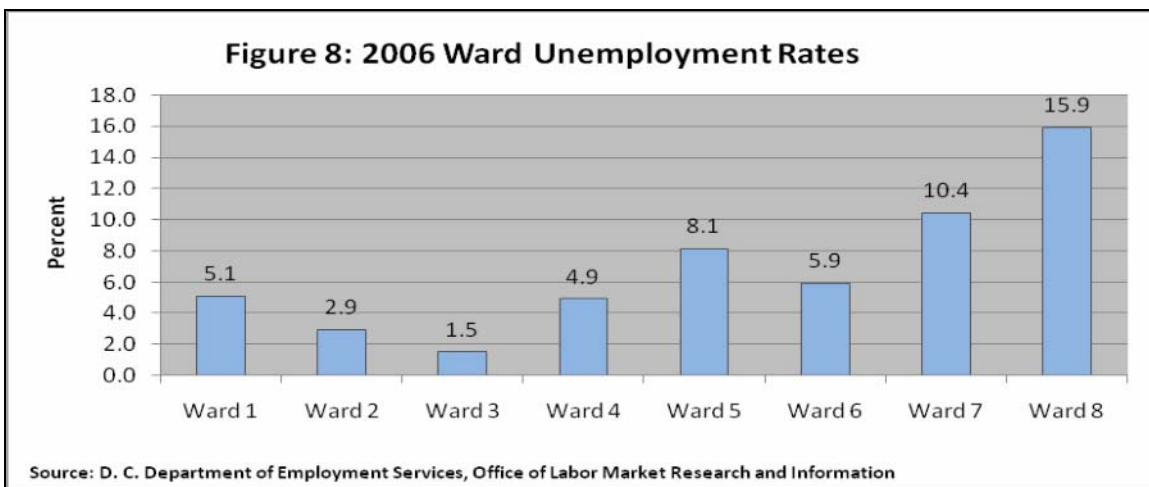
¹¹ <http://www.nber.org/cycles/recessions.html>

¹² Baltimore, MD (population – 631,366) and Philadelphia, PA (population – 1,448,394), U.S. Census Bureau, 2006 American Community Survey

percent. The District had the lowest unemployment rate of the three cities in 4 of the 7 years.



As shown in figure 8, Ward unemployment rates¹³ in the District, ranging from 1.5% in Ward 3 (upper North West) to 15.9% in Ward 8 (East of Anacostia River), reflect the economic disparity that exists across the city related to significant differences in levels of educational attainment¹⁴. In 2006, unemployment rates for Wards 5, 7, and 8 were above the annual average for the District. Wards 7 and 8 had significantly high unemployment rates, at 10.4 and 15.9 percent, respectively. The unemployment rate in Ward 5 was just over two percent higher than the District average at 8.1 percent. The rates for Wards 1, 2, 3, and 4 were below the Districts’ average with Ward 3 and Ward 2 having rates substantially below the U. S. rate. Ward 3 had the lowest unemployment rate, at 1.5 percent, followed by Ward 2, at 2.9 percent, and Ward 4, at 4.9 percent. The unemployment rate in Ward 1 was 5.1 percent while the rate in Ward 6 was just below the District rate at 5.9 percent.



¹³ Developed by the D.C. Department of Employment Services, Office of Labor Market Research and Information using household only labor force data from the 2000 Census.

¹⁴ D.C. Office of Planning, 2000 Educational Level by Ward at <http://planning.dc.gov/planning/cwp/view,a,1282,q,569859.asp> shows that the population in Ward 3 has the highest level of educational attainment, substantially above the educational attainment of the population in Ward 8 which has the lowest level of all the Wards.

Employment by Place of Work

As the core city of a major metropolitan area, a significant number of jobs in the District are held by individuals residing outside the District. In 2006, it is estimated that 70.9 percent of the workers in the District resided in another jurisdiction¹⁵. From 2005 to 2006 non-farm wage and salary employment in the District grew by 6,100 jobs or 0.9 percent to 688,300¹⁶. Table 9 displays 1995 – 2006 total non-farm employment annual estimates for the U.S. and the District of Columbia.

Year	Employment	Over-Year Change	Over-Year % Change	
	D.C.	D.C.	D.C.	U.S.
1995	642,600	-16,100	-2.4	2.6
1996	623,000	-19,600	-3.1	2.1
1997	618,400	-4,600	-0.7	2.6
1998	613,500	-4,900	-0.8	2.6
1999	627,400	13,900	2.3	2.4
2000	650,200	22,800	3.6	2.2
2001	653,700	3,500	0.5	0.0
2002	664,200	10,500	1.6	-1.1
2003	665,500	1,300	0.2	-0.3
2004	674,200	8,700	1.3	1.1
2005	682,200	8,000	1.2	1.7
2006	688,300	6,100	0.9	1.8

* Annual Averages
Source: U.S. Bureau of Labor Statistics, Current Employment Statistics

The data shows decreasing job growth for the District in the 90's and uninterrupted growth from 1999 to 2006. Between 2006 and 1995 non-farm employment grew by 7.1 percent and added 45,700 jobs to the work force. The nation experienced growth rates in non-farm employment of over 2 percent in the 90's through 2000 and then, with the effects of the 2001 recession, slackened substantially through 2003 and started to recover in 2004. By 2006, the U.S. non-farm employment still had not reached the growth rates experienced prior to the recession of 2001.

