

May 21, 2012

UNEMPLOYMENT RATES IMPROVING IN THE DISTRICT

By Caitlin Biegler

The District began 2012 on a positive note, as the city's unemployment rate dropped in the first quarter. As of March 2012, the city's unemployment rate stood at 9.8 percent, down from 10.1 percent in December.¹

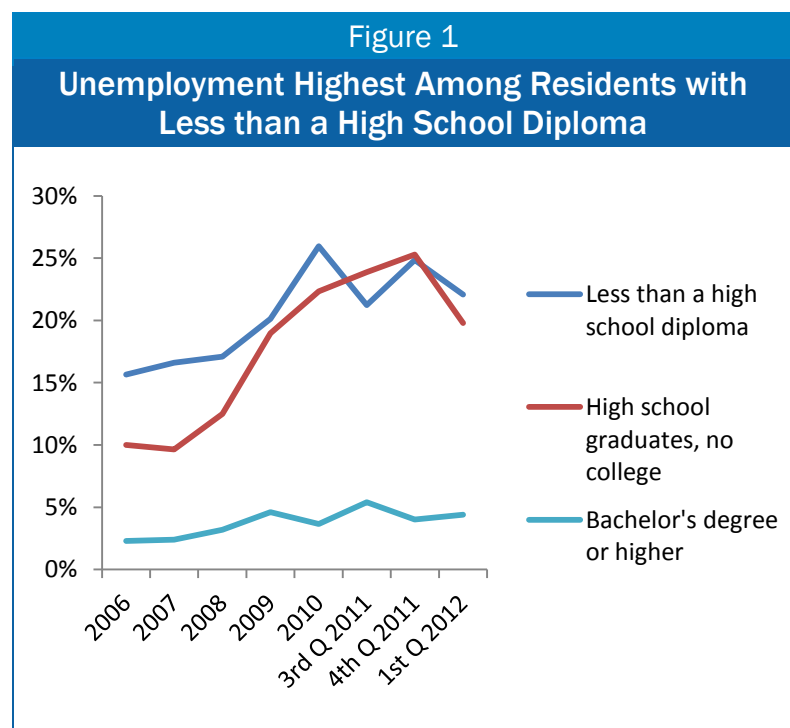
DC Fiscal Policy Institute is tracking changes in the city's unemployment rate on a quarterly basis.ⁱⁱ Analysis of data from the Census Bureau's Current Population Surveyⁱⁱⁱ reflects DC's recovery from the recession and shows that unemployment is finally declining, but some groups of residents are still facing high rates of joblessness, particularly low-wage and young workers. This analysis looks at unemployment by education, race/ethnicity, age, household, and occupation and focuses on unemployment in the first quarter of 2012 (January to March), the most recent three months for which data are available.

Unemployment fell for most groups of DC residents, including those with no more than a high school diploma, residents of all races and ethnicities, and for most family types and age groups. There were some notable increases in unemployment for workers in low-wage occupations and for young workers.

Even with recent declines for many groups, unemployment in the District remains far higher than pre-recession levels.

Unemployment by Education Level

The unemployment rates for DC residents with a high school diploma but no higher education or less than a high school diploma saw substantial increases during the recession. In the most recent quarter, the unemployment rate for these residents fell slightly but remains above the pre-recession level. On the other hand, college graduates are seeing fairly stable, low rates of unemployment (see Figure1).



