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UNEMPLOYMENT RATES CONTINUE TO IMPROVE IN THE DISTRICT

By Caitlin Biegler

The District continues to see a drop in the unemployment rate in 2012. As of June 2012, the city's unemployment rate stood at 9.1 percent, down from 10.1 percent in December.¹ While unemployment fell for many groups of DC residents— especially young workers — others continue to face much higher unemployment rates than they did at the start of the recession. And while the District's unemployment rate has fallen since its peak in August 2011, unemployment remains far higher than pre-recession levels.

The DC Fiscal Policy Institute is tracking changes in the city's unemployment rate on a quarterly basis.² This analysis of data from the Census Bureau's Current Population Survey³ reveals DC's uneven recovery from the recession.

Highlights from the report include:

- Unemployment fell more for DC's White, non-Hispanic residents than it did for Black residents, and more for college educated residents than for those with lower levels of education.
- Unemployment only moderately improved this past quarter for Black workers and workers without a high school diploma. At the current rate of decline since the end of 2011, it will take until 2015 for unemployment among these groups to reach pre-recession levels.
- Unemployment fell fairly significantly for low-wage workers and single parents in the last quarter but is still far above pre-recession levels. The decline since the peak has offset only 33 percent of the recession-led increase for low-wage workers. For single parents, the decline has offset half of the recession-led increase in households without children but only 15 percent of the recession-led increase in households with children.

This analysis looks at unemployment by education, race/ethnicity, age, household type, and occupation and focuses on unemployment in the second quarter of 2012 (April to June), the most recent three months for which data are available.

¹Bureau of Labor Statistics, Local Area Unemployment Statistics, 2012, <http://data.bls.gov/timeseries/LASST11000003>.

² To see last quarter's report, visit <http://www.dcfpi.org/wp-content/uploads/2012/05/5-21-2012-Unemployment-FINAL.pdf>.

³ Due to the small sample size for DC unemployment data, the percentages reported here should be considered best estimates of the demographics of DC's unemployed residents.

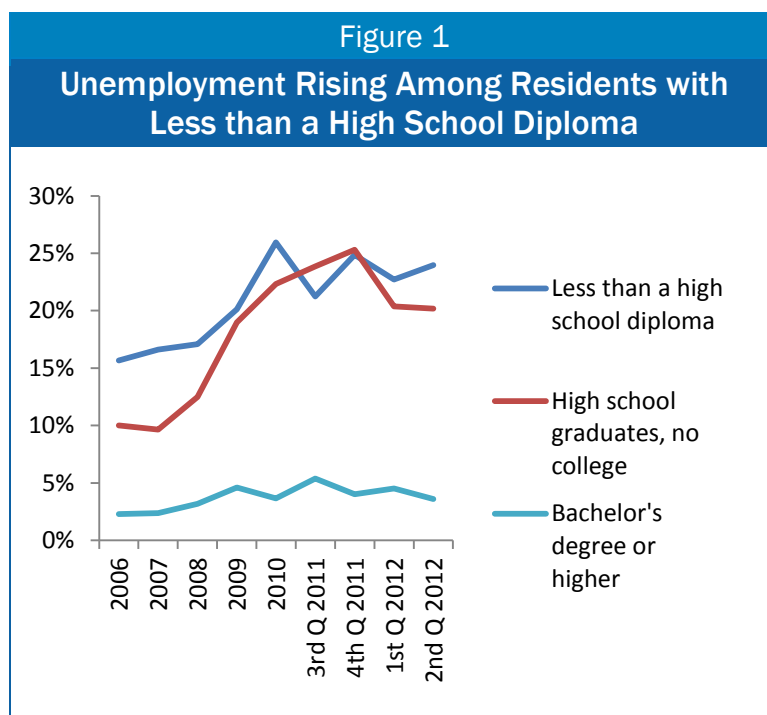
Unemployment by Education Level

The unemployment rates for DC residents without a college degree saw significant increases during the recession. In the most recent quarter, the unemployment rate for residents with a high school degree continued to fall, while the rate for residents with less than a high school diploma increased after a slight decrease last quarter. Meanwhile, college graduates continue to see stable, low rates of unemployment (see Figure 1).

