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UNEMPLOYMENT STILL RISING IN THE DISTRICT

2011 Level Was Highest Since Start of Recession

By Caitlin Biegler

The District ended 2011 with an average yearly unemployment rate of 10.3 percent, slightly higher than the rate for 2010 and far higher than that for 2007 before the start of the recession. In particular, unemployment has risen sharply over the last several years for black residents and those with only a high school degree. Evidence of an economic recovery remains elusive for these DC residents.

DC Fiscal Policy Institute is tracking changes in the city's unemployment rate on a quarterly basis.ⁱ After rising in the first three quarters of 2011, DC's unemployment rate dipped slightly in the fourth quarter. As of December 2011, the city's unemployment rate stood at 10.4 percent, down from 11.2 percent in September.ⁱⁱ The yearly average for 2011 ended up at 10.3 percent, remaining above the U.S. national average of 8.9 percent.

Analysis of data from the Census Bureau's Current Population Surveyⁱⁱⁱ reflects DC's uneven recovery from the recession, and the fact that some groups of residents are still facing high rates of joblessness. This analysis looks at unemployment by education, race/ethnicity, age, household, and occupation. It also includes data on unemployment in the fourth quarter of 2011 (October to December), the most recent three months for which data are available. With data now available for all of 2011, this quarterly analysis focuses on figures for 2011 as a whole.

Unemployment by Education Level

Recent increases in unemployment have been greatest for DC residents who have a high school diploma or equivalent but no higher education. In fact, the unemployment rate for high school graduates was higher in 2011 than for those who lacked a high school diploma. College graduates, on the other hand, saw a slight increase in unemployment for 2011, but in the past quarter saw a decrease.

- **Residents with a high school diploma faced a substantial increase in unemployment.** The unemployment rate for DC residents with a high school degree rose from 9.7 percent in 2007 to 25.3 percent in the fourth quarter of 2011.¹ In 2011, unemployment for DC high school graduates surpassed that of residents without a high school diploma, 24 percent versus 22 percent, respectively.

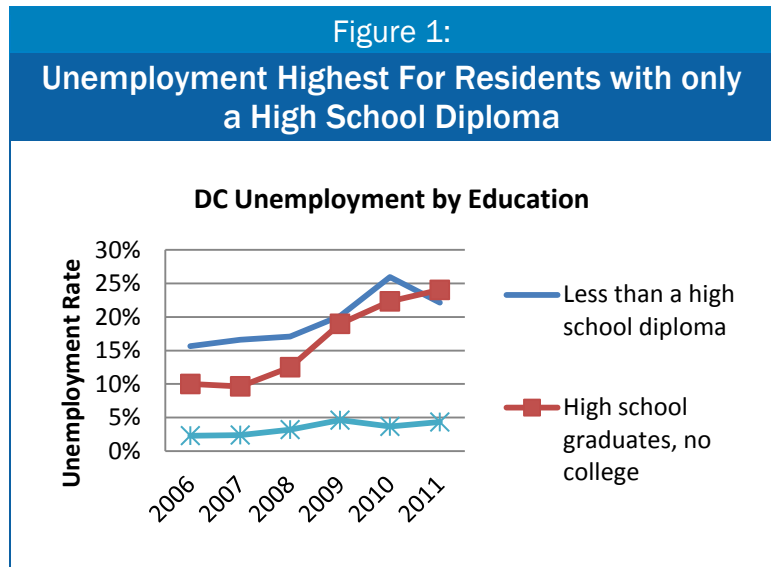
¹See Appendix on page 5 for 3rd and 4th quarter 2011 numbers.

- **Residents with less than a high school diploma saw a drop in unemployment in 2011.**

While unemployment rose in the last quarter of 2011 for residents without a high school diploma, their average yearly unemployment rate decreased from 25.9 percent in 2010 to 22.1 percent in 2011. It is unclear why the drop occurred, though one possibility is that some of these residents decided to stop looking for work entirely and are not counted in unemployment statistics anymore.