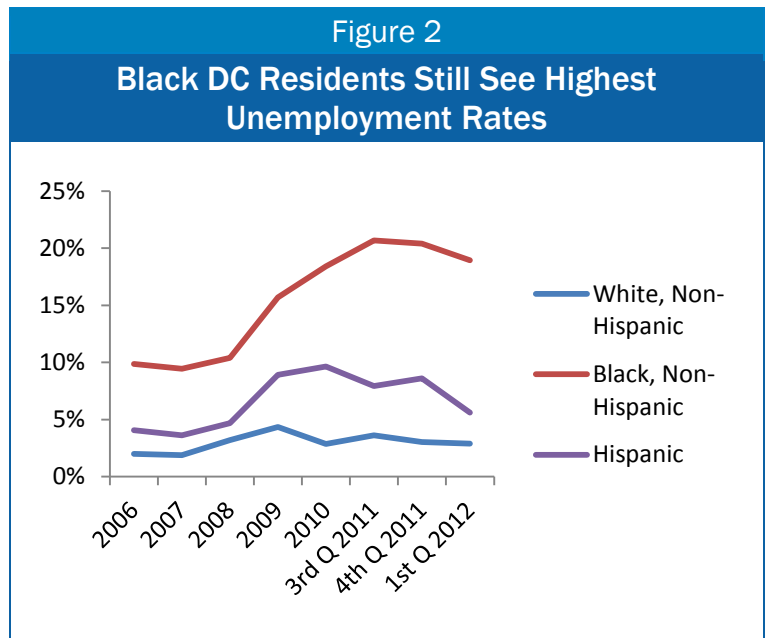
- **Unemployment Fell Most for Residents with a High School Diploma.** The unemployment rate for DC residents with a high school degree rose substantially from 2007 to fourth quarter 2011, from 9.7 percent to 25.3 percent.¹ Recently though, this group has seen a considerable decrease in unemployment, to 19.8 percent in the first quarter of 2012, and these residents no longer have the highest unemployment rate by education.
- **Residents with less than a high school diploma also saw a decrease in unemployment in the recent quarter.** While unemployment among residents without a high school diploma is highest by education level in the District, unemployment among these residents fell during the first quarter of 2012. Unemployment among District residents without a high school diploma dropped from 24.9 percent to 22.1 percent.
- **College graduates have had fairly stable levels of low unemployment.** College graduates in the District saw a slight increase in unemployment, from 4.0 percent in the fourth quarter of 2011 to 4.4 percent in the first quarter of 2012, yet they still have the lowest unemployment rate by education.

Unemployment by Race/Ethnicity

DC's Black residents have seen the largest increase in unemployment over the past few years, but unemployment dipped slightly during the first quarter of 2012. In fact, all races and ethnicities in the district experienced a drop in unemployment in the first quarter of 2012 (see Figure 2).

- **Unemployment among Black residents fell recently.** In first quarter 2012, Black DC residents saw a decrease in unemployment, from 20.4 percent to 18.9 percent. Unemployment for Black residents in the District is still quite high though, and is currently twice the 2007 rate of 9.4 percent.
- **Unemployment rates among White and Hispanic DC residents have seen similar decreases.**

White DC residents have experienced fairly low unemployment rates throughout the recession, and in the first quarter of 2012 the rate decreased slightly from 3.0 percent to 2.9 percent. Hispanic residents saw a more substantial decrease this past quarter 8.6 percent to 5.6 percent.

