

Still Looking for Work: Unemployment in DC Highlights Racial Inequity

By Linnea Lassiter

The District has seen a substantial reduction in unemployment since 2010, nearly erasing the unemployment increases that occurred during the Great Recession. Yet DC's unemployment rate among working age adults in 2016, six years into a recovery, was still higher than before the start of that recession.

Moreover, the jobs recovery has been very uneven, with many groups of District residents continuing to face rates of joblessness that are far higher than before the recession. This is particularly true for black residents and residents without a college degree. In contrast, unemployment among white residents and college-educated residents has largely recovered from the recession and is now very low. As a result, the gap in unemployment between white and black residents has grown, as has the gap between college-educated workers and other workers.

There also are signs that unemployment is improving in the District's lowest-income neighborhoods, including east of the Anacostia River, but the improvement has been less than in other parts of the city. Unemployment has fallen significantly since 2014 in Ward 7 and Ward 8, but reliable Ward-level unemployment figures are not available to make comparisons going back to 2010.

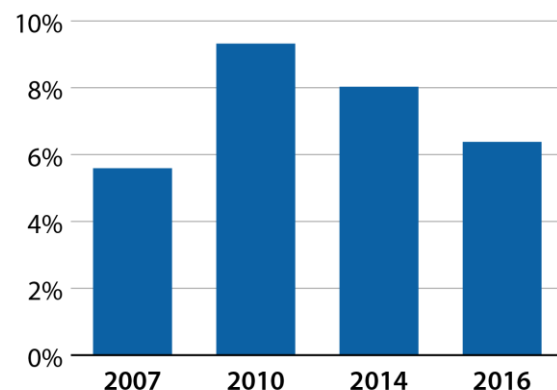
There are other indicators of economic progress as well, including a drop in SNAP participation across all eight Wards. SNAP is the Supplementary Nutrition Assistance

Program, commonly referred to as food stamps, and SNAP participation tends to rise and fall with economic trends. Yet the SNAP participation data show that the recent declines east of the Anacostia River have been much smaller than in the rest of the city, and that the number of SNAP recipients there is far higher than in 2010. This further indicates that job growth and lower overall unemployment in DC does not reflect the economic reality of many black residents, particularly those living east of the Anacostia River.

These are signs that an increasingly strong economy is not benefitting all residents equally and that the city's racial inequities are widening.

FIGURE 1.

DC Unemployment Rate Has Fallen, But Still Exceeds Pre-Recession Level



Note: Unemployment rate is for the population aged 16 to 64.
Source: DCFPI analysis of Current Population Survey data.

Unemployment among Working-Age DC Residents Is Falling, but Still Higher than Before Recession

A growing economy has led to a substantial reduction in unemployment in DC over the past six years, marking an extended recovery from the Great Recession. Despite this progress, however, overall unemployment in the District remains higher than before the recession, which means that the gains since 2010 have not wiped out all of the job losses (Figure 1).

- **DC's unemployment rate has been falling since 2010.** This is consistent with economic recovery from the Great Recession observed across the country. DC's unemployment rate for working age-adults (aged 16 to 64) stood at 6.4 percent in the first 10 months of 2016, reflecting a steady decline from a peak of 9.3 percent in 2010.¹
- **Unemployment remains higher than prior to the recession.** Despite this progress, DC's 6.4 percent unemployment rate in 2016 was higher than the 5.6 percent rate in the first 10 months of 2007. This means that the city's overall unemployment rate has not fully recovered from the impacts of the recession.

