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Department of Employment Services

**District of Columbia  
Annual Economic Report  
2013 - 2014**

September 30, 2015

Government of the District of Columbia  
Muriel Bowser, Mayor



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## 1. INTRODUCTION

The 2013-2014 District of Columbia Annual Economic Report provides a detailed analysis of population demographics, labor market, job market, and occupational employment. The report provides an analysis of the District's economic outcomes relative to the nation as a whole. We start by providing a snapshot of decennial population trend in the District, and then a demographic profile of the District's population in terms of its racial, age, and gender composition. Data on educational status and income distribution is also provided. We then proceed to the analysis of the District's labor market, focusing on three main outcomes: (1) unemployment, (2) labor force participation, and (3) employment. We study how these outcomes vary among the District's demographic groups. Next, we provide analysis of the job market by describing the general employment trends, and analyzing the patterns of employment and wages by major industry sector. We conclude the report by looking at the District's difference in occupational employment and wages among major occupational groups.

The Department of Employment Services (DOES) provides this report in fulfillment of its commitment to providing past year statistical information as well as current year information. The report was prepared in accordance with guidelines from the U.S. Department of Labor, Employment and Training Administration (ETA), Program Year 2014 Workforce Information Grant to aid District of Columbia policy makers, the District of Columbia Workforce Investment Council, and DOES program managers and administrators of workforce development programs.

## 2. HIGHLIGHTS

### POPULATION DEMOGRAPHICS

- ❖ The District's decennial population peaked in 1950 at 802,178 residents, declined to 572,059 residents in 2000, and has shown an upward trend since 2010.
- ❖ Between 2010 and 2013, The District's population grew by 7 percent, compared to the national population growth of 2.39 percent.
- ❖ In 2013 African Americans comprised the largest ethnic group in the District, representing 48 percent of its population; and women represented 53 percent of the District's population as compared to 51 percent nationally.
- ❖ Between 2010 and 2013, all racial groups reported an increase in population, with the Hispanic population experiencing the fastest rate of population gain (up by 19.7 percent).
- ❖ The District's residents were wealthier than the national average. In 2013, the per capita income in the District was \$45,477, compared to \$28,184 nationally. Similarly, the median household income in the District was \$67,572 compared to \$52,250 for the nation.
- ❖ The 2013 income data shows the District has higher poverty rates compared to the nation. About 15.7 percent of families and 22.2 percent of District individuals lived below the poverty line, and the child poverty rate was 26.7 percent, compared to 11.6 percent, 15.7 percent, and 21.9 percent, respectively for the nation.
- ❖ In 2013, educational attainment among the District's residents was above the national average: 90.1 percent of the District's residents 25 years and over were high school graduates, and 71.5 percent held a college degree, compared to 86.6 percent and 58.8 percent, respectively for the nation.

### LABOR MARKET OUTCOMES

- ❖ In 2013 the annual average unemployment rates for the District and the U.S. were 8.6 percent and 7.4 percent, respectively.
- ❖ The District's labor force participation rate (LFPR) has remained above the national rate since 2003; and the employment rate has been above the national rate since 2006. In 2013, the LFPR and employment rates for the District were 69.5 percent and 63.6 percent, compared to 63.2 percent and 58.6 percent, respectively for the nation.
- ❖ In 2013, the District's African American residents had the highest unemployment rate (13.1 percent) as well as the lowest LFPR (57.2 percent) and employment rate (48.6 percent); by contrast White residents had the lowest unemployment rate (3.9 percent), highest LFPR (81.4 percent), and highest employment rate (78.3 percent).
- ❖ In 2013, male residents had higher LFPR at 73.9 percent compared to 65.9 percent for females; White males had the highest LFPR at 85.4 percent, while African American females had the lowest participation rate at 54.9 percent.

- ❖ Comparable to the national patterns, the District's unemployment rate in 2013 was higher in all age groups except the 25 to 34 years old. The District's youth of 16 to 19 years old, experienced extremely high rate of unemployment in 2013 of 34.2 percent, compared to the national rate of 22.9 percent.
- In 2013, District residents with at least a bachelor's degree experienced the lowest unemployment rate of 4.2 percent and the highest LFPR of 83.4 percent, while the residents with less than a high school education had the highest unemployment of 16.4 percent and the lowest LFPR of 45.9 percent.
- In 2013, Ward 8 had the highest unemployment rate of 20.3 percent, while Ward 3 had the lowest unemployment rate of 3.1 percent.

## **JOB MARKET OUTCOMES**

- ❖ From 2000 to 2013, the total number of non-farm employment grew by 15.1 percent (+98,000 jobs) from 650,300 jobs to 748,300 jobs. Over the same period, the number of jobs in the nation grew by 3.3 percent.
- ❖ Education and health services (with a growth rate of 42.8 percent) and leisure and hospitality (41.2 percent) were the two private sector industries that experienced the fastest employment growth in the District between 2000 and 2013. Meanwhile, manufacturing and information had the fastest job decline with 73 percent and 33.3 percent, respectively between 2000 and 2013.
- ❖ In 2013, the District employers paid higher weekly wages, regardless of the industry, compared to the nation: the average weekly wage in the District was 70 percent higher than the national average weekly wage (\$1,489 versus \$876).
- ❖ The list of the District's 20 largest private sector employers in September 2013 included eight hospitals and five universities. Georgetown University, George Washington University, and Washington Hospital Center topped the list.
- ❖ In 2013, office and administrative support, business and financial operations, and management were the three largest occupational groups in the District, representing 15.4 percent, 12.8 percent, and 12.3 percent, respectively; the comparable ratios nationally were 17.1 percent, 4.6 percent, and 4.7 percent, respectively.

## **3. POPULATION DEMOGRAPHICS**

### **3.1 General population trends**

Table 1 and figure 1 presents historical population trends in the District of Columbia since 1800. In 1950, the District's population peaked at 802,128 persons. The city then experienced a five-decade population decline, losing more than 230,000 persons (or 29 percent) by 2000 (see table 1). The 2010 U.S. Census revealed a reversal in the declining trend when the Decennial census showed that, between 2000 and 2010, the city's population increased by 5.2 percent, reaching 601,273 persons in 2010. The 2013 American Community Survey (ACS) 1-year estimates showed that the city's population was 649,249 persons, representing an increase of 13,022 persons (or 2.1 percent) from 2012.

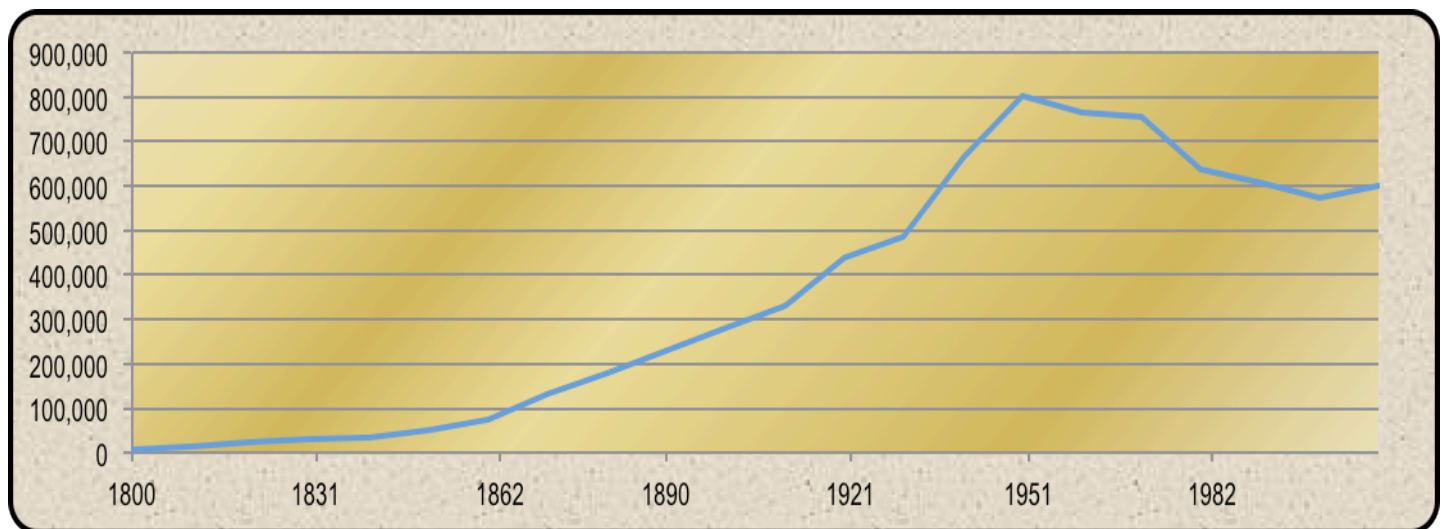
Table 2 shows that, between 2010 and 2013, the District's population grew at a faster rate than the national population as a whole, increasing by 7.4 percent as compared to 2.4 percent, respectively for the District and the nation.

**Table 1:** The District of Columbia Historical Population Trends, 1800 to 2013

Census	Population	Percent Change			
1800	8,144	****			
1810	15,471	90.0%			
1820	23,336	50.8%			
1830	30,261	29.7%			
1840	33,745	11.5%			
1850	51,687	53.2%			
1860	75,080	45.3%			
1870	131,700	75.4%			
1880	177,624	34.9%			
1890	230,392	29.7%			
1900	278,718	21.0%			
1910	331,069	18.8%			
1920	437,571	32.2%			
1930	486,869	11.3%			
1940	663,091	36.2%			
1950	802,178	21.0%			
1960	763,956	-4.8%			
1970	756,510	-1.0%			
1980	638,333	-15.6%			
1990	606,900	-4.9%			
2000	572,059	-5.7%	<b>Survey Estimates</b>	<b>Populations</b>	<b>Percent Change</b>
2010	601,273	5.1	July 1, 2012	633,427	****
			July 1, 2013	646,449	2.1

Source: U.S. Census Bureau, Population Division

**Figure1:** The District of Columbia Historical Population Trend, 1800 to 2010





**Table 2:** Population growth in District of Columbia and the United States, 2010-2013

Area	Population		Net Change	Percent Change
	2010	2013	2010-2013	2010-2013
District of Columbia	601,723	646,449	44,726	7.4
United States	308,745,538	316,128,839	7,383,301	2.4
Source: U.S. Census Bureau, Population Division				

