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## **Two Paths to Better Jobs for DC Residents: Improved Training and Stronger Job Protections**

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### **Summary**

The growing job challenges of DC residents without a college education – including falling wages, stubbornly high unemployment, and an economy where job growth is concentrated in industries requiring advanced education and skills – highlight the urgency of helping more residents get better jobs. The District can tackle this challenge by implementing bold reforms to its education and training programs. The city also should adopt policies that improve the quality of all jobs in the District, such as a higher minimum wage, requiring employers to give workers advance notice of their weekly schedules, and creating a program to allow workers to take paid leave to be with a new child or a sick relative. These actions will give residents the tools they need to provide for themselves and their families, which in turn will strengthen the entire DC economy.

DC's economy is expanding, but many new jobs require advance education and skills. Job growth over the past 25 years has been greatest in professional and business services and education—industries where core jobs generally require higher levels of skills and education. Meanwhile, industries that generally do not require higher level skills—such as manufacturing and trade—have been in decline. Hospitality and certain health care service jobs are two notable exceptions—these jobs generally do not require high skills, but have increased substantially since 1990.

In addition to the challenge of finding a job, DC residents without a college degree face falling wages, while college-educated residents enjoy increasing pay. Wages have fallen \$2 an hour since 1980 for residents with a high school diploma, to just \$13 an hour for the typical worker. Meanwhile, hourly pay for the typical college-educated DC resident has risen \$5 an hour, after adjusting for inflation.

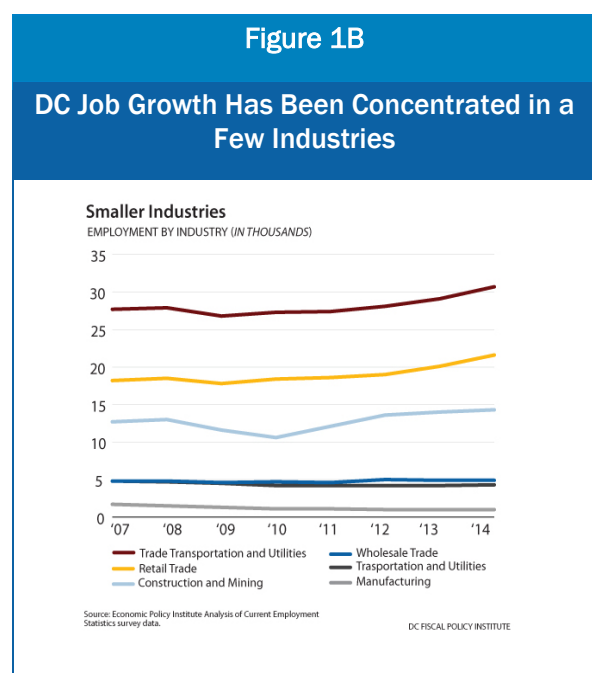
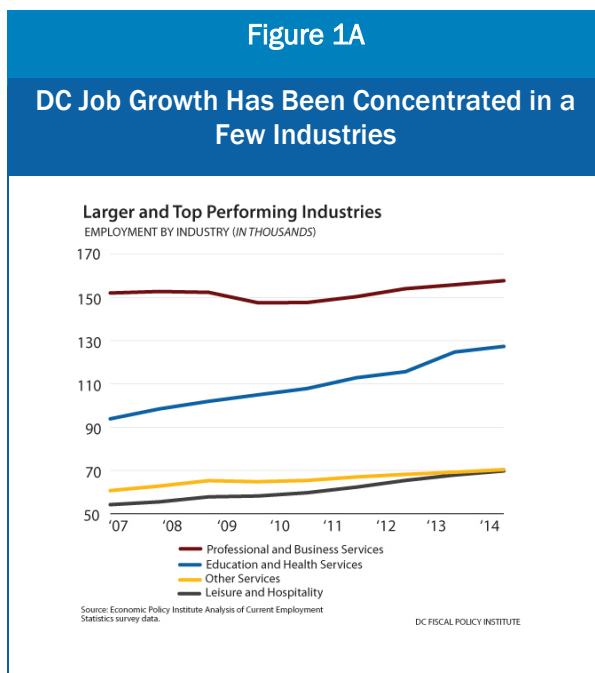
The District has important opportunities to improve the job prospects of DC residents. Mayor Bowser has committed to reforming the city's job training system, and a new federal law requires the city to develop a new workforce development plan by March 2016. These efforts should focus on preparing residents for jobs in DC industries that are growing and offer entry-level jobs and career pathways for workers without advance education, especially hospitality and health services. Given the large number of residents without a high school degree, reforms should focus on adult literacy as well as training and credentialing. In addition to improved education and training, the District can improve the quality of jobs for all working residents by increasing the minimum wage, requiring

