



Promoting Social and Economic Mobility in Washington, DC

Challenges and Choices for the New Mayor

Gregory Acs, Lauren Eyster, and Jonathan Schwabish

April 2015

As Mayor Bowser settles into her office, she leads a city that is growing more prosperous. Yet too many DC residents are not sharing in that prosperity. Since the last recession began in 2007, median income in DC has grown by three times the national average, reaching nearly \$61,000 in 2013. Yet DC's unemployment rate persistently remains about 1 percentage point higher than in the nation as a whole. Below, we document the challenges to economic and social mobility confronting the District's citizens and offer recommendations for helping more residents share in the benefits of the city's growing economy.

Understanding the Scope of the Problem

DC residents who are struggling economically have diverse needs. Some need help accessing and completing their education, others need job training for current workforce demands, and still others need basic support for food and shelter.

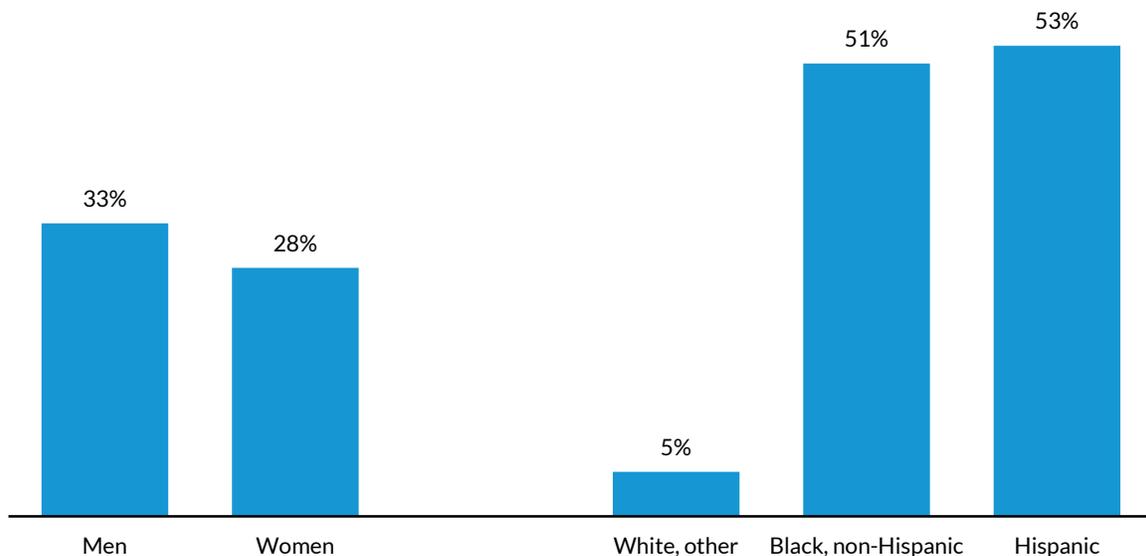
Younger, nonwhite residents especially struggle in DC's labor market. Averaging data from 2008 through 2012, we find that 38 percent of African Americans ages 16 to 24 are unemployed in DC, compared with 15 percent of Hispanics and 5 percent of whites and others in the same age range. In addition, about one in seven African American youth are considered disconnected—that is, they are not working, not looking for work, and not in school. Among youth who are working, more than a quarter earn less than \$25,000 a year.

Adults over 25 are not immune from labor market challenges. In data averaged between 2008 and 2012, 9 percent of residents ages 25 to 44 were unemployed.

These employment struggles stem from various factors including low education and literacy levels, poor skills, poor health, and in some cases a history of incarceration. More than 30 percent of all DC residents, for example, have no education beyond high school. Differences by race and ethnicity are stark (figure 1): more than half of DC’s black and Hispanic residents have no formal schooling beyond high school, compared with only 5 percent of DC’s white residents.

FIGURE 1

Share of DC Residents Ages 16–64 with No Education beyond High School



Source: American Community Survey 2008–12 five-year sample.

Where a person lives can exacerbate the barriers he or she faces. A neighborhood with few job networks and few employed role models can make it harder for residents to find jobs and advance in their careers. About a quarter of DC’s neighborhoods can be classified as “challenged,” meaning that the neighborhood’s unemployment rate, share of residents without high school degrees, and share of households headed by single mothers all exceed the DC average by 20 percent or more.