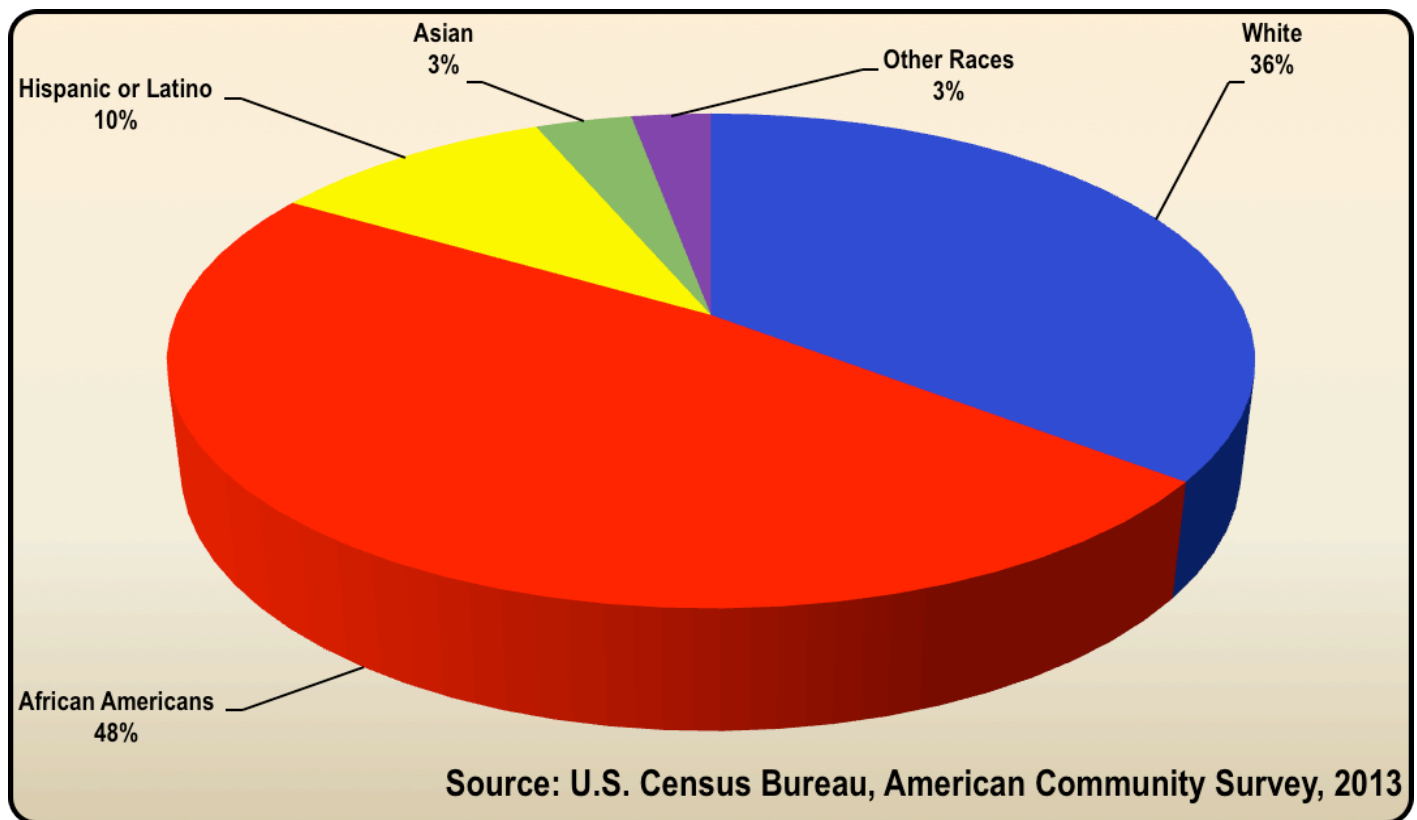
### 3.2 Population by race and ethnicity

As reported in Table 3 and Figure 3, African Americans represent the largest racial group in the District in 2013 with 310,129 persons, or 48 percent, followed by Whites with 230,264 persons, or 35.6 percent, Hispanics with 65,560 persons, or 10.1 percent, Asians with 22,222 persons, or 3.4 percent, and all other races with 18,274 persons, or 2.8 percent of total population. Over the past several years, as the District's population has increased, the racial make-up has also become more diversified: the proportion of African Americans has steadily declined, while the proportion of other races has increased. From 2010 to 2013, the District's population grew by 7.4 percent: Hispanic population grew by 19.7 percent; White population grew by 9.9 percent; Asian population grew by 6.7 percent; while African American population grew by only 3 percent.

**Table 3:** District of Columbia Population by Race and Ethnicity, 2010 – 2013

Race	Population		Percent of population		Change, 2010 -2013	
	2010	2013	2010	2013	Net	Percent
Total All Races	601,723	646,449	100.0	100.0	44,726	7.4
White	209,464	230,264	34.8	35.6	20,800	9.9
Black or African American	301,053	310,129	50.0	48.0	9,076	3.0
Hispanic or Latino	54,749	65,560	9.1	10.1	10,811	19.7
Asian	20,818	22,222	3.5	3.4	1,404	6.7
Other Races*	15,639	18,274	2.6	2.8	2,635	16.8
*Other Races include American Indian & Alaska Native, Native Hawaiian & Pacific Islander, & two or more races						
Source: U.S. Census Bureau, Population Division						

**Figure2:** District of Columbia Population Percent Share by Race and Ethnicity, 2013



### 3.3. Population by age and gender

Table 4 shows in 2013 the District had a smaller proportion of children under the age of 15 years relative to the nation (15 percent versus 19.4 percent of the population). At the same time, the District also had a smaller proportion of people at or near retirement: people above the age of 55 accounted for 22 percent of the District's population compared to 26.6 percent nationally. By contrast, the District had a larger share of prime working age group (25 to 54 years old) as compared to the nation – 48.1 percent and 40.1 percent, respectively. The data also reveals that, younger workers between the ages of 20 and 34 years accounted for 22.4 percent of the District's population, compared to 13.5 percent nationally.

Table 4 also shows that between 2010 and 2013, the District experienced a robust increase in the number of children under the age of 15, growing by 15.7 percent compared to a mere 0.2 percent nationally. In contrast, the growth of District's residents of pre-retirement age of 55 to 64 years old, which grew by 7.1 percent, largely reflected the national trend (8.3 percent) of the aging baby-boomers.

Table 5 shows that, in 2013, the District had a slightly larger share of female residents (53 percent) than the nation as a whole (51 percent). These shares have largely stayed the same since 2010, increasing by only 2 percentage points.

**Table 4:** Population by age in the District of Columbia and the United States, 2010 and 2013

Age	DC Population		Percent Share, 2013		Percent Change, 2010 - 2013	
	2010	2013	DC	US	DC	US
Total, All Ages	601,723	646,449	100.0	100.0	7.4	2.4
Under 15 years	83,801	96,967	15.0	19.4	15.7	0.2
15 to 24 years	104,029	96,967	15.0	14.0	-6.8	1.4
25 to 34 years	124,745	144,805	22.4	13.5	16.1	3.9
35 to 44 years	80,659	89,856	13.9	12.8	11.4	-1.5
45 to 54 years	75,703	76,281	11.8	13.8	0.8	-3.1
55 to 64 years	63,977	68,524	10.6	12.5	7.1	8.3
65 years and over	68,809	73,695	11.4	14.1	7.1	10.7

Source: U.S. Census Bureau, Population Division

**Table 5:** Gender composition of population in District of Columbia and United States, 2010 and 2013

Area	Male	Female	Male	Female
	2010		2013	
District of Columbia	47.2%	52.8%	47.0%	53.0%
United States	49.2%	50.8%	49.0%	51.0%

Source: U.S. Census Bureau, Population Division

### 3.4 Population by education and income

As illustrated in Table 6, the District had a more highly educated population than the nation as a whole in 2013. More than 50 percent of the District's population 25 years and over were college graduates, compared to 29.6 percent for the nation. The percent of high school graduates in the District was 90.1 percent, compared to 86.6 percent for the nation. From 2010 to 2013, the percent of college graduates in the District rose by 5 percent while increasing by only 1.4 percent in the nation; the percent of high school graduates in the District increased by 2.7 percent as compared to 1 percent in the nation.

The higher educational attainment for the District's residents is also reflected in higher levels of income when compared to the national average. As shown in table 7, in 2013, the District had a per capita personal income of \$45,477 – approximately \$17,293 higher than the national average of \$28,184. The District's median household income was \$67,572 (\$52,250 for US), and the median family income was \$72,337 (\$64,330 for US).

Good education is only one factor that explains the District's relatively high levels of income. In addition, even workers with the same level of education above high school diploma tend to earn more in the District than their counterparts do nationally. As illustrated in Table 7, for people 25 years and over when measured by median earnings in 2013, District residents with a bachelor's degree earned 40 percent more (\$62,391 versus \$50,050), residents with graduate or professional degree earned 25 percent more (\$92,055 versus \$65,565), and residents with some college or associate degree earned 24 percent more (\$40,017 versus \$32,387) than people with the same level of education

nationally. However, District residents without a high school diploma earned 2 percent less (\$19,841 versus \$20,149) than their counterparts nationally.

**Table 6:** Educational attainment for population 25 years and over in the District of Columbia and United States, 2010 – 2013

Area	Percent High School Graduates Net Change			Percent College Graduates Net Change		
	2010	2013	2010 - 2013	2010	2013	2010 - 2013
District of Columbia	87.4%	90.1%	2.7%	50.1%	55.1%	5.0%
United States	85.6%	86.6%	1.0%	28.2%	29.6%	1.4%
Source: U.S. Census Bureau 2010, American Community Survey 2013						

**Table 7:** Median earnings for population 25 years and over with earnings by educational attainment in District of Columbia and United States, 2013

Educational Attainment	Median Earnings		DC-US Percent Difference
	DC	US	
Population 25 years and over with earnings	\$57,395	\$35,597	61%
Less than high school diploma	\$19,841	\$20,149	-2%
High school graduate (includes equivalency)	\$27,845	\$27,350	2%
Some college or associate's degree	\$40,017	\$32,387	24%
Bachelor's degree	\$62,391	\$50,050	25%
Graduate or professional degree	\$92,055	\$65,565	40%
Note: Data in 2013 Inflation adjusted dollars			
Source: U.S. Census Bureau, 2013 American Community Survey			

In addition to its relatively high average levels of income, the District is also characterized by high income inequality. Table 8 shows that in 2013, while the District had a much larger percent of households with income above \$100,000 than the national average (35.7 percent versus 22.6 percent), it also had a larger percent of households with income below \$15,000 than the national average (15.3 percent versus 13 percent).

Nevertheless, even as the District enjoys higher levels of income, it also has higher levels of poverty than the national average. Table 9 shows that in 2013, about 15.7 percent of District's families and 22.2 percent of individuals were below the poverty line, compared to 11.6 percent and 15.7 percent of the national average, respectively. In 2013, the child poverty rate in the District was also higher than the national average (26.7 percent versus 21.9 percent).