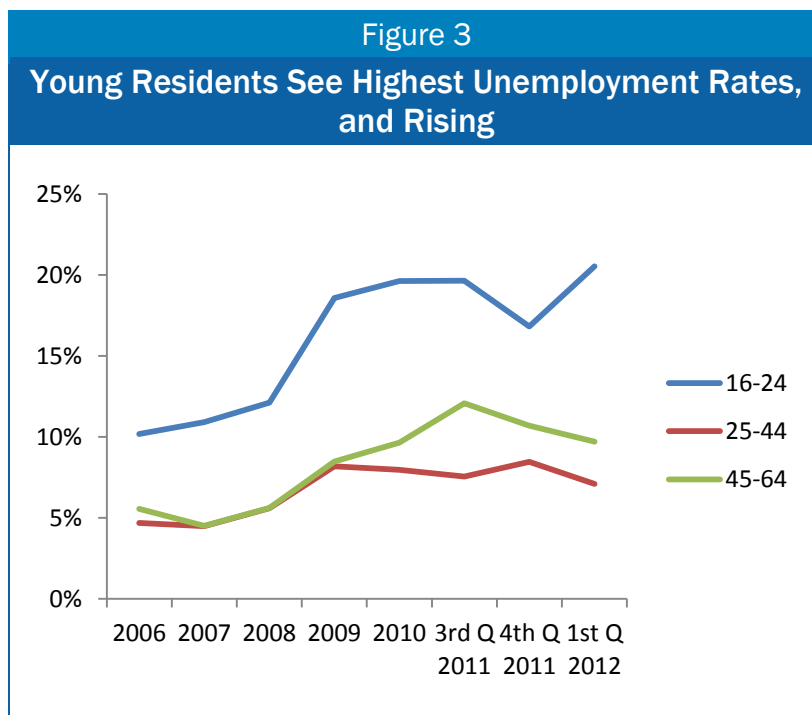


¹See Appendix on page 5 for 4th quarter 2011 and 1st quarter 2012 numbers.

Unemployment by Age

Teenagers and young adults saw an increase in unemployment in first quarter 2012. All other age groups, however, saw a decrease in unemployment (see Figure 3).

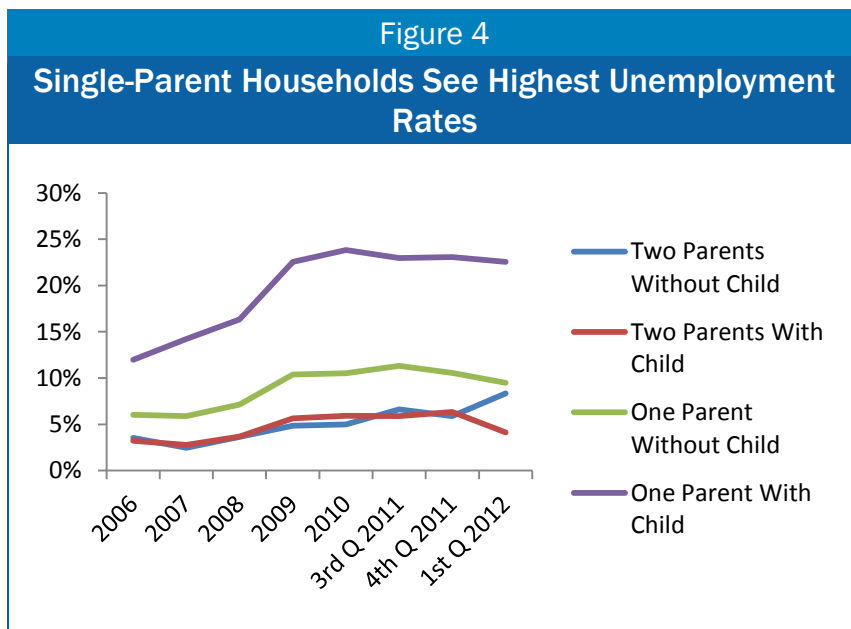
- Young workers are seeing a rising unemployment rate.** After decreasing in 2011, unemployment among 16 to 24 year-old DC workers jumped from 16.8 percent to 20.5 percent. Young workers continue to experience the highest unemployment rate by age.
- Other workers are seeing declining unemployment.** In the first quarter 2012, both 25-44 year-olds and 45-64 year-olds saw a decrease in unemployment. Among 25-44 year-olds, the unemployment rate dropped from 8.5 percent in fourth quarter 2011 to 7.1 percent in first quarter 2012. Similarly, 45-64 year olds saw a decrease in the same time period from 10.7 percent to 9.7 percent.



Unemployment by Household Type

Married-couple households with no children saw an increase in unemployment rates in first quarter 2012. All other household types though saw a decrease in unemployment during this time period (see Figure 4).