- **Unemployment fell for residents with a high school diploma.** The unemployment rate for DC residents with a high school degree rose considerably during the recession, from 9.7 percent in 2007 to a peak of 25.3 percent in the fourth quarter of 2011.⁴ Recently though, this group has seen a decrease in

unemployment for two quarters, to 20.2 percent in the second quarter of 2012. This is still more than double the pre-recession level.

- **Residents with less than a high school diploma saw a small increase in unemployment in the recent quarter.** While unemployment among residents without a high school diploma fell in the first quarter, the rate rose from 22.7 percent to 24.0 percent in the second quarter. While unemployment has fluctuated for this group, it generally has been on the rise since 2008, with no sustained period of improvement since then.
- **College graduates continue to see low levels of unemployment.** College graduates in the District saw a decrease in unemployment, from 4.5 percent in the first quarter of 2012 to 3.6 percent in the second quarter of 2012. College graduates continue to see the lowest rates of unemployment by education.



Unemployment by Race/Ethnicity

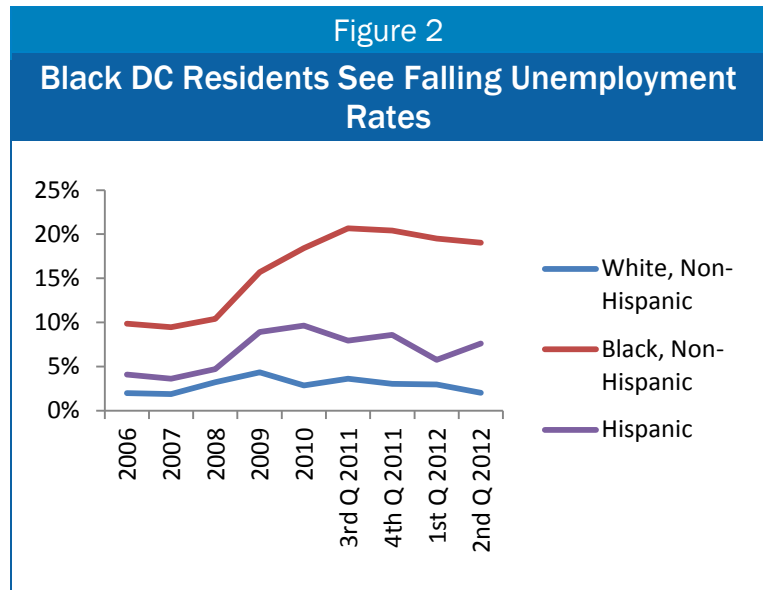
DC's Black residents have seen the largest increase in unemployment since the start of the recession, but have now seen two quarters of modest decreases. White, non-Hispanic residents in the District continue to see low rates of unemployment, while Hispanic residents saw a slight increase in unemployment this most recent quarter (see Figure 2).

⁴See Appendix on page six for first quarter 2012 and second quarter 2012 numbers.

- **Unemployment among Black residents continues to fall.** In the second quarter of 2012, Black DC residents saw a decrease in unemployment, from 19.5 percent to 19 percent. While this marks the second consecutive quarter of improvement, the rate is still much higher than the 2007 rate of 9.4 percent, before the onset of the recession. Unemployment among Black DC residents peaked at 20.7 percent in 2011 and fell only a small amount since then.

- **Unemployment fell among White, non-Hispanic DC residents.** White, non-Hispanic DC residents have experienced fairly low unemployment rates throughout the recession, and this pattern has continued in the most recent quarter. Unemployment dropped from 3.0 percent to 2.0 percent from first quarter 2012 to second quarter 2012. This rate is now back to the pre-recession unemployment rate among White residents.