**Table 8:** Income distribution in the District of Columbia and United States, 2013

Household Income	Percent of Households	
	DC	US
Less than \$10,000	10.9%	7.6%
\$10,000 to \$14,999	4.4%	5.4%
\$15,000 to \$24,999	7.4%	10.8%
\$25,000 to \$34,999	6.9%	10.3%
\$35,000 to \$49,999	9.3%	13.6%
\$50,000 to \$74,999	14.9%	17.9%
\$75,000 to \$99,999	10.4%	11.9%
\$100,000 to \$149,999	15.5%	12.7%
\$150,000 to \$199,999	8.2%	4.9%
\$200,000 or more	12.0%	5.0%
Note: Data in 2013 Inflation adjusted dollars		
Source: U.S. Census Bureau, 2013 American Community Survey		

**Table 9:** Income and percent of population below poverty levels in the District of Columbia and United States, 2013

	Median	Median	Per Capita	Families	Individuals	
	Household	Family	Personal	Below	Below	Child Poverty
Area	Income	Income	Income	Poverty Level	Poverty Level	Rate
District of Columbia	\$67,572	\$72,337	\$45,477	15.7%	22.2%	26.7%
National	\$52,250	\$64,030	\$28,184	11.6%	15.7%	21.9%
Note: Data in 2013 Inflation adjusted dollars						
Source: U.S. Census Bureau, 2013 American Community Survey						

## 4. LABOR MARKET ANALYSIS

This section focuses on three labor market outcomes: (1) unemployment rate, (2) labor force participation rate, and (3) employment rate. The unemployment rate measures the percentage of people who are without work and is calculated by dividing the number of unemployed people by the civilian labor force. Thus, the unemployment rate indicates how difficult it is for someone who is looking for work to find a job. Conventional unemployment rates provide an incomplete measure of local labor market conditions. For example, the unemployment rate does not include involuntary part-time workers, nor does it include discouraged workers who may stop searching for work because they cannot find jobs. A truer gauge of labor market conditions is the labor force participation rate (LFPR), which measures the civilian non-institutional population of persons 16 years and older who are still employed or who are still looking for work within a particular time span. Thus the LFPR measures the willingness of people to look for work. The employment rate measures the number of people who work as a percent of civilian population. It is a labor market outcome that is most directly related to the number of jobs held by the area's residents. The unemployment rate is strongly influenced by the LFPR,

specifically, the unemployment rate will be high when LFPR is high and vice versa (i.e., when more people look for work and/or when they can more easily find a job).

#### 4.1 General labor market trends

As indicated in Table 10, the District's civilian, non-institutional population (16 years of age and older) totaled 535,000 persons in 2013: 372,000 were in the labor force; 340,000 were employed; while 32,000 were unemployed. As a result, the three labor market measures were 69.6 percent, 8.6 percent, and 63.6 percent, respectively for LFPR, unemployment rate, and employment rate.

Table 10 also shows that in 2013, the District's unemployment rate was above the national unemployment by 1.2 percent (8.6 percent versus 7.4 percent). However, the LFPR in the District was also higher than in the United States as a whole (69.6 percent versus 63.2 percent). As a result of its stronger labor force participation, the District had an employment rate higher than the national average (63.6 percent versus 58.6 percent).

**Table 10:** Employment status of the civilian non-institutional population in District of Columbia and United States, 2013 annual averages

	Civilian						
	Non-Institutional	Civilian Labor Force		Employment		Unemployment	
Area	Population	Number	Percent	Number	Percent	Number	DC
District of Columbia	535,000	372,000	69.6	340,000	63.6	32,000	8.6
United States	245,679,000	155,389,000	63.2	143,929,000	58.6	11,460,000	7.4
Note: Data is for civilian population 16 years and over.							
Source: US Bureau of Labor Statistics, Current Population Survey (CPS)							

Figures 3, 4, and 5 display the evolution of the unemployment rate, the labor force participation rate, and employment rate in the District of Columbia and the United States between 2000 and 2013. Figure 1 shows that the District's unemployment rate increased from 5.8 percent in 2000 to 8.2 percent in 2004. It then fell to 5.5 percent in 2007, rising again to 9.5 percent in 2009, slightly falling to 9.2 percent in 2010, rising again to 10.4 percent in 2011, and finally falling to 8.6 percent in 2013. The District's unemployment rate in 2011 was the highest since 1983, when it was 11 percent.

Figure 3 also shows that, between 2000 and 2013 changes in the District's unemployment rates largely mirrored changes in the national unemployment. Unemployment in the District was generally above the national rate during the entire period, except in 2010 when the District's rate was 9.2 percent and the national rate was 9.6 percent. For all other years, the District's unemployment rate stayed above the national rate, with the difference between the two rates varying between 2.7 percent in 2004 to only 0.2 percentage points in 2009. In 2013, the difference stood at 1.2 percent (8.6 percent in the District and 7.4 percent for the nation).



**Figure3:** Unemployment rate in District of Columbia and United States, 2000 - 2013

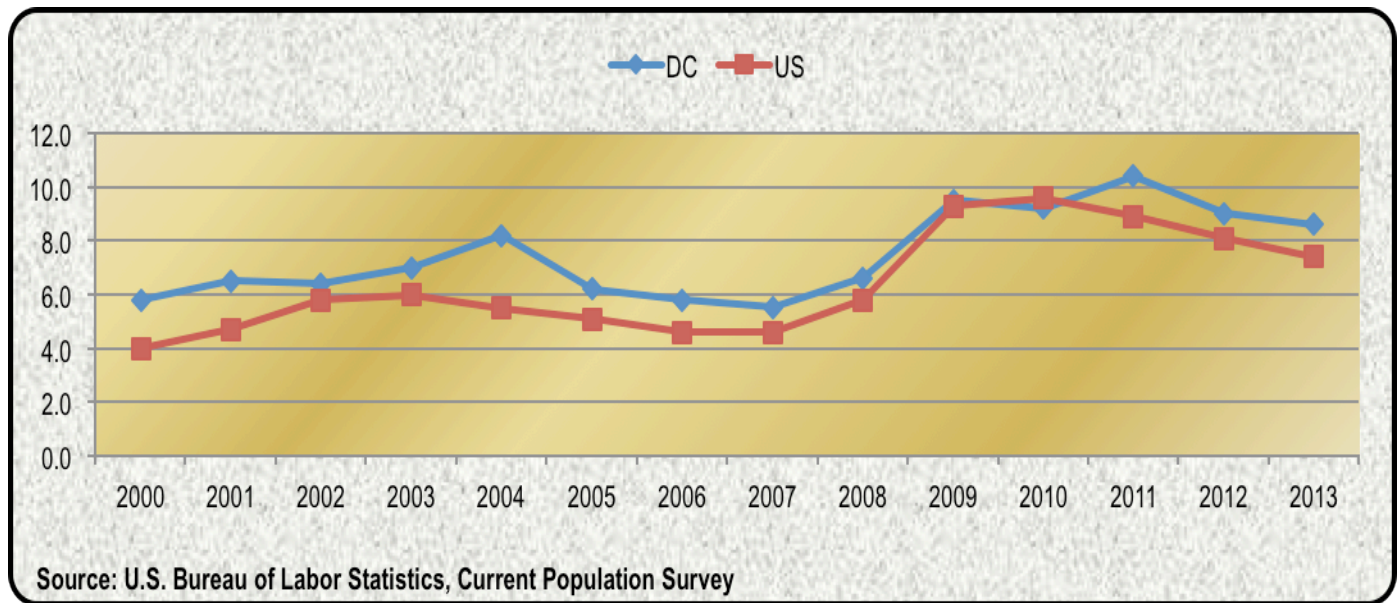


Figure 4 shows that the District's LFPR ranged from 66.2 percent to 68.1 percent between 2000 and 2007. It then sharply increased to 69.2 percent in 2008, decreasing to 67.7 percent in 2011, and then rising to 69.6 percent in 2013, the highest rate for the entire period between 2000 and 2013. At the same time, the national LFPR declined from 67.1 percent in 2000 to 66 percent in 2005, slightly rose to 66.2 percent in 2006; and gradually declining to 63.2 percent in 2013, the lowest rate for the entire period between 2000 and 2013. As a result of these trends, the District's LFPR, which was quite similar to the national rate in the early 2000s, has become 4 to 6 percentage points higher than the national rate in recent years.

