



District of Columbia Economic and Revenue Trends: January 2014

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Jobs serving DC residents and tourists are a growing share of DC's private sector

Retail, hospitality, and personal services grew by 24% (21,125) from 2004 to 2012; the rest of the private sector grew by 10%.

According to the US Census Bureau total employment (including self-employed and proprietors) in service sectors devoted to serving DC residents and tourists increased from 87,409 in 2004 to 108,534 in 2012, an increase of 21,125 (24.2%). These services—retail, hospitality, and personal services—accounted for 32.9% of all net private sector job gains over the 8-years, an increase which raised their share of all private sector jobs to 18.8% by 2012. More than 60% of the service employment gains were in food and beverage establishments.

Growing demand from additional people and tourists clearly have contributed to service sector growth. From 2004 to 2012, the number of households in DC rose by 26,150 (10.4%), while the daily average number of occupied hotel rooms grew by 1,740 (9.2%). (Hotels are included because a room occupied for 365 days can be viewed as equivalent to a household, defined by Census as an occupied housing unit. The hotel room is, however, like a higher income household: a daily rate of \$200 translates into an annual cost of \$73,000 just for a place to stay.)

Other factors are also at work. For example, the 40% gain in food services employment is much greater than the percent increase in households and tourism. Furthermore, from 2004 to 2007 every new household or filled hotel room was associated with an increase of 1.67 new service jobs. During the recession, as the pace of population growth picked up, this ratio fell to only about a quarter of that (0.46), rising to 0.67 for every new household or filled hotel room during the 2009 to 2012 recovery period. Changes in technology, such as (Cont'd p. 17.)

Change in (1) number DC service jobs for DC residents and tourists, and (2) number of DC households and average number of tourists each day: 2004 to 2012 (calendar years)