Joblessness among DC's Black Residents Remains High, and the Black-White Unemployment Gap Has Widened Post- Recession

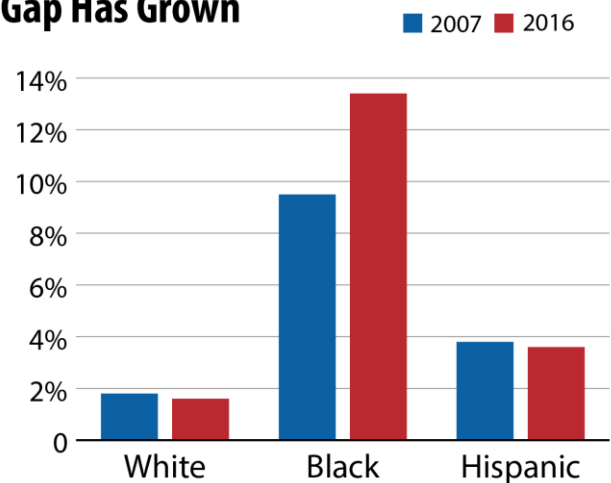
Black residents continue to have the highest unemployment rate by race/ethnicity in the District. Moreover, unemployment for black DC has not fallen substantially in the economic recovery since 2010, and much less so than for white or Hispanic workers. As a result, DC's black-white unemployment gap is growing (Figure 2).

Black unemployment is far higher today than prior to the recession. Some 13.4 percent of working-age black DC residents were unemployed in 2016, far higher than the 9.6 percent unemployment rate in 2007 before the Great Recession. Meanwhile, the unemployment rates for white and Hispanic residents in 2016—1.7 percent and 3.5 percent respectively—were lower than in 2007.

- **Black workers are the only racial or ethnic group to have not fully recovered from the recession.** According to 2015 Census data, black DC residents are also the only racial ethnic group with a higher poverty rate today than prior to the recession.²
- **Black unemployment in DC is far higher than white or Hispanic unemployment.** Black residents are four times as likely as Hispanic residents to be unemployed, and eight times as likely as white residents. The black-white unemployment gap is far higher now than in 2007, when black residents were five times more likely to be unemployed than white workers.

FIGURE 2.

DC's Black-White Unemployment Gap Has Grown



Note: Unemployment rate is for the population aged 16 to 64.
Source: DCFPI analysis of Current Population Survey data.

Only College-Educated DC Residents Have Seen Unemployment Recover from the Recession

Unemployment rose during the Great Recession for DC residents at all education levels, but the increases were especially great for workers without a four-year college degree. And the recovery for these groups has been modest, leaving very high unemployment rates for this point of an economic recovery.

- The job market has not fully recovered from the recession for many residents without a college degree.** Some 16.4 percent of residents with a high school degree were unemployed in 2016, substantially higher than the 10 percent unemployment rate in 2007. The unemployment rate for residents with an associate's degree or some college experience—11.4 percent in 2016—was more than double their 5.2 percent unemployment rate in 2007.
- College-educated residents have largely recovered from the recession.** The unemployment rate for these residents stood at 2.7 percent in 2016, about the same as the 2.5 percent unemployment rate in 2007. It's worth noting that while unemployment rose during the Great Recession for these residents, it never exceeded 3.6 percent. It's also worth noting that unemployment has not recovered fully for black college-educated residents. (See next section.)
- Residents without a high school degree have a lower unemployment rate than those with a high school degree.** Some 15 percent of DC residents without a high school degree were unemployed in 2016, compared with 16 percent of those with a high school degree. Moreover, the drop in unemployment since the recession has been greater for those without a high

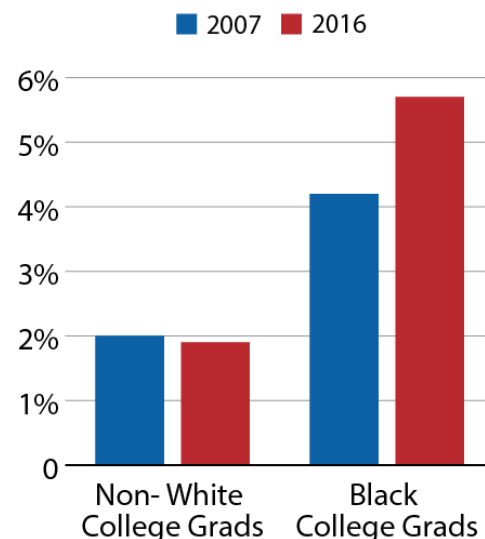
school degree than those with one. This could reflect that a large share of residents without a high school degree are too discouraged to look for work, and thus are not reflected in unemployment statistics.

