

# Demographic and Economic Trends in the District of Columbia

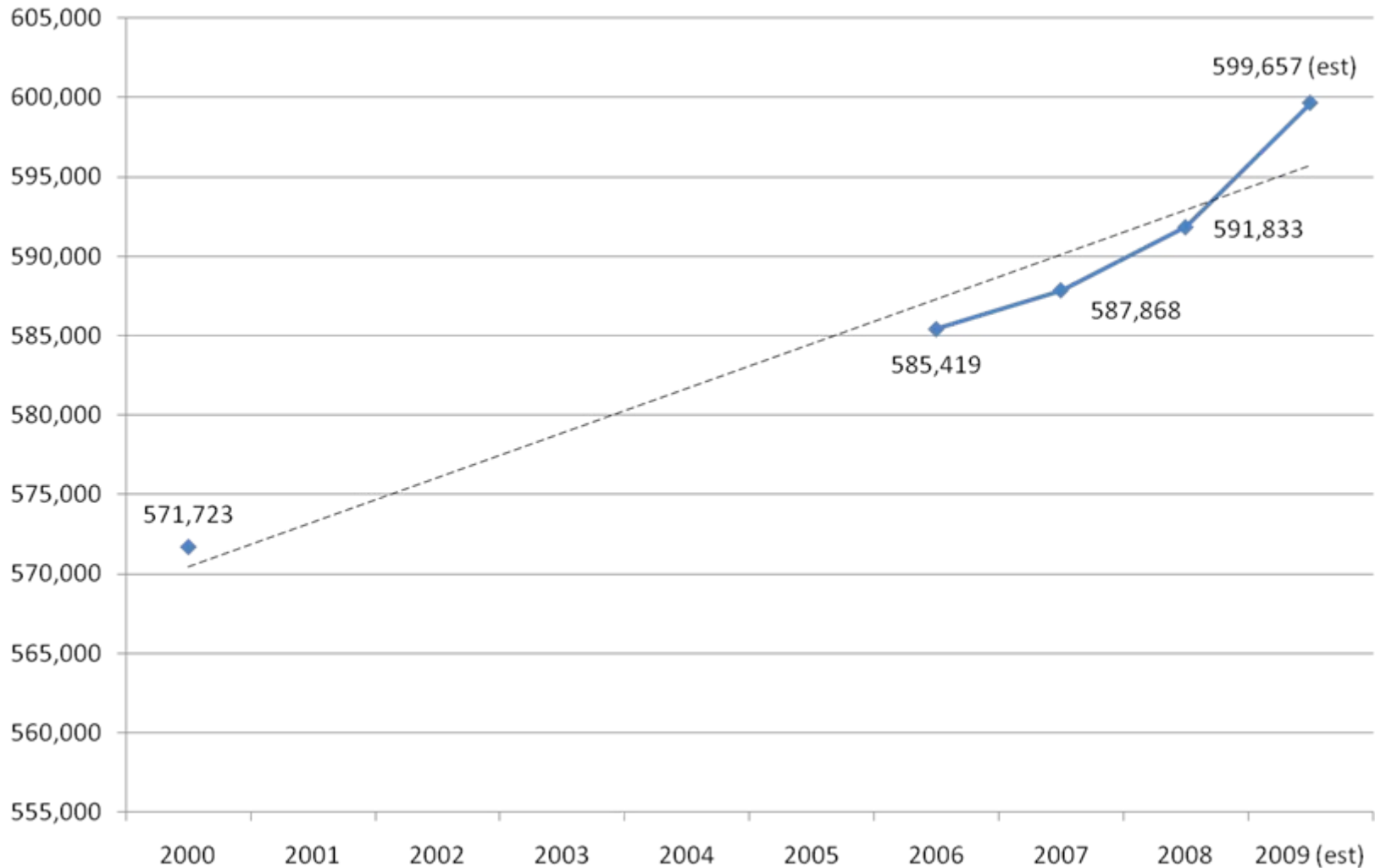


Benjamin Orr  
Greater Washington Research  
at the Brookings Institution  
July 22<sup>nd</sup>, 2010

## Demographic Trends

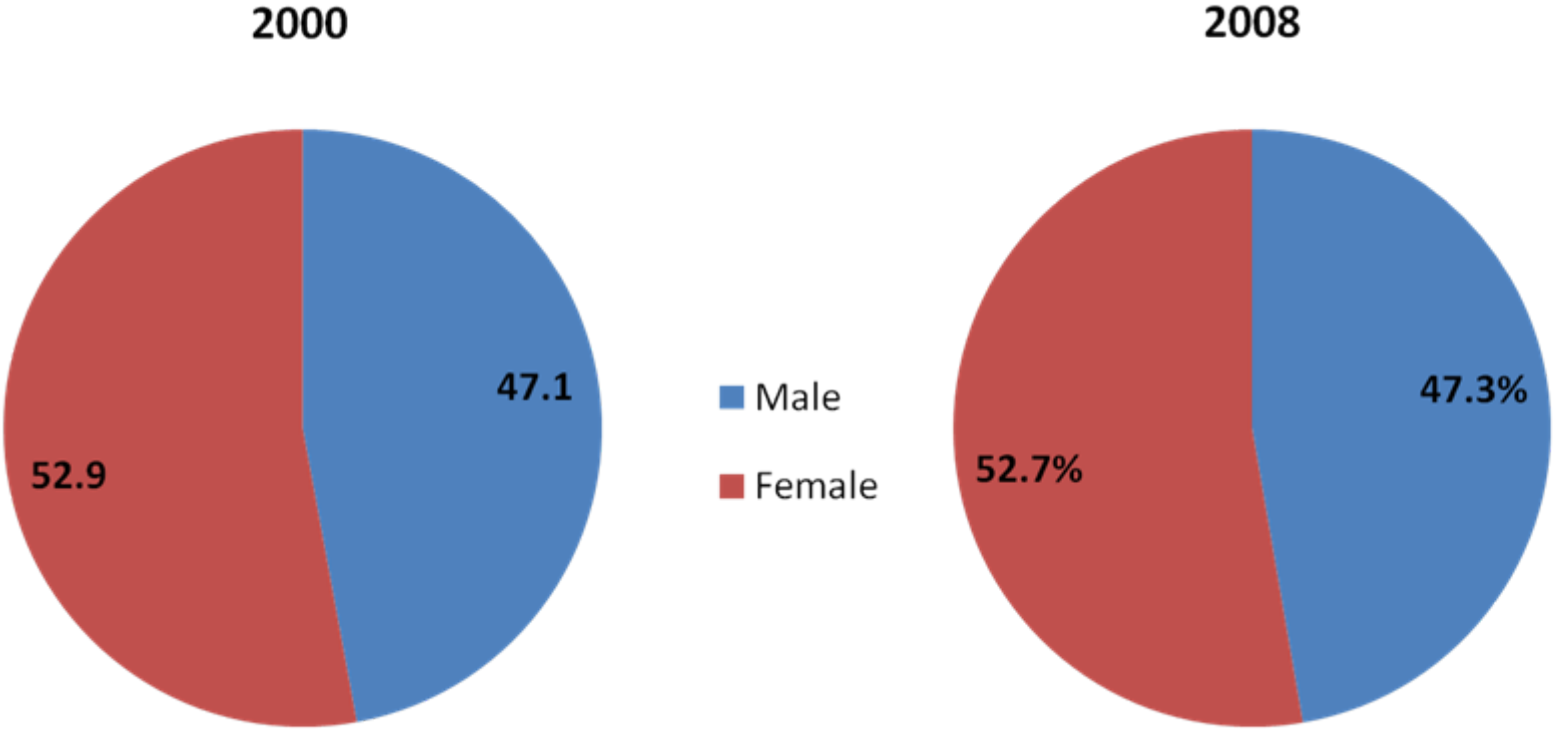


# The District of Columbia continues to grow



Source: U.S. Census Bureau, Decennial Census, American Community Survey, Population Estimates Program. 2001-2005 data is not comparable.

