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FOR SOME DC GROUPS OF DC RESIDENTS, UNEMPLOYMENT REMAINS HIGH IN THE WAKE OF THE RECESSION

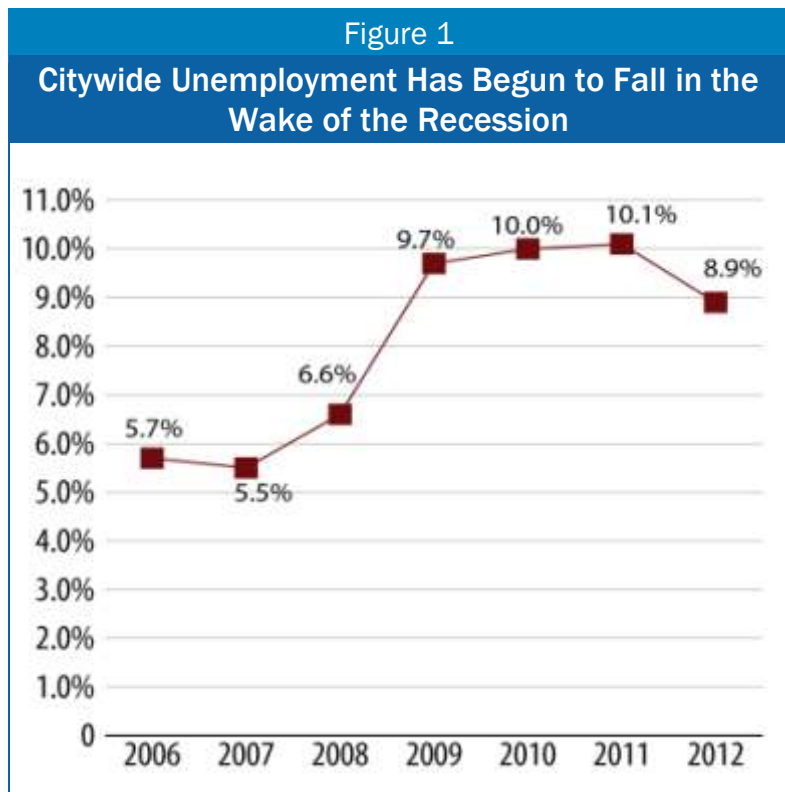
By Marina Manganaris

Despite an overall drop in citywide unemployment from 10.1 percent in 2011 to 8.9 percent in 2012, several groups of DC residents continue to face very high rates of joblessness. In particular, the unemployment rate among single parents with children rose in 2012 to nearly 24 percent, twice the 2006 unemployment rate for this group. In addition, the 2012 unemployment rates for low-wage workers, those without a college degree, and African-American workers remained far higher than before the onset of the recession.

Unemployment rates improved in 2012 for residents with post-secondary degrees, those in high-wage occupations, and White, non-Hispanic residents, falling to rates that were close to pre-recession levels. Unemployment also has fallen sharply in recent years for young workers.

The DC Fiscal Policy Institute is tracking D.C.'s unemployment rate on an annual basis. This analysis uses data from the Census Bureau's Current Population Survey as well as the Bureau of Labor Statistics to examine unemployment in DC by education level, race/ethnicity, age, household type, and job type by wage. It specifically focuses on the annual data for the years 2011 and 2012, which is the most recent data available at this time.

¹ Local area unemployment statistics reveal the uneven impact the recession has had on the District.



¹ CPS data were accessed through Data Ferrett, which can be found at <http://dataferrett.census.gov>. Bureau of Labor Statistics, Local Area Unemployment Statistics, 2012 can be found at: <http://data.bls.gov/timeseries/LASST11000003>. The unemployment rates for specific groups are found using data from both CPS and BLS, while overall unemployment rate draws solely the BLS rate. The formula used is (CPS Data Ferret population subset unemployment rate / CPS Data Ferret city unemployment rate) * BLS DC unemployment rate.

Overall Unemployment

With the onset of the recession, unemployment levels rose across the United States, including DC. The District's unemployment rate was at 5.5 percent in 2007 before rapidly climbing as the recession impacted the economy (See Figure 1). DC's unemployment rate peaked in 2011, with 10.1 percent of residents unemployed. Since then, the overall unemployment rate has begun to slowly decrease to 8.9 percent in 2012; however, it still remains significantly higher than before the start of the recession.