In 1990, about 40 percent of challenged neighborhoods lay west of the Anacostia River, with clusters around the waterfront, along the 14th Street corridor in Northwest DC, and roughly around the Trinidad area in Northeast. By 2000, about 30 percent of challenged neighborhoods lay west of the Anacostia, with a cluster along the waterfront and a smaller cluster in Trinidad. By 2006–10, most (75 percent) of DC’s challenged neighborhoods lay east of the Anacostia.¹

These findings suggest what has been known for years: that areas east of the river are poor, have high unemployment levels, and pose challenges for mobility. With a new mayor in place and the city and country coming out of the worst recession in generations, it is time to end this pattern and improve opportunities for DC's most disadvantaged residents.

Recommendations for Improving Social and Economic Mobility

Removing barriers to mobility and creating meaningful opportunities for all DC residents to prosper require various strategies. DC's new mayor should adopt strategies and policies that can help city residents who struggle the most with becoming and staying connected to the labor market. We have identified three broad groups of such strategies the mayor could pursue:

1. Enhancing the skills of DC's workforce
2. Creating more job opportunities
3. Improving the quality of available jobs

Enhancing the Skills of DC's Workforce

The diversity of DC's workforce means that different workforce development strategies will be needed to serve different parts of the population. These strategies include helping residents who have significant barriers to work, supporting youth who are trying to get a foothold in the labor market, engaging with employers to help individuals get on career paths, and encouraging DC government agencies to use and share data more effectively.

HELPING THOSE WITH SIGNIFICANT BARRIERS TO WORK

The Bowser administration has the opportunity to develop a strong workforce system that helps DC residents find and keep good jobs and helps DC employers hire the workers they need. The workforce system is thought of broadly as the Department of Employment Services, University of the District of Columbia Community College (UDC-CC), other education and training institutions, employers in the metropolitan region, unions, and other government agencies and nonprofit service providers. Strategically aligning services among these providers, a potential role for the new Deputy Mayor for Greater Economic Opportunity, can help DC build and support a skilled workforce that meets industry needs.

- *Connect DC's workforce system to other systems that can support residents' employment and training opportunities.* In addition to a lack of skills or work experience, many DC residents have such barriers to employment as a lack of transportation or child care, limited English literacy, a disability, homelessness or housing instability, or a criminal history. DC's workforce system could develop a seamless, manageable process for ensuring that residents who walk through the door of any workforce, education, or social service office learn about and get connected to other services they need to be successful. One place to start is with DC's American Job Centers, which assess an individual's job, education, or social service needs and make referrals to a

broad array of services throughout the community. UDC-CC's financial aid and student support offices could be another "door" through which DC residents enrolled at the college can access the services they need to continue and complete their program of study. This strategy could also connect with nonprofits providing a range of social services throughout the city.

- *Integrate literacy into job training for those who need it.* Adults seeking job skills may feel stigmatized and frustrated by stand-alone literacy programs, so basic skills education may be more effective when integrated with job training. The Integrated Basic Education and Skills Training (I-BEST) approach, for example, uses pairs of instructors who teach professional/technical skills and basic skills like literacy simultaneously in a unified curriculum. Learning basic skills in real-world scenarios helps students progress through the program and into jobs faster than taking separate classes.²
- *Build the capacity of DC's community college to train DC residents.* The University of the District of Columbia Community College has received \$11 million from federal Trade Adjustment Assistance Community College and Career Training grants to build the capacity of its workforce education and training. To maximize this funding, UDC-CC should consider embedding approaches such as integrated instruction (e.g., I-BEST model), technology-based learning, prior learning assessment, college/career navigators, and employer engagement to help students successfully complete their program of study.
- *Help people with criminal records better transition to the workforce.* People with criminal records face many challenges as they try to reenter their communities and families, and a lack of job opportunities can contribute to recidivism and reincarceration. Reentry programs that help these individuals transition back to the workforce are most effective if they begin while the inmate is still in prison (Nuñez-Neto 2008). In addition, the mayor might explore more tax incentives to employers who hire people with criminal records. DC's recent "ban-the-box" legislation, which restricts employers' ability to ask job applicants about their prior criminal records, may also be a good step in this direction.³
- *Aggressively confront the problem of homelessness.* Even individuals with solid work skills can find it hard to get and keep jobs if they are chronically homeless. In another brief in this series, our colleague Peter Tatian (2014) offers several recommendations for combating homelessness, including strengthening rapid rehousing and creating more permanent supportive housing.

TARGETING YOUTH

- *Build a robust apprenticeship program.* Apprenticeship programs prepare youth for careers through supervised work-based learning with employers supplemented by academic instruction related to their chosen occupation. Such programs typically last two to four years, and participants earn a salary while they learn. For example, Georgia and Wisconsin operate apprenticeship programs in various fields including health and human services, information technology, and manufacturing (Lerman 2014). Evaluations of apprenticeship programs suggest that benefits to participants and the government far outweigh program costs (Reed et al. 2012).