employers to give workers advance notice of their weekly schedules, and creating a system to provide paid family leave to workers who take time off with a new child or with an ill relative.

## Many New Jobs in DC Require Advanced Skills

An expanding DC economy is creating more job opportunities for DC residents. The number of private-sector jobs in the city rose by nearly 100,000 between 1990 and 2014, a 21 percent increase.<sup>1</sup> However, job growth has varied greatly from industry to industry, with growth strongest in industries dominated by jobs requiring an advanced education. This means that benefits of job growth have not been shared widely, and that residents with a high school degree or less have not seen as great an increase in job opportunities as workers with a college degree.

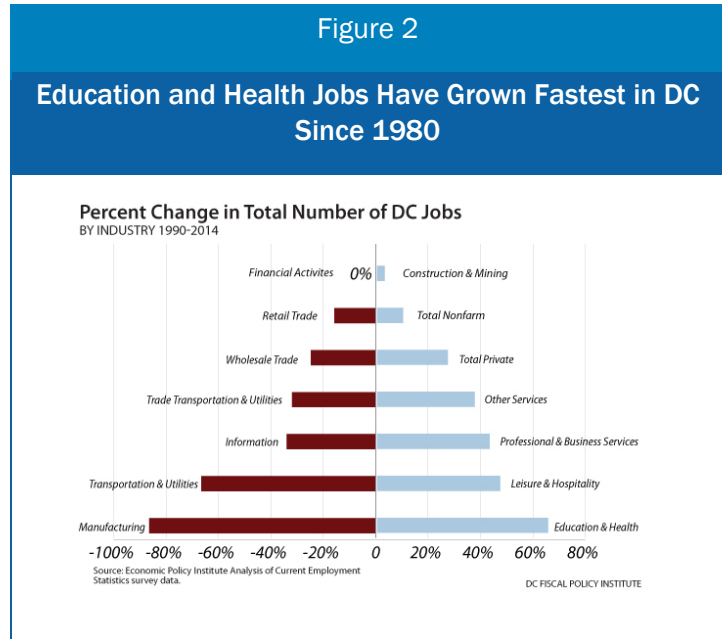
- Education and health jobs, which often require education or training, have grown fastest.** The Education and Health Services industry gained 50,000 jobs between 1990 and 2014, an increase of 65 percent, making it the fastest growing industry in DC. Most jobs in education require a high skill set. Many health industry jobs also require advanced skills, although there are some health jobs that can serve as the start of a career for those without advanced education or training. (See **Figures 1A and 1B** and **Appendix Table 1**).
- Professional and business services jobs also are growing.** DC gained 47,000 jobs in this industry, a 43 percent increase over the past 25 years. This industry generally requires more highly skilled and educated employees than other professions.
- Leisure and hospitality is the faster growing industry that generally does not require advanced education.** The number of leisure and hospitality jobs in DC increased by 22,000 (47 percent) between 1990 and 2014. While these jobs often do not require advanced education, workers often need specialized skills, including good customer service skills.



- **Other industries that don't require such high skill levels are in decline in the District.** For example, manufacturing— never a large industry in DC—has seen employment fall 86 percent since 1990, or a loss of 6,000 jobs. Similarly, transportation and utilities and trade transportation and utilities are down by 66 percent and 34 percent respectively, and wholesale trade and retail trade are both in decline as well. (See **Figure 2** and **Appendix Table 1**.)

## Only DC Residents with a College Education Are Seeing Wages Rise

In addition to slow growth in job opportunities for residents without advanced education, many DC residents without a college degree also face falling wages. While the typical wage for working DC residents (the mid-point in pay for all residents with a job) grew by one-third between 1980 and 2014, after adjusting for inflation, the growth in wages has been concentrated among residents with a college degree.<sup>2</sup> Residents without a college degree have seen their wages fall.