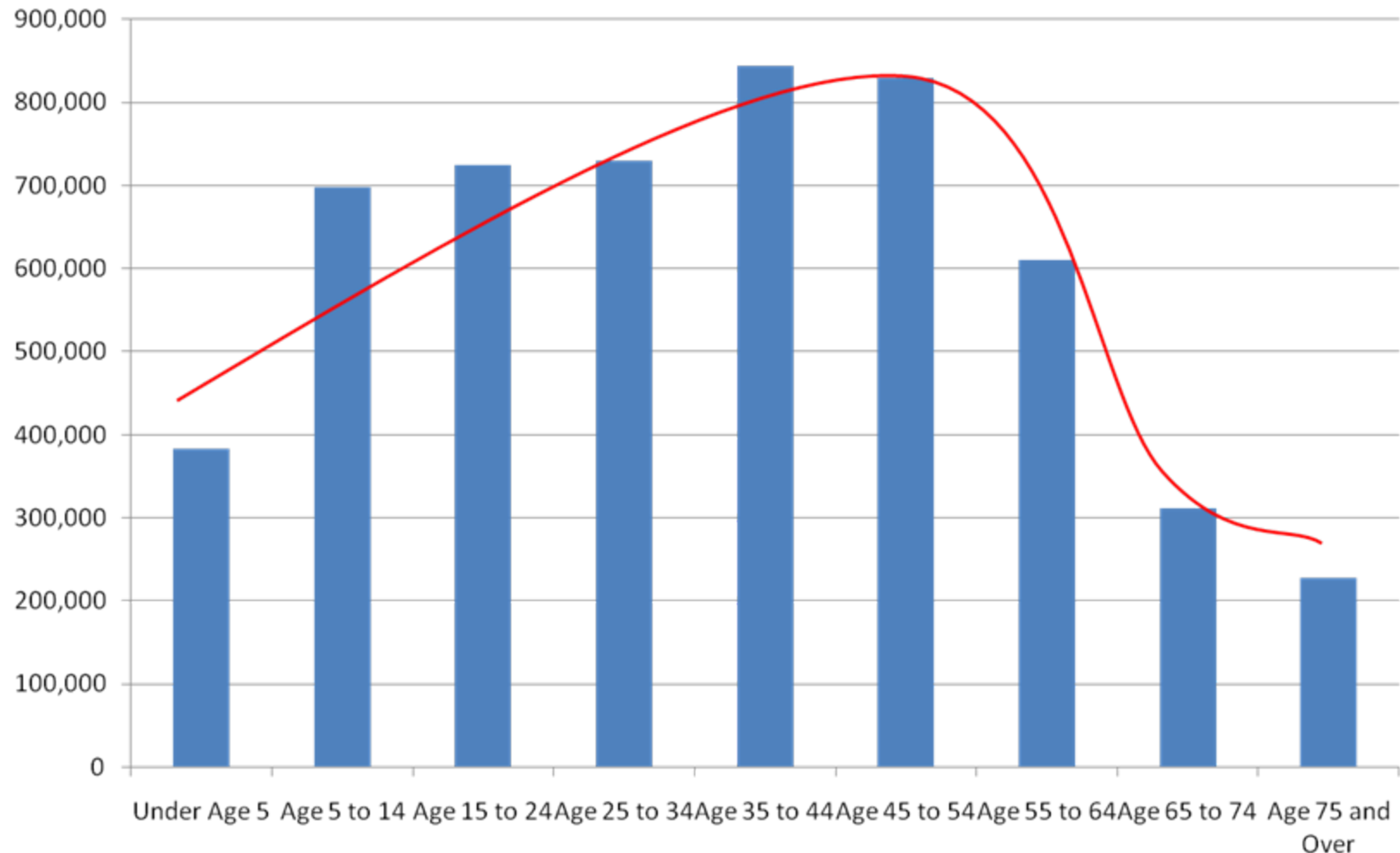
# Gender distribution has been mostly stable in the District



Source: Brookings analysis of U.S. Census Bureau Decennial Census, American Community Survey

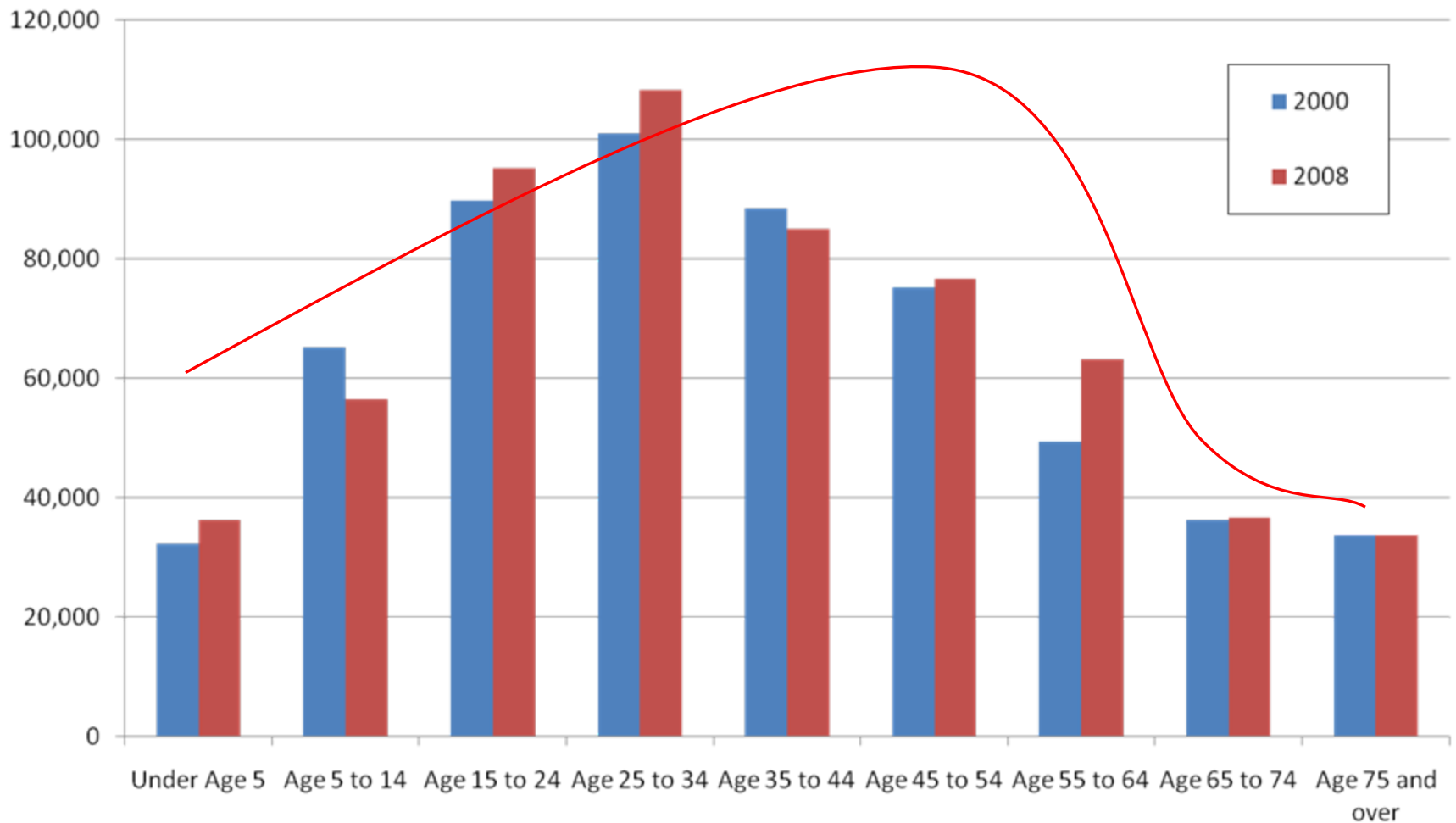
# The Washington region is preparing for a “senior tsunami” . . .

Age distribution in the Washington region (2008)



Source: Brookings analysis of U.S. Census Bureau Decennial Census, American Community Survey

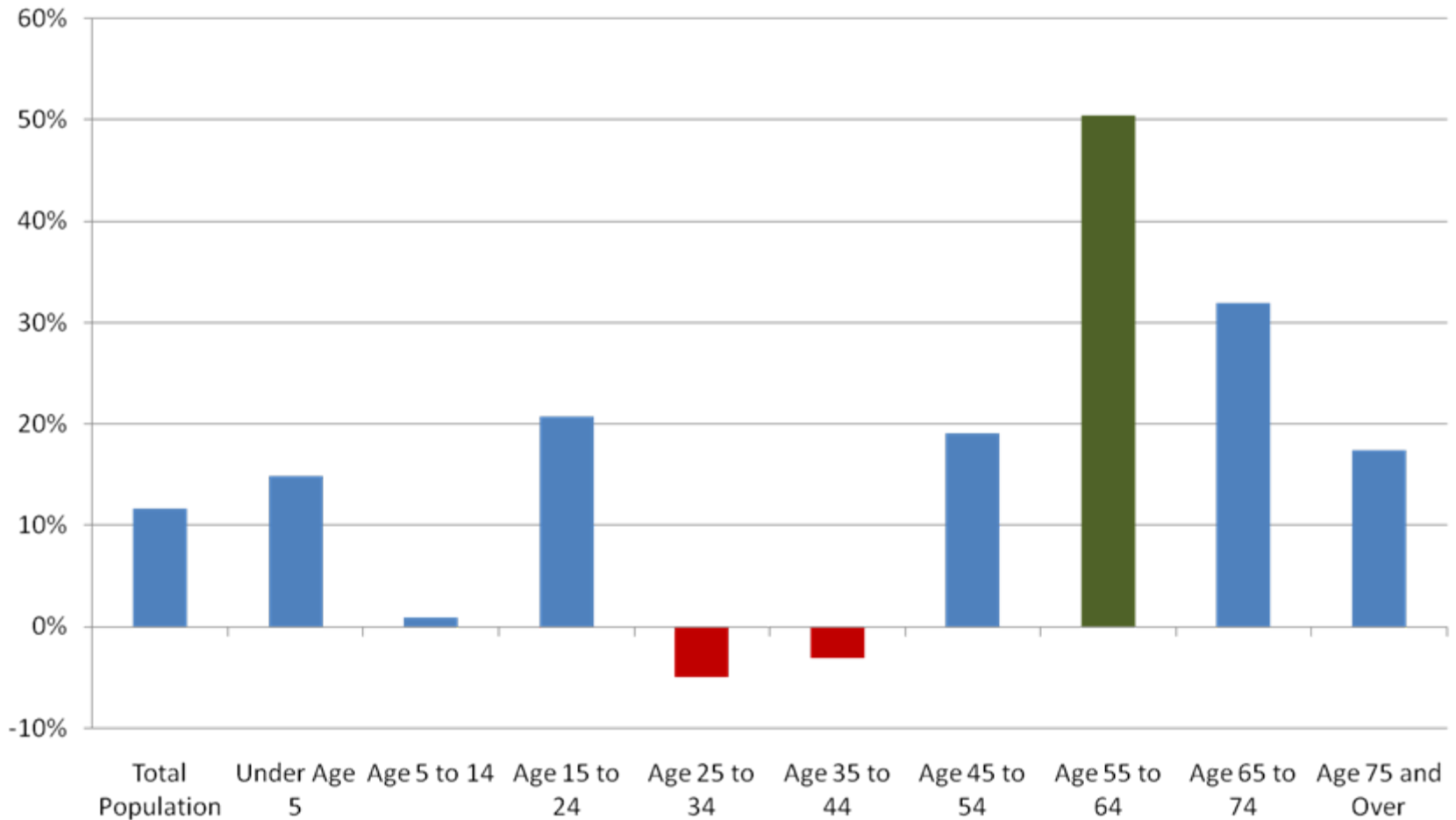
... while the District population is skewed younger