- Expand and improve DC's Summer Youth Employment Program.* Getting work experience, and a paycheck, can help students make the transition from school to work. In 2014, DC's Summer Youth Employment Program enrolled about 12,500 young people ages 14 to 21; an additional \$5 million will be dedicated to the program in 2015 to serve 22- to 24-year-olds. Past evaluations of the program suggest that although youth and employers are generally satisfied with the program, it could find more meaningful work experiences (Sachdev 2012).⁴ The mayor should continue to support this program and ensure that it follows best practices for youth employment. One hallmark of successful programs is strong partnerships across systems that serve youth to ensure that the most vulnerable have the supports they need to participate. Effective programs should also have job placements that provide hands-on work experiences and allow for career exploration (Hastings, Tsoi-A-Fatt, and Harris 2010).
- Strengthen ties with DC's youth service organizations.* To better serve the holistic needs of disadvantaged youth, city government should strengthen their current relationships with local multiservice youth organizations or intermediaries, such as the DC Alliance for Youth Advocates, that are able to address DC youth's multiple barriers to employment. Many of these organizations, such as the Latin American Youth Center and the Urban Alliance, are developing and testing innovative ways to better train and support youth to help them grow into healthy and productive members of the community.

ENGAGING EMPLOYERS

- Create working partnerships with employers in a high-growth industry and ensure that DC's resources are directed toward providing that industry with skilled workers.* In DC, the education and health services, and leisure and hospitality services sectors account for about a quarter of total employment: nearly 30,000 jobs in these sectors were added between 2010 and 2014. The DC government should consider dedicating staff and other resources to building the skills of workers in these and other high-growth industries. That initiative should start with a strategic plan that may include labor market analysis, occupational skill needs assessment, and an assessment of local education and training programs. The most important element of engaging employers is to then follow through on the strategic plan, or they will lose interest and the partnership will fall apart.
- Craft "sector strategies" for high-growth DC industries.* More than half of states nationwide have developed industry-focused workforce development strategies, often called sector strategies (Woolsey and Groves 2013). Public workforce agencies, training providers (especially community colleges), community and faith-based organizations, unions, and employers in a particular industry, such as health care or advanced manufacturing, work together to develop partnerships and implement approaches that meet employers' needs and help launch workers' careers. These approaches include designing training curricula to meet industry needs, providing credentials recognized by the industry, and using job readiness and placement programs to steer youth and job seekers to the industry and to certain employers.

USING DATA TO SUPPORT STUDENT AND WORKER SUCCESS

- *Improve performance measures to demonstrate the success of workforce programs.* Under the Workforce Innovation and Opportunity Act, the District government is required to use new, more rigorous performance measures to demonstrate the success of its federally funded workforce programs. To accomplish this, the DC government may need to improve, link, and better use its data systems, as discussed below. The District may also want to take the opportunity to develop DC-specific performance measures, such as employment for low-skilled adults or another target population, that will help DC leaders track program success.
- *Improve communication and data sharing between different agencies.* It is imperative that DC consider how it can better use data to support a larger alignment of systems and to measure the success of residents as they progress through education and into the workforce. Individual DC agencies have administrative data systems, but they may not always be connected to each other. As a result, the District cannot track a person's education and employment trajectories and measure his or her progress toward economic success. Pettit and Schwabish (2014) make similar recommendations as part of the Urban Institute's recommendations to the mayor about open data.

Creating More Job Opportunities

Improving the work skills of DC's low-income residents will boost their economic prospects only if well-paying jobs are available. Another brief in this series (Stacy, Theodos, and Ho 2015) provides specific recommendations for equitable economic growth.

- *Consider rezoning to allow for light industry.* DC should be mindful of the implications of its zoning decisions, especially in underdeveloped parts of the city such as Ward 8. Rather than creating more space for high-end residential development, DC should allow for light industrial development to support industries like automotive maintenance and repair, business supplies, landscaping, and construction.
- *Use contracting activities to promote the employment of DC residents.* For example, when the District evaluates bids on city contracts, it could award additional points to DC-based employers and those who have more DC residents on staff. Quality and value would still be the overriding factors, but when bids are close, favoring DC employers could boost opportunities for District workers.
- *Align District employment strategies with the larger regional economy.* The city needs to recognize that many DC residents can and do work outside the city. The city's workforce system, therefore, should ensure that its employment strategies align with the larger regional economy and potentially help DC residents find and connect to jobs outside the District. This requires the mayor and the city government to work closely with other governments in the region to promote many of the recommendations outlined above.