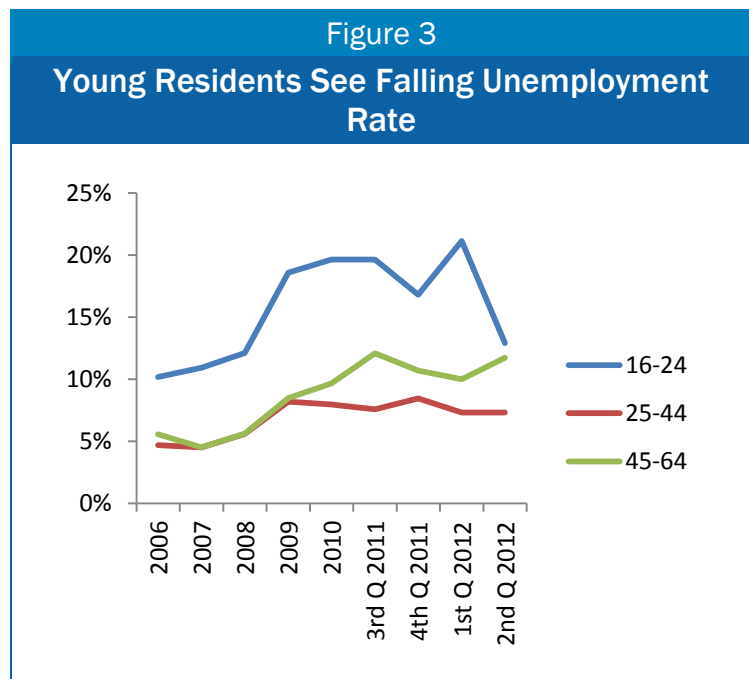
- **Hispanic DC residents saw an increase in unemployment.** After seeing a decline recently, the unemployment rate for Hispanic residents increased this past quarter, from 5.8 percent in the first quarter to 7.6 percent in the second quarter of 2012.



Unemployment by Age

Young adults saw a substantial decrease in unemployment this past quarter, while older workers saw a slight increase. Unemployment among 25-44 year olds stayed the same (see Figure 3).

- **Young workers saw a dramatic decrease in unemployment.** Unemployment among young workers rose substantially during the recession, but dropped sharply this past quarter, nearly falling to pre-recession levels, from 21.2 percent in the first quarter of 2012 to 12.9 percent in



the second quarter. Judging from the dramatic change, there may be some sampling error here. Regardless though, young workers still see the highest unemployment rate by age.

- **Older workers saw a small increase in unemployment.** In the second quarter of 2012, 45-64 year-olds saw an increase in unemployment, from 10 percent to 11.7 percent. This is a 7 percent increase from 2007 levels, when the rate was 4.5 percent among this age group. The recent unemployment increase follows a 6-month period of unemployment declines.
- **Workers from 25 to 44 years of age saw a constant unemployment rate.** DC workers age 25-44 have seen fairly low unemployment rates throughout the recession, and this past quarter, the rate stayed constant at 7.3 percent.

Unemployment by Household Type

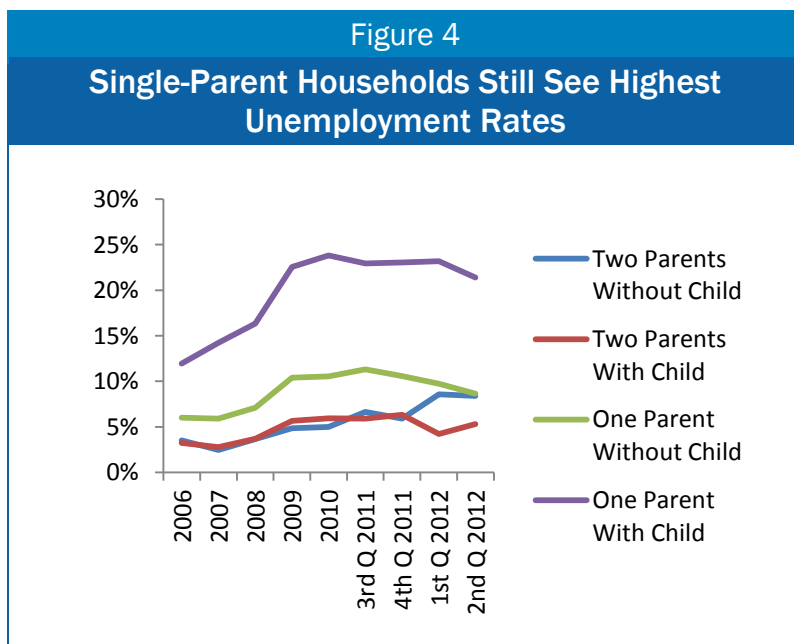
Married-couple households with children saw an increase in unemployment rates in the second quarter of 2012, but all other household types saw a decrease in unemployment during this time period (see Figure 4).

- **Two-parent families with children saw an increase in unemployment.**

Unemployment among two-parent families with children rose from 4.2 percent in first quarter 2012 to 5.3 percent in second quarter 2012. However, even with this recent increase, two-parent families with

children have the lowest unemployment rate by household type in the District.