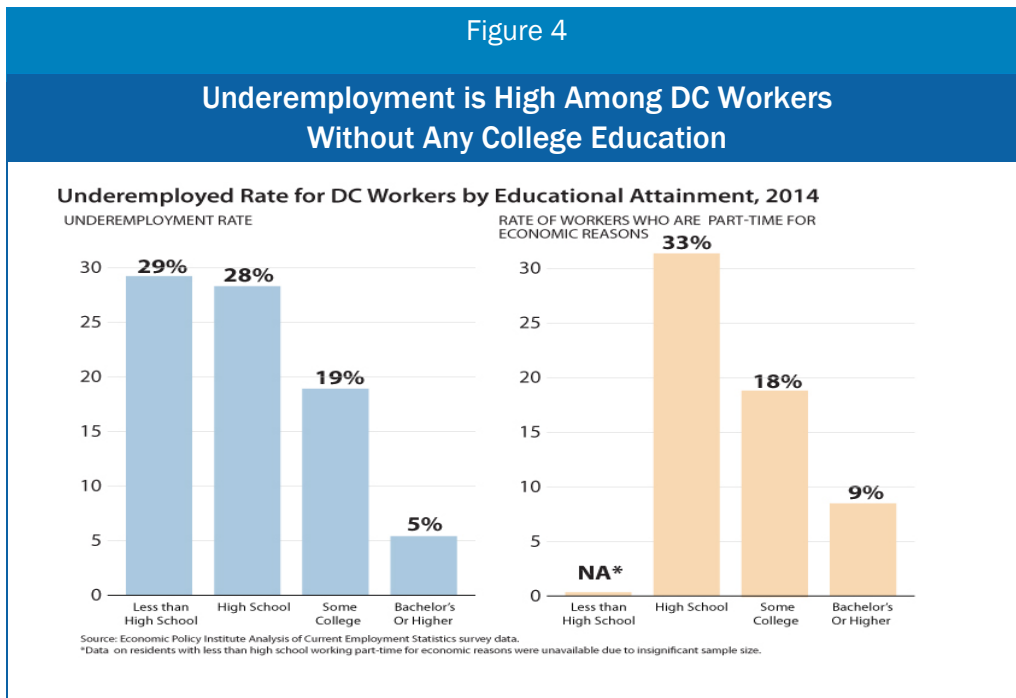
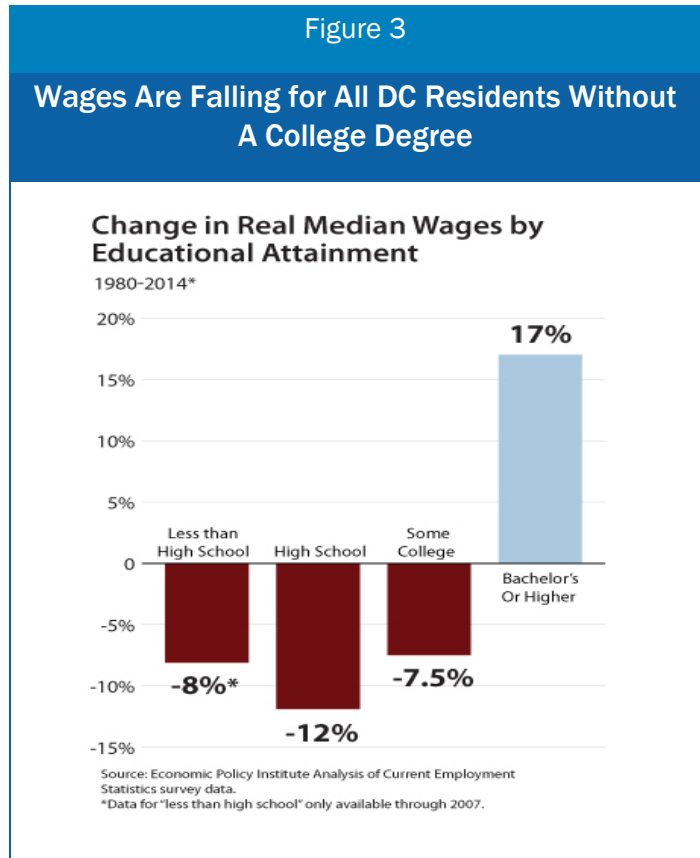
- **High school graduates in DC have seen the largest drop in hourly earnings.** The typical wage for a DC resident with a high school degree stood at just \$13 an hour in 2014, a decline of almost \$2 an hour since 1980, after adjusting for inflation.
- **Residents without a high school degree have seen low wages fall even further.** These residents typically earn less than \$12 an hour, and saw pay drop about \$1 an hour between 1980 and 2007, the most recent year for which statistically reliable data are available.
- **Wages have fallen for residents with some college education.** The typical wage for DC residents who have some education past high school — but less than a four-year degree — was \$15 an hour in 2014, compared with \$16 an hour in 1980. Wages for these workers rose notably until the early 2000s, reaching nearly \$19 an hour, before sliding to \$15 an hour over the past decade.
- **Wages are growing for college graduates.** Meanwhile wages for residents with a bachelor's degree or higher increased by \$4.50 an hour, or 17 percent between 1980 and 2014.