Improving Job Quality

Many low-income jobs in DC and across the nation provide earnings that, at best, meet only a subsistent standard of living and still qualify working families for Supplemental Nutrition Assistance Program benefits and other supports. Residents who have opted out of the labor market may seek entry-level jobs if they offered a higher standard of living. In addition, many entry-level jobs may not provide a clear path toward better jobs and better opportunities. DC has already taken several steps to make lower-wage jobs, often in the service sector, a better first step for entering and succeeding in the workforce, but more can be done.

- *Develop “high-road” employer strategies.* Better quality jobs that provide stable work schedules, retirement options, and opportunities for promotion benefit both the worker and the employer. Workers gain more than just wages from the job, and employers have a more productive, longer-tenured workforce. DC could connect with intermediaries such as the Aspen Institute and the Center on Law and Social Policy, which have worked with government and employers to improve the quality of jobs in such sectors as hospitality and construction. The mayor’s office could also reach out to the many national industry associations headquartered in the District. This strategy could be combined with the overall sector strategy discussed earlier.
- *Maintain a high minimum wage.* DC has already passed legislation that will raise the minimum wage to \$11.50 an hour by 2016. That should entice more people to work and will raise the living standards of low-wage workers. The concern with higher minimum wages, however, is that employers will find it too costly to pay those wages and will reduce employment. At some level, that is no doubt true, but it depends on the prevailing wage rate in the community and in the surrounding communities. Because the neighboring counties in Maryland are also raising their minimum wages to \$11.50 an hour and because DC generally supports higher wages, the employment effects of the new minimum wage are likely to be small, while the benefit to some DC families will be significant (Acs et al. 2014).
- *Expand DC’s EITC.* The EITC provides an earnings supplement to low-income working families. Currently, DC’s EITC is quite generous: 40 percent of the federal EITC. A larger EITC would provide additional work incentives and improve the living standards of DC’s low-income workers. An expanded EITC for childless workers could be a particularly powerful incentive to encourage young men to enter the formal labor market.
- *Maintain DC’s paid leave statute.* In the low-wage labor market, having a cold or needing to take a child to a doctor’s appointment can mean losing a job. DC’s Accrued Sick and Safe Leave Act allows workers to accrue paid time off and protects their jobs when they use it, thus improving the employment stability of DC’s low-wage workers. Continuous employment will at the very least stabilize workers’ economic situation and potentially allow for wage growth and upward mobility.

Conclusion

Despite DC's recent prosperity, a significant share of the city's low-income residents lacks the opportunities and the skills necessary to improve their economic situations. Some residents may need short-term training to upgrade their skills or more incentives and supports to find jobs and career paths, while others face significant personal, logistic, and structural barriers to work. Given the vast differences in low-income residents' needs and circumstances, no single policy or approach will profoundly affect economic mobility. To make substantial progress in promoting mobility, the new mayor needs to examine and implement a set of strategies that work together to support economic mobility.

Acknowledgments

The authors thank Martha Johnson and Stephanie Owen for their research assistance; Ananda Martin-Caughey for taking notes at the roundtable; Bradley Hardy for providing tabulations on DC tax data; and Pamela Loprest, Shayne Spaulding, and Margery Austin Turner for their thoughtful comments.

Notes

1. Data for 1990 and 2000 come from the US Census. Data for 2006–10 come from the American Community Survey (ACS). Because the annual sample size of the ACS is smaller than that of the Census, we have to pool data across five years of the ACS to ensure a large enough sample for reliable estimates.
2. For an example of a successful implementation of the I-BEST model, see Wachen et al. (2012).
3. Banning the box should allow those with criminal records to avoid discrimination in hiring. However, some employers may simply engage in statistical discrimination and not hire anyone who they believe fits the profile of someone with a criminal record (Holzer, Raphael, and Stoll 2006).
4. Summer youth programs outside DC can provide a worthwhile work experience, improve academic outcomes, and reduce risky behaviors (Heller 2014; Leos-Urbel et al. 2012; Sum, Trubskyy, and McHugh 2013).