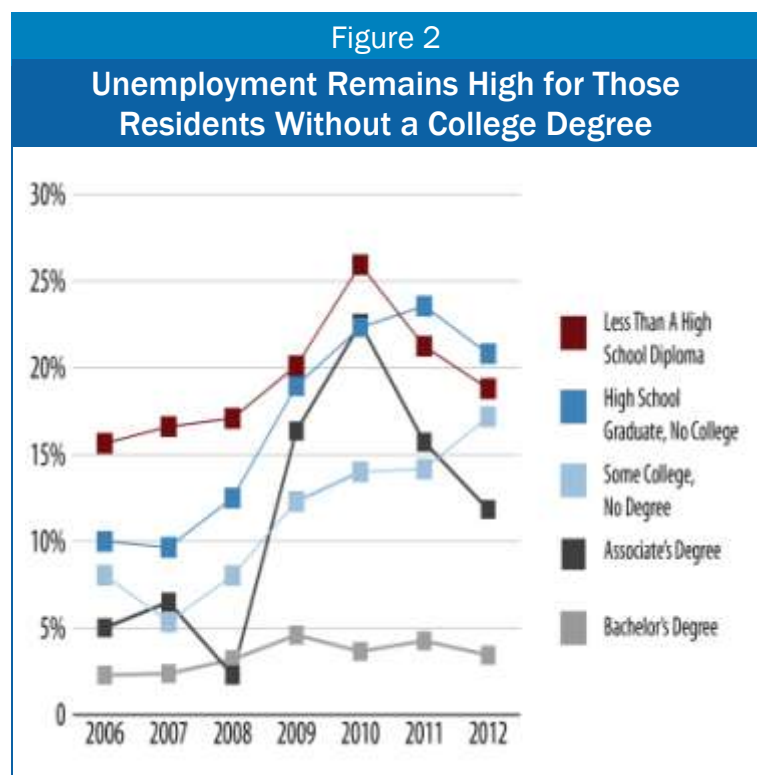
Unemployment by Education Level

Residents without a college degree saw the largest increases in unemployment during the recession (see Figure 2.) While unemployment levels among most education levels fell in 2012, significant differences remain in the unemployment rates of those with at least a college degree and those without. In fact, when examining unemployment by education level, the only workers who are below the District's overall unemployment rate are those with a bachelors' degree or higher.

- **DC residents with a degree have lower unemployment rates than those without.**

Residents with a bachelor's degree or higher faced a 3.4 percent unemployment rate in 2012, which is the lowest among all education levels and down from 4.3 percent in 2011. Those with an Associate's degrees have an unemployment rate of 11.8 percent; down from 15.7 percent in 2011.

- **DC workers without a college degree have not recovered from the recession.** While unemployment fell in 2012 for DC workers without a post-secondary degree, unemployment rates remain well above pre-recession levels for these workers. In 2012, some 19 percent of residents without a high school diploma were unemployed, compared with 16 percent in 2006. Some 21 percent of those with a high school diploma were unemployed in 2012, more than twice as high as in 2006. The unemployment rate among those with some college but no degree increased from 14.2 percent in 2011 to 17.2 percent in 2012.



Unemployment by Race/Ethnicity

DC's Black residents continue to have the highest unemployment rate by race/ethnicity, although the Black unemployment rate fell slightly in 2012 (see Figure 3). Hispanic residents have the second highest level of unemployment and saw a slight increase in unemployment from 2011 to 2012. White, non-Hispanic residents and Asian residents have the lowest rates of unemployment.