As shown in table 10 and figure 9, in the District in 2006, government employment made up 34% of the total with employment of over 233,000 workers, more than double the national percentage; federal government alone, with over 193,000 workers, accounted for 28% of total employment. Table 10 shows that private sector employment grew by 1.5 percent in 2006. From 2000 to 2006, private sector employment grew by 6.8 percent. Nationally, private sector employment grew by 2.0 percent in 2006 but by only 2.8 from 2000 to 2006¹⁷.

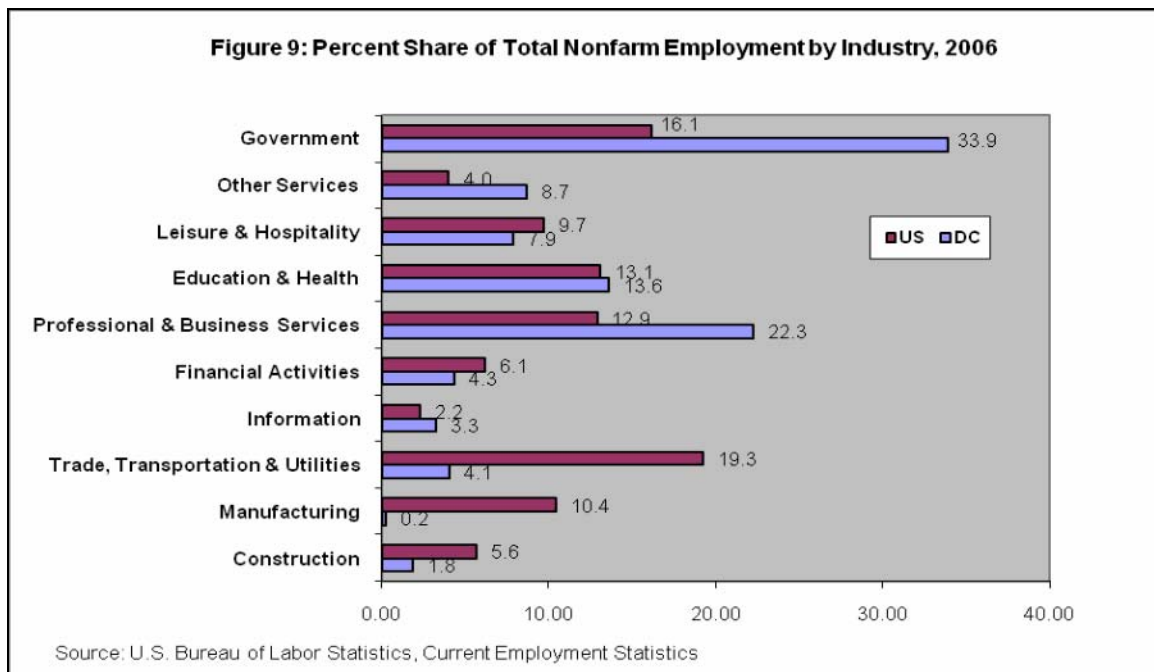
¹⁵ U.S. Census Bureau, 2006 American Community Survey

¹⁶ U.S. Bureau of Labor Statistics, Current Employment Statistics

¹⁷ U.S. Bureau of Labor Statistics, Current Employment Statistics data show private sector employment falling 2.1 percent nationally while rising by 2.0 percent in the District from 2000 to 2003.

Industry	2006	2005	2000	Change 2005 - 2006		Change 2000 - 2006	
				Number	Percent	Number	Percent
				Total Nonfarm	688,300	682,200	650,200
Total Private	455,100	448,500	426,300	6,600	1.5	28,800	6.8
Construction	12,700	12,600	11,200	100	0.8	1,500	13.4
Manufacturing	1,700	2,100	3,700	-400	-19.1	-2,000	-54.1
Trade, Transportation & Utilities	27,900	27,800	29,500	100	0.4	-1,600	-5.4
Information	22,400	22,600	25,300	-200	-0.9	-2,900	-11.5
Financial Activities	29,600	30,200	33,200	-600	-2.0	-3,600	-10.8
Professional & Business Services	153,300	148,400	133,000	4,900	3.3	20,300	15.3
Education & Health	93,600	92,200	91,500	1,400	1.5	2,100	2.3
Leisure & Hospitality	54,100	53,700	47,900	400	0.7	6,200	12.9
Other Services	59,700	59,000	50,700	700	1.2	9,000	17.8
Government	233,200	233,700	223,900	-500	-0.2	9,300	4.2
Federal Government	193,100	193,800	183,600	-700	-0.4	9,500	5.2

*Annual Averages
Source: U.S. Bureau of Labor Statistics, Current Employment Statistics



Private sector growth in 2006 was concentrated in four sectors: professional and business services (+4,900 jobs), educational and health services (+1,400 jobs), other services (+700 jobs), and leisure and hospitality (+400 jobs). Private sector employment was also concentrated in these four industries which together made up over half of the total non-farm employment: professional and business services (22%), educational and health (14%), other services (9%), and leisure and hospitality (8%).

