

## Economy: Invest in Things that Build An Equitable, Inclusive Economy

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The fiscal year (FY) 2021 DC budget should advance economic policies that ensure everyone has the chance to fulfill their potential regardless of the ward they live in, the color of their skin, or the size of their bank account.

### Rebalance Power in the Economy to Broaden Prosperity, Build Inclusive Growth

It's time for DC's leaders to focus on creating an economy that supports the well-being of every DC resident. In the FY 2021 budget, DC policymakers can support economic growth and lay the foundation for opportunity by boosting investments in workforce development, income supports, equitable economic development, and other things that matter to businesses, like education and transportation.

Budget priorities to build an inclusive economy include:

- **Preparing DC Residents for Careers through an Integrated and Comprehensive Adult Education and Workforce System:** The District's economy is thriving, but those gains have not been shared with all residents. While [more than 75 percent](#) of all jobs in DC require postsecondary training, [more than 60,000](#) DC residents lack a high school diploma or equivalent. And roughly 90,000 adults in the District lack the basic skills (literacy, numeracy, English language proficiency and/or digital literacy) to enter and keep jobs with economic security.

The Career Pathways Innovation Fund (CPIF) supports coordinated, transparent education and training systems that adults can easily access, whether they need to learn basic skills or build upon prior education and experience. This allows students who would otherwise be excluded from the District's job training programs because of their low basic skills to enter and succeed in the workforce. In FY 2020, the Council expanded funding for the CPIF by allotting \$1.65 million in recurring funds and \$500,000 in one-time funding. The FY 2021 budget should retain the FY 2020 expansion of the fund by increasing the recurring money allotted to CPIF by \$650,000.

- **Building Power for Working People by Funding the Provisions included in the Initiative 77 Repeal:** In 2018, the DC Council repealed the voter-approved ballot Initiative 77, which would have gradually eliminated the subminimum wage structure for tipped workers and required employers to pay all workers the full minimum wage by 2026. This particularly impacts workers of color who make up [70 percent](#) of tipped workers and [Black tipped workers](#) especially, who are paid 23 percent less per hour (in wages and tips) than white tipped workers. The repeal legislation included provisions to create a reporting system to collect anonymous complaints about wage theft violations; hire at least 5 additional compliance specialists; and create a universal poster to be provided to private employers detailing wage protection laws for employees, among other things. The FY 2021 budget should support workers by allocating \$1 million to fund these provisions.

- **Expand Interim Disability Income (IDA) to serve 250 more residents.** Interim Disability Assistance (IDA) provides modest, temporary cash benefits to adults with disabilities who have applied for federal disability benefits, Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) and are awaiting an eligibility determination. The wait for federal benefit determination has skyrocketed in recent years, from 350 days in 2012 to nearly 600 days in 2017, leaving residents who are unable to work without any cash benefits. IDA used to serve all who needed it but caseloads have been cut drastically because of budget cuts. A \$1.72 million budget increase would allow IDA to serve an additional 250 residents in need this year with the goal of expanding it to serve all those in need in the next five years.
- **Protecting the Displacement of Legacy Small Businesses.** The FY 2021 budget should provide economic supports to prevent the displacement of legacy small businesses, many of whom are struggling to keep up with soaring rents and property tax assessments stemming from a development boom that is gentrifying and transforming neighborhoods. Legacy small businesses, such as corner stores and hairdressers, have served their neighborhoods for decades and are the heart of our communities—particularly in the Black community. Some have already closed their doors and others are at risk of closing because they can't run profit margins needed to cover doubling and tripling rents.

Addressing the displacement of legacy businesses must be met with a long-term, systemic approach that focuses on the roots of displacement. The District has attempted to preserve some legacy businesses with one-off tax abatement agreements, but this is neither a strategic nor sustainable and equitable long-term solution. Lawmakers could fund this effort in the FY 2021 budget by scaling back or eliminating ineffective corporate subsidies that go to larger companies.

These recommendations will better ensure that the District budget is helping to create an economy that works for everyone.