**Figure 4:** Labor force participation rate in District of Columbia and United States, 2000 - 2013

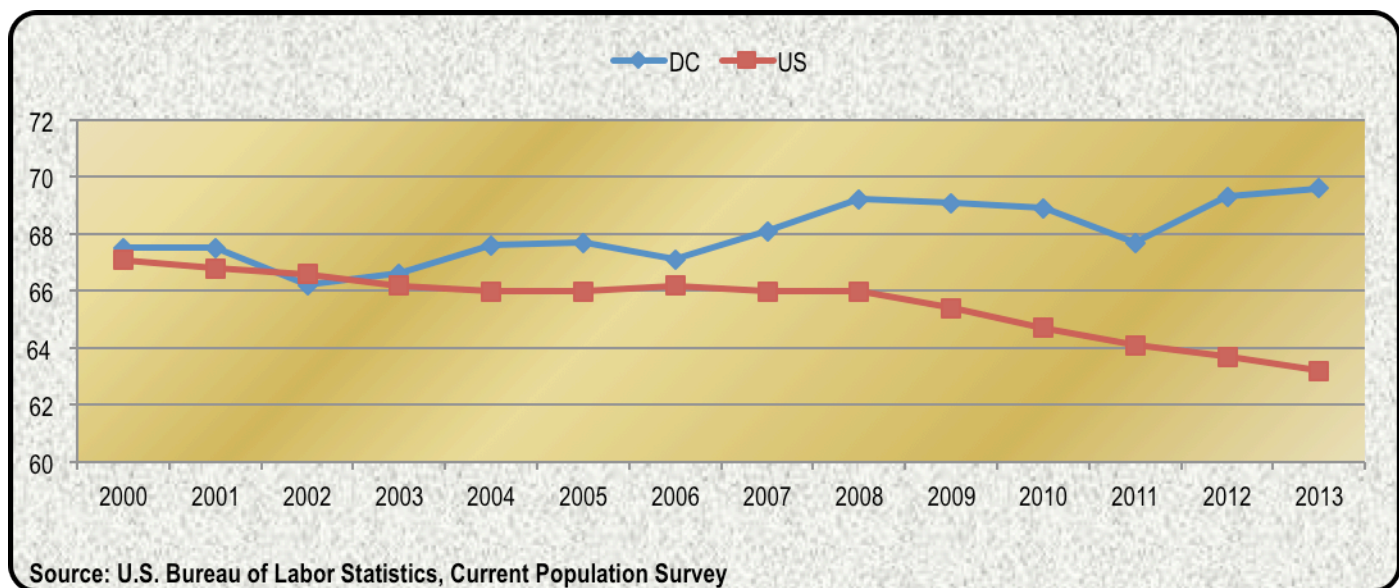
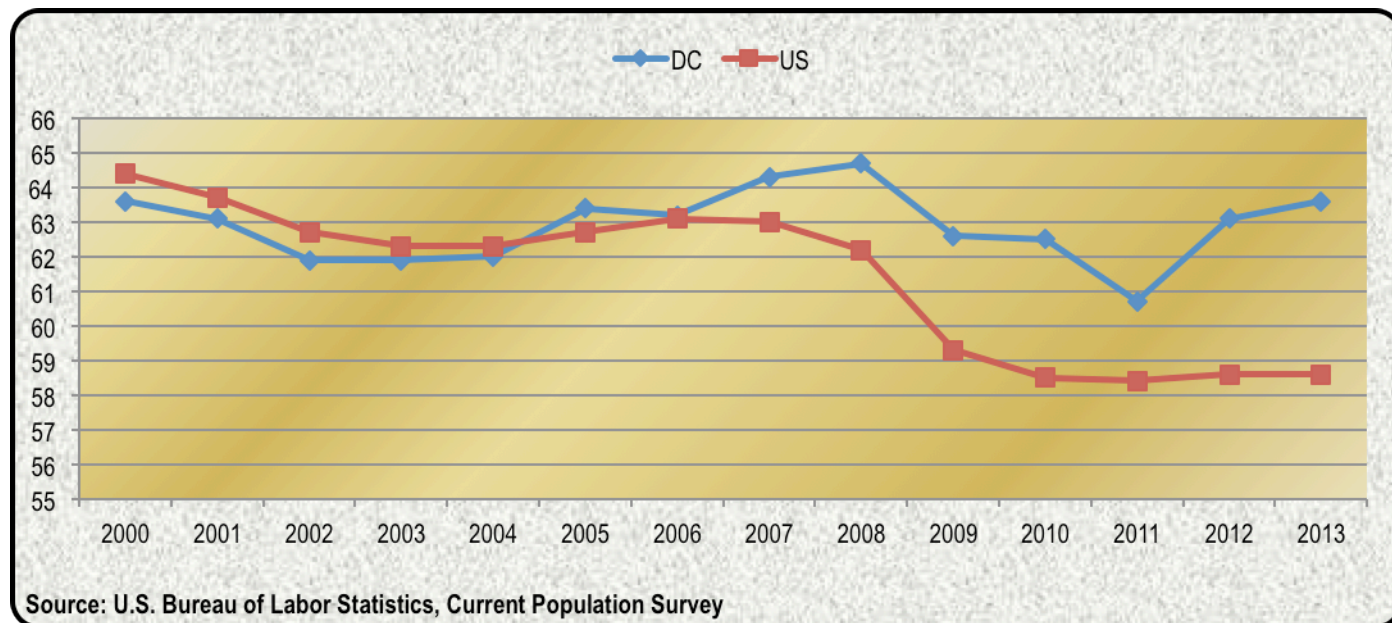


Figure 5 shows that the District's employment rate ranged between 63.6 percent in 2000 and 64.7 percent in 2008; dropped gradually to 60.7 percent in 2011; then reversed upward to 63.6 percent in 2013. The changes in unemployment rate can be explained by the combination of the changes in unemployment and LFPR as discussed above. The national employment rate gradually declined from 64.4 percent in 2000 to 58.6 percent in 2013. As a result, the District's employment rate, which was above 0.6 percentage points lower in the early 2000s, has become 2 to 5 percentage points higher than the national rate in the recent years.

**Figure 5:** Employment rate in District of Columbia and United States, 2000 - 2013



## 4.2 Labor market outcomes by race and ethnicity

Table 11 shows that in 2013, African American residents in the District had a much higher unemployment rate (15.2 percent) than either White (3.9 percent) or Hispanic (6.8 percent) residents. The table also shows that, the District's African American unemployment rate was higher than the rate nationally (which stood at 13.1 percent), while the District's unemployment rates for Whites and Hispanics were lower than the corresponding rates nationally (6.5 percent and 9.1 percent respectively). Thus, from the race and ethnicity standpoint, the District's overall unemployment rate was driven entirely by high unemployment among its African American residents.

Between 2010 and 2013, African American and Hispanic District residents experienced a decrease in unemployment (2.0 and 1.6 percentage points respectively), while White residents had a slight uptick in unemployment rate (0.6 percentage points). Nationally, the three racial groups experienced significant unemployment rates drops of 2 percentage points and higher, between 2010 and 2013.



**Table 11:** Employment status of the civilian non-institutional population by race or ethnicity in District of Columbia and the United States, 2010 - 2013

<b>District of Columbia</b>									
	<b>Unemployment</b>		<b>Net</b>	<b>Labor Force</b>		<b>Net</b>	<b>Employment</b>		<b>Net</b>
<b>Race or Ethnicity</b>	<b>Rate</b>		<b>Change</b>	<b>Participation Rate</b>		<b>Change</b>	<b>Rate</b>		<b>Change</b>
	2010	2013	2010-2013	2010	2013	2010-2013	2010	2013	2010-2013
Total, all Races	9.2	8.6	-0.6	68.9	69.6	0.7	62.5	63.6	1.1
White	3.3	3.9	0.6	81.7	81.4	-0.3	79.0	78.3	-0.7
African Americans	17.2	15.2	-2.0	56.8	57.2	0.4	47.0	48.6	1.6
Hispanic	8.4	6.8	-1.6	76.0	77.0	1.0	69.6	71.8	2.2
<b>United States</b>									
	<b>Unemployment</b>		<b>Net</b>	<b>Labor Force</b>		<b>Net</b>	<b>Employment</b>		<b>Net</b>
<b>Race or Ethnicity</b>	<b>Rate</b>		<b>Change</b>	<b>Participation Rate</b>		<b>Change</b>	<b>Rate</b>		<b>Change</b>
	2010	2013	2010-2013	2010	2013	2010-2013	2010	2013	2010-2013
Total, all Races	9.6	7.4	-2.2	64.7	63.2	-1.5	58.5	58.6	0.1
White	8.7	6.5	-2.2	65.1	63.5	-1.6	59.4	59.4	0.0
African Americans	16.0	13.1	-2.9	62.2	61.2	-1.0	52.3	53.2	0.9
Hispanic	12.5	9.1	-3.4	67.5	66	-1.5	59.0	60	1.0
Source: U.S. Bureau of Census, Current Population Survey									

Table 11 indicates that in 2013, the LFPR was much lower among the District's African American residents (57.2 percent) than it was among its White (81.4 percent) or Hispanic (77.0 percent) residents. The District's African American LFPR was also lower than the rate nationally (61.2 percent). In contrast, White and Hispanic LFPR were significantly higher in the District than in the United States as a whole (63.5 percent and 66 percent, respectively).

Between 2010 and 2013, the national LFPR decreased for all racial groups. However, over the same period, the District's LFPR for African Americans and Hispanics increased by 0.4 and 1.0 percentage points, respectively; while the District's White LFPR increased by 0.3 percentage points.

### 4.3 Labor market outcomes by gender

Table 12 shows that in 2013, the unemployment rate for women in the District was lower than for men, 8.5 percent versus 8.7 percent, respectively. This follows the pattern observed in the nation, where the unemployment was lower among women (7.1 percent) than it was among men (7.6 percent). Also, in 2013, the unemployment rate for both men and women in the District was also higher than the corresponding rates for both men and women in the nation. Between 2010 and 2013, both the District and the nation experienced a decrease in unemployment for both genders, although the decline in unemployment was faster in the nation.

**Table 12:** Employment status of the civilian non-institutional population by gender in District of Columbia and the United States, 2010 - 2013

<b>District of Columbia</b>									
	<b>Unemployment</b>		<b>Net</b>	<b>Labor Force</b>		<b>Net</b>	<b>Employment</b>		<b>Net</b>
	<b>Rate</b>		<b>Change</b>	<b>Participation Rate</b>		<b>Change</b>	<b>Rate</b>		<b>Change</b>
<b>Gender</b>	<b>2010</b>	<b>2013</b>	<b>2010-2013</b>	<b>2010</b>	<b>2013</b>	<b>2010-2013</b>	<b>2010</b>	<b>2013</b>	<b>2010-2013</b>
Total	9.2	8.6	-0.6	68.9	69.6	0.7	62.5	63.6	1.1
Men	9.7	8.7	-1.0	74.1	73.9	-0.2	66.9	67.4	0.5
Women	8.6	8.5	-0.1	64.4	65.9	1.5	58.8	60.3	1.5
<b>United States</b>									
	<b>Unemployment</b>		<b>Net</b>	<b>Labor Force</b>		<b>Net</b>	<b>Employment</b>		<b>Net</b>
	<b>Rate</b>		<b>Change</b>	<b>Participation Rate</b>		<b>Change</b>	<b>Rate</b>		<b>Change</b>
<b>Gender</b>	<b>2010</b>	<b>2013</b>	<b>2010-2013</b>	<b>2010</b>	<b>2013</b>	<b>2010-2013</b>	<b>2010</b>	<b>2013</b>	<b>2010-2013</b>
Total	9.6	7.4	-2.2	64.7	63.2	-1.5	58.5	58.6	0.1
Men	10.5	7.6	-2.9	71.2	69.7	-1.5	63.7	64.4	0.7
Women	8.6	7.1	-1.5	58.6	57.2	-1.4	53.6	53.2	-0.4
Source: U.S. Bureau of Census, Current Population Survey									

In 2013, the District's LFPR was higher for men than for women (73.9 percent versus 65.9 percent), which was in line with the national pattern (69.7 percent versus 57.2 percent, respectively). For both genders, the labor force participation was stronger in the District than it was nationally. Between 2010 and 2013, the District's LFPR for women experienced a jump of 1.5 percentage points while the participation rate for men remained unchanged at 74 percent; while nationally, LFPR for both men and women experienced declines of 1.5 and 1.4 percentage points, respectively.

Table 12 also shows that in 2013, 67.4 percent of the District's men of working age were employed, compared to 60.3 percent of working-age women. Nationally, the employment rate was also higher for men than for women (64.4 percent versus 53.2 percent). For both genders, the employment rate was higher in the District than it was nationwide. Between 2010 and 2013, the women in the District experienced an increase in employment rate by 1.5 percentage points, while the women national showed a decrease by 0.4 percentage points. For men, the trend was quite different: a small 0.5 and 0.7 percentage point increases in the men's employment rate in the District and the nation, respectively between 2010 and 2013.