- **Unemployment among White, non-Hispanic DC residents has fallen close to pre-recession levels.**

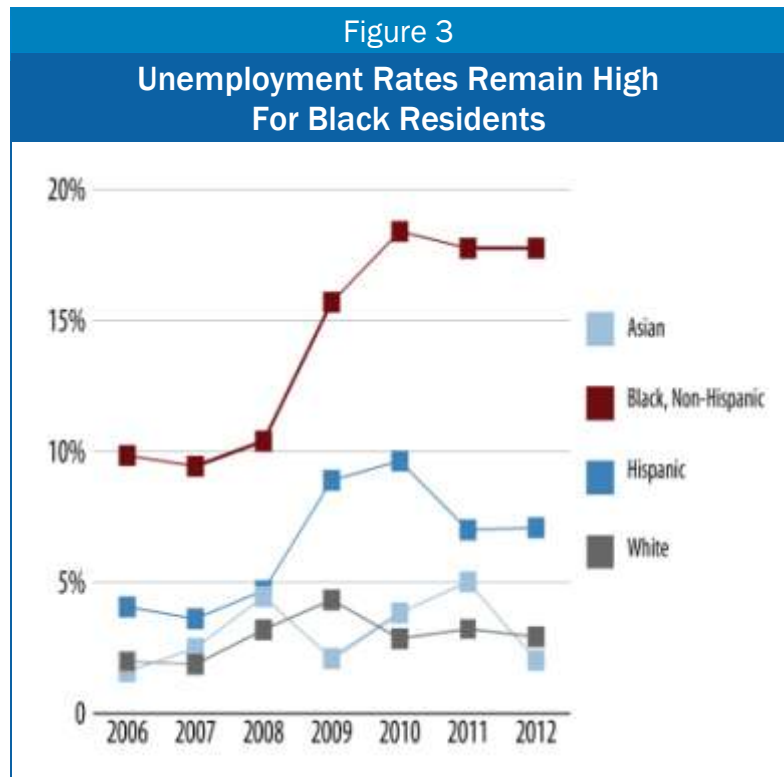
Unemployment among White, non-Hispanic residents stood at 2.9 percent in 2012, which is a slight decrease from the 3.2 percent unemployment rate in 2011. The white unemployment rate in DC is close to the pre-recession level of 2 percent in 2006.

- **The unemployment rate of Black residents continues to remain high in the wake of the recession.** The unemployment rate among Black, non-Hispanic residents was 17.8 percent in 2012, a decrease from 19.2 percent in 2011. Unemployment among Black DC residents remains nearly twice as high as in 2008, before the recession, when the Black unemployment rate was 10 percent.
- **Hispanic residents have the second highest unemployment rate.** Unemployment among Hispanic residents climbed slightly in 2012, from 7 percent to 7.1 percent. Hispanic unemployment in DC remains far higher than before the recession.

Unemployment by Age

For all DC age groups, unemployment decreased from 2011 to 2012 (see Figure 4). Younger workers, age 16 years to 24 years old, had the largest drop in unemployment in 2012, although their unemployment rate remains higher than for other age groups.

- **Residents ages 16 to 24 continue to have the highest unemployment rate but it has significantly dropped since its peak in 2010.** Some 12 percent of residents aged 16-24 were unemployed in 2012, a significant improvement from 2010 when unemployment was almost 20 percent.