Source: Brookings analysis of U.S. Census Bureau Decennial Census, American Community Survey

# “Pre-seniors” are the fastest growing segment of the population in the DC region . . .

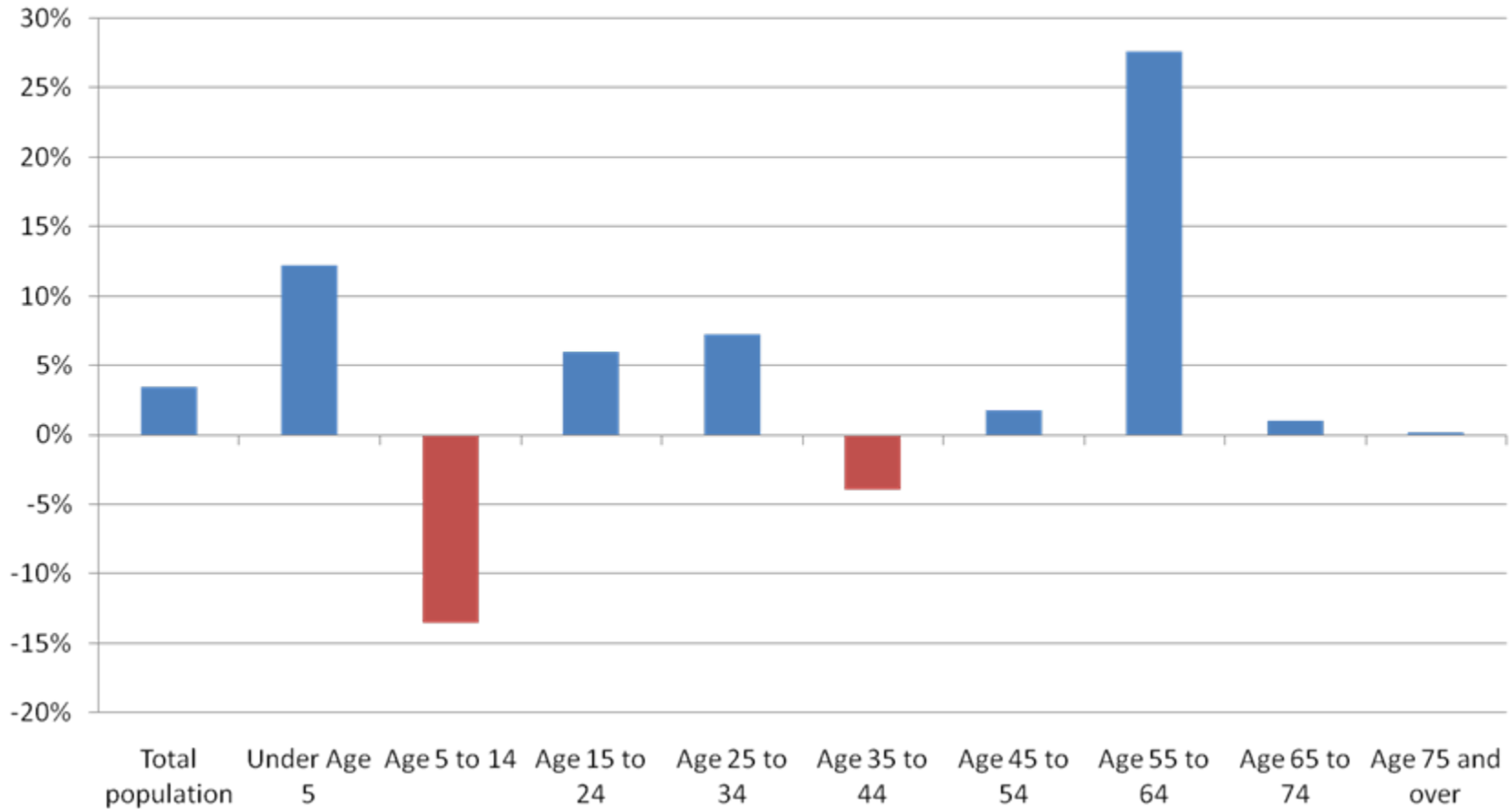
Percent change in population by age in Washington region  
(2000-2008)



Source: Brookings analysis of U.S. Census Bureau Decennial Census, American Community Survey

... as they are in the District

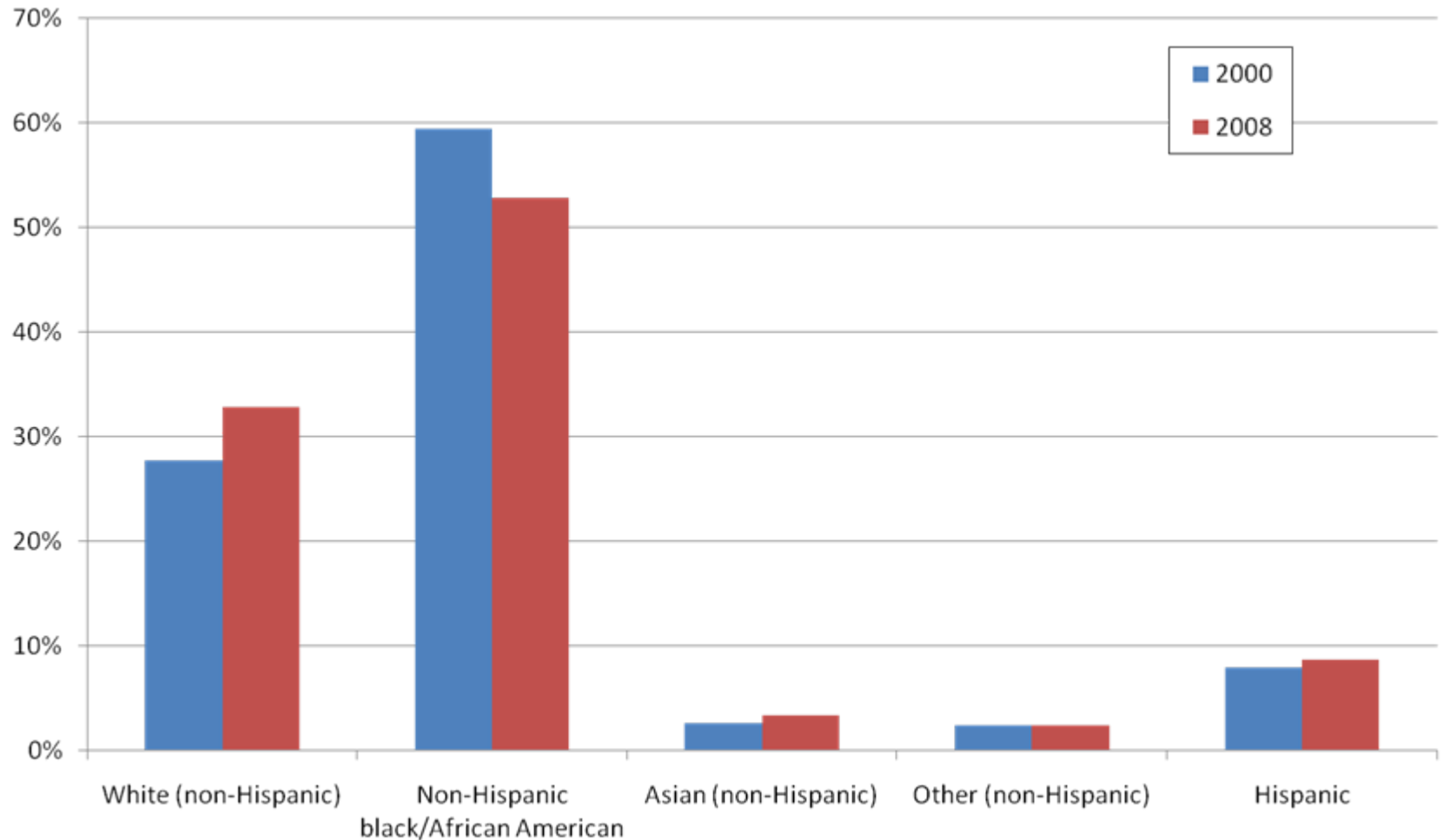
Percent change in population by age in District of Columbia  
(2000-2008)