Black College Graduates Have Not Bounced Back and Are Faring Worse than Other College Graduates

Black college graduates have a higher likelihood of being unemployed than other residents with a college degree. And unemployment has not fully recovered from the recession for black college graduates, while it has for other college graduates (Figure 3). This indicates there are other factors contributing to high unemployment among black residents beyond educational attainment.

FIGURE 3.

Black College Grads Face Higher Unemployment Than Non-White Grads



Note: Unemployment rate is for the population aged 16 to 64. College graduates are those with a bachelor's degree or higher. Source: DCFPI analysis of Current Population Survey data.

- **There is a significant unemployment gap between black residents and other residents with Bachelor's degrees and higher.** The unemployment rate among black college graduates stood at 5.7 percent in 2016. This is far lower than the overall unemployment rate for black workers, but three times higher than the 1.9 percent rate for non-black college graduates.
- **The black college graduate unemployment rate remains higher than prior to the recession.** While non-black college graduates now have a slightly lower unemployment rate in 2016 than before the recession, black college graduates are still more likely to be unemployed today than before the recession, when their unemployment rate was 4.2 percent.

Across All Age Groups, Unemployment Remains Higher than Prior to the Recession

For all age groups, unemployment in 2016 remained higher than in 2007.

- **Young workers face the highest unemployment rate.** Some 15.2 percent of workers aged 16 to 24 were unemployed in 2016, higher than for any other age group. Moreover, the unemployment rate for young workers today is higher than prior to the recession. Some 13.1 percent of young workers were unemployed in 2007.
- **Older workers have not recovered from the recession.** Some 5.7 percent of workers aged 55 to 64 were unemployed in 2016, compared with 3.6 percent in 2007.
- **Prime-aged workers face slightly higher unemployment than before the recession.** Some 5.2 percent of workers

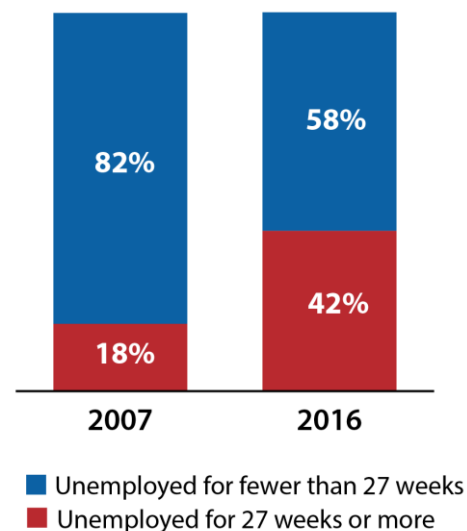
aged 25 to 54 were unemployed in 2016, compared with 4.5 percent in 2007.

Jobless DC Residents are Unemployed for Longer Periods of Time

Although overall unemployment has improved since 2010, those unemployed today are far more likely to experience long-term unemployment than before the recession. Long-term unemployment refers to anyone who is unemployed for 27 weeks or longer and is actively seeking work. Today, 42 percent of DC workers who lose their job stay out of work for 6 months or more. In 2007, just 18 percent of unemployed residents faced long-term unemployment (**Figure 4**).

FIGURE 4.

Long-Term Unemployment Has Become More Common



Note: Unemployment rate is for the population aged 16 to 64.
Source: DCFPI analysis of Current Population Survey data.