From the 2000 – 2006, the District’s total non-farm employment grew by 38,100 (6%). Three of the top four sectors exhibited substantial growth rates: other services (18%), professional and business services (15%), and leisure and hospitality (13%). This compares to 5%, 5%, and 11%, respectively for the nation. With a high concentration of

employment in hospitals, education and health services grew at a minimal 2% compared to 18% for the nation. Other employment increases were noted in construction (13%) and government (4%) compared to 13% and 6% respectively, for the nation. Losses occurred in manufacturing (-54%), information (-12%), financial activities (-11%), and trade, transportation and utilities (-5%) compared to -18%, -16%, +8%, 0.2%, respectively for the nation (see table10 and figure 10).

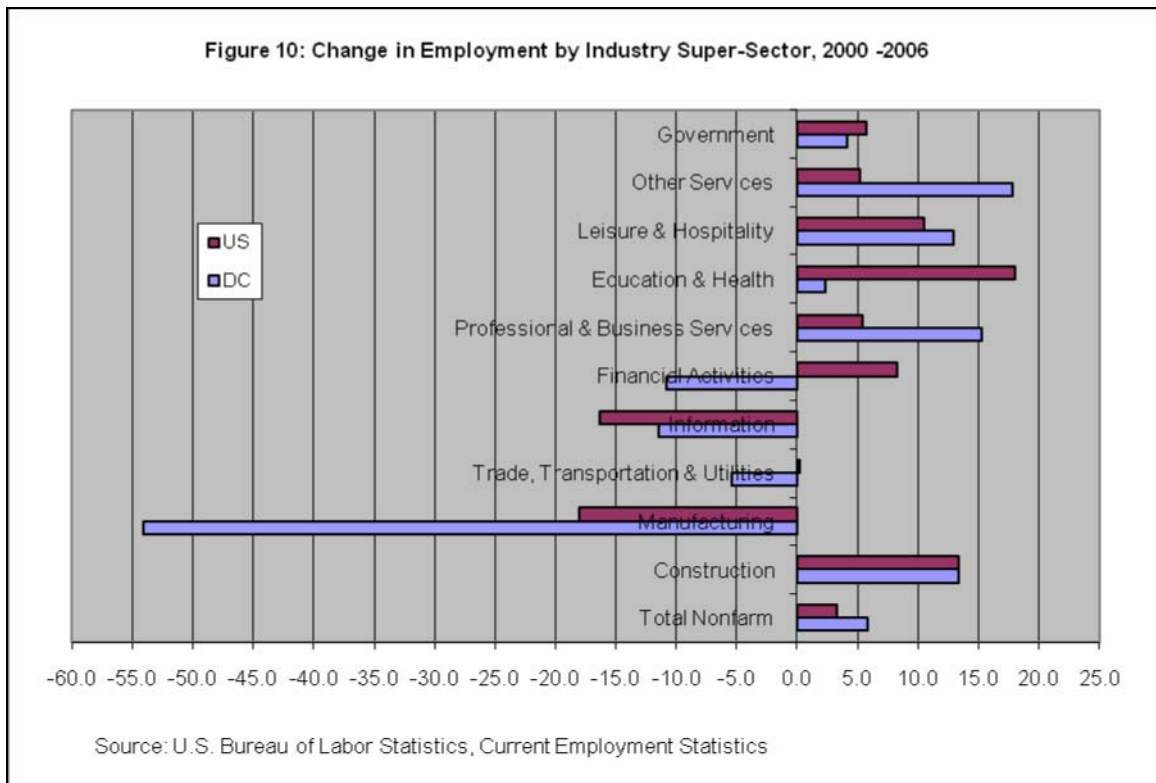
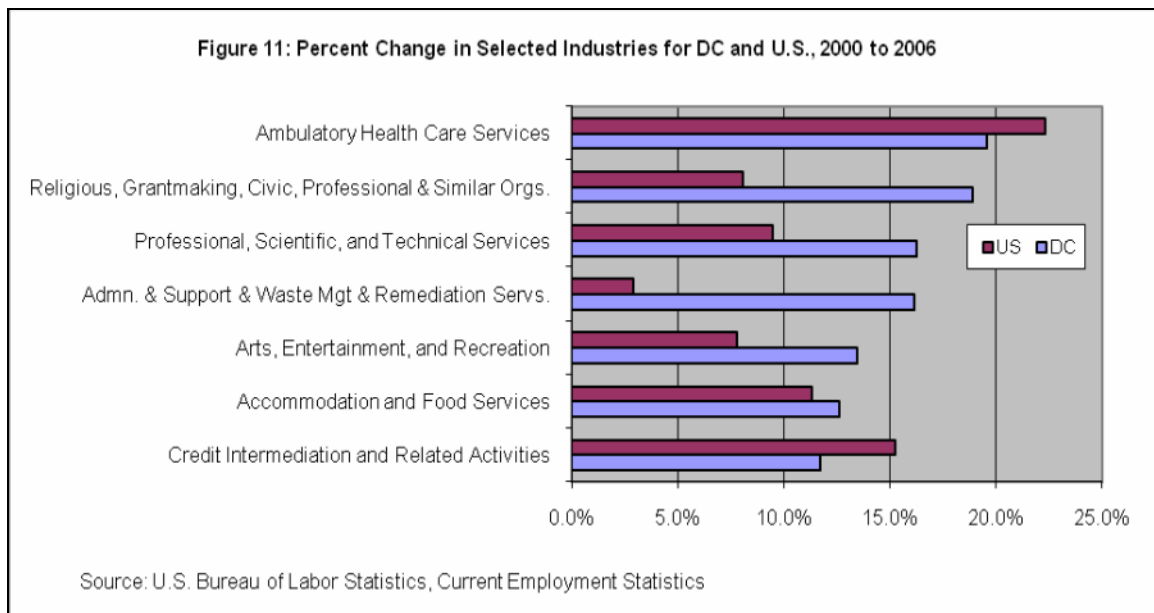