References

- Acs, Gregory, Laura Wheaton, Maria Enchautegui, and Austin Nichols. 2014. "Understanding the Implications of Raising the Minimum Wage in the District of Columbia." Washington, DC: Urban Institute. <http://www.urban.org/publications/413200.html>.
- Hastings, Sarah, Rhonda Tsoi-A-Fatt, and Linda Harris. 2010. "Building a Comprehensive Youth Employment Delivery System: Examples of Effective Practice." Washington, DC: CLASP. <http://www.clasp.org/resources-and-publications/files/Youth-Employment-Systems-1.pdf>.
- Heller, Sara. 2014. "Summer Jobs Reduce Violence among Disadvantaged Youth." *Science* 346 (6214): 1219–23.
- Holzer, Harry J., Steven Raphael, and Michael A. Stoll. 2006. "Perceived Criminality, Criminal Background Checks, and the Racial Hiring Practices of Employers." *Journal of Law and Economics* 49 (2): 451–80.
- Leos-Urbel, Jacob, Amy Ellen Schwartz, Meryle Weinstein, and Beth C. Weitzman. 2012. "More than a Paycheck? The Impact of Summer Youth Employment on Students' Educational Engagement and Success." New York: Institute for Education and Social Policy, New York University.

- Lerman, Robert. 2014. "Proposal 7: Expanding Apprenticeship Opportunities in the United States." The Hamilton Project. Washington, DC: Brookings Institution.
- Nuñez-Neto, Blas. 2008. "Offender Reentry: Correctional Statistics, Reintegration into the Community, and Recidivism." Report RL34287. Washington, DC: Congressional Research Service, Domestic Social Policy Division. <http://congressionalresearch.com/RL34287/document.php?study=Offender+Reentry+Correctional+Statistics+Reintegration+into+the+Community+and+Recidivism>.
- Reed, Deborah, Albert Yung-Hsu Liu, Rebecca Kleinman, Annalisa Mastri, Davin Reed, Samina Sattar, and Jessica Ziegler. 2012. "An Effectiveness Assessment and Cost-Benefit Analysis of Registered Apprenticeship in 10 States." Washington, DC: Mathematica Policy Research.
- Pettit, Kathryn L. S., and Jonathan Schwabish. 2014. "Leveraging the Power of Open Data to Improve City Services: Challenges and Choices for the New Mayor." Washington, DC: Urban Institute. <http://www.urban.org/publications/2000058.html>.
- Sachdev, Nisha. 2012. "An Evaluation of the District of Columbia Summer Youth Employment Program." Washington, DC: US Department of Labor Employment and Training Administration. <http://cyitc.org/wp-content/uploads/2014/06/SYEP-DOL-report.pdf>.
- Stacy, Christina (Plerhopes), Brett Theodos, and Helen Ho. 2015. "Building a Vibrant Economy in Washington, DC: Challenges and Choices for the New Mayor." Washington, DC: Urban Institute.
- Sum, Andy, Mykhaylo Trubskyy, and Walter McHugh. 2013. "The Summer Employment Experiences and the Personal/Social Behaviors of Youth Violence Prevention Employment Program Participants and Those of a Comparison Group." Boston: Center for Labor Market Studies, Northeastern University.
- Tatian, Peter. 2014. "Preserving and Expanding Inclusive Housing: Challenges and Choices for the New Mayor." Washington, DC: Urban Institute. <http://www.urban.org/publications/2000057.html>.
- Wachen, John, Davis Jenkins, Clive Belfield, and Michelle Van Noy with Amanda Richards and Kristen Kulongoski. 2012. "Contextualized College Transition Strategies for Adult Basic Skills Students: Learning from Washington State's I-BEST Program Model." New York: Community College Research Center, Teachers College, Columbia University. http://sbctc.edu/college/abepds/ibest_ccrc_report_december2012.pdf.
- Woolsey, Lindsay, and Garrett Groves. 2013. "State Sector Strategies Coming of Age: Implications of State Policymakers." Washington, DC: National Governors Association Center for Best Practices. <http://www.nga.org/files/live/sites/NGA/files/pdf/2013/1301NGASSSReport.pdf>.



2100 M Street NW
Washington, DC 20037

www.urban.org

ABOUT THE URBAN INSTITUTE

The nonprofit Urban Institute is dedicated to elevating the debate on social and economic policy. For nearly five decades, Urban scholars have conducted research and offered evidence-based solutions that improve lives and strengthen communities across a rapidly urbanizing world. Their objective research helps expand opportunities for all, reduce hardship among the most vulnerable, and strengthen the effectiveness of the public sector.

This brief was funded by the Open Society Foundations. We are grateful to our funders, who make it possible for Urban to advance its mission. It is important to note that funders do not determine our research findings or the insights and recommendations of our experts.

This memo is presented as part of Challenges and Choices for the New Mayor, an initiative of the Urban Institute as part of Talking Transition DC. The views expressed are those of the authors and should not be attributed to Talking Transition DC or to the Urban Institute, its trustees, or its funders.

Copyright © April 2015. Urban Institute. Permission is granted for reproduction of this file, with attribution to the Urban Institute.