#### 4.4 Labor market outcomes by age

Table 13 shows that, in general, the groups with the least number of years of experience in the labor market have the highest unemployment rates and those with the most number of years have the lowest rates. In 2013, the District's teenagers – 16 to 19 years of age – experienced the highest unemployment at 34.2 percent, which was one and half times more than the U.S. rate of 22.9 percent for this age group. In addition, age groups of 35 to 44 years, 45 to 54 years,

and 55 to 64 years had significantly higher unemployment rate in the District (6.7 percent, 10.5 percent, and 9.4 percent, respectively) than they did nationwide (5.9 percent, 5.6 percent, and 5.3 percent). In contrast, for the other age groups, the District rate of unemployment was similar to that of the nation as a whole.

Between 2010 and 2013, District residents ages 45 to 54 years and 55 to 64 years, experienced an increase in unemployment (1.1 and 3.0 percentage points, respectively), while all the other age groups experienced a decrease in unemployment. While District residents ages 16 to 19 years had the largest decrease in their unemployment between 2010 and 2013 (15.7 percentage points), the unemployment for the same group remained the highest of all age groups in 2013. For the nation as a whole, all age groups registered decreases in unemployment between 2010 and 2013.

**Table 13:** Employment status of the civilian non-institutional population by age in District of Columbia and the United States, 2010 - 2013

<b>District of Columbia</b>									
	<b>Unemployment</b>		<b>Net</b>	<b>Labor Force</b>		<b>Net</b>	<b>Employment</b>		<b>Net</b>
	<b>Rate</b>		<b>Change</b>	<b>Participation Rate</b>		<b>Change</b>	<b>Rate</b>		<b>Change</b>
<b>Age</b>	<b>2010</b>	<b>2013</b>	<b>2010-2013</b>	<b>2010</b>	<b>2013</b>	<b>2010-2013</b>	<b>2010</b>	<b>2013</b>	<b>2010-2013</b>
Total, 16 years and over	9.2	8.6	-0.6	68.9	69.6	0.7	62.5	63.6	1.1
16 to 19	49.9	34.2	-15.7	22.2	21.9	-0.3	11.1	14.4	3.3
20-24	16.5	12.3	-4.2	67.1	68.3	1.2	56.1	59.9	3.8
25-34	7.7	7.0	-0.7	87.7	86.0	-1.7	80.9	80.0	-0.9
35-44	7.1	6.7	-0.4	87.3	88.1	0.8	81.1	82.2	1.1
45-54	9.4	10.5	1.1	80.6	77.7	-2.9	73.0	69.5	-3.5
55-64	6.4	9.4	3.0	63.7	67.3	3.6	59.6	61.0	1.4
65+	6.2	5.9	-0.3	23.3	24.3	1.0	21.9	22.9	1.0
<b>United States</b>									
	<b>Unemployment</b>		<b>Net</b>	<b>Labor Force</b>		<b>Net</b>	<b>Employment</b>		<b>Net</b>
	<b>Rate</b>		<b>Change</b>	<b>Participation Rate</b>		<b>Change</b>	<b>Rate</b>		<b>Change</b>
<b>Age</b>	<b>2010</b>	<b>2013</b>	<b>2010-2013</b>	<b>2010</b>	<b>2013</b>	<b>2010-2013</b>	<b>2010</b>	<b>2013</b>	<b>2010-2013</b>
Total, 16 years and over	9.6	7.4	-2.2	64.7	63.2	-1.5	58.5	58.6	0.1
16-19	25.9	22.9	-3.0	34.9	34.5	-0.4	25.9	26.6	0.7
20-24	15.5	12.8	-2.7	71.4	70.7	-0.7	60.3	61.7	1.4
25-34	10.1	7.4	-2.7	82.2	81.2	-1.0	73.9	75.2	1.3
35-44	8.1	5.9	-2.2	83.2	82.2	-1.0	76.5	77.4	0.9
45-54	7.7	5.6	-2.1	81.2	79.7	-1.5	74.9	75.2	0.3
55-64	7.1	5.3	-1.8	64.9	64.4	-0.5	60.3	60.9	0.6
65+	6.7	5.4	-1.3	17.4	18.7	1.3	16.2	17.7	1.5
Source: U.S. Bureau of Census, Current Population Survey									

In 2013, the District's rates of labor force participation and unemployment were also lowest among those aged 16 to 19 years (21.9 percent for LFPR and 14.4 percent for employment). Furthermore, they were lower than the corresponding national LFPR and employment rate (34.5 percent and 26.6 percent, respectively).

In 2013, the District's resident's ages 25 to 34 and 35 to 44 had higher rates of labor force participation (86 percent and 88.1 percent) and employment (80 percent and 82.2 percent) than their counterparts in the nation (81.2 percent and 82.2 percent), respectively for labor force participation; 75.2 percent and 77.4 percent, respectively for employment). The data also suggests that the District's older workers were more willing to postpone retirement and continue working than their counterparts elsewhere in the country. Specifically, 22.9 percent of the District's 65 years and over were employed in 2013 as compared to only 17.7 percent nationally.

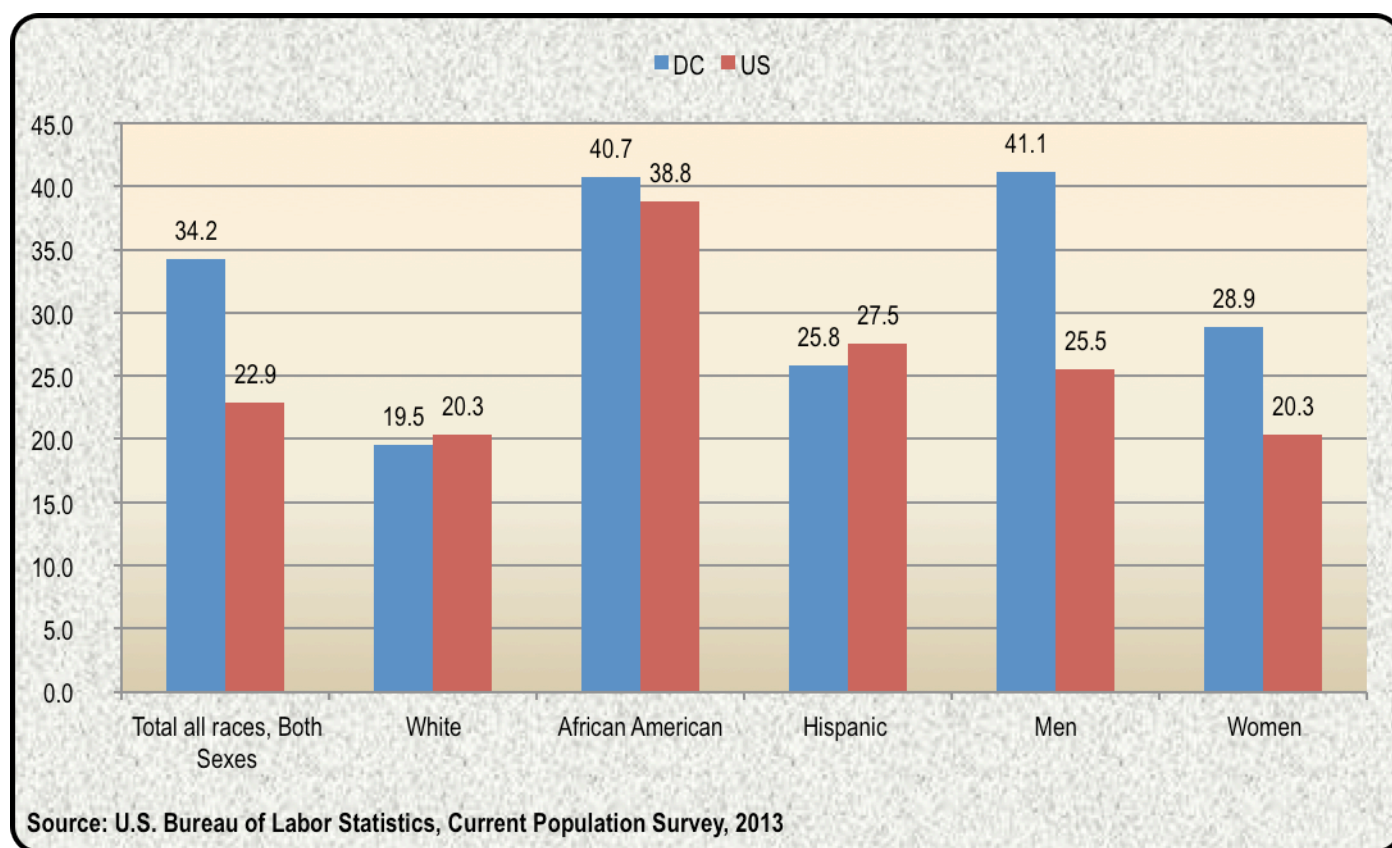
Table 14 and figure 6 provides more detailed information on unemployment rates for ages 16 to 19 years in 2013 by race or ethnicity and gender in the District of Columbia and the nation as a whole. The table shows that the District's African American teens had the highest unemployment rate (40.7 percent). Although the national unemployment rate of African American teens was also high (38.8 percent), it was 1.9 percentage points lower than that in the District. By contrast, the District's unemployment rate among White and Hispanic teens was lower than the corresponding rates nationwide: 19.5 percent and 25.8 percent, respectively for the District; and 20.3 percent and 27.5 percent, respectively for the nation.

Table 14 also shows that, in 2013, teen unemployment was significantly higher for men than for women (41.1 percent versus 28.9 percent). The same pattern is also observed in the nation as a whole, where men had teen unemployment rate of 15.6 percent compared to unemployment rate of 8.6 for women in 2013.

**Table 14:** Unemployment rate for population 16 to 19 years by race or ethnicity and Sex in District of Columbia and the United States, 2013

Population Group	Unemployment Rate		DC - US
	DC	US	Difference
Total all races, Both Sexes	34.2	22.9	11.3
White	19.5	20.3	-0.8
African American	40.7	38.8	1.9
Hispanic (of any race)	25.8	27.5	-1.7
Men	41.1	25.5	15.6
Women	28.9	20.3	8.6
Source: U.S. Bureau of Labor Statistics, Current Population Survey			

**Figure 6:** Unemployment rate for population 16 to 19 years by race or ethnicity and sex in District of Columbia and the United States, 2013



#### 4.5 Labor market outcomes by education

Table 15 indicates that unemployment tends to decrease with educational attainment, and to a large extent, this is true for the District as well as nation. For example, in 2013, District of Columbia residents with a bachelor's degree or higher had the lowest unemployment at 4.2 percent, followed by the residents with some college or an associate degree, whose unemployment rate was 13.3 percent. The unemployment rate – 16.4 percent – was the highest for the District's residents with a high school diploma, but without a college education, and those with less than a high school diploma.