- **College graduates have had fairly stable levels of low unemployment.**

College graduates in the District saw an increase in unemployment, from 3.7 percent in 2010 to 4.3 percent in 2011, yet they still have the lowest unemployment rate by education. Most recently, college graduates saw a 1.4 percent decrease in unemployment from the 3rd to 4th quarter of 2011, from 5.4 percent to 4 percent.

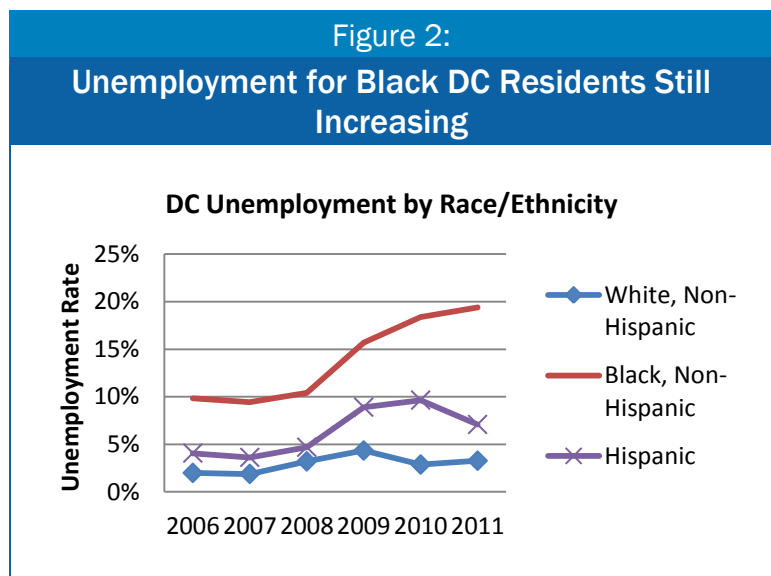


Unemployment by Race/Ethnicity

DC's Black residents have seen the largest increase in unemployment over the past few years. However, looking at overall trends for 2011, there were continued unemployment rate increases for all races and ethnicities in the District except for the Hispanic population.

- **Unemployment among Black residents has risen notably.**

The unemployment rate for Black DC residents has been rising since 2007 and saw an increase in 2011 from 18.4 percent to 19.4 percent. Unemployment for Black residents has more than doubled since 2007, when the rate was 9.4 percent.

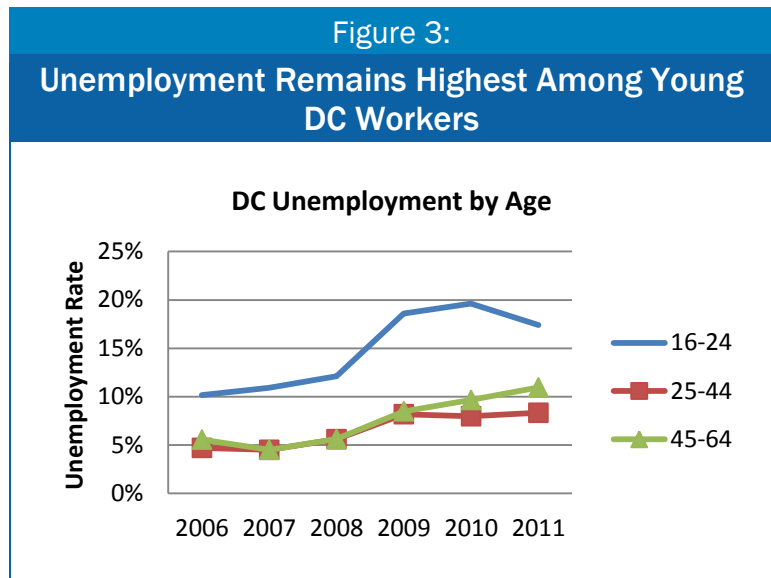


- **Hispanics saw a decrease in unemployment in 2011.** In the last quarter, Hispanics saw a slight increase in unemployment from 7.9 to 8.6 percent. However, for all of 2011, the Hispanic unemployment rate dropped sharply, from 9.6 percent in 2010 to 7.1 percent in 2011.
- **Unemployment among White DC residents has seen only small recent increases.** While the 2011 unemployment rate of 3.3 percent is higher than the 2007 rate of 1.9 percent, the unemployment rate for White DC residents has dropped from a peak of 4.3 percent in 2009. White DC residents still have the lowest rate of unemployment by race and ethnicity.