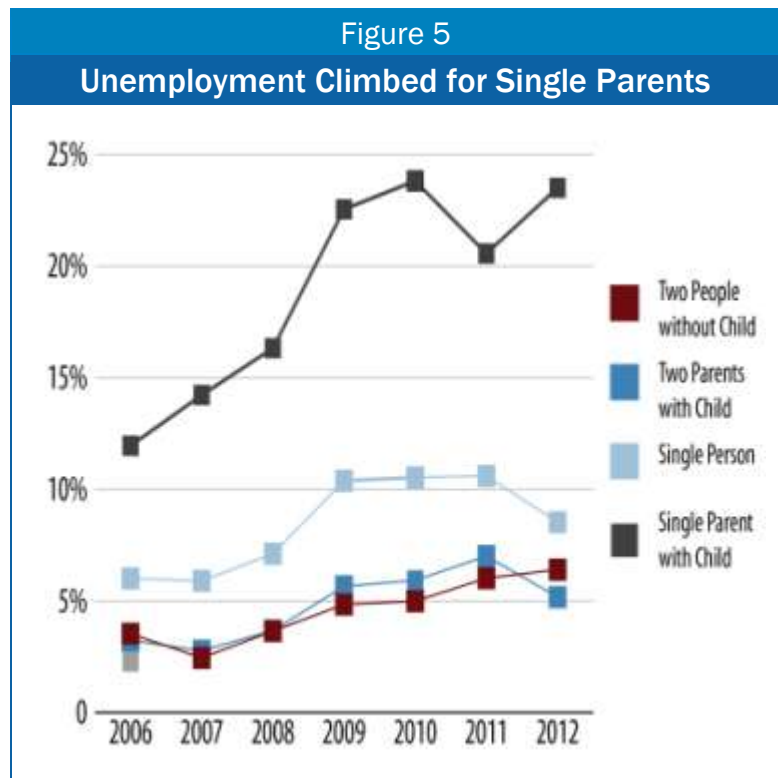
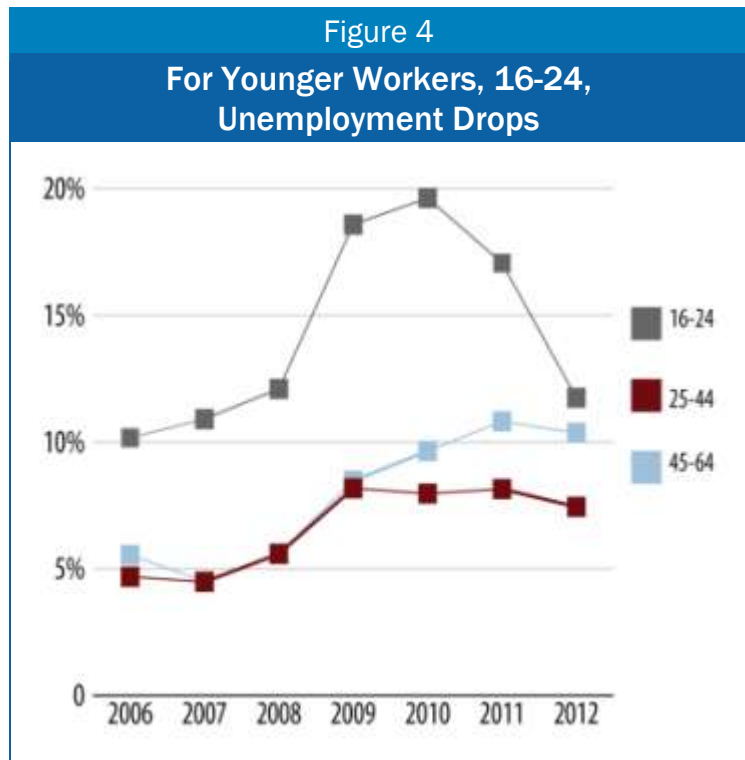


- **Unemployment levels for DC residents aged 25-44 and those aged 45-65 are down in 2012.** Unemployment among DC workers aged 25-44 fell from 8.2 percent in 2011 to 7.5 percent in 2012. For residents ages 45-65 the unemployment rate fell from 10.8 percent to 10.4 percent.

Unemployment by Household Type

Unemployment jumped sharply for DC's single parent households in 2012, reflecting a long-term trend since 2006. Unemployment also rose in 2012 for married couples without children (see Figure 5).

- **Single parent households have the highest unemployment rate among all groups, with nearly one in four single parents unemployed in 2012.** Unemployment has risen virtually every year since 2006 for DC single parents with children. 23.5 percent of single parents were unemployed in 2012, nearly twice as high as in 2006, when 12 percent of single parents were unemployed.
- **Unemployment among two parent households and singles without children fell in 2012.** DC's two-parent households have the lowest unemployment rate in 2012 at 5.2 percent, a decrease from the 2011 unemployment rate of 7 percent. Unemployment among single DC residents also dropped, from 10.6 percent in 2011 to 8.5 percent in 2012.
- **Couples without children had an increase in unemployment.** In 2012, unemployment among married couples without children was 6.4 percent, an increase from 6 percent in 2011.