Table 11 and figure 11 shows high-growth sub-sectors that exhibited substantial growth rates (two or more times the District’s overall growth rate) – a fact sometimes obscured by countering movements among other industry components. Except for ambulatory and health care and credit intermediation and related activities, all the other selected sub-sectors had growth rates exceeding the nationwide sub-sector growth rates. Religious, grant making, civic, professional and similar organizations referred to as non-profits, had the highest growth rate at 19% with employment growth over 8,000 compared to a growth rate of 8.1% for the nation; next were administrative support, waste management and remediation services and professional, scientific and technical services with growth rates of 16% and employment growth over 21,000, compared to growth rates of 3% and 10% respectively for the nation; and finally the sub-sectors of leisure and hospitality, arts and entertainment (with a growth rate of 14%) and accommodation and food services (with a growth rate of 13%), and employment growth over 10,000 compared to growth rates of 8% and 11% respectively for the nation. The strong growth rates of leisure and hospitality would indicate the recovery from any residual effects of 9/11 downturns¹⁸, especially in accommodation which includes hotels and motels. Although accommodation had a low growth rate at 3%, this was significantly higher than the -3% for the nation, which would indicate that the District remains a major tourist destination and an attractive major event venue.

¹⁸ U.S. Bureau of Labor Statistics, Current Employment Statistics annual data for 2001 show a loss of 200 jobs in the Leisure and Hospitality sector, primarily due to layoffs during the fourth quarter as a result of 9/11.

Industry sub-sector	District of Columbia			Percent Change	
	2000	2006	Change	DC	US
Credit Intermediation and Related Activities	7,700	8,600	900	11.7	15.3
Professional, Scientific, and Technical Services	88,600	103,000	14,400	16.3	9.5
Admin. & Support & Waste Mgt & Remediation Services	42,100	48,900	6,800	16.2	2.9
Ambulatory Health Care Services	8,700	10,400	1,700	19.5	22.3
Arts, Entertainment, and Recreation	5,200	5,900	700	13.5	7.8
Accommodation and Food Services	42,800	48,200	5,400	12.6	11.3
Food Services and Drinking Places	27,800	32,700	4,900	17.6	14.6
Religious, Grantmaking, Civic, Professional & Similar Orgs.	44,500	52,900	8,400	18.9	8.1

*Annual Averages
Source: U.S. Bureau of Labor Statistics, Current Employment Statistics



Wage and Salary Employment - Top Industry Sectors

Professional and Business Services (NAICS 54 – 56)

The professional and business services super-sector is made up of three sub-sectors: professional, scientific, and technical services sector (NAICS 54), management of companies and enterprises sector (NAICS 55), and administrative and support and waste management and remediation services sector (NAICS 56). Professional and business services make up over one-fifth of the total and over one-third of the private sector non-farm employment in the District.