Unemployment by Age

Teenagers and young adults have seen high increases in unemployment since 2007, but in this past year saw a substantial decrease. Older workers also saw a slight decrease in unemployment this past quarter.

- **Young workers have the highest unemployment rate.** The unemployment rate for 16 to 24 year-old DC workers stood at 17.4 percent for 2011, the highest among all age groups. However, this is a marked improvement from 2010, when the unemployment rate among this group was 19.6 percent. Young workers comprised the only DC age group to experience a drop in unemployment from 2010 to 2011.



- **Older workers are seeing rising unemployment.** Unemployment rose for older workers through 3rd quarter 2011, and then fell in the 4th quarter. Nevertheless, unemployment among older workers for 2011 was higher than in 2010, and is at the highest level since the start of the recession.

Unemployment by Household Type

Single-parent families with children saw a significant decrease in unemployment in 2011, while single-parent families without children saw a continued increase. Households with two-parents also saw increases, but still have very low rates of unemployment.

- **Single-parent families with children saw a decrease in unemployment.** From 2010 to 2011, unemployment among single-parent families decreased from 23.8 percent to 20.8 percent. However, this group still has the highest rate of unemployment in DC by household.

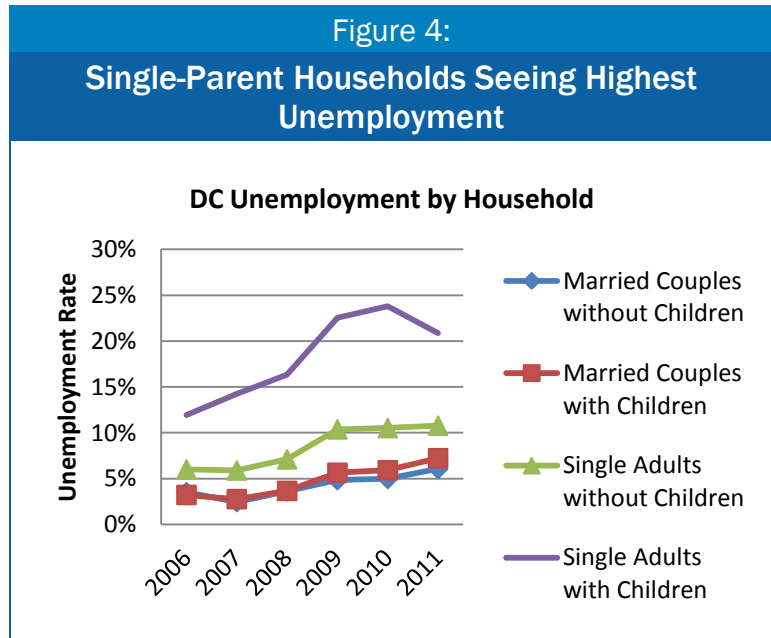
- **Single-parent families without children are still seeing higher, but steady, unemployment rates.**

Unemployment among single-parent families without children rose only slightly this year, from 10.5 percent in 2010 to 10.8 percent in 2011.

- **Married couples in the District are seeing higher unemployment.** While married couples have the lowest unemployment rates by household in the District, rates for married couples with and without children rose in 2011.

For married families without children, the rate rose from 5 percent to 6.1 percent. For two-parent families with children, the rate rose from 5.9 to 7.2 this year.