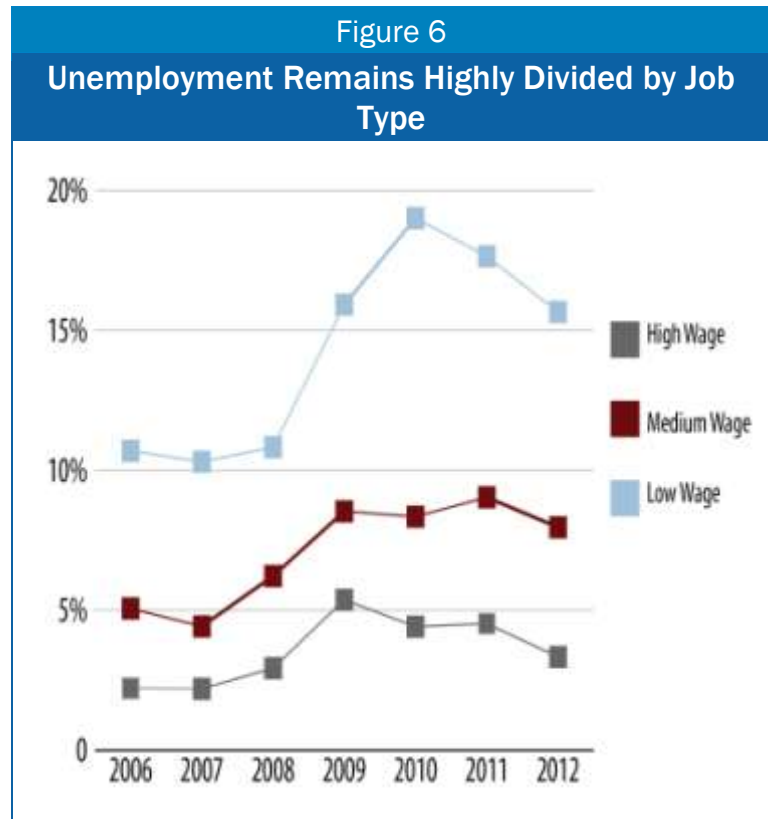
Unemployment by Wage Type

Unemployment fell for DC workers in low-, middle, and high-wage occupations from 2011 to 2012, yet remained much higher for workers in low- and middle wage jobs than at the start of the recession (see Figure 6). Unemployment among low-wage workers is far higher than middle and high-wage jobs — nearly four times higher than high-wage jobholders in 2012.²

- **Unemployment among low-wage jobs is nearly four times as high as unemployment among high-wage job types.**

In 2012, the unemployment rate among DC residents in low-wage occupations was 15.7 percent, down only slightly from the unemployment rate of 17.7 percent in 2011. The unemployment rate among low-wage workers remains far higher than in 2006, before the onset of the recession.

- **High-wage workers continue to have the lowest unemployment rates among job types.** In 2012, some 3.3 percent of DC residents in high-wage occupations were unemployed, a decrease from the 4.5 percent unemployment rate in 2011.



- **Middle-wage workers saw a small drop in unemployment from 2011 to 2012.** In 2012 the unemployment rate among DC's workers in medium-wage occupations was 8 percent, a decrease from the 9 percent unemployment rate in 2011.

² Low wage occupations were defined as those in which the average was below the 25th percentile of overall DC wages. The medium wage category is defined as those occupations which the average wage fell within the 25th and the 75th percentiles. High-wage occupations were defined as those in which the average wage was above the 75th percentile.

Appendix: Annual Unemployment Rate Comparisons

By Education		
	2011	2012
Less than a high school diploma	21.3%	18.8%
High school graduates, no college	23.6%	20.8%
Some college, no degree	14.2%	17.2%
Associate degree	15.7%	11.8%
Bachelor's degree or higher	4.3%	3.4%

By Race/Ethnicity		
	2011	2012
White, non-Hispanic	3.2%	2.9%
Black, non-Hispanic	19.2%	17.8%
Asian	5.0%	2.0%
Hispanic	7.0%	7.1%

By Age		
	2011	2012
16-24	17.1%	11.8%
25-44	8.2%	7.5%
45-64	10.8%	10.4%

By Household		
	2011	2012
Two Person, no children	6.0%	6.4%
Two Parents	7.0%	5.2%
Single Person	10.6%	8.5%
One Parent	20.6%	23.5%

By Wage		
	2011	2012
High-Wage	4.5%	3.3%
Medium-Wage	9.0%	8.0%
Low-Wage	17.7%	15.7%