## Despite Falling Wages for Many, Educational Gains Can Help Workers without Advanced Skills or Degrees

While only DC residents with a college education have enjoyed wage gains, it is important to note that DC residents can improve their job and pay opportunities by advancing their education, even if they do not get a college degree. That's because wages increase with each step in educational

advancement. DC residents with a high school degree earn more than those without a high school credential, and those with at least some post-secondary education earn more than residents with a high school degree. For example, the typical wage for workers with some education beyond high school is about \$2 more per hour than for residents with a high school degree.

Besides wages, the likelihood of being unemployed or working part decreases as workers' education levels improve. DC residents with lower levels of education are far more likely to be underemployed<sup>3</sup>—that is, unemployed, involuntarily working part-time, or too discouraged to look for work—than workers with more advanced education. The underemployment rate for those with less than a high school credential is nearly 30 percent, for example, while the rate for those with some education beyond high school is 19 percent. (See **Figure 4**.)



These findings suggest that it is important to improve the education levels and training credentials for DC residents, but it also is very challenging because so many DC residents lack the educational qualifications for higher-wage work. Some 50,000 residents in DC lack a high school diploma, and an additional 81,000 residents have a high school education, but nothing beyond that.<sup>4</sup>

## **Hospitality and Health Services Are Likely to Be Key to Job Opportunities for Residents without a College Education**

The bottom line is that for lower-skilled workers, the DC job market is becoming more and more challenging. Not only are many of the industries which hire these workers in decline, but wages for lower-skilled jobs are also either stagnant or decreasing as well. Meanwhile, the ever-increasing cost of living in the District means that it is becoming more and more difficult for lower-skilled residents and families to make ends meet.

Given this, it makes sense to look to the city's industries with lower-skilled jobs that are growing to pursue employment opportunities. As DC's hospitality industry continues to boom, and health care continues to rise as a growing industry nationwide, the future of work in DC for residents without a college degree may be in these industries. Many workers in hospitality and health care earn very low wages, but both industries offer opportunities for advancement

- For example, in the food preparation and serving industry, the median wage for all jobs was just \$10.82 in 2014, or just \$22,500 per year if they worked full-time and year-round. (See **Table 3.**<sup>5</sup>)
- On the other hand, first-line supervisors of food preparation and service workers make a median wage of \$19.26 per hour (\$40,000 per year for full-time work). And while “regular” cooks have typical wages between \$9.06 and \$15.86 per hour, chefs and head cooks make an impressive \$28.29 per hour (nearly \$59,000 per year).
- Similar trends hold true for the health care field. Wages for lower-skilled work in this industry can be quite low; for example, home health aides make a median wage of just \$11.39 per hour (less than \$24,000 per year), and physical therapist aides make \$14.31 per hour (less than \$30,000 per year). (See **Table 4.**<sup>6</sup>)
- However, workers in these jobs can pursue career paths with much higher earning potential. Home health aides, for example, can follow several different career paths, with the potential to become a radiation therapist at \$39 per hour, a nurse practitioner at \$46 per hour, or even a pharmacist at \$55 per hour. Similarly, a physical therapist aide could eventually advance to become a physical therapist, making a median wage of \$39.21 (\$81,500 per year).<sup>7</sup> (See **Figure 5.**)

There are examples of successful training programs in health and hospitality in the District that can serve as a model, including the SOME Center for Employment Training, which offers quality health services programs, and DC Central Kitchen, which offers a respected culinary training program.