Source: Brookings analysis of U.S. Census Bureau Decennial Census, American Community Survey



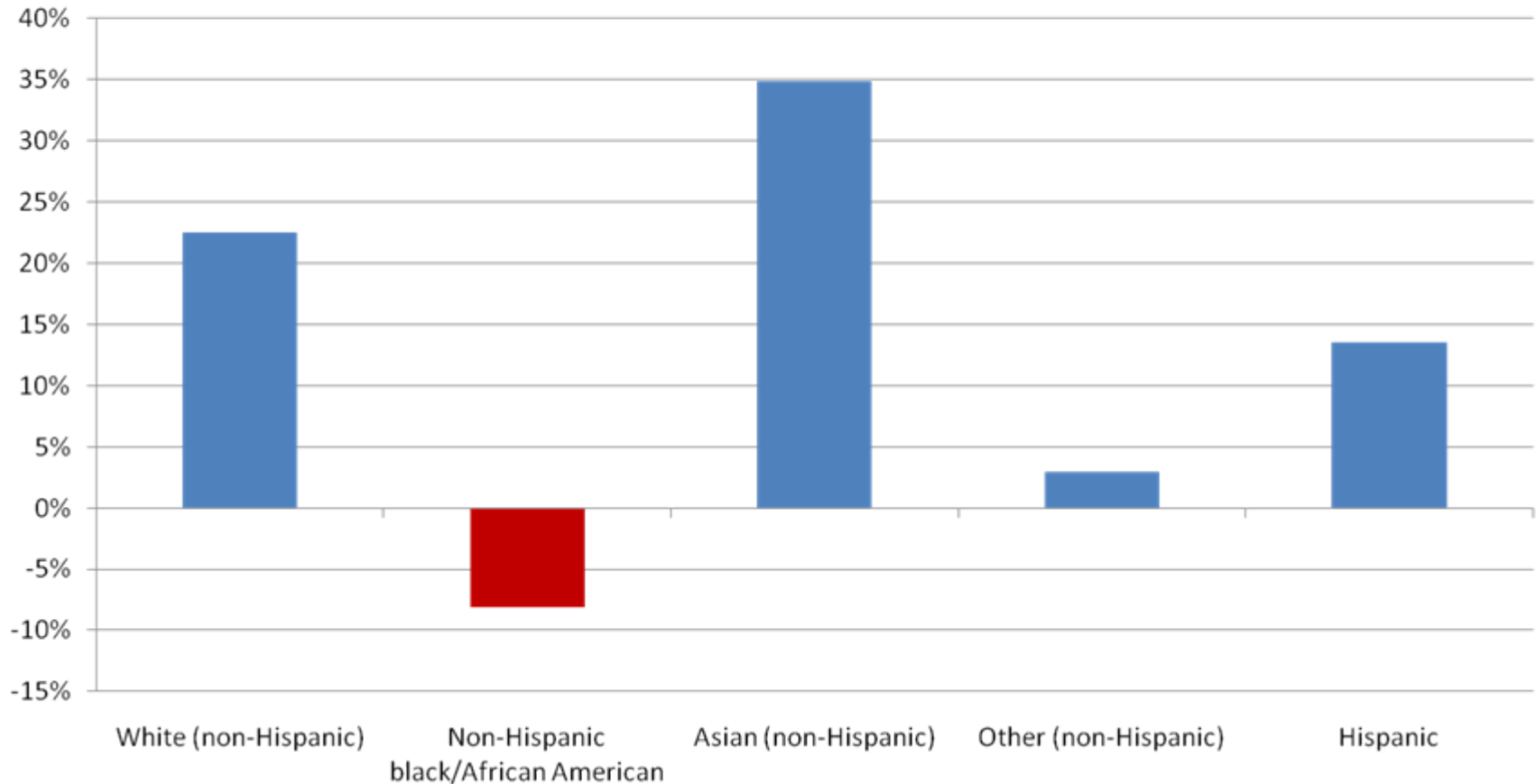
# The black/African American population is rapidly losing its majority status in the District



Source: Brookings analysis of U.S. Census Bureau Decennial Census, American Community Survey

# The District is likely to continue to experience swift shifts in its racial composition

Percent change in population by race in District of Columbia  
(2000-2008)



Source: Brookings analysis of U.S. Census Bureau Decennial Census, American Community Survey

# The District is the most educated city in America, yet too many residents still lack basic credentials in 2008

- 48.2 percent of District residents 25 or over have attained a bachelor's degree or higher (an increase of 9.1 percentage points since 2000)
- 14.2 percent of District residents 25 or over lack a high school diploma
  - 19.2 percent of non-Hispanic black residents (10.4 percentage points better than in 2000)
  - 44.4 percent of Hispanic residents (7.8 percentage points better than in 2000)

## Immigration plays an important role in District's growth

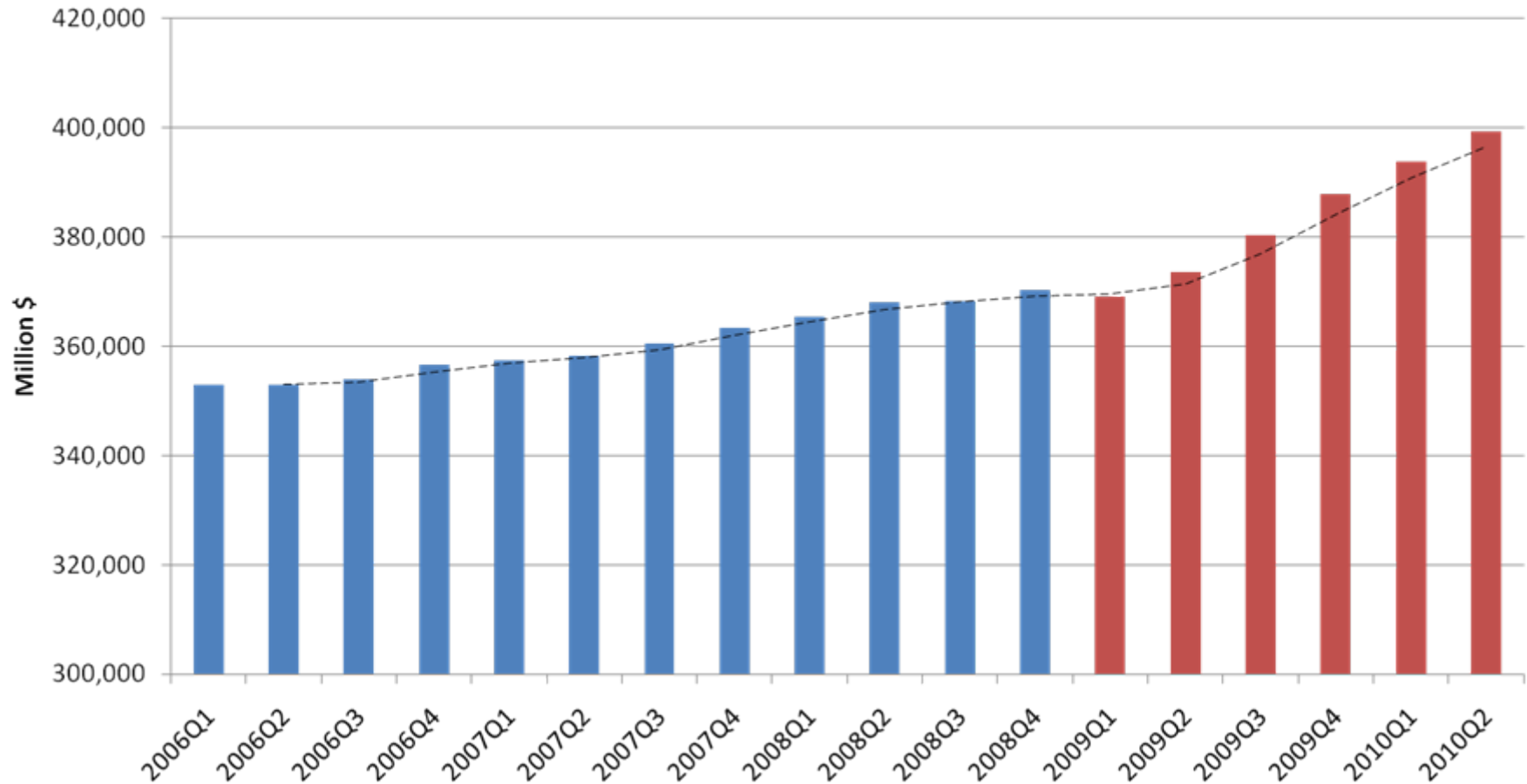
- Immigrant population in District has grown by 5.9 percent since 2000 (faster than total population)
- 40.5 percent of foreign-born population entered US in 2000 or later
- Linguistically isolated households decreased from 4.1 percent in 2000 to 3.5 percent in 2008
- Net domestic migration was negative
  - 2000 to 2008: -43,457
- Net international migration was positive
  - 2000 to 2008: 25,027