Between 2010 and 2013, District residents with a bachelor's degree or higher, and some college or associate degree experienced some increase in unemployment (1.1 and 0.8 percentage points, respectively), while those with high school diploma or less than high school diploma saw a decrease in unemployment (0.8 and 1.6 percentage points, respectively). By contrast, members of all educational groups in the nation experienced a decrease in unemployment. The decrease was higher for the groups that had a high school diploma or less than high school (3.9 and 2.8 percentage points, respectively), than for the groups with some college or associate degree and bachelor's degree or higher (2 and 1 percentage points, respectively).

**Table 15:** Employment status of the civilian non-institutional population by educational attainment in District of Columbia and the United States, 2010 - 2013

<b>District of Columbia</b>									
<b>Educational attainment</b>	<b>Unemployment</b>		<b>Net</b>	<b>Labor Force</b>		<b>Net</b>	<b>Employment</b>		<b>Net</b>
	<b>Rate</b>		<b>Change</b>	<b>Participation</b>		<b>Change</b>	<b>Rate</b>		<b>Change</b>
	<b>2010</b>	<b>2013</b>	<b>2010-2013</b>	<b>2010</b>	<b>2013</b>	<b>2010-2013</b>	<b>2010</b>	<b>2013</b>	<b>2010-2013</b>
Less than a High school diploma	18.0	16.4	-1.6	48.1	45.9	-2.2	39.4	38.4	-1.0
High school graduates, no college <sup>1</sup>	17.2	16.4	-0.8	55.6	56.0	0.4	46.0	46.8	0.8
Some college or associate degree	12.5	13.3	0.8	64.7	63.6	-1.1	56.6	55.1	-1.5
Bachelor's degree and higher <sup>2</sup>	3.1	4.2	1.1	84.5	83.4	-1.1	81.9	79.9	-2.0
<b>United States</b>									
<b>Educational attainment</b>	<b>Unemployment</b>		<b>Net</b>	<b>Labor Force</b>		<b>Net</b>	<b>Employment</b>		<b>Net</b>
	<b>Rate</b>		<b>Change</b>	<b>Participation</b>		<b>Change</b>	<b>Rate</b>		<b>Change</b>
	<b>2010</b>	<b>2013</b>	<b>2010-2013</b>	<b>2010</b>	<b>2013</b>	<b>2010-2013</b>	<b>2010</b>	<b>2013</b>	<b>2010-2013</b>
Less than a High school diploma	14.9	11.0	-3.9	46.3	45.1	-1.2	39.4	40.1	0.7
High school graduates, no college <sup>1</sup>	10.3	7.5	-2.8	61.6	58.7	-2.9	55.3	54.3	-1.0
Some college or associate degree	8.4	6.4	-2.0	70.5	67.8	-2.7	64.6	63.5	-1.1
Bachelor's degree and higher <sup>2</sup>	4.7	3.7	-1.0	76.7	75.4	-1.3	73.1	72.6	-0.5
Notes: <sup>1</sup> Includes persons with a high school diploma or equivalent									
<sup>2</sup> Includes person with bachelor's, master's, professional and doctoral degrees									
Source: U.S. Bureau of Labor Statistics, Current Population Survey									

The rate of labor force participation in the District tends to be higher for residents with more education. As shown in table 15, in 2013, this rate was 45.9 percent for the residents with less than high school diploma, 56 percent for those with high school diploma with no college, 63.6 percent for those with some college or associate degree, and 83.4 percent for the residents with bachelor's degree or higher. For the group with high school diploma with no college and some college or associate degree, the rate of labor force participation was lower in the District than it was nationally. In contrast, the District's residents with at least a bachelor's degree had stronger labor force participation than their counterparts elsewhere in the country (83.4 percent versus 75.4 percent).

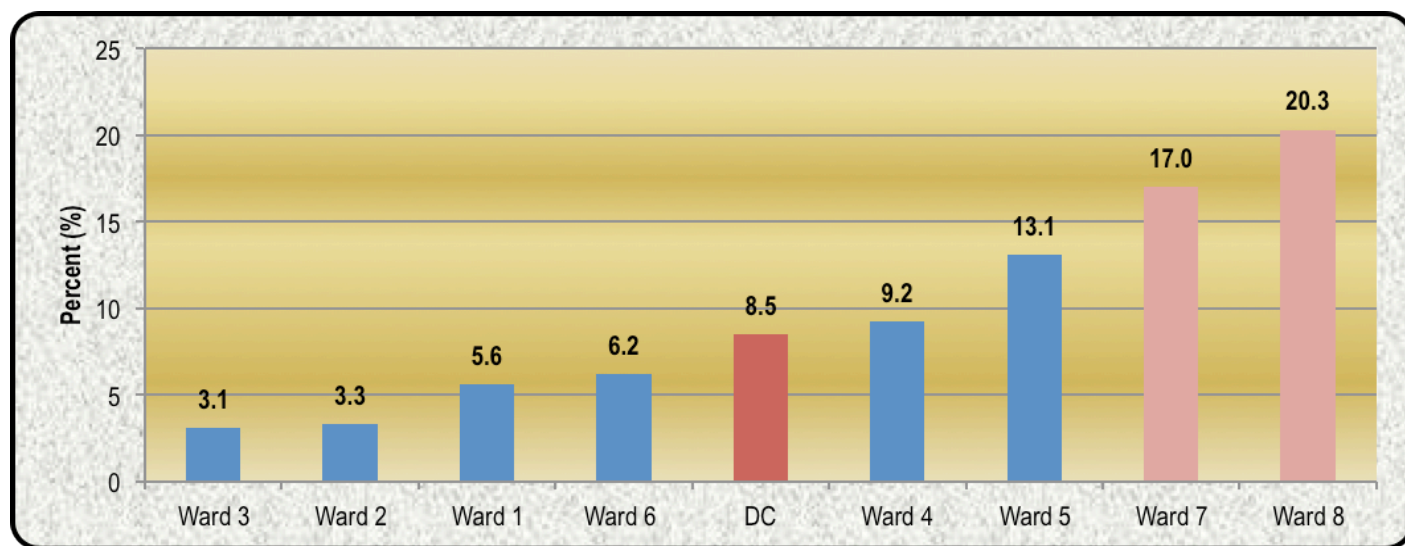
The patterns of employment rate by educational attainment observed in the District are similar to those for labor force participation. In 2013, the employment rate was lowest among the District's residents with less than a high school diploma (38.4 percent), followed by the rate among high school graduates with no college education (46.8 percent). The employment rate was 55.1 percent among the residents with some college or an associate's degree and 79.9 percent

among the residents with a bachelor's degree or higher. As in the case for labor force participation, the District's employment rate was higher than the national rate for college graduates (79.9 percent versus 72.6 percent), but was lower than the national rate for the three other educational groups.

## 4.6 Labor market outcomes by Wards

In 2013, unemployment rates varied significantly across the District's wards. Figure 7 shows that the areas east of Anacostia River suffered from particularly high unemployment – rates in Wards 8 and 7 were 20.3 percent and 17 percent, respectively. The unemployment rates for Wards 5 and 4 (13.1 percent and 9.2 percent, respectively) were also above the District's average unemployment of 8.5 percent in 2013. On the other side of the spectrum, Ward 3 had the lowest unemployment in the city with a rate of 3.1 percent. Ward 2 followed closely behind with an unemployment rate of 3.3 percent. Finally, average unemployment rates for Wards 1 and 6 were 5.6 percent and 6.2 percent, respectively.

**Figure 7:** District of Columbia unemployment rates by Wards, 2013



Source: District of Columbia, Department of Employment Services, Office of Labor Market Research and Information

## 5. JOB MARKET ANALYSIS

### 5.1 Non-farm payroll employment

Non-farm payroll employment measures the number of jobs in the state. The number of jobs and the industries that create those jobs are important indicators of a state's economic health. Payroll employment is one of the most current and reliable indicators of economic conditions and recessionary trends. Table 16 and figure 8 show nonfarm employment growth in the District and the nation between 2000 and 2013. The data shows that the District experienced a positive employment growth in 12 of the last 13 years, with 2011 having the fastest rate of job growth (2 percent or a gain of



14,100 jobs), while 2013 had the second fastest job growth (1.8 percent or 13,500 jobs). Only in 2009 did the number of jobs in the District decline (by 0.3 percent or for a loss of 2,300 jobs).

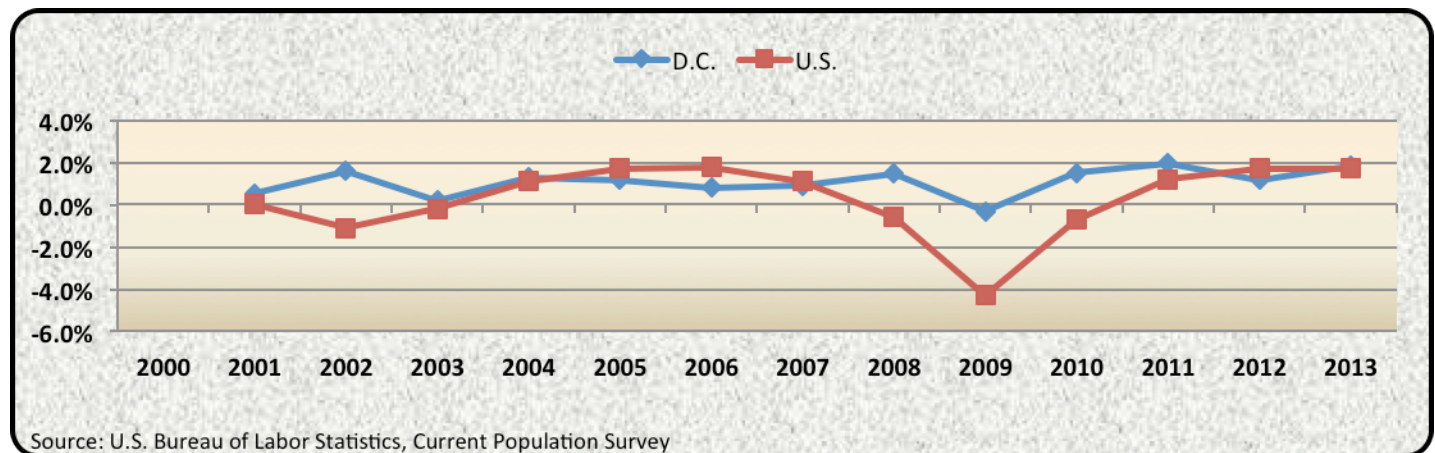
Table 16 and figure 8 shows that in nine of the last 13 years, (from 2001 to 2004, 2008 to 2011, and 2013), the annual rate of job growth in the District was higher than it was nationwide. The difference between the two rates was particularly large in 2002 and 2009, the years of national recessionary troughs. In contrast, employment in the District grew slower than in the United States between 2005 and 2007 and 2012 when the national economy was booming.