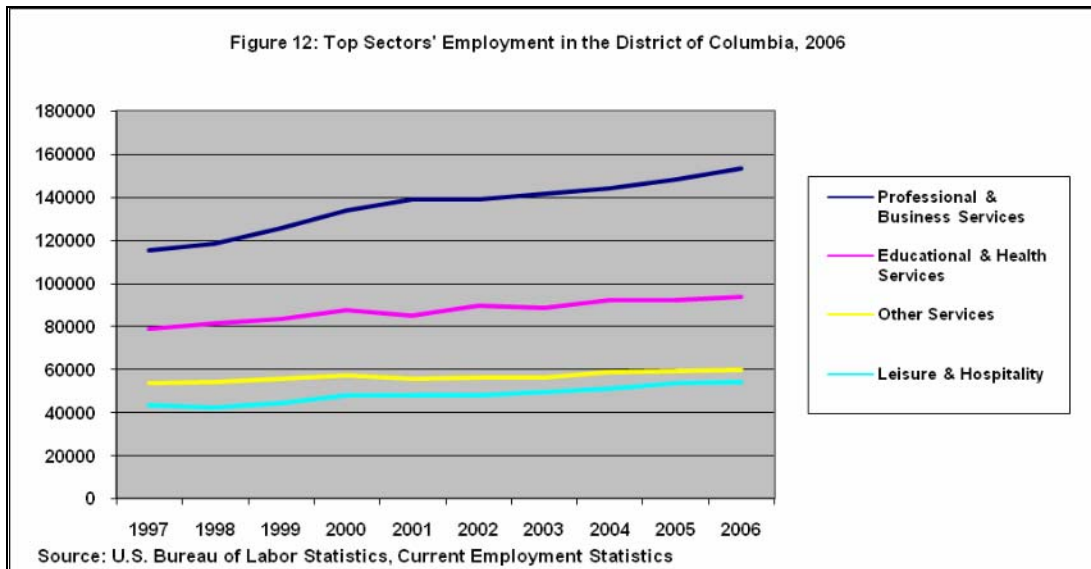
The **professional, scientific, and technical services** sector comprises establishments that specialize in performing professional, scientific, and technical activities for others.

Activities performed include: legal advice and representation; accounting, bookkeeping, and payroll services; architectural, engineering, and specialized design services; computer services; consulting services; research services; advertising services; photographic services; translation and interpretation services; veterinary services; and other professional, scientific, and technical services.

The **management of companies and enterprises** sector comprises (1) establishments that hold the securities of (or other equity interests in) companies and enterprises for the purpose of owning a controlling interest or influencing management decisions or (2) establishments (except government establishments) that administer, oversee, and manage establishments of the company or enterprise and that normally undertake the strategic or organizational planning and decision making role of the company or enterprise.

The **administrative and support and waste management and remediation services** sector comprises establishments performing routine support activities for the day-to-day operations of other organizations. These essential activities are often undertaken in-house by establishments in many sectors of the economy. Activities performed include: office administration, hiring and placing of personnel, document preparation and similar clerical services, solicitation, collection, security and surveillance services, cleaning, and waste disposal services.

Estimates from the Bureau of Labor Statistics, Current Employment Statistics (CES) displayed in figure 12, show that in 2006: average annual employment in professional and business services was 153,300, a new all-time high surpassing the previous high of a year earlier by 3.3 percent. In 1997, annual average employment in professional and business services was 115,600.



The 2006 QCEW data in table 12 show that, in the District of Columbia: professional, scientific, and technical services represents about 14.8 percent of all employment, 20.2 percent of all establishments, and 21.6 percent of the total wage; management of companies and enterprises makes up about 0.2 percent of all employment and all establishments, and 0.6 percent of the total wage; administrative and support and waste management and remediation services is about 6.4 percent of all employment, 5.2 percent of all establishments, and 3.5 percent of the total wage.

	Average	Number of	Total	Average
Industry Sector	Employment	Establishments	Wage	Weekly Wage
Total all industries	670,786	31,823	\$47,048,346,205	\$1,349
Professional, Scientific & Technical Services	99,512	6,412	\$10,160,938,548	\$1,964
Management of Companies & Enterprises	1,358	72	\$282,741,088	\$4,005
Admin. Support & Remediation Services	43,040	1,642	\$1,629,927,941	\$728
Educational Services	36,246	457	\$1,635,211,253	\$868
Health Care & Social Assistance	50,423	1,900	\$2,600,982,015	\$992
Arts and Entertainment	5,895	286	\$328,545,393	\$1,072
Accommodation and Food Service	48,178	1,855	\$1,271,965,220	\$508
Other Services, Except Public Administration	56,428	7,833	\$3,587,477,347	\$1,223

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Educational and Health Services (NAICS 61 – 62)

The education and health services super-sector is made up of two parts: the educational services sector (sector 61), and the health care and social assistance sector (sector 62). Only privately-owned establishments are included in this discussion; publicly-owned establishments that provide education or health services are included in government. In 2006, thirteen of the top twenty employers in the District were either universities or hospitals (see table 18).

The **educational services** sector comprises establishments that provide instruction and training in a wide variety of subjects. This instruction and training is provided by specialized establishments, such as schools, colleges, universities, and training centers.

The **health care and social assistance** sector comprises establishments providing health care and social assistance for individuals. The industries in this sector are arranged on a continuum starting with those establishments providing medical care exclusively, continuing with those providing health care and social assistance, and finally finishing with those providing only social assistance.

The 2006 CES data show that, average annual employment in educational and health services was 93,600, a new all-time high surpassing employment level of 92,200 for 2004 and 2005 by 1.5 percent. In 1997, annual average employment in educational and health services was 79,100 (see figure 12).

