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## **Budget Oversight Hearing**

### **Deputy Mayor for Planning and Economic Development**

Committee on Human Services, Chairperson Frumin

April 24, 2026, 9:00 AM

Testimony of Daniel Burge

Director of Alice M. Rivlin Initiative for Economic Policy &  
Competitiveness at the D.C. Policy Center

Good morning, Chairperson Frumin and members of the Committee. Thank you for the opportunity to testify. My name is Daniel Burge. I am the Director of the Alice M. Rivlin Initiative for Economic Policy & Competitiveness at the D.C. Policy Center, an independent, nonpartisan think tank advancing policies for a strong, vibrant, and compelling District of Columbia.

Today, my testimony will focus on what the D.C. Policy Center's Quarterly Business Sentiments survey suggests about local business conditions. I will also make brief remarks about the proposed budget as it relates to DMPED.

Let me start by giving some brief background on the survey. The survey is regional in scope but includes a strong share of D.C. businesses. Many businesses that fill out our survey have been in operation for over a decade and have 20 or fewer employees. Given that the survey draws from a select group of businesses, the findings are best viewed as a directional signal that complements public data rather than as fully representative.<sup>i</sup> Put differently, the survey is most useful when it aligns with public data, and when it does not, it points to trends to monitor over time for convergence with public data.

Two findings stand out from the survey round we completed in mid-January 2026. The round captured 226 responses:

- **For a notable share of surveyed businesses, demand has weakened and costs have increased in the three months leading up to the January survey.** Twenty-seven percent of surveyed businesses saw declines in demand for their core products or services, while 30 percent reported increases in core input costs. To be sure, around 60 percent of surveyed businesses reported that conditions did not substantially change with respect to demand or costs, but among businesses reporting a change, conditions worsened, on balance.<sup>ii</sup>
- **Surveyed businesses are not hiring.** A substantial majority of surveyed businesses held staff numbers steady or cut them in the three months leading up to the survey. Just 1 percent added staff.<sup>iii</sup> In 2025, across four rounds, anywhere between 3 and 6 percent reported adding staff in the three months before the survey.<sup>iv</sup> The sluggish hiring likely reflects the poor local job market since the COVID-19 pandemic. Between February 2020 and December 2025, the District shed approximately 79,800 jobs.<sup>v</sup>

Against this backdrop, I want to highlight two aspects of the 2027 Proposed Budget as it relates to DMPED.

- First, the move toward exempting Vitality Fund recipients from First Source requirements in the Fiscal Year 2027 Budget Support Act of 2026 deserves support. Workforce development programs are a more efficient way to boost

residents' labor market prospects because such programs do not introduce additional friction into the employer-employee matching process.<sup>vi</sup>

- Second, more generally, the proposed 2027 Budget should be commended for its broad, continuing support for local businesses – whether it be small businesses or tech-oriented firms.

Thank you. I welcome any questions.

Thank you. I welcome your questions

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<sup>i</sup> Daniel Burge, “[Five insights from the second year of the D.C. Policy Center’s Quarterly Business Sentiments Survey](#),” *D.C. Policy Center*, March 25, 2026.

<sup>ii</sup> Daniel Burge, “[Business Sentiments Survey 2026 Quarter 1 results](#),” *D.C. Policy Center*, April 10, 2026. 13 percent reported an increase in demand for core products or services. 6 percent reported a decrease in input prices.

<sup>iii</sup> Daniel Burge, “[Business Sentiments Survey 2026 Quarter 1 results](#),” *D.C. Policy Center*, April 10, 2026.

<sup>iv</sup> Daniel Burge, “[Business Sentiments Survey 2025 Quarter 1 results](#),” *D.C. Policy Center*, February 25, 2025; Daniel Burge, “[Business Sentiments Survey 2025 Quarter 2 results](#),” *D.C. Policy Center*, June 12, 2025; Daniel Burge, “[Business Sentiments Survey 2025 Quarter 3 results](#),” *D.C. Policy Center*, October 8, 2025; Daniel Burge, “[Business Sentiments Survey 2025 Quarter 4 results](#),” *D.C. Policy Center*, January, 9, 2025.

<sup>v</sup> U.S. Bureau of Labor Statistics, All Employees: Total Nonfarm in District of Columbia [DCNA], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/DCNA>, April 21, 2026.

<sup>vi</sup> For a discussion of First Source requirements and the construction sector, see Emilia Calma “[Alternative Workforce Plans can help grow local talent, especially in construction where workers are lacking](#),” *D.C. Policy Center*, November 9, 2023. Calma found that “[c]ontractors, especially those who receive government support for construction projects, are often not able to meet First Source requirements. This is because there are too few construction workers in D.C. and no way to systematically incentivize companies to invest in programs that can attract D.C. residents into the construction industry.”