**Table 16:** Annual Percent changes in total non-farm employment in District of Columbia and the United States, 2000 - 2013 (not seasonally adjusted)

Year	Employment	Annual Change	Over-the-Year Percent Change	
	DC	DC	DC	US
2000	650,300	****	****	****
2001	653,700	3,400	0.5%	0.0%
2002	664,200	10,500	1.6%	-1.1%
2003	665,500	1,300	0.2%	-0.2%
2004	674,200	8,700	1.3%	1.1%
2005	682,200	8,000	1.2%	1.7%
2006	687,600	5,400	0.8%	1.8%
2007	693,800	6,200	0.9%	1.1%
2008	703,900	10,100	1.5%	-0.6%
2009	701,600	-2,300	-0.3%	-4.3%
2010	712,100	10,500	1.5%	-0.7%
2011	726,200	14,100	2.0%	1.2%
2012	734,800	8,600	1.2%	1.7%
2013	748,300	13,500	1.8%	1.7%

Source: Bureau of Labor Statistics, Current Employment Statistics (CES)

**Figure 8:** Annual percent changes in total non-farm employment in District of Columbia and the United States, 2000–2013 (not seasonally adjusted)





## 5.2 Employment by major industry sector

Table 17 shows the decomposition of employment by major industry sector for the District of Columbia and the United States. Most notably, in 2013 the District had a larger share of government employment than the nation: 32 percent of all the District's jobs were in the Government compared to only 16 percent nationally. More interestingly, while the District had a much larger share of jobs in the federal government (27.4 percent for the District versus 2 percent nationally), it actually had a significantly smaller share of jobs in state and local government (4.8 percent versus 14 percent nationally).

**Table 17:** Employment by major industry sector in District of Columbia and the United States, 2010-2013

Industry	Employment			Percent Share, 2013		Percent Change, 2010-2013	
	2010	2013	Change	DC	US	DC	US
Total, All Jobs	711,900	748,300	36,400	100.0%	100.0%	5.1%	4.7%
Total Private	465,000	507,900	42,900	67.9%	84.0%	9.2%	6.3%
Goods Producing	11,700	15,000	3,300	2.0%	13.7%	28.2%	5.6%
Service Producing	700,200	733,300	33,100	98.0%	86.3%	4.7%	4.6%
Construction	10,600	14,000	3,400	1.9%	4.3%	32.1%	6.1%
Manufacturing	1,100	1,000	-100	0.1%	8.8%	-9.1%	8.8%
Trade, Transportation & Utilities	27,300	29,100	1,800	3.9%	19.0%	6.6%	18.9%
Information	18,700	17,000	-1,700	2.3%	2.0%	-9.1%	2.1%
Financial Activities	26,700	29,000	2,300	3.9%	5.8%	8.6%	5.9%
Professional and Business Services	147,700	155,900	8,200	20.8%	13.6%	5.6%	12.8%
Educational and Health Services	107,900	124,800	16,900	16.7%	15.5%	15.7%	15.3%
Leisure and Hospitality	59,700	67,900	8,200	9.1%	10.5%	13.7%	10.0%
Other Services, except public administration	65,400	69,200	3,800	9.2%	4.0%	5.8%	4.1%
Total Government	246,900	240,400	-6,500	32.1%	16.0%	-2.6%	17.3%
Federal Government	210,600	204,700	-5,900	27.4%	2.0%	-2.8%	2.3%
State and Local Government	36,300	35,700	-600	4.8%	14.0%	-1.7%	15.0%

Source: U.S. Bureau of Labor Statistics, Current Employment Statistics (CES)

In the private sector, the District had the largest share of jobs in professional and business services (20.8 percent of the District's total employment), educational and health services (16.7 percent), other services (which include religious, grant making, civic, professional and similar organizations – 9.2 percent), and leisure and hospitality (9.1 percent). As compared to the nation, the District had a significantly larger share of jobs in professional and business services (20.8 percent versus 13.6 percent) and other services (9.2 percent versus 4 percent). In contrast, the District had a significantly smaller share of jobs in trade, transportation, and utilities (3.9 percent versus 19 percent), manufacturing (0.1 percent versus 8.8 percent) and construction (1.9 percent versus 4.3 percent).

Between 2010 and 2013, the District saw private sector job growth of 9 percent, while the government sector declined by 2.6 percent. This trend was reversed nationally as employment in the government sector grew by 17.3 percent, while the private sector declined by 6.3 percent. Three of the District's private sector industries had higher employment growth than the nation: construction (32.1 percent versus 6.1 percent), educational and health services (15.7 percent versus 15.3 percent), and leisure and hospitality (13.7 percent versus 10 percent). Meanwhile, two of the District's private sector industries saw a decline in the number of jobs: manufacturing and information with a decrease of 9.1 percent each, as compared to an increase of 8.8 percent and 2.1 percent, respectively for the nation as a whole.

### **5.3 Covered employment, wages, and number of establishments by major industry sector**

Table 18 portrays data from the Quarterly Census of Employment and Wages (QCEW), which provides more information on the industrial composition in the District of Columbia and the United States. In 2013, 37.9 percent of all the wages were paid to government employees, while 62.1 percent of the wages were paid to private sector employees. Nationwide, the corresponding numbers were 15.9 percent and 84.1 percent, respectively. Compared to the nation, the District had a much larger share of wages in the federal government (33.8 percent versus 3 percent), almost the same percent of wages in the state government (3.5 percent versus 3.6 percent), and a much smaller percent of wages in the local government (0.6 percent versus 9.3 percent).

In the private sector, most of the District's wages in 2013 were paid in professional and business services (26.2 percent), education and health services (10.2 percent), and other services (8.8 percent). Furthermore, professional and business services and other services were the only two private sector industries that paid a higher percent of wages in the District than they did nationally – 17.9 percent and 2 percent of total wages, respectively. In contrast, manufacturing (0.2 percent), construction (1.5 percent), trade, transportation and utilities (2.5 percent), information (3.4 percent), leisure and hospitality (3.8 percent), and financial activities (4.9 percent), represented a much smaller proportion of the District's total payroll than they did nationally, where the shares of the total wages were 11 percent, 4.6 percent, 16 percent, 3.5 percent, 4.3 percent, and 9.2 percent, respectively.

In 2013, there were 35,430 of establishments in the District: 35,077 or 99 percent were in the private sector (for comparison, 96.8 percent of all establishments nationwide were in the private sector). More than half of all establishments in the District were either in professional and business services (29 percent) or other services (27.3 percent). These industries also had a larger proportion of establishments in the District than they had nationally (where the proportions were 17.7 percent and 8.6 percent, respectively). By contrast, the District had a significantly smaller share of establishments in manufacturing (0.4 percent versus 3.6 percent nationwide), construction (2.6 percent versus 8.1 percent), and trade, transportation, and utilities (8.4 percent versus 20.6 percent).

**Table 18:** Employment, total wages, and establishments by major industry sector in District of Columbia and the United States, 2013

	Establishments			Employment			Wages		
		Percent of			Percent of			Percent	
Industry	Number	Establishments		Annual	Employment		Total (\$000)	of Wages	
	DC	DC	US	DC	DC	US	DC	DC	US
Total Covered	35,430	100.0	100.0	723,658	100.0	100.0	\$60,118,080	100.0	100.0
Government	353	1.0	3.2	238,732	33.0	15.7	\$22,804,932	37.9	15.9
Federal Government	314	0.9	0.7	204,740	28.3	2.1	\$20,304,283	33.8	3.0
State Government	13	0.0	0.7	29,590	4.1	3.4	\$2,111,125	3.5	3.6
Local Government	26	0.1	1.8	4,402	0.6	10.2	\$389,524	0.6	9.3
Total Private	35,077	99.0	96.8	484,927	67.0	84.3	\$37,313,148	62.1	84.1
Construction	925	2.6	8.1	13,873	1.9	4.3	\$875,754	1.5	4.6
Manufacturing	138	0.4	3.6	999	0.1	9.0	\$109,647	0.2	11.0
Trade, Transportation & Utilities	2,965	8.4	20.6	28,399	3.9	19.1	\$1,523,849	2.5	16.0
Information	836	2.4	1.6	16,886	2.3	2.0	\$2,069,255	3.4	3.5
Financial Activities	1,924	5.4	8.9	24,953	3.4	5.7	\$2,971,634	4.9	9.2
Professional & Business Services	10,260	29.0	17.7	154,507	21.4	13.8	\$15,743,522	26.2	17.9
Education & Health Services	2,564	7.2	15.8	108,169	14.9	15.1	\$6,136,236	10.2	13.6
Leisure and Hospitality	2,599	7.3	8.5	67,247	9.3	10.6	\$2,287,981	3.8	4.3
Other Services	9,670	27.3	8.6	65,529	9.1	3.1	\$5,265,712	8.8	2.0
Unclassified	3,198	9.0	2.0	4,364	0.6	0.1	\$329,558	0.5	0.1
Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2013									

## 5.4 Average weekly wages by major industry sector

Table 19 shows the average weekly wages by major industry sector for the District of Columbia and the United States. Average weekly wage is an important measure of a county's economic health and another useful indicator of economic wellbeing. The measure is based on place of work, not place of residence. What is apparent from the table is that the District's weekly earnings are well above the national average and varied by industry. In 2013, the average weekly wage in the District was 55.4 percent higher than in the United States as a whole: \$1,489 for the District compared to \$958 nationwide. The District's government workers earned more than the District's private sector workers: \$1,837 per week versus \$1,479 per week. While the District workers earned 89.6 percent more than their national counterparts, the District's private sector employees earned 54.7 percent more than the private sector workers nationwide.