Data from the 2006 QCEW in table 12, show that in the District of Columbia: educational services represent about 5.4 percent of all employment, 1.4 percent of all establishments, and 3.5 percent of the total wage; health care and social assistance makes up about 7.5 percent of all employment, 6.0 percent of all establishments, and 5.5 percent of the total wage.

Leisure and Hospitality (NAICS 71 – 72)

The leisure and hospitality super-sector is made up of two parts: the arts, entertainment, and recreation sector (sector 71), and the accommodation and food services sector (sector 72).

The **arts, entertainment, and recreation** sector includes a wide range of establishments that operate facilities or provide services to meet varied cultural, entertainment, and recreational interests of their patrons. This sector comprises (1) establishments that are involved in producing, promoting, or participating in live performances, events, or exhibits intended for public viewing; (2) establishments that preserve and exhibit objects and sites of historical, cultural, or educational interest; and (3) establishments that operate facilities or provide services that enable patrons to participate in recreational activities or pursue amusement, hobby, and leisure-time interests.

The **accommodation and food services** sector comprises establishments providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption. The sector includes both accommodation and food services establishments because the two activities are often combined at the same establishment.

The 2006 CES estimates displayed in figure 12 show that, average annual employment in leisure and hospitality was 54,100, a new all-time high surpassing the previous high of a year earlier by 0.74 percent. In 1997, annual average employment in educational and health services was 43,400.

Data from the 2006 QCEW in table 12, show that in the District of Columbia: arts and entertainment represent about 0.9 percent of all employment and establishments, and 0.7 percent of the total wage; accommodation and food service makes up about 7.2 percent of all employment, 5.8 percent of all establishments, and 2.7 percent of the total wage.

Other Services (NAICS 81)

The other services sector comprises establishments engaged in providing services not specifically provided for elsewhere in the North American Industry Classification System. Establishments in this sector are primarily engaged in activities, such as equipment and machinery repairing, promoting or administering religious activities, grant-making, advocacy, and providing dry-cleaning and laundry services, personal care services, death care services, pet care services, photofinishing services, temporary parking services, and dating services.

The 2006 CES estimates displayed in figure 12 show that, average annual employment in other services sector was 59,700, a new all-time high surpassing the previous high of a year earlier by 1.2 percent. In 1997, annual average employment in educational and health services was 53,800.

Data from the 2006 QCEW shown in table 12 indicate that in the District of Columbia: other services represent about 8.4 percent of all employment, 24.6 percent of all establishments, and 7.6 percent of the total wage.

Occupational Employment

As shown in table 13, occupational employment is heavily concentrated in the management, business, financial, and professional and related occupations which accounted for 55 percent of District wage and salary employment in 2006, well above the 28 percent for the nation. This is not surprising given the high concentration of federal government employment in the District. Management, business, financial, and professional and related occupations accounted for 66 percent of all Federal government

employment in 2006¹⁹. Within this grouping of occupations, business and financial occupations had the largest employment, accounting for 11.5 percent of total employment followed by management occupations, at 10.5 percent, legal occupations, at 6.2 percent, and computer and mathematical occupations, at 5.5 percent. These four occupational groups together accounted for a third of total employment while nationally; they were responsible for only 12 percent of total employment. The legal and management occupational groups had the two highest average annual wages in 2006²⁰. The single occupational group with the largest number of employees, in the District and nationally, was office and administrative support which accounted for 17.1 percent of total employment with over 104,000 jobs. Sales and related occupations had the second largest number of jobs in the nation, accounting for 10.6 percent of total employment. The percentage of sales jobs in the District was 4.6, less than half the national percentage.

Occupation (SOC code)	Employment	Percent of Total Employment	
	DC	DC	US
Total, all Occupations(000000)	609,400	100.0	100.0
Management Occupations(110000)	64,190	10.5	4.4
Business and Financial Operations Occupations(130000)	69,820	11.5	4.4
Computer and Mathematical Occupations(150000)	33,710	5.5	2.3
Architecture and Engineering Occupations(170000)	11,820	1.9	1.8
Life, Physical, and Social Science Occupations(190000)	23,360	3.8	0.9
Community and Social Services Occupations(210000)	8,420	1.4	1.3
Legal Occupations(230000)	37,520	6.2	0.7
Education, Training, and Library Occupations(250000)	32,220	5.3	6.2
Arts, Design, Entertainment, Sports, and Media Occupations(270000)	27,950	4.6	1.3
Healthcare Practitioner and Technical Occupations(290000)	25,040	4.1	5.1
Healthcare Support Occupations(310000)	7,420	1.2	2.6
Protective Service Occupations(330000)	22,630	3.7	2.3
Food Preparation and Serving Related Occupations(350000)	40,530	6.7	8.3
Building and Grounds Cleaning and Maintenance Occupations(370000)	24,230	4.0	3.3
Personal Care and Service Occupations(390000)	8,330	1.4	2.5
Sales and Related Occupations(410000)	28,110	4.6	10.6
Office and Administrative Support Occupations(430000)	104,340	17.1	17.4
Farming, Fishing, and Forestry Occupations(450000)	-	0.0	0.3
Construction and Extraction Occupations(470000)	11,510	1.9	5.0
Installation, Maintenance, and Repair Occupations(490000)	8,100	1.3	4.0
Production Occupations(510000)	6,770	1.1	7.7
Transportation and Material Moving Occupations(530000)	13,290	2.2	7.3