Table 3	
Wages in DC's Food Preparation and Serving Industry	
Occupation Title	Median Wage, Low to High
Cooks, Fast Food	\$9.06
Waiters and Waitresses	9.19
Dining Room and Cafeteria Attendants and Bartender Helpers	9.22
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	10.00
Food Preparation and Serving Related Workers, All Other	10.03
Food Preparation Workers	10.12
Combined Food Preparation and Serving Workers, Including Fast Food	10.20
Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	10.55
Dishwashers	10.55
<b>Total Food Preparation and Serving-Related</b>	<b>\$10.82</b>
Cooks, Short Order	12.50
Cooks, Restaurant	13.66
Food Servers, Non-restaurant	13.71
Cooks, Institution and Cafeteria	14.52
Cooks, All Other	15.86
First-Line Supervisors of Food Preparation and Serving Workers	19.26
Chefs and Head Cooks	28.29

Table 4			
Wages for Selected Jobs in DC's Health Care Industry			
Occupation Title	Median Wage, Low to High		
Home Health Aides	\$11.39	Occupational Health and Safety Technicians	25.99
Orderlies	13.41	Emergency Medical Technicians and Paramedics	26.03
Physical Therapist Aides	14.31	Occupational Therapy Assistants	27.44
Nursing Assistants	14.50	Respiratory Therapists	30.97
Pharmacy Technicians	16.33	Medical and Clinical Laboratory Technologists	32.48
Psychiatric Technicians	18.08	Radiologic Technologists	35.09
Medical Equipment Preparers	18.48	Cardiovascular Technologists and Technicians	35.52
Medical Assistants	18.91	Nuclear Medicine Technologists	35.70
Occupational Therapy Aides	18.94	Registered Nurses	38.29
Medical and Clinical Laboratory Technicians	19.09	Radiation Therapists	39.00
Pharmacy Aides	19.83	Physical Therapists	39.21
Medical Transcriptionists	22.77	Magnetic Resonance Imaging Technologists	39.49
Medical Records and Health Information Technicians	22.91	Occupational Health and Safety Specialists	39.55
Health Technologists and Technicians, All Other	23.02	Diagnostic Medical Sonographers	41.35
Health Care Practitioners and Technical Workers, All Other	23.38	Physician Assistants	46.36
Physical Therapist Assistants	23.49	Nurse Practitioners	46.45
Licensed Practical and Licensed Vocational Nurses	24.67	Pharmacists	55.19

## **The DC Central Kitchen (DCK) Culinary Training Program**

DCK has been providing short-term, intensive culinary training and certification to chronically unemployed District residents for 25 years. The 14-week program offers formal licensing in safe food handling, hands-on culinary education, comprehensive social services, and job placement assistance, in collaboration with an array of employer partnerships. The program serves as a one-stop shop for linking individuals disconnected from the labor market with entry-level culinary positions. DCK has graduated 581 students since 2008, and boasts a 90 percent placement rate. In 2014, while 82 percent of graduates entered the program with no earned income, 90 percent were employed upon the conclusion of the program. The average starting wage for graduates was \$11.88, which increased to \$12.92 after one year. Unfortunately, less than 30 percent of applicants are admitted to the program annually, as demand for DCK's training exceeds its physical capacity to accommodate students.