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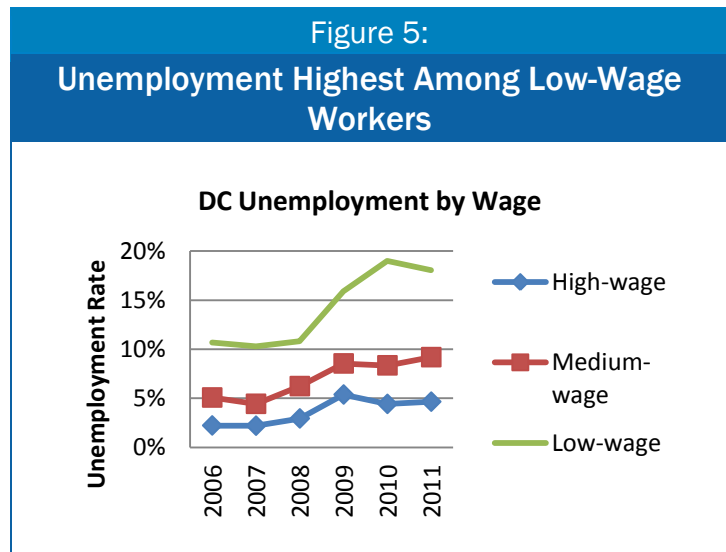


Unemployment by Occupation

Over the course of the year, both high- and medium-wage workers have seen small increases in unemployment, while low-wage workers have experienced a small decrease. However, low-wage workers are still seeing much higher unemployment rates than high-wage workers.

- **High-wage workers saw fairly stable unemployment levels this year.** Unemployment for high wage workers rose in mid-2011 but fell in the last quarter.

Overall, the unemployment level for this group has remained fairly stable, from 4.4 percent in 2010 to 4.7 percent in 2011.^{iv}



- **Low-wage workers saw a slight decrease in unemployment rates this year.** The rate for low-wage workers decreased from 19 percent in 2010 to 18.1 percent in 2011. However, low-wage workers still hold the highest unemployment rate by wage.
- **Unemployment rates for medium- and low-wage workers are significantly higher than unemployment rates for high-wage workers.** In 2011, the unemployment rate for high-wage workers was 4.7 percent. Meanwhile, those workers in medium-wage occupations experienced an unemployment rate of 9.2 percent, and this figure increased to 18.1 percent for workers in low-wage occupations.

Appendix: Unemployment Rate Comparisons

By Education				
	3 rd Quarter 2011	4 th Quarter 2011	2010	2011
Less than a high school diploma	21.2%	24.9%	25.9%	22.1%
High school graduates, no college	23.9%	25.3%	22.3%	24.0%
Bachelor's degree or higher	5.4%	4.0%	3.7%	4.3%

By Race/Ethnicity				
	3 rd Quarter 2011	4 th Quarter 2011	2010	2011
White, non-Hispanic	3.6%	3.0%	2.9%	3.3%
Black, non-Hispanic	20.7%	20.4%	18.4%	19.4%
Hispanic	7.9%	8.6%	9.6%	7.1%

By Age				
	3 rd Quarter 2011	4 th Quarter 2011	2010	2011
16-24	20.6%	17.6%	19.6%	17.4%
25-44	7.9%	8.8%	8.0%	8.3%
45-64	12.7%	11.2%	9.7%	10.9%

By Household				
	3 rd Quarter 2011	4 th Quarter 2011	2010	2011
Two Parents without Children	6.9%	6.2%	5.0%	6.1%
Two Parents with Children	6.2%	6.6%	5.9%	7.2%
One Parent without Children	11.9%	11.1%	10.5%	10.8%
One Parent with Children	24.1%	24.1%	23.8%	20.9%

By Wage				
	3 rd Quarter 2011	4 th Quarter 2011	2010	2011
High-wage	5.9%	4.0%	4.4%	4.7%
Medium-wage	10.1%	10.2%	8.4%	9.2%
Low-wage	17.2%	17.9%	19.0%	18.1%

ⁱ To see last quarter's report, visit <http://www.dcfpi.org/unemployment-in-the-district-is-on-the-rise-in-2011>.

ⁱⁱ Bureau of Labor Statistics. Local Area Unemployment Statistics. <http://data.bls.gov/timeseries/LASST11000003>.

ⁱⁱⁱ 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.

^{iv} Low wage occupations were defined as those in which the average wage was below the 25th percentile of overall DC wages. High wage occupations were defined as those in which the average wage was above the 75th percentile of overall DC wages. The medium wage category encompassed those occupations that fell within the 25th and 75th percentiles.