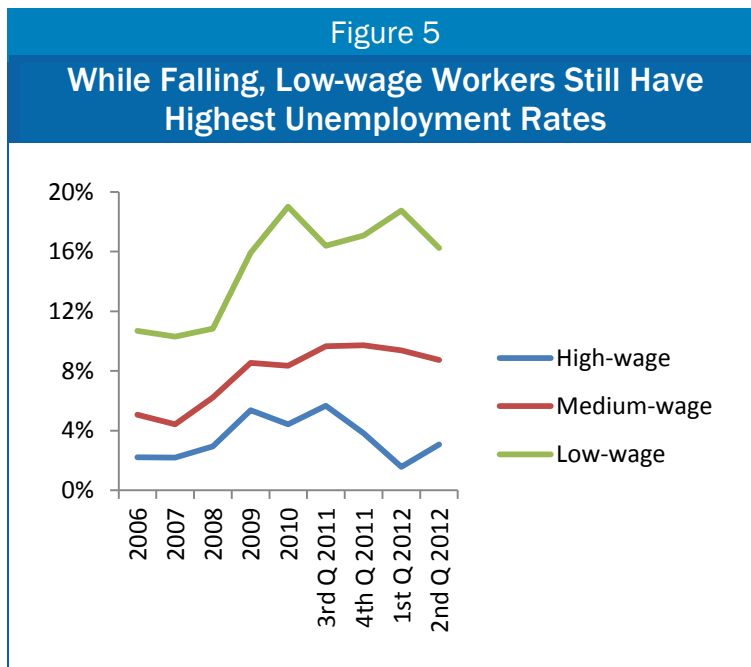
- **Most household types in the District saw a decrease in unemployment.** In the second quarter of 2012, the unemployment rate for married couples without children dropped from 8.6 percent to 8.4 percent. Households headed by a single adult also saw a decrease in unemployment. For single-parent households without children, unemployment dropped from 9.7 percent to 8.7 percent, and for single-parent households with children, unemployment saw a decrease from 23.2 percent to 21.4 percent. Even with this decrease, single parent households still have the highest unemployment rate by family type.



Unemployment by Occupation

In the second quarter of 2012, unemployment fell among low- and medium-wage workers. After a large decrease in unemployment last quarter, high-wage workers saw a small increase in the second quarter (see Figure 5).⁵

- **Unemployment among low- and medium-wage workers decreased.** The unemployment rate for low-wage workers decreased from 18.7 percent in first quarter 2012 to 16.2 percent in second quarter 2012. Even with this decrease, low-wage workers still hold the highest unemployment rate by wage. Unemployment among medium-wage workers decreased from 9.4 percent to 8.7 percent in this time period.



- **High-wage workers saw an increase in unemployment.** Unemployment for high-wage workers rose from 1.6 percent to 3.1 percent during the second quarter of 2012. High-wage workers continue to see the lowest unemployment rates by wage level.

⁵ Low wage occupations were defined as those in which the average wage was below the 25th percentile of overall DC wages. High wage occupations were defined as those in which the average wage was above the 75th percentile of overall DC wages. The medium wage category encompassed those occupations that fell within the 25th and 75th percentiles.

Appendix: Unemployment Rate Comparisons

By Education		
	4th Quarter 2011	1st Quarter 2012
Less than a high school diploma	22.7%	24.0%
High school graduates, no college	20.4%	20.2%
Bachelor's degree or higher	4.5%	3.6%

By Race/Ethnicity		
	4th Quarter 2011	1st Quarter 2012
White, non-Hispanic	3.0%	2.0%
Black, non-Hispanic	19.5%	19.0%
Hispanic	5.8%	7.6%

By Age		
	4th Quarter 2011	1st Quarter 2012
16-24	21.1%	13.0%
25-44	7.3%	7.3%
45-64	10.0%	11.7%

By Household		
	4th Quarter 2011	1st Quarter 2012
Two Parents without Children	8.6%	8.4%
Two Parents with Children	4.2%	5.3%
One Parent without Children	9.7%	8.7%
One Parent with Children	23.2%	21.4%

By Wage		
	4th Quarter 2011	1st Quarter 2012
High-wage	1.6%	3.1%
Medium-wage	9.4%	8.7%
Low-wage	18.7%	16.2%