

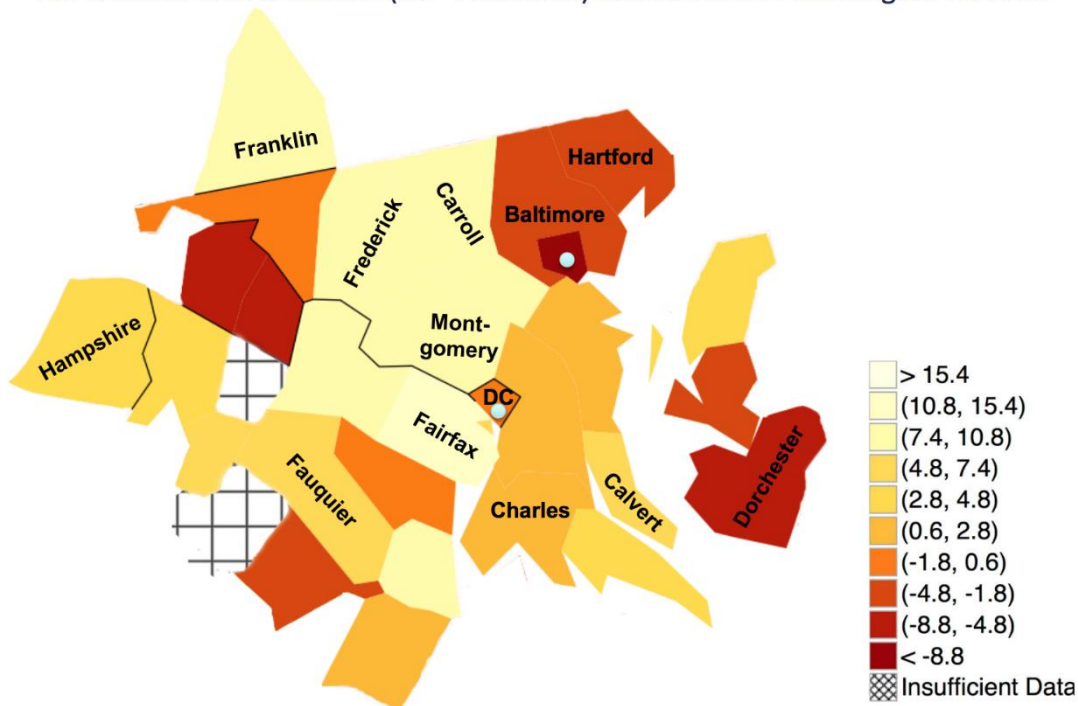
Economic Mobility in DC Lower Than Neighboring Counties

By Minahil Naveed

It's a conundrum: DC's economy is growing at a healthy clip, yet not everyone is benefiting. [Poverty remains high](#) almost 10 years into an economic recovery, and the gap in unemployment rates between Black residents and White residents is [growing](#). This shouldn't be happening, right?

Unfortunately, these disappointing results *are* predictable, given the District's high level of racial segregation, and the high rate of income inequality. Research confirms that both contribute to a low likelihood that children who grow up in poverty will end up better off as adults. In fact, DC children in the lowest 25 percent of the income distribution [have lower incomes as adults](#) than their peers in adjacent counties, and middle-income Black DC residents are [more likely to experience downward economic mobility](#)—falling into an income quintile below the one they were born in—than their White counterparts. These stark differences in access to opportunity and outcomes reflect [over two centuries of constructed barriers](#) to wealth building, which have created the stratified and segregated DC we see today.

Causal Effects of Growing up in Different Counties on Earnings in Adulthood
For Children in Low-Income (25th Percentile) Families in the Washington DC Area