## Economic Trends



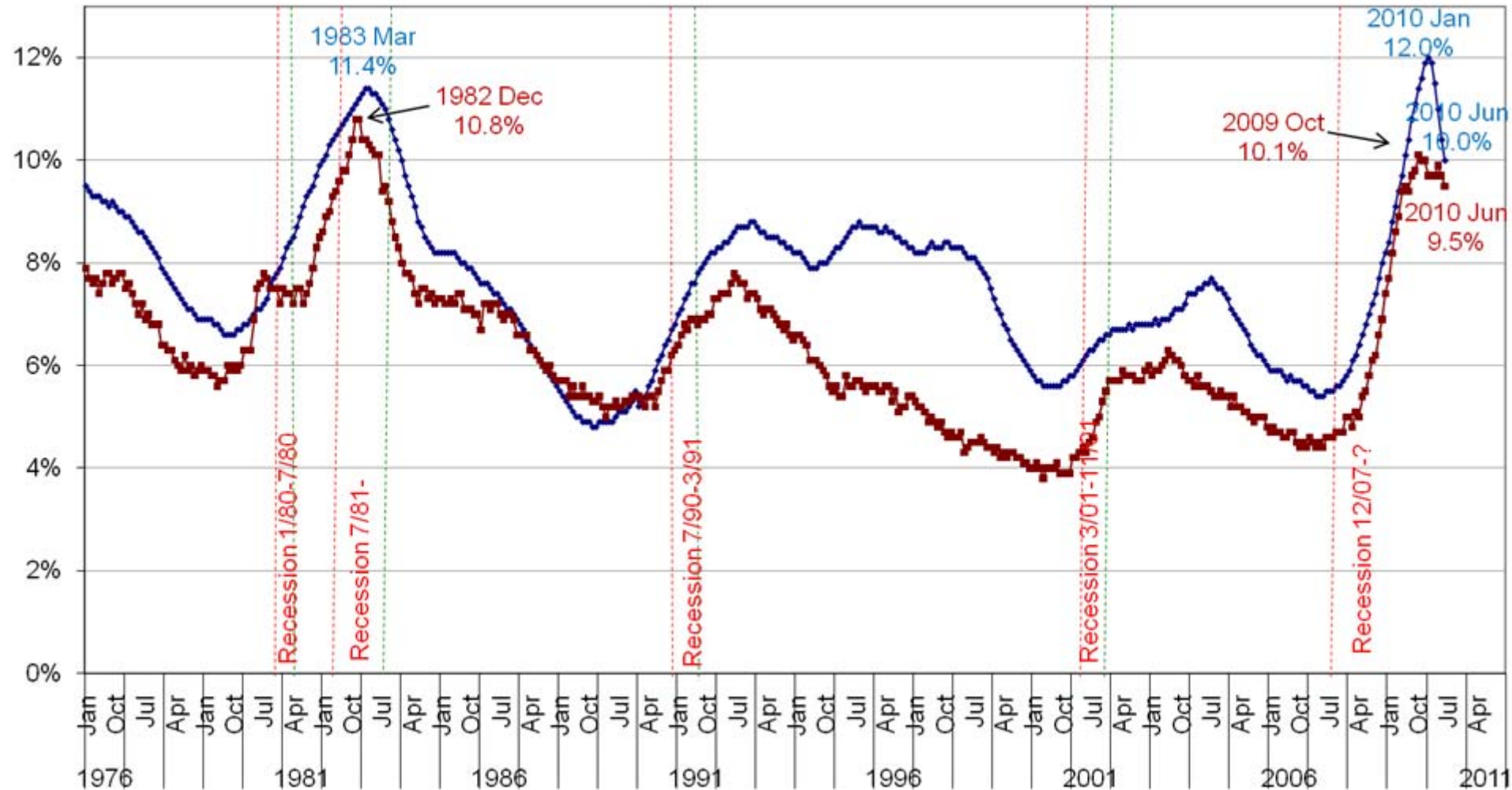
# The DC region has had only one quarter of negative growth since the first quarter of 2006

**Total Gross Metropolitan Product**  
(including non-BLS sectors)



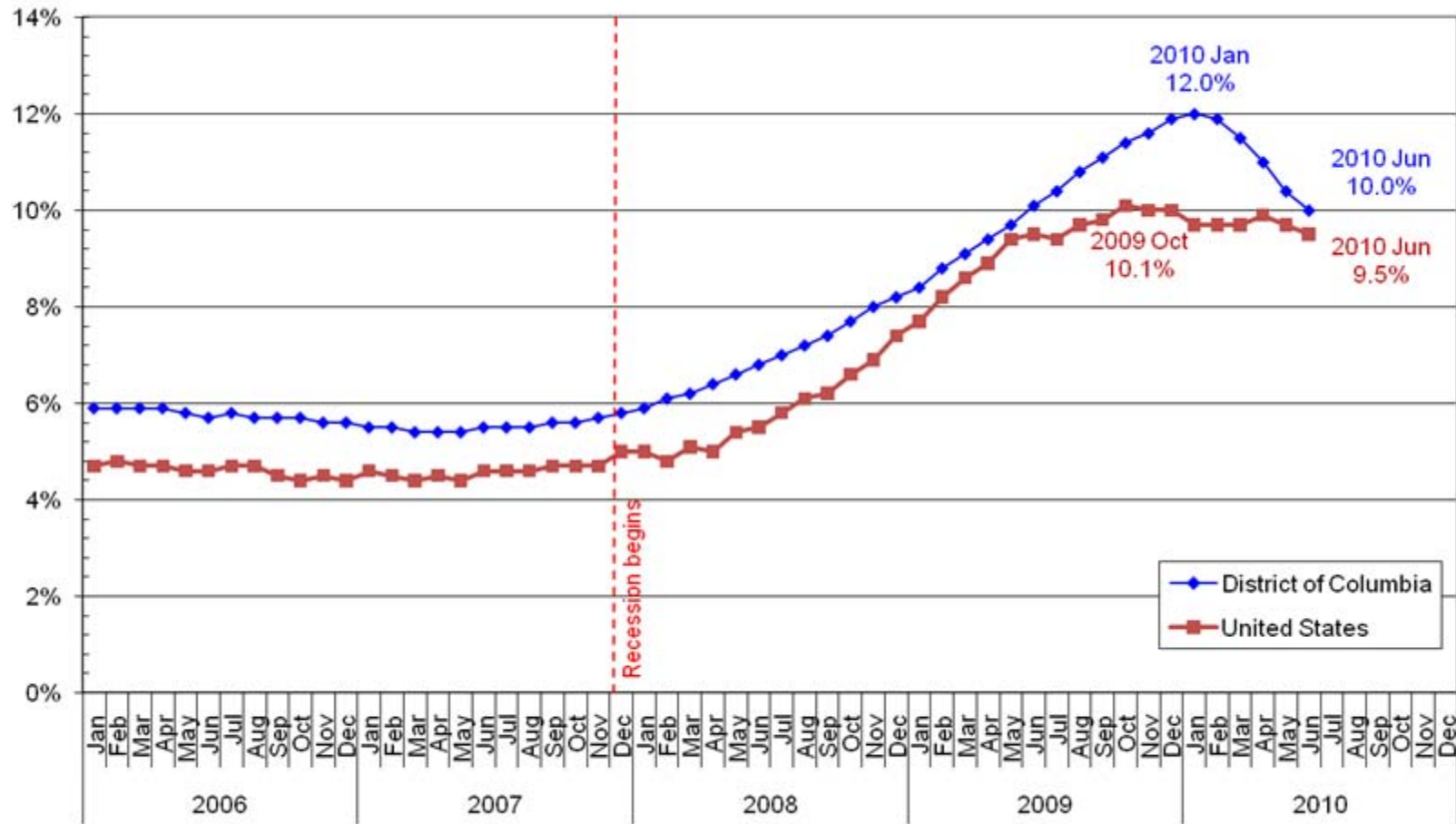
Source: U.S. Bureau of Economic Analysis; Moody's Analytics Estimates.  
Columns in red are forecast.