## **The SOME Center for Employment Training (CET) Medical Administrative Assistant Program**

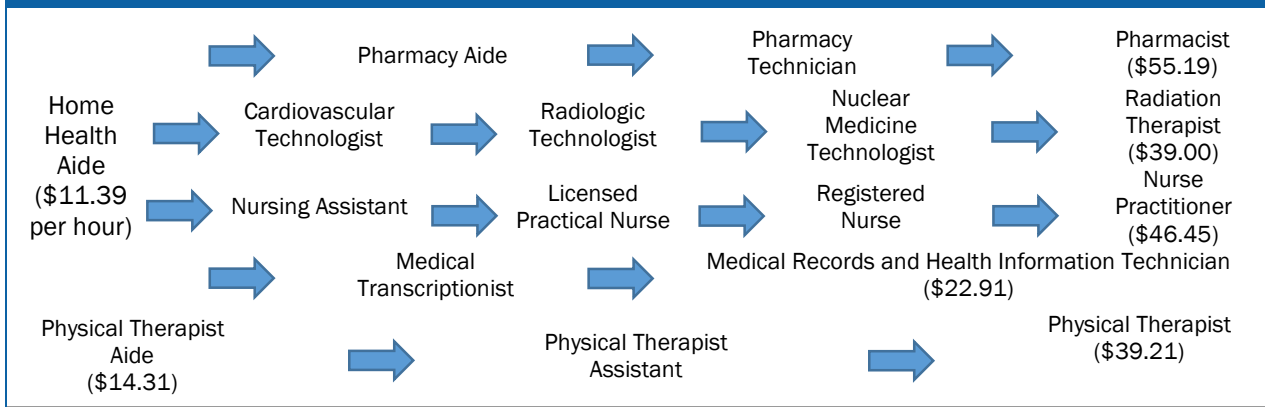
Students in the SOME CET medical administrative assistant program receive basic education, support services, career services, and counselling, to help them transition successfully into sustainable wage positions.

- Each week, students receive four hours of integrated math and English courses. The courses incorporate industry materials and applications of math skills (for example, bookkeeping, dosage, and medical charting). The math courses are co-taught by an industry and a basic education instructor.
- Once a week, students participate in a six-hour career development session that focuses on job search skills and soft skills. These are generally taught in cooperation with volunteers from leading local and national businesses.
- Supplemental services include on-site hiring events, a Friday "job search club," and a Business Partnership Liaison, who makes connections with industry partners, identifies hiring opportunities, and arranges hiring events.
- Support services include a licensed social worker who provides referrals and counselling on-site and two retention specialists who meet regularly with students while they're working or participating in externships.

The program has had proven success, including an 88 percent job placement rate in 2014 and 85 percent placement rate in 2013. In 2013, CET graduates earned an average annual wage of about \$27,000 (\$13 per hour if working full-time). In 2013, SOME CET added two full-time on-site counselors, who help students improve professionalism and soft skills that employers value. In its first year, 79 percent of participants in that program remained employed after a year.

Figure 5

Potential Career Pathways for Home Health Aides and Physical Therapist Aides



Sources: Bureau of Labor Statistics, May 2014 State Occupational Employment and Wage Estimates. Middle Tennessee State University, 2006. A Study of Healthcare Occupations in Northwest Tennessee—Workforce Needs, Career Ladder, Awareness Programs, and Financial Sources for Training.

**Two Keys to Better Jobs for DC Residents: Improvements in DC’s Job Training Programs and Policy Changes to Improve the Quality of All Jobs**

Helping DC residents get into better jobs – better pay, better hours, and better benefits – is critical to helping families and individuals cope with the rising costs of living. Having more residents in good jobs also will help the DC economy, creating opportunities for businesses to thrive.

The District should take a two-pronged approach to this goal: helping residents move up the career ladder through education and training opportunities, and strengthening policies such as the minimum wage that help ensure workers can earn a decent living.

**Steps to Build a Comprehensive Workforce Development System in DC**

The District’s education and job training programs must adapt to meet the growing need of DC residents and employers. The key stakeholders in workforce development – DC government, employers, labor unions, and job training providers – should come together to design quality workforce training programs. Such programs should allow DC residents to gain the initial education and skills needed to perform quality work, and then ensure that residents continue to receive training, as desired, to further advance in the industry.

This type of approach is exactly what is envisioned by a recent federal law, the Workforce Innovation and Opportunity Act (WIOA). WIOA encourages a new focus on low-level literacy training, programs that help people earn money while in training, improved measurement of training outcomes. WIOA encourages DC and the states to adopt a “career pathways” approach, which allows people to enter at any point in the educational/training spectrum (from those needing literacy to those needing hard skills training) and also facilitates transitions from one level to the next.