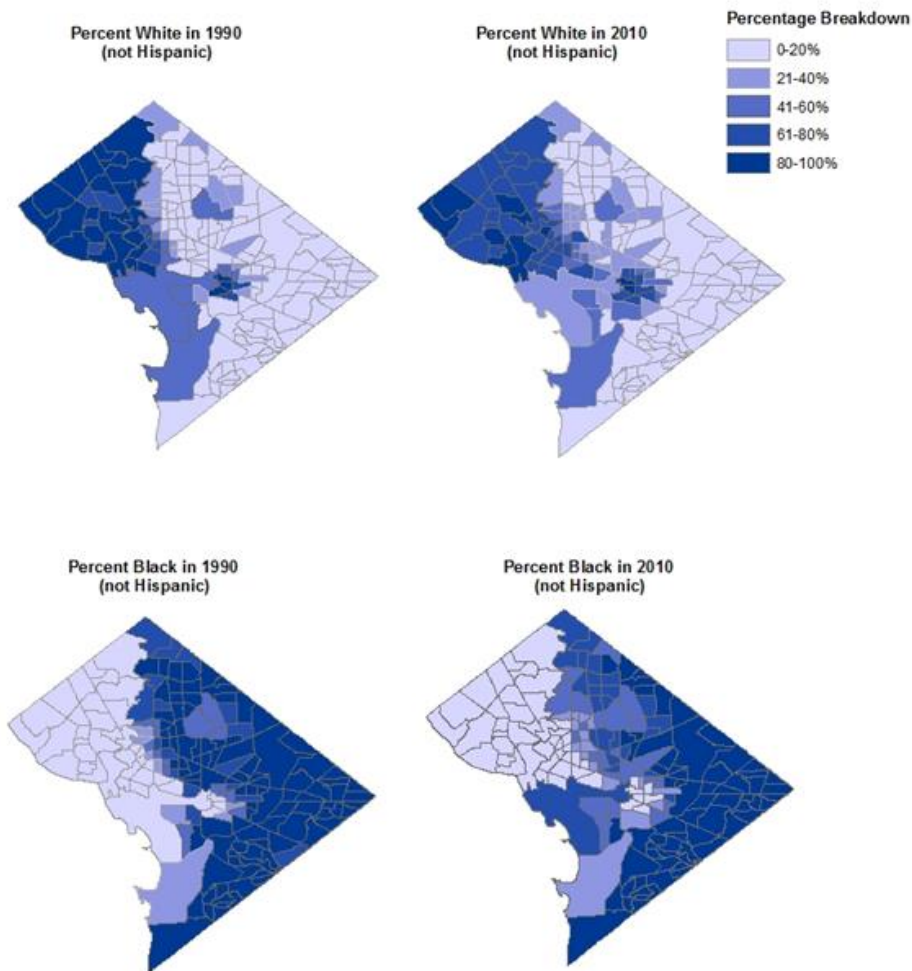
Note: Lighter colors represent areas where children from low-income families earn more as adults

Source: Raj Chetty, [The Impacts of Neighborhoods on Economic Opportunity: New Evidence and Policy Lessons](#)

[Place matters](#) when it comes to economic mobility. [Research](#) shows that the area in which a child grows up affects their future economic well-being and chances for upward mobility. The legacy of racial segregation and income inequality in the District are depriving children of opportunities to benefit from DC’s economic health.

- A quarter of DC neighborhoods face multiple [challenges](#) that reduce economic mobility—such as high unemployment, a large share of residents without a high school diploma, and a low share of two-parent households. Three-fourths of these neighborhoods are east of the Anacostia River, indicating a pronounced economic divide.
- Black DC residents are much more likely to live in neighborhoods that face substantial challenges to economic mobility. Racial segregation is [associated with](#) less upward mobility for all children living in majority-Black communities, in part reflecting vast differences in income. DC’s Black neighborhoods are nearly [10 times more likely](#) than white neighborhoods to be areas of concentrated poverty. Over the past decade, the share of DC’s Black residents who live east of the river climbed—even as segregation within large metropolitan regions nationally [declined](#).

White / Black Concentration, 1990 and 2010



Source: authors' tabulations of census data compiled by the Neighborhood Change Database (NCDB)

Source: The Brookings Institution, [Segregation and concentrated poverty in the nation's capital](#)

- The District’s high level of income inequality is likely to [further exacerbate](#) the problem. [Research](#) shows that places with high inequality tend to also have lower social mobility. Richer families [have more resources to dedicate to “enrichment expenditures,”](#) such as SAT prep, private tutors, computers, and music lessons, which [in turn](#) help their children perform better in school and have a higher chance of graduating from college. This way, income inequality reinforces itself across generations—and serves to exacerbate racial inequity as well. White households in the District have, on average, a net worth [81 times higher](#) than Black households, and have a median income [three times](#) higher than the median Black household income.

The District can’t end its racial segregation overnight. Yet finding ways to reduce segregation—such as increasing opportunities to create affordable housing throughout the city—combined with targeted investments in high-poverty neighborhoods are critical to improving the chances that everyone can benefit in an increasingly prosperous city.