# Unemployment was at a record high during this recession



Source: Bureau of Labor Statistics, Local Area Unemployment Statistics

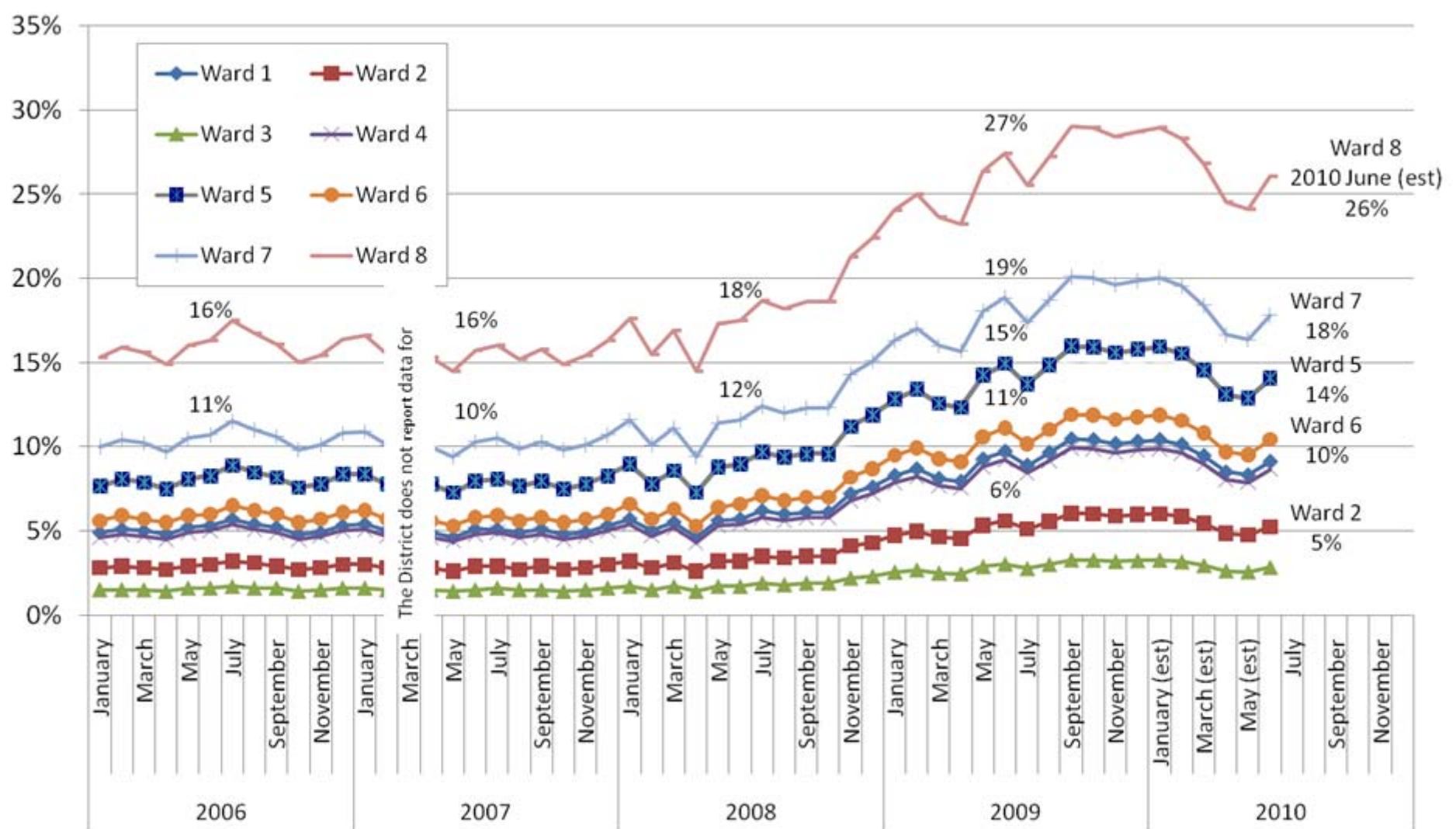
# Unemployment peaked in January and is now falling



Source: Bureau of Labor Statistics, Local Area Unemployment Statistics



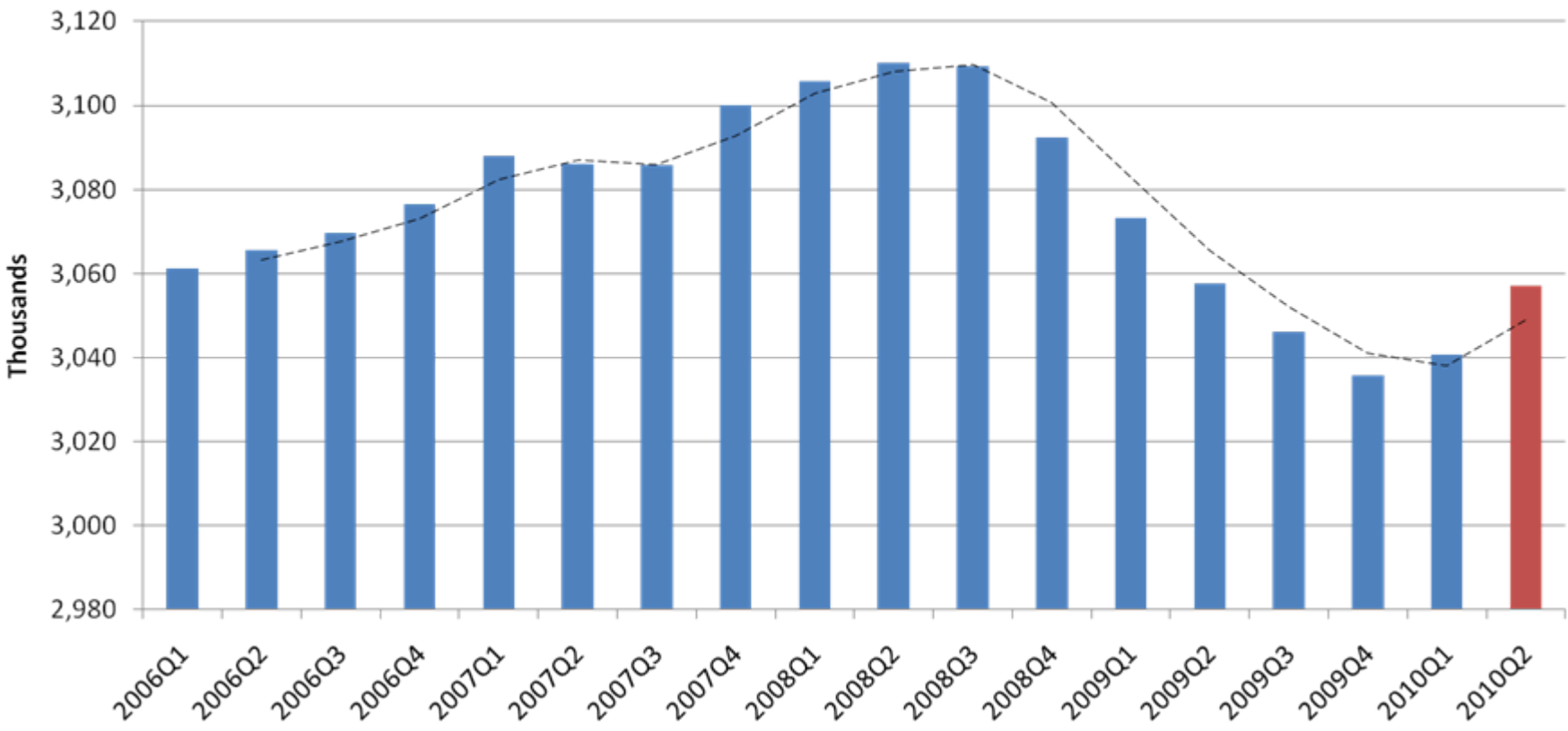
# Unemployment varies dramatically across the District



Source: U.S. Bureau of Labor Statistics; D.C. Department of Employment Services, Office of Labor Market Research and Information; Brookings Institution analysis. Not seasonally adjusted.