Providing literacy education in the context of occupational training has proven to be an effective approach, by creating clear incentives to make educational progress and by providing literacy training that is highly relevant to employment.

In addition, more advanced follow-on training and credentialing may be needed in many industries. For example, while DC Central Kitchen offers training and licensing for initial jobs in the industry, a subsequent program could help more entry-level workers gain the managerial skills to become front-line supervisors. Restaurants often struggle to promote existing employees to such higher-level positions, due to lack of qualifications. Additional follow-on training and credentialing, in areas such as personnel and inventory management, could help prepare District residents to take the next step up in the culinary industry.

More comprehensive career pathways programs that incorporate these aspects have been implemented with much success in other states. For example, the Boston Education, Skills & Training (BEST) Corp. operates the Hospitality Training Center (HTC), a hospitality workforce training program which combines pre-employment and worker training designed to meet the needs of local hotel partners. It is a joint venture between the UNITE HERE Local 26 union and local hotel employers. HTC provides 18 different courses, including English for hospitality, computers, and citizenship preparation, as well as certification skills training in on-call banquet server, busser/server, basic culinary skills, food safety, CPR, and more. Graduates earn an average wage of \$16.48 after completion of the program, as compared with less than \$10 per hour before receiving training, and are much more likely to receive employer health benefits.<sup>8</sup>

WIOA calls for a comprehensive state plan on workforce development by March 2016. This means that DC has several months to develop a solid, workable plan. City officials should take every advantage of this opportunity, so that all workers in the District are able to achieve the education and job training skills they need to gain meaningful employment.

### **DC Should Enact Policies to Strengthen the Quality of All Jobs**

While efforts to help more residents prepare for goods jobs is important, it also is important to take steps to improve the quality of jobs for all workers, especially those on the lower rungs of any career ladder. Improving job quality would help ensure all workers can earn a decent living and would provide stability and resources to lower-skilled workers that would help them advance.

The District has taken steps in recent years to improve the quality of jobs in the city, but further steps can be taken. These include:

**Increasing the minimum wage.** DC recently passed legislation to increase the minimum wage up to \$11.50 per hour on July 1, 2016. Some 64,000 workers in the District—or 10 percent of the people who work in the city—will see wage gains as a result.<sup>9</sup> However, the legislation does not go far enough to provide a living wage for residents and families. The living wage in the city—what it takes to meet all basic living expenses—is \$14.84 for an individual and \$20.27 an hour for a family of four.<sup>10</sup> With that in mind, efforts are underway to raise the minimum wage even higher. A ballot initiative for the November 2016 ballot would gradually raise the District's minimum wage to \$15

per hour; this initiative will be on the ballot if supporters can collect sufficient valid signatures from DC residents.

**Instituting fair scheduling rules.** Many service sector companies use “just-in-time” scheduling—where employee schedules are changed frequently in an attempt to match customer foot traffic, reservations, or sales volumes. This creates many problems for workers, including economic insecurity, child care difficulties, challenges continuing their education, and limited employment options.<sup>11</sup> Rules to combat these just-in-time policies should include giving workers sufficient advance notice of their schedules, encouraging stable work schedules, and protecting part-time employees from being discriminated against with regard to pay, leave, and promotion opportunities.

**Ensuring paid family leave.** Research shows that paid family leave—allowing employees paid time off for the birth of a child or care of a sick family member—enables workers to make ends meet during times of personal need and encourages women to stay at jobs that they might otherwise leave in order to provide care.<sup>12</sup> However, currently only 13 percent of employers nationwide offer any paid family leave at all.<sup>13</sup> With that in mind, states such as California, New Jersey, and Rhode Island have mandated that employers must provide a minimum amount of paid family leave. Similar efforts are currently underway in the District of Columbia.

These policies would help all DC workers, at all points in their educational and occupational career paths, to achieve financial security and the ability to adequately provide for their families.