- Two-parent families without children saw a small increase in unemployment.** Unemployment among two-parent families without children rose from 5.9 percent in fourth



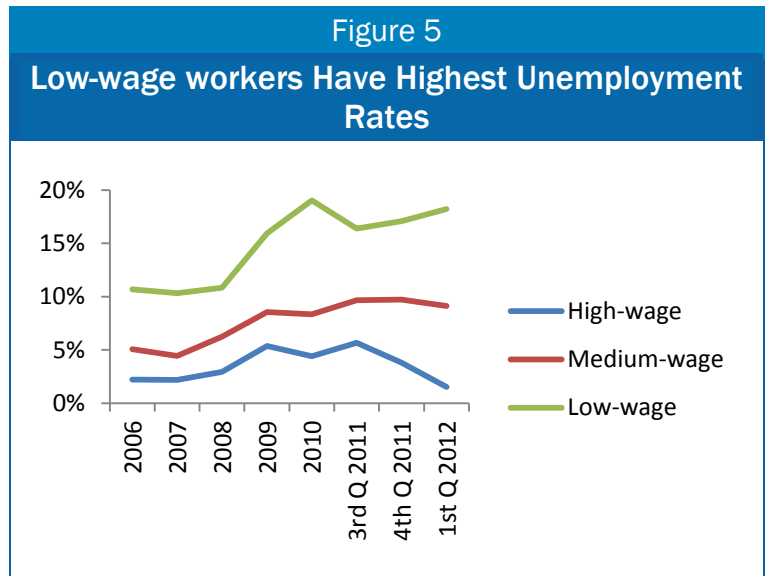
quarter 2011 to 8.3 percent in first quarter 2012. However, two parent families without children still have a very low unemployment rate compared to single parent families in the District.

- **Most households in the District saw a decrease in unemployment.** In the first quarter 2012, the unemployment rate for married couples with children dropped from 6.3 percent to 4.1 percent. Single-parent households also saw a decrease in unemployment. For single-parent households without children, unemployment dropped from 10.6 percent to 9.5 percent, and for single-parent households with children, unemployment saw a very small decrease from 23.1 percent to 22.5 percent.

Unemployment by Occupation

In the first quarter of 2012, unemployment fell among high- and medium-wage workers, while low-wage workers continue to see high and rising unemployment rates (see Figure 5).^{iv}

- **Unemployment among low-wage workers has increased.** The unemployment rate for low-wage workers increased from 17.1 percent in fourth quarter 2011 to 18.2 percent in first quarter 2012. Low-wage workers continue to hold the highest unemployment rate by wage.
- **High-wage workers saw a decrease in unemployment last quarter.** Unemployment for high-wage workers fell from 3.8 percent to 1.5 percent during the first quarter of 2012. The unemployment rate for this group is now lower than pre-recession levels.



Appendix: Unemployment Rate Comparisons

By Education		
	4th Quarter 2011	1st Quarter 2012
Less than a high school diploma	24.9%	22.1%
High school graduates, no college	25.3%	19.8%
Bachelor's degree or higher	4.0%	4.4%

By Race/Ethnicity		
	4th Quarter 2011	1st Quarter 2012
White, non-Hispanic	3.0%	2.9%
Black, non-Hispanic	20.4%	18.9%
Hispanic	8.6%	5.6%

By Age		
	4th Quarter 2011	1st Quarter 2012
16-24	16.8%	20.5%
25-44	8.5%	7.1%
45-64	10.7%	9.7%

By Household		
	4th Quarter 2011	1st Quarter 2012
Two Parents without Children	5.9%	8.3%
Two Parents with Children	6.3%	4.1%
One Parent without Children	10.6%	9.5%
One Parent with Children	23.1%	22.5%

By Wage		
	4th Quarter 2011	1st Quarter 2012
High-wage	3.8%	1.5%
Medium-wage	9.7%	9.1%
Low-wage	17.1%	18.2%

ⁱBureau of Labor Statistics, Local Area Unemployment Statistics, 2012, <http://data.bls.gov/timeseries/LASST11000003>.

ⁱⁱ To see last quarter's report, visit <http://www.dcfpi.org/unemployment-still-rising-in-the-district>.

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.