# After falling for six quarters, metro employment rose the first two quarters of 2010

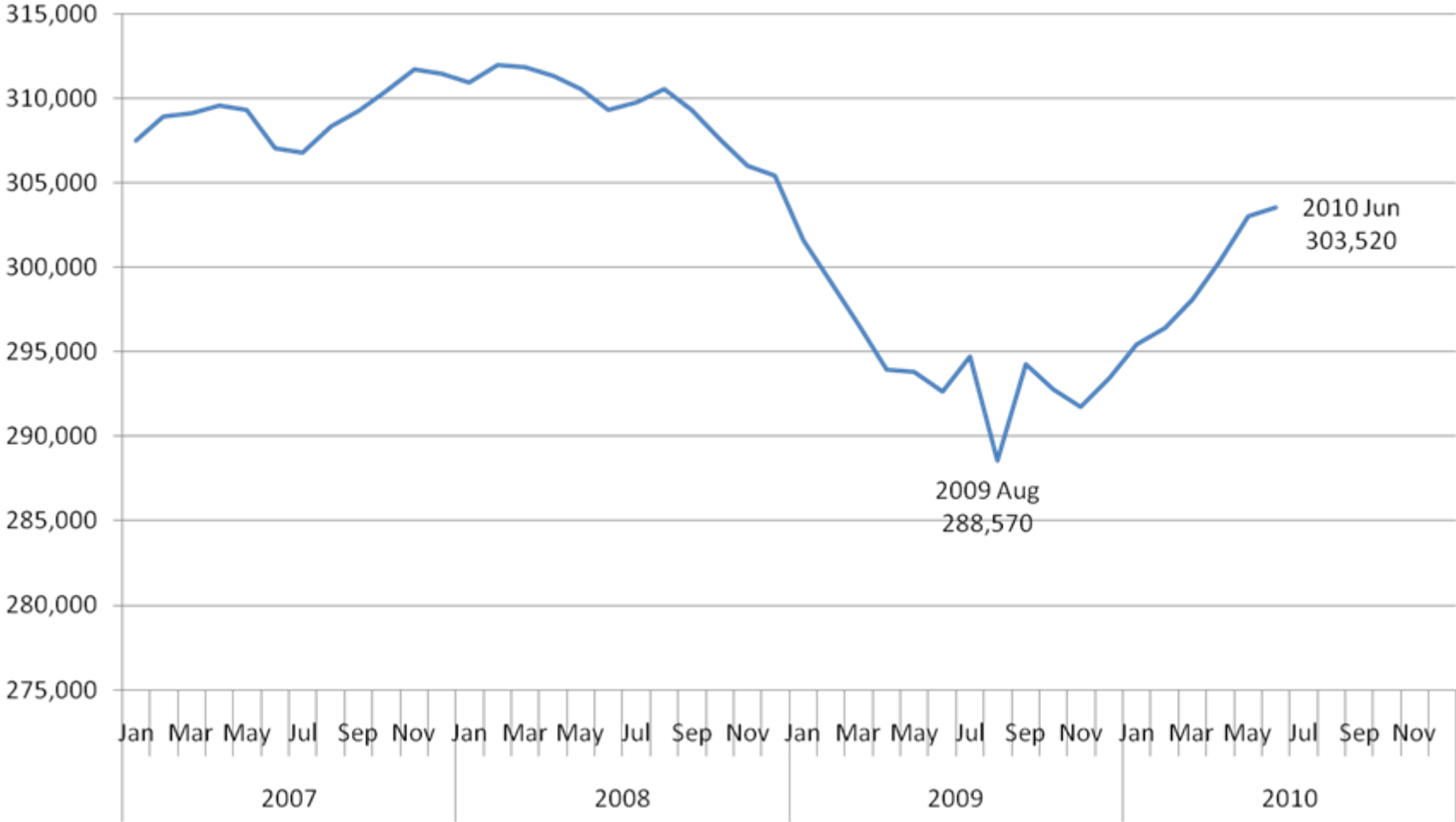
Seasonally Adjusted Total Payroll Employment  
(including non-BLS sectors)



Source: U.S. Bureau of Labor Statistics: CES, QCEW; Moody's Analytics Estimates. Columns in red are forecast.

# Employment of District residents followed a similar pattern

### Employment in D.C.

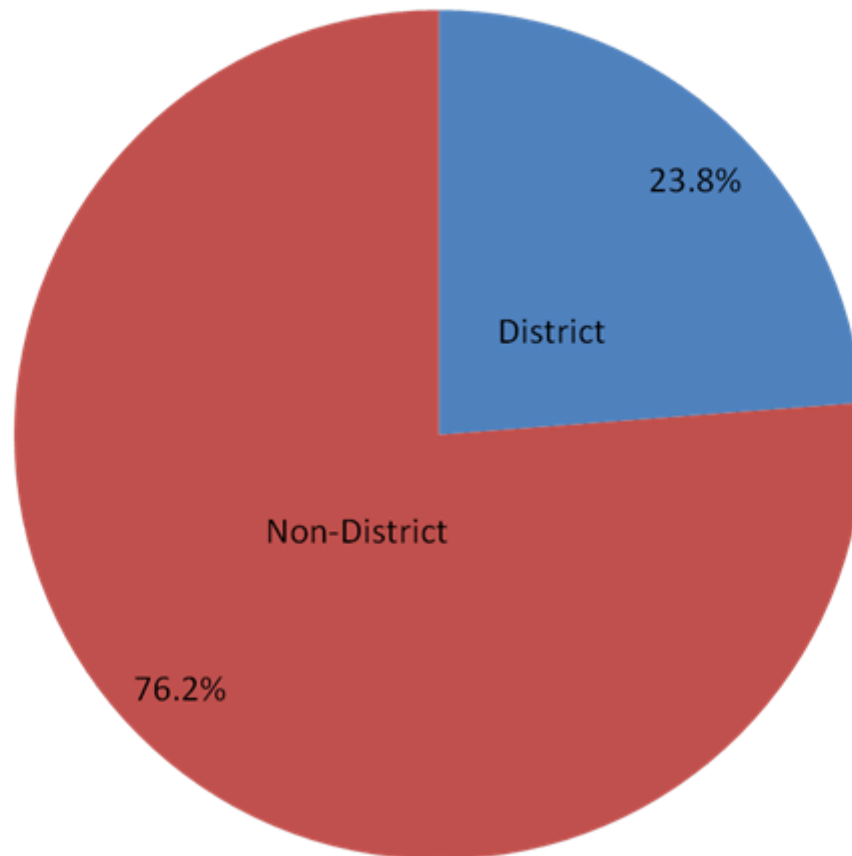


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics. Seasonally adjusted.



# Almost a quarter of all jobs in the region are in the District

Distribution of Total Nonfarm Employment in DC Region, May 2010



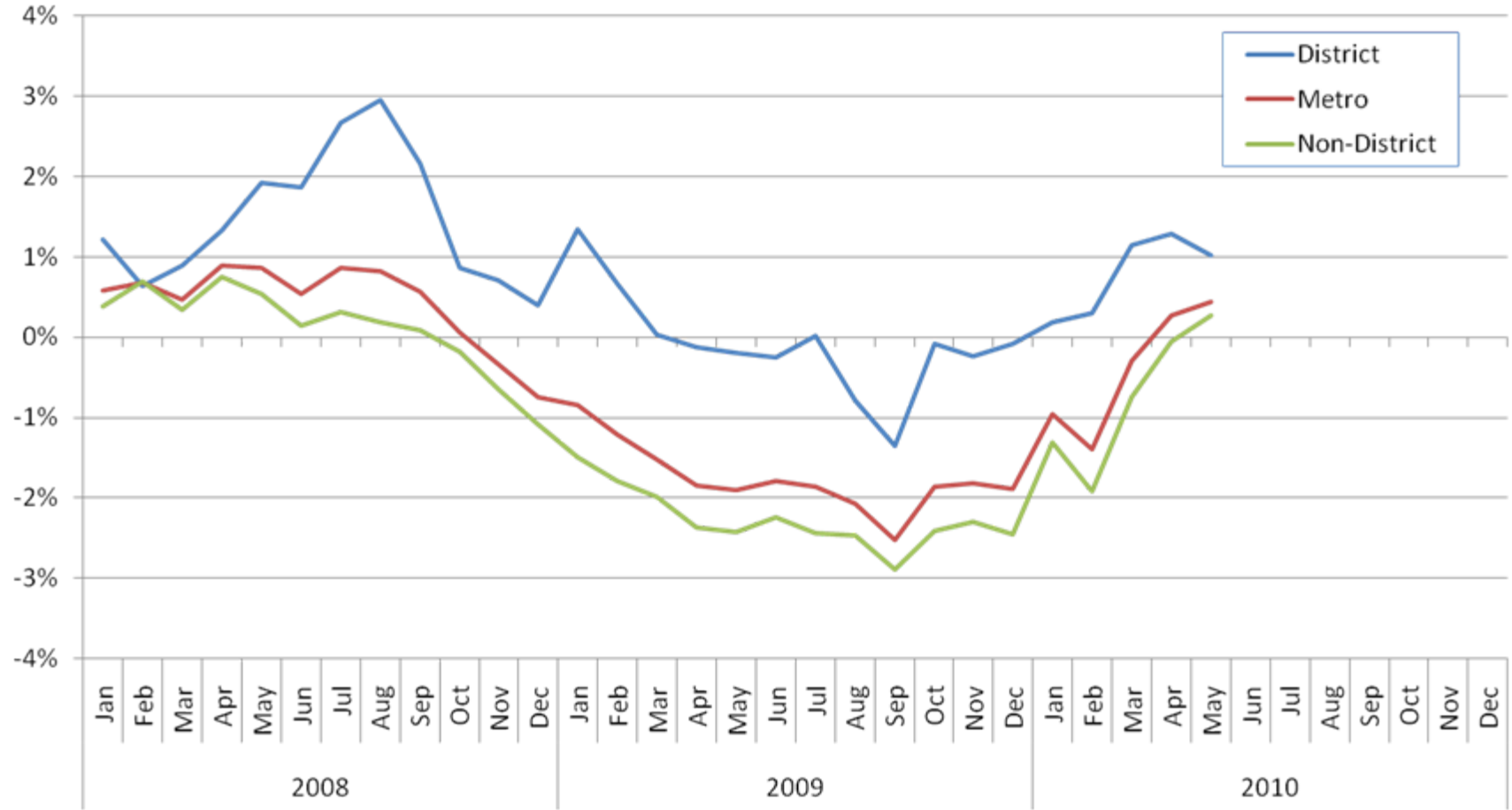
Employment, May 2010	
Metro	2,977,100
District	708,500
Non-District	2,268,600

Source: Brookings Institution analysis of U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics. Not seasonally adjusted.