Source: Bureau of Labor Statistics, Occupational Employment Statistics (OES), May 2006

Table 14 lists the top 30 occupations in the District based on employment. These occupations accounted for 43 percent of employment in 2006. The list contains a mix of high wage /high skill and low wage/low skill occupations. As shown in table 14, in 2006, the single largest occupation in the District, with employment of 28,230, was lawyers, followed by general and operations managers, with employment of 19,690. While these two occupations had combined average wages in excess of double the District average,

¹⁹ U. S. Bureau of Labor Statistics, Career Guide to Industries 2008 – 09 Edition at <http://www.bls.gov/oco/cg/cgs041.htm#related>

²⁰ U. S. Bureau of Labor Statistics, May 2006 OES State Occupational Employment and Wages, District of Columbia

the next two largest occupations, janitors and cleaners and general office clerks, with employment of 16,500 and 14,480, respectively, had combined average wages of less than half the District average of \$61,500²¹.

Table 14: 2006 Top 30 Occupations in The District of Columbia*		
Occupation	Average Annual Employment	Average Annual Wage
Lawyers	28,230	\$ 138,850
General and operations managers	19,690	\$ 117,210
Janitors and cleaners, except maids and housekeeping cleaners	16,500	\$ 22,960
Office clerks, general	14,480	\$ 31,080
Secretaries, except legal, medical, and executive	13,900	\$ 40,000
Management analysts	12,860	\$ 75,280
Accountants and auditors	11,200	\$ 68,720
Security guards	10,200	\$ 27,930
Executive secretaries and administrative assistants	9,710	\$ 46,430
Public relations specialists	9,450	\$ 84,330
Waiters and waitresses	9,150	\$ 21,000
Registered nurses	7,930	\$ 63,120
Legal secretaries	7,120	\$ 57,300
Cashiers	6,790	\$ 21,270
Paralegals and legal assistants	6,740	\$ 54,410
Retail salespersons	6,650	\$ 24,010
Administrative services managers	6,080	\$ 75,500
Customer service representatives	5,700	\$ 35,050
Bookkeeping, accounting, and auditing clerks	5,400	\$ 39,740
Food preparation workers	5,360	\$ 20,750
Combined food preparation and serving workers, including fast food	5,320	\$ 20,110
First-line supervisors/mgrs. of office and admin. support workers	5,140	\$ 61,550
Financial managers	5,020	\$ 109,930
Receptionists and information clerks	4,930	\$ 28,450
Maids and housekeeping cleaners	4,910	\$ 26,380
Computer support specialists	4,280	\$ 49,970
Computer systems analysts	4,260	\$ 75,540
Maintenance and repair workers, general	4,130	\$ 37,850
Network and computer systems administrators	4,120	\$ 71,580
Economists	3,820	\$ 97,270
* Ranked by employment size. Excludes "all other" occupations.		
Source: U.S. Bureau of Labor Statistics, Occupational Employment Statistics (OES), May 2006		

Table 13 shows the May 2006 Bureau of Labor Statistics, Occupational Employment Statistics (OES) top-five occupations by employment level within each of the industry sectors. Also listed is the average annual wage of the occupations specific to that particular industry. Therefore, the same occupation appearing under different industries will likely show a different wage in each industry.

²¹ U. S. Bureau of Labor Statistics, May 2006 OES State Occupational Employment and Wages, District of Columbia

Table 13: Top Five Occupations Within Industries, May 2006		
	Average	Average
	Annual	Annual
Industry/Occupations	Employment	Wage
Construction		
Construction laborers	2,030	\$29,743
Carpenters	1,400	\$48,817
Electricians	1,290	\$55,396
First-line supervisors/managers of construction trades & extraction workers	670	\$64,987
Plumbers, pipefitters, and steamfitters	430	\$52,100
Manufacturing		
Sales representatives, wholesale & manufacturing, exc. technical and scientific	150	\$49,145
Truck drivers, light or delivery services	70	\$33,984
General and operations managers	60	\$90,921
Office clerks, general	60	\$35,279
Customer service representatives	30	\$45,418
Trade, Transportation and Utilities		
Retail salespersons	5,590	\$24,075
Cashiers	4,190	\$20,638
First-line supervisors/managers of retail sales workers	1,560	\$41,582
Counter and rental clerks	760	\$23,104
Sales representatives, wholesale & manufacturing, exc. technical and scientific	670	\$46,341
Information		
Editors	2,160	\$58,200
Reporters and correspondents	1,940	\$59,313
Advertising sales agents	720	\$69,246
General and operations managers	700	\$110,398
Producers and directors	640	\$76,308
Financial Activities		
Customer service representatives	1,630	\$34,502
Maintenance and repair workers, general	1,390	\$33,404
Securities, commodities & financial services sales agents	1,230	\$93,313
Tellers	1,200	\$25,163
Janitors and cleaners, except maids and housekeeping cleaners	1,060	\$23,357
Professional & Business Services		
Lawyers	15,610	\$153,900
Janitors and cleaners except maids and housekeeping cleaners	10,970	\$21,886
Security guards	6,500	\$26,525
Legal secretaries	6,300	\$58,625
Paralegals and legal assistants	4,010	\$51,148
Educational and Health Services		
Registered nurses	5,960	\$61,198
Elementary School Teachers, Except Special education	3,780	\$100,468
Nursing aides orderlies and attendants	2,690	\$25,624
Licensed practical and licensed vocational nurses	1,410	\$47,710
Business teachers postsecondary	1,260	\$70,880
Leisure and Hospitality		
Waiters and waitresses	8,450	\$20,798
Combined food preparation and serving workers including fast food	4,470	\$19,547
Food preparation workers	4,400	\$20,184
Cooks restaurant	3,260	\$26,051