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SNAP Participation Rates Suggest Uneven Economic Growth across Wards

Unemployment has fallen in every Ward in the District since 2014, based on data from the DC Department of Employment Services, indicating the economic recovery has reached all corners of the city in recent years (**Table 1**). Consistent data are available only for a few years, however, and therefore cannot be used to measure the full level of recovery from the Great Recession.

TABLE 1.

Unemployment Rate by Ward

	2014	2015	2016
Ward 1	5.8%	5.0%	4.5%
Ward 2	5.2%	4.8%	4.3%
Ward 3	4.8%	4.5%	4.0%
Ward 4	7.3%	6.4%	5.6%
Ward 5	9.9%	8.7%	7.7%
Ward 6	6.3%	5.8%	5.0%
Ward 7	13.6%	11.9%	10.9%
Ward 8	16.4%	14.6%	13.3%

Source: Department of Employment Services.

There are alternative indicators that can be used to assess Ward-level economic trends, including participation in SNAP, formerly known as food stamps. Trends in SNAP caseloads are primarily a measure of poverty, and not just of unemployment rates, since SNAP participation is tied largely to income. Nevertheless, trends in SNAP participation are a sign of the strength of the economy because SNAP is an entitlement program that is means-tested and available to nearly all low-income residents. SNAP participation rises

during economic downturns and declines during periods of economic growth.

There has been a decline in the number of individuals and families on food stamps citywide since 2014, however, the decline has been more modest in Wards 7 and 8, suggesting residents east of the river have recovered somewhat from the Great Recession, but not to the degree of other District residents (**Table 2**, next page).

- **The number of families receiving SNAP benefits across DC continued to increase through 2014, well into post-recession economic recovery.** In 2014, some 80,700 DC families received SNAP, compared with 70,100 in 2010.
- **Although SNAP caseloads began to fall across the city in 2014, the drop was much smaller east of the Anacostia River.** The number of families receiving SNAP fell 4.9 percent in Ward 8 and 7.4 percent in Ward 7 between 2014 and 2016. These declines were smaller than in any other Ward.
- **SNAP caseloads in Wards 7 and 8 remain higher today than in 2010, which was the height of unemployment during the recession.** Some 15,080 Ward 7 families received food stamps in 2016, which is substantially higher than the 13,200 who received SNAP in 2010. Ward 8 has also seen an increase in the number of families on SNAP. In 2010, 14,860 families received SNAP; compared to 16,844 in 2016.
- **The decline in SNAP caseloads west of the Anacostia River has been more dramatic than east of the river.** While there are more SNAP recipients in Wards 7 and 8 than in 2010, the number of SNAP recipients in the remainder of the city is now lower than in 2010.

TABLE 2.

SNAP Participation by Ward

	% Change 2010-2014	% Change 2014-2016
Ward 1	8.4% ↑	- 13.7% ↓
Ward 2	4.8% ↑	- 12.7% ↓
Ward 3*	40.3% ↑	3.3% ↑
Ward 4	14.7% ↑	- 12.3% ↓
Ward 5	10.3% ↑	- 15.6% ↓
Ward 6	16.7% ↑	- 9.4% ↓
Ward 7	23.1% ↑	- 7.4% ↓
Ward 8	19.2% ↑	- 4.9% ↓

* Because the number of people participating in SNAP in Ward 3 is consistently very small, it is inadvisable to draw conclusions from percent changes in participation over short periods.

Source: DHS ACEDS Data Report, compiled by DHS Data Analysis Team

¹ This analysis uses pooled monthly data from the Current Population Survey of the US Census Bureau. It uses data for January through October 2016, the latest data available at the time the analysis was conducted, and compared results with similar time periods going back to 2007. All unemployment figures in this analysis are limited to residents age 16 through 64.

² DC Fiscal Policy Institute. (2016). "DC's Racial Inequality Continues to Widen, Even as the City Sees Substantial Economic Growth." Available at <http://www.dcfpi.org/dcs-racial-inequality-continues-to-widen-even-as-the-city-sees-substantial-economic-growth>.