## Appendix

Table 1			
Change in Employment in Washington, DC			
	Total Jobs in 1990 (thousands)	Total Jobs in 2013 (thousands)	Percent Change
Education and Health Services	77.1	127.4	65.2%
Leisure and Hospitality	47.5	69.8	46.9%
Professional and Business Services	110.4	157.8	42.9%
Other Services	51.3	70.4	37.2%
Construction & Mining	13.9	14.3	2.9%
Financial Activities	30.3	30.3	0.0%
Retail Trade	25.6	21.6	-15.6%
Wholesale Trade	6.5	4.9	-24.6%
Trade Transportation and Utilities	45	30.7	-31.8%
Information	26	17.2	-33.8%
Transportation and Utilities	12.8	4.3	-66.4%
Manufacturing	7.3	1	-86.3%

*Source: Economic Policy Institute analysis of Current Employment Statistics survey data.*

Table 2					
Median Wages in DC by Educational Attainment, 1979 - 2014					
	All	Less than high school	High school	Some college	Bachelor's or higher
1979	\$18.25	*	\$15.71	*	\$25.54
1980	\$16.98	\$12.56	\$14.80	\$16.23	\$26.59
1984	\$17.00	\$11.66	\$14.58	\$16.72	\$26.63
1989	\$18.34	\$12.16	\$14.58	\$16.70	\$27.34
1994	\$17.45	*	\$14.10	\$15.77	\$27.30
1999	\$19.36	*	\$14.43	\$16.80	\$26.58
2004	\$22.28	*	\$16.20	\$17.89	\$31.36
2007	\$21.80	\$11.54	\$14.84	\$17.25	\$30.73
2009	\$23.63	*	\$15.93	\$17.60	\$32.91
2014	\$24.20	*	\$13.04	\$15.01	\$31.12
Percent Change, 1980-2014	28.4%	-8.1%**	-11.9%	-7.5%	17.0%

*Source: Economic Policy Institute analysis of Current Employment Statistics survey data.*

\* Not available due to insufficient sample size.

\*\* Change reflects 1980-2007.

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<sup>1</sup> Economic Policy Institute analysis of Current Employment Statistics survey data.

<sup>2</sup> Economic Policy Institute analysis of Current Employment Statistics survey data.

<sup>3</sup> The underemployment rate is calculated as the sum of the unemployed, marginally attached, and part-time for economic reasons divided by the civilian labor force plus marginally attached. The part-time workers' share is calculated as the share of part-time for economic reasons (i.e., involuntarily part-time) divided by the total number of part-time workers.

<sup>4</sup> American Community Survey." Sex by Educational Attainment for the Population 25 Years and Over." 2009-2013 Five Year Estimates.

<sup>5</sup> Bureau of Labor Statistics, May 2014 State Occupational Employment and Wage Estimates.

<sup>6</sup> Bureau of Labor Statistics, May 2014 State Occupational Employment and Wage Estimates.

<sup>7</sup> Bureau of Labor Statistics, May 2014 State Occupational Employment and Wage Estimates. And "A Study of Healthcare Occupations in Northwest Tennessee—Workforce Needs, Career Ladder, Awareness Programs, and Financial Sources for Training." <http://capone.mtsu.edu/berc/pdfs/dyersburg22.pdf>

<sup>8</sup> See a summary of the Best Hospitality Training Center at <http://besthtc.org/at-a-glance-final.pdf>

<sup>9</sup> DC Fiscal Policy Institute, "The Workers Who Will Benefit from Raising DC's Minimum Wage," January 2014 (<http://www.dcfpi.org/the-workers-who-will-benefit-from-raising-dcs-minimum-wage>)

<sup>10</sup> See the MIT Living Wage Calculator for the District of Columbia at <http://livingwage.mit.edu/counties/11001>

<sup>11</sup> DC Jobs with Justice, DC Fiscal Policy Institute, and Kalmanowitz Institute for Labor and the Working Poor, "Unpredictable Unsustainable: The Impact of Employers' Scheduling Practices in DC," 2015 (<http://www.dcfpi.org/wp-content/uploads/2015/06/6-11-2015-Just-Hours-Report.pdf>)

<sup>12</sup> Blau and Kahn, "Female Labor Supply: Why is the U.S. Falling Behind?" (<http://www.nber.org/papers/w18702>)

<sup>13</sup> See summary of paid leave policies at National Partnership for Women and Families (<http://www.nationalpartnership.org/issues/work-family/paid-leave.html>)