**Table 19:** Average weekly wage by major industry sector in District of Columbia and the United States, 2013

Industry	Average Weekly Wage		Percent Difference
	DC	US	DC - US
<b>Total, All Industries</b>	<b>\$1,489</b>	<b>\$958</b>	<b>55.4%</b>
<b>Total Government</b>	<b>\$1,837</b>	<b>\$969</b>	<b>89.6%</b>
Federal Government	\$1,907	\$1,402	36.0%
State Government	\$1,372	\$1,010	35.8%
Local Government	\$1,702	\$868	96.1%
<b>Total Private</b>	<b>\$1,479</b>	<b>\$956</b>	<b>54.7%</b>
Construction	\$1,211	\$1,023	18.4%
Manufacturing	\$2,110	\$1,175	79.6%
Trade, Transportation & Utilities	\$1,028	\$803	28.0%
Information	\$2,355	\$1,669	41.1%
Financial Activities	\$2,292	\$1,553	47.6%
Prof. & Business Services	\$1,961	\$1,243	57.8%
Education & Health Services	\$1,087	\$865	25.7%
Leisure and Hospitality	\$655	\$393	66.7%
Other Services	\$1,545	\$632	144.5%

Source: US Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Consistent with national trends, the District's federal government employees earned higher wages than its state and local government workers (\$1,907 versus \$1,372 and \$1,702, respectively). In the private sector, the District's workers earned highest wages in information (\$2,355 per week), financial activities (\$2,292 per week), manufacturing (\$2,110 per week), and professional and business services (\$1,961 per week). These were also the four private sector industries that paid the highest weekly wages nationwide. The District's workers earned the lowest weekly wages in leisure and hospitality (\$655), trade, transportation and utilities (\$1,028), and education and health services (\$1,087). These industries also paid some of the lowest weekly wages in the nation.

In all industries, the wages in the District were higher than those in the nation as a whole. The wage gap was particularly large in other services, where the District's workers earned 144.5 percent more than their national counterparts (\$1,545 versus \$632). The wage gap between the District and the nation was relatively small in construction (\$1,211 versus \$1,023, or 18 percent), education and health services (\$1,087 versus \$865, or 26 percent), and trade, transportation and utilities (\$1,028 versus \$803, or 28 percent).

## 5.5 Top 20 private sector employers in the District of Columbia

Table 20 lists the 20 largest private sector employers in the District of Columbia in September 2013. Thirteen of the top 20 employers in the District were either universities or hospitals. Leading the list are Georgetown University, George Washington University, and Washington Hospital Center.

**Table 20:** Top 20 private sector employers in the District of Columbia, September 2013

Rank/Trade Name	3-Digit NAICS Industry
1. Georgetown University	Educational Services
2. George Washington University	Educational Services
3. Washington Hospital Center	Hospitals
4. Children's National Hospital	Hospitals
5. American University	Educational Services
6. Georgetown University Hospital	Hospitals
7. Howard University	Educational Services
8. Federal National Mortgage Association (Fannie Mae)	Credit Intermediation and Related Services
9. Booz Allen and Hamilton Incorporated	Professional, Scientific, and Technical Services
10. Providence Hospital	Hospitals
11. Allied Barton Security Services LLC	Administrative and Support Services
12. The Catholic University Of America	Educational Services
13. Red Coats	Administrative and Support Services
14. Howard University Hospital	Hospitals
15. George Washington University Hospital	Hospitals
16. Sibley Memorial Hospital	Hospitals
17. George Washington Medical Faculty Associates	Hospitals
18. Safeway Incorporated	Food and Beverage Stores
19. The Washington Post	Publishing Industries
20. Insperity PEO Services	Administrative and Support Services
Source: District of Columbia Department of Employment Services, Office of Labor Market Research and Information	

## 6. OCCUPATIONAL EMPLOYMENT AND WAGES

### 6.1 Employment and wages by major occupational groups

The Standard Occupational Classification (SOC) system divides occupations into one of 22 major occupational groups. Using this system, we can compare the District of Columbia occupational wages to wages for the same occupations across the nation. Table 21 shows the District of Columbia and the United States occupational employment and median wages by major occupational groups in 2013. Business and financial operations, office and administrative support, and management occupations were the top three occupational groups in the District, representing 16 percent, 12.2 percent, and 11.4 percent, respectively. Office and administrative support was the largest occupational group nationwide, representing 16.2 percent of the nation's total employment. It was followed by sales and related occupations (10.6 percent of total employment) and food preparation and serving-related occupations (9 percent).

Some occupational groups in the District represented a significantly larger share of employment than they did nationwide. These groups included business and financial operations (with 16 percent of total employment in the District versus 5 percent nationwide); management (11.4 percent versus 4.9 percent); legal (6.1 percent versus 0.8 percent); arts, design, entertainment, sports, and media (4.2 percent versus 1.3 percent); computer and mathematical science (5.3 percent versus 2.8 percent); and life, physical, and social services (3.1 percent versus 0.9 percent). In contrast, some occupational groups represented a much smaller share of total employment in the District than they did nationwide: sales

and related (3.9 percent in the District versus 10.6 percent nationwide); production (0.8 percent versus 6.6 percent); transportation and material moving (1.9 percent versus 6.8 percent); office and administrative support (12.2 percent versus 16.2 percent); installation, maintenance, and repair (1.4 percent versus 3.9 percent); and construction and extraction (1.8 percent versus 3.8 percent).

**Table 21:** Occupational employment and median wages by major occupational groups in District of Columbia and the United States, 2013

Occupational Group	Total Employment	Share of Employment		Annual Median Wage		Percent Difference DC - US
		DC	US	DC	US	
<b>All Occupations</b>	<b>665,850</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$63,680</b>	<b>\$35,080</b>	<b>81.5%</b>
Management	75,830	11.4%	4.9%	\$127,070	\$95,600	32.9%
Business and financial operations	106,670	16.0%	5.0%	\$82,380	\$63,800	29.1%
Computer and mathematical science	35,000	5.3%	2.8%	\$93,900	\$77,860	20.6%
Architecture and engineering	13,470	2.0%	1.8%	\$96,630	\$74,530	29.7%
Life, physical, and social science	20,650	3.1%	0.9%	\$94,960	\$60,860	56.0%
Community and social services	12,720	1.9%	1.4%	\$47,800	\$40,810	17.1%
Legal	40,360	6.1%	0.8%	\$137,520	\$76,100	80.7%
Education, training, and library	34,220	5.1%	6.3%	\$58,290	\$46,140	26.3%
Arts, design, entertainment, sports, and media	28,140	4.2%	1.3%	\$75,570	\$44,610	69.4%
Healthcare practitioner and technical	31,360	4.7%	5.8%	\$72,170	\$61,120	18.1%
Healthcare support	12,020	1.8%	3.0%	\$29,330	\$26,080	12.5%
Protective service	28,340	4.3%	2.5%	\$48,930	\$36,770	33.1%
Food preparation and serving related	49,700	7.5%	9.0%	\$22,190	\$19,020	16.7%
Building and grounds cleaning & maintenance	19,300	2.9%	3.2%	\$30,290	\$22,970	31.9%
Personal care and service	10,990	1.7%	3.0%	\$28,380	\$21,010	35.1%
Sales and related	26,270	3.9%	10.6%	\$28,430	\$25,160	13.0%
Office and administrative support	80,990	12.2%	16.2%	\$44,980	\$32,010	40.5%
Farming, Fishing, and Forestry	90	0.0%	0.3%	\$54,200	\$19,380	179.7%
Construction and extraction	12,240	1.8%	3.8%	\$49,290	\$40,670	21.2%
Installation, maintenance, and repair	9,650	1.4%	3.9%	\$55,120	\$41,440	33.0%
Production	5,340	0.8%	6.6%	\$48,040	\$31,250	53.7%
Transportation and material moving	12,510	1.9%	6.8%	\$36,710	\$29,100	26.2%
Source: US Bureau of Labor Statistics, Occupational Employment Statistics (OES), May 2013						

## 6.2 Median annual wages by major occupational groups

In 2013, the District paid higher wages in all major occupational groups than in the nation with an annual median wage of \$63,680, compared to \$35,080 for the nation (See Table 21). The gap in median wage between the District and the nation was particularly large in legal occupations (80.7 percent); arts, design, entertainment, sports, and media occupations (69.4 percent); life, physical, and social science occupations (56 percent); and production occupations (53.7 percent). The wage gap was smallest in health care support occupations (12.5 percent) and sales and related occupations (13 percent).



## 7. CONCLUSION and POLICY IMPLICATIONS

The 2013 District of Columbia Annual Economic Report provides an analysis of the District's population trends, labor market outcomes, and job market outcomes in the calendar year of 2013. The population, job market, and income data present a healthy economic picture: the District is experiencing a steady population growth that is getting more diversified; the average District resident is getting wealthier and more educated than the nation as a whole; and the job market is experiencing a robust job growth. While, the population, job market, and income data show a healthy economic picture in the District, the District's unemployment rate stubbornly remains above the national average, and at the same time some areas in the District continue to experience higher poverty rates than the nation as a whole.

The apparent inconsistency of job market and labor market outcomes is befuddling to policy makers: how can the District experience a strong job market with steady job growth year after year, while at the same time the unemployment rate remains above the national average?

A few economic facts may offer some explanation:

1. Location of the District within the DC Metropolitan area: The District is the central city within the Washington-Arlington-Alexandria DC-MD-VA –WV Metropolitan Area, which make D.C. a highly competitive job market. In fact, District's residents compete for jobs in the District with job seekers within the metro area.
2. The nature of jobs available in the labor market is incompatible with the level of education and/or competences possessed by some residents of D.C. In D.C., we observe many high skill jobs that require a bachelor's degree and higher level of education, while most of the District's unemployed residents possess less than a bachelor's degree.
3. The presence of varying and different barriers to access employment for some D.C. residents such as returning citizens and the long-term unemployed (54 weeks and more).

Public policy solutions must primarily focus on:

1. Ensuring that residents have access to education and training that can enable them to be competitive in the labor market. This will include targeted job-training and career-development programs that prepare DC residents for the globalized economy.
2. Using strategic investments that stimulate and diversify business growth, thereby creating more opportunities in the job market for harder to employ residents, such as less than high school diploma, etc.
3. Eliminating barriers to entry to the labor market for certain categories of residents such as the formerly incarcerated.

The second major influencer of the District's higher poverty rates is the income gap between the city's households. In particular, 35% (**34.9%**) of households have an annual income less than \$50,000, while 36% (**35.7%**) have an annual income more than \$100,000. This denotes a critical income inequality between households in DC.

Also, DC is ranked number **7** in the country given the Gini Index (**0.66**). The Gini index is the most commonly used measure of inequality. It ranges between **0.0**, which would be complete equality (everyone in a community has the same income), and **1.0**, which is complete inequality (one person has all the income, all others none). The policy recommendations should include:

1. Creating a middle class by enacting policies directly aimed to increased economic opportunities in targeted and/or disadvantaged areas.
2. Developing career pathways for low skilled D.C. residents
3. Developing and expanding "second career" programs that target older, long-term unemployed workers

All these policies should permit the District to simultaneously grow the labor demand (jobs) and supply (District resident's employability), and will also ensure that all DC residents have equitable opportunities to succeed – leading to a reduction in the growing inequality within the District.



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