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INCREASE IN DC'S UNEMPLOYMENT RATE FALLS HEAVILY ON THOSE LEAST ABLE TO AFFORD IT

by Katie Kerstetter

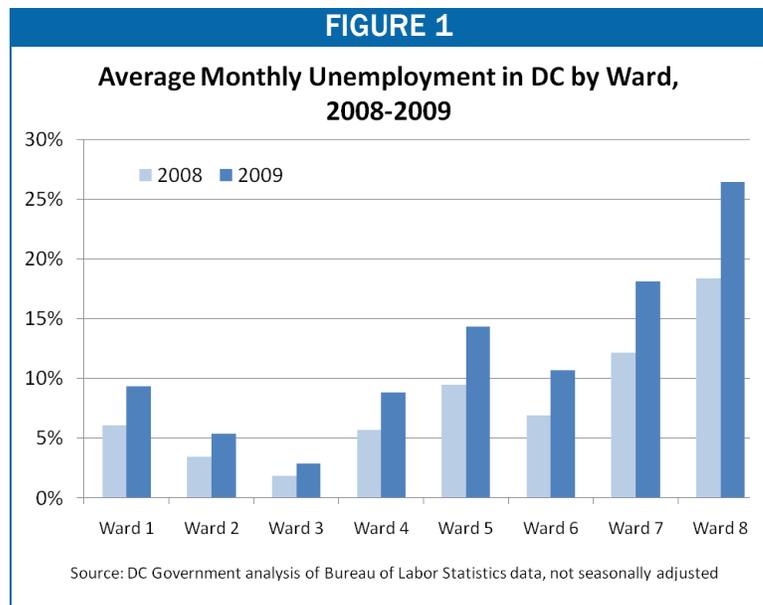
Last year was a particularly tough one for many District residents. As the national economy took a steep downturn, DC's unemployment rate shot up by more than 40 percent. By December 2009, nearly 40,000 District residents were without a job and actively looking for work.

Who are the District's unemployed residents? An analysis of monthly data from the Census Bureau's Current Population Survey¹ shows that the increase in unemployment in DC has been widespread, but that, DC's most economically vulnerable residents have been especially hurt by the recession. The residents most likely to be unemployed have low levels of formal education and are in low-wage occupations and low-income families.

Unemployment in DC is Increasing, Hitting Certain Areas of the City Harder than Others

While DC's unemployment rate as a whole increased dramatically in 2009, the rise in unemployment affected certain areas of the city more than others.

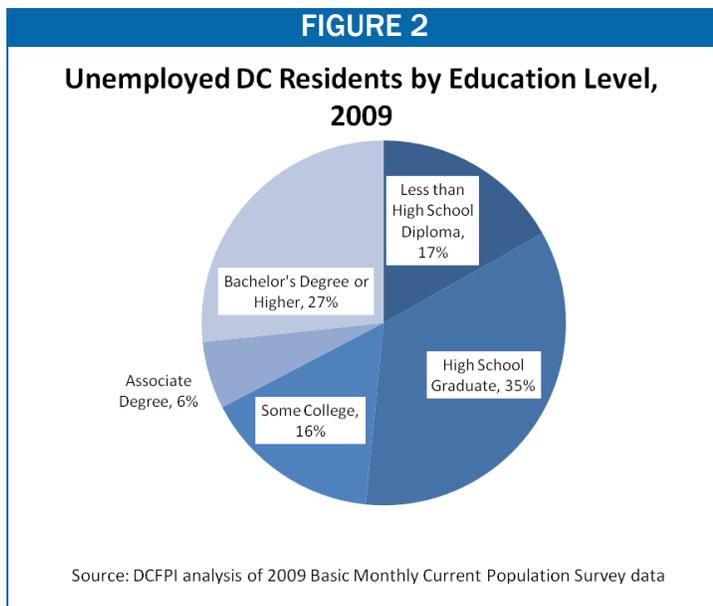
- DC's unemployment rate increased by more than 40 percent in 2009, rising from 8.4 percent in January 2009 to 11.9 percent in December 2009.
- Ward 8 had the highest unemployment rate in the city in 2009 (Figure 1). Its average monthly unemployment rate was 26.5 percent, compared to 2.9 percent for Ward 3 and 14.3 percent in Ward 5.
- Wards 5, 7, and 8 had higher monthly average unemployment than the city as a whole in 2009. These three wards also had the highest percentage point increases in unemployment from 2008 to 2009.



Many Low-Wage Workers Are Facing Unemployment

Many DC residents who were unemployed in 2009 had previously worked in low-wage jobs as janitors, waitresses, security guards, and construction workers. Those with lower levels of formal education also were more likely to be unemployed.

- About half of DC's unemployed workers had worked in a low-wage job. About one-fifth of unemployed DC residents previously worked in sales or food preparation and service occupations, compared to 12 percent of DC's workforce as a whole. Another one quarter of unemployed residents formerly worked as janitors and maintenance workers, movers, security guards, or construction workers, while only 13 percent of the total workforce was employed in these positions in 2009.
- DC residents with less formal education are more likely to be unemployed than those with college degrees (Figure 2). Only 27 percent of the District's workforce in 2009 had a high school diploma or less; however, half of all unemployed DC residents had not attended college.



- About two-thirds of unemployed residents in 2009 had been looking for work for six months or less, while one-third had been looking for work for more than six months.
- More than one-third of unemployed residents were in households with incomes of less than \$25,000 in 2009, and more than two-thirds of unemployed residents had household incomes of less than \$50,000. The low-incomes of many unemployed households is likely due to a combination of the effects of unemployment and the fact that low-wage workers, who have low incomes to begin with, are more likely to become unemployed. In the DC workforce as a whole, 14 percent of workers earned incomes less than \$25,000 in 2009 and 36 percent earned less than \$50,000.

Unemployment Rates Higher for Black, Unmarried, and Younger Workers

The increase in unemployment affected certain groups of workers more than others, including those who were aged 18-24, were black, and had never been married.

- A disproportionate share of black workers was unemployed in 2009. While black workers make up 44 percent of the labor force, 71 percent of unemployed residents in 2009 were black. Nearly one-fifth of unemployed residents were white and about 9 percent were Hispanic.

- About equal numbers of men and women were unemployed in DC in 2009, which is similar to the labor force as a whole.
- Younger DC workers made up a disproportionate share of unemployed residents in 2009. While workers aged 18-24 represent 11 percent of the labor force, more than 20 percent of those unemployed in 2009 were aged 18-24.
- Unmarried residents are especially hard hit by unemployment. A large majority of unemployed residents (70 percent) had never been married, yet these workers made up 56 percent of all workers in 2009. Nearly 20 percent of unemployed workers were married, while 11 percent were divorced, widowed, or separated. Three-fourths of unemployed residents in DC do not have any children under the age of 18. This is similar to the labor force as a whole.

Conclusion

The increase in unemployment in DC is affecting many of the residents who are least able to weather the economic recession: low-wage workers, low-income households, and residents with a high school diploma or less. For these groups, poverty and unemployment have been persistent challenges – and have only become more challenging as a result of the current recession. Given that the economic recovery is expected to take several years, it is important to consider ways that the District can support these workers, both in terms of ensuring that they have enough income supports to avoid falling further into poverty and access to any training they may need to reenter employment successfully.

ⁱ Due to the small sample size for DC unemployment data, the percentages reported here should be considered as best estimates of the demographics of DC's unemployed residents.