Maids and housekeeping cleaners	3,170	\$27,576
Table 13: Top Five Occupations Within Industries, May 2006		
	Average	Average
	Annual	Annual
Industry/Occupations	Employment	Wage
Other Services		
General and operations managers	4,050	\$122,479
Public relations specialists	3,210	\$78,913
Office clerks general	3,190	\$32,690
Secretaries except legal medical and executive	3,100	\$37,853
Executive secretaries and administrative assistants	2,070	\$50,618
Government		
Business operations specialists, all other	17,800	***
Lawyers	10,870	***
Managers, all other	10,160	***
Management analysts	7,920	***
General and operations managers	7,240	***
*** Data not available or Suppressed		
Source: U.S. Bureau of Labor Statistics, Occupational Employment Statistics (OES), May 2006		

Top-Twenty Private Sector Employers

Table 14 lists the top twenty private sector employers in the District in 2006. Thirteen of the top twenty employers listed were either universities or hospitals, including Howard University, Georgetown University, George Washington University, Washington Hospital Center, and Children's National Hospital which ranked as the top five private employers in the District.

Table 14: 2006 Top 20 Employers in the District of Columbia*
Employer
Howard University
Georgetown University
George Washington University
Washington Hospital Center
Children's National Hospital
Fannie Mae
Georgetown University Hospital
American University
Howard University Hospital
Providence Hospital
The Catholic University of America
The Washington Post Newspaper
Marriott Hotel Services, Inc.
Corporate Executive Board (Advisory Board)
Sibley Memorial Hospital
The George Washington University Hospital
American National Red Cross
National Rehabilitation Hospital
Safeway, Inc.
Gallaudet University
*Ranking by size of workforce. Source: D. C. Department of Employment Services, Office of Labor Market Research and Information.

Wage Earnings by Industries

Table 15 shows the 2006 QCEW average weekly earnings data. What is apparent in table 15 is that average earnings for the major sectors in the District were well above the national averages. The top three highest paying sectors were management of companies and enterprises (\$4,005), finance and insurance (\$2,397), and professional and technical services (\$1,964) compared to \$1,708, \$1,511, and \$1,317 respectively for the nation. The professional and technical services sector - which includes legal services, accounting and bookkeeping, management and technical consulting, scientific research and development services, and advertising - paid more in wages than any other sector, paying 21.6 percent of all wages in the District in 2006. This was almost three times as much as the second largest and four times as much as the third largest contributor to wages in the District, other services excluding public administration and health services, which accounted for 7.63% and 5.53% of all wages, respectively.

Industry	Average Weekly Wage		Percent Share of Total Wage	
	DC	US	DC	US
Total	\$1,349	\$818		
Mgt of Companies & Enterprises	\$4,005	\$1,708	0.60	2.79
Finance & Insurance	\$2,397	\$1,511	4.32	8.29
Professional & Technical Services	\$1,964	\$1,317	21.60	8.89
Information	\$1,763	\$1,269	4.33	3.52
Retail Trade	\$1,616	\$1,116	0.84	6.00
Utilities	\$1,607	\$1,507	0.43	0.75
Government	\$1,522	\$830	38.77	16.02
Manufacturing	\$1,504	\$989	0.29	12.75
Real Estate & Rental & Leasing	\$1,300	\$807	1.53	1.59
Other Services, Except Public Admn.	\$1,223	\$518	7.63	2.06
Arts, Entertainment & Recreation	\$1,072	\$576	0.70	1.00
Construction	\$1,006	\$856	1.40	5.94
Health & Social Services	\$992	\$756	5.53	10.15
Educational Services	\$868	\$728	3.48	1.47
Transportation & Warehousing	\$793	\$786	0.23	3.02
Administrative & Waste Services	\$728	\$564	3.46	4.27
Wholesale Trade	\$561	\$492	1.11	6.90
Accommodation & Food Services	\$508	\$302	2.70	3.07

Source: Bureau of Labor Statistics, Quarterly Census of Employment & Wages