# The District is adding jobs—faster and sooner than the rest of the region

### % Change in Total Nonfarm Employment (compared to 12 months prior)

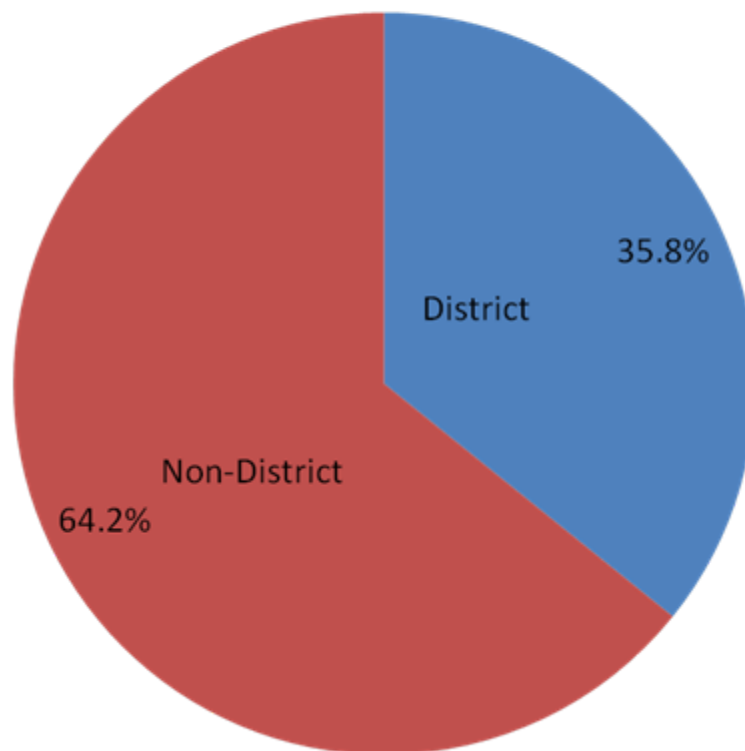


Source: Brookings Institution analysis of U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics. Not seasonally adjusted.



# Government jobs are concentrated in the District . . .

Distribution of Government Employment in DC Region, May 2010

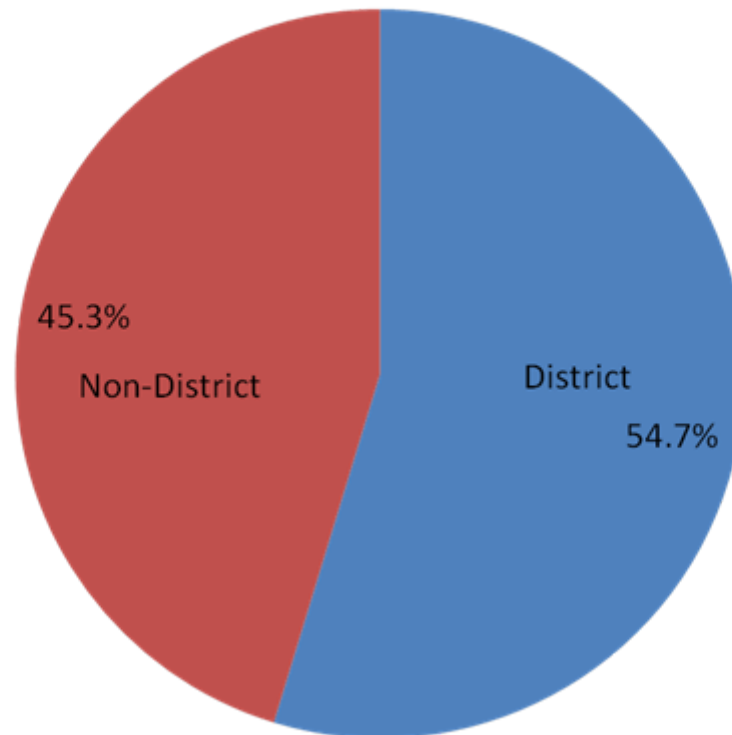


May 2010	
Metro	690,600
District	247,200
Non-District	443,400

Source: Brookings Institution analysis of U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics. Not seasonally adjusted.

. . . particularly federal employment

### Distribution of Federal Government Employment in DC Region, May 2010

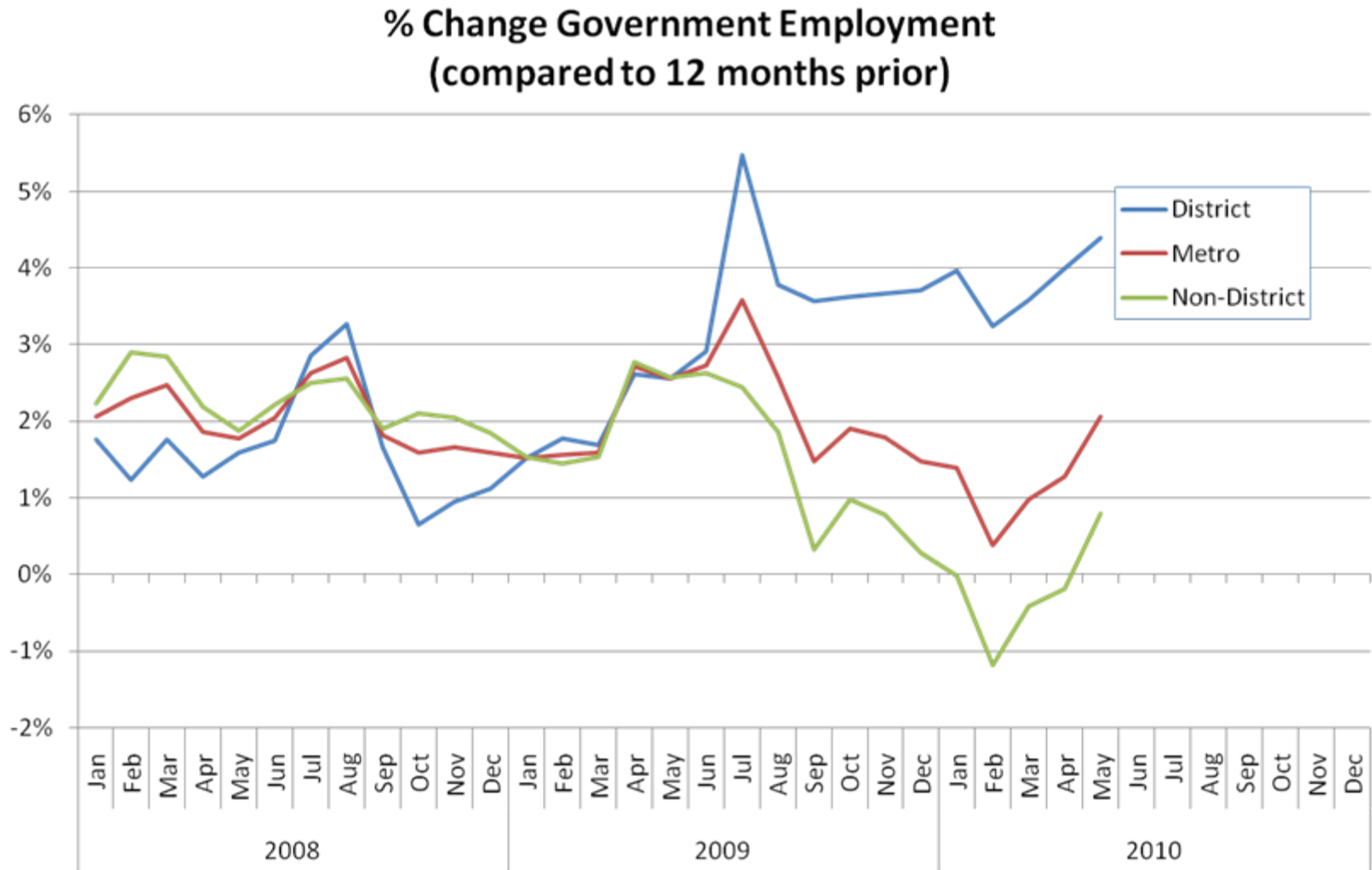


May 2010	
Metro	381,100
District	208,500
Non-District	172,600

Source: Brookings Institution analysis of U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics. Not seasonally adjusted.



# In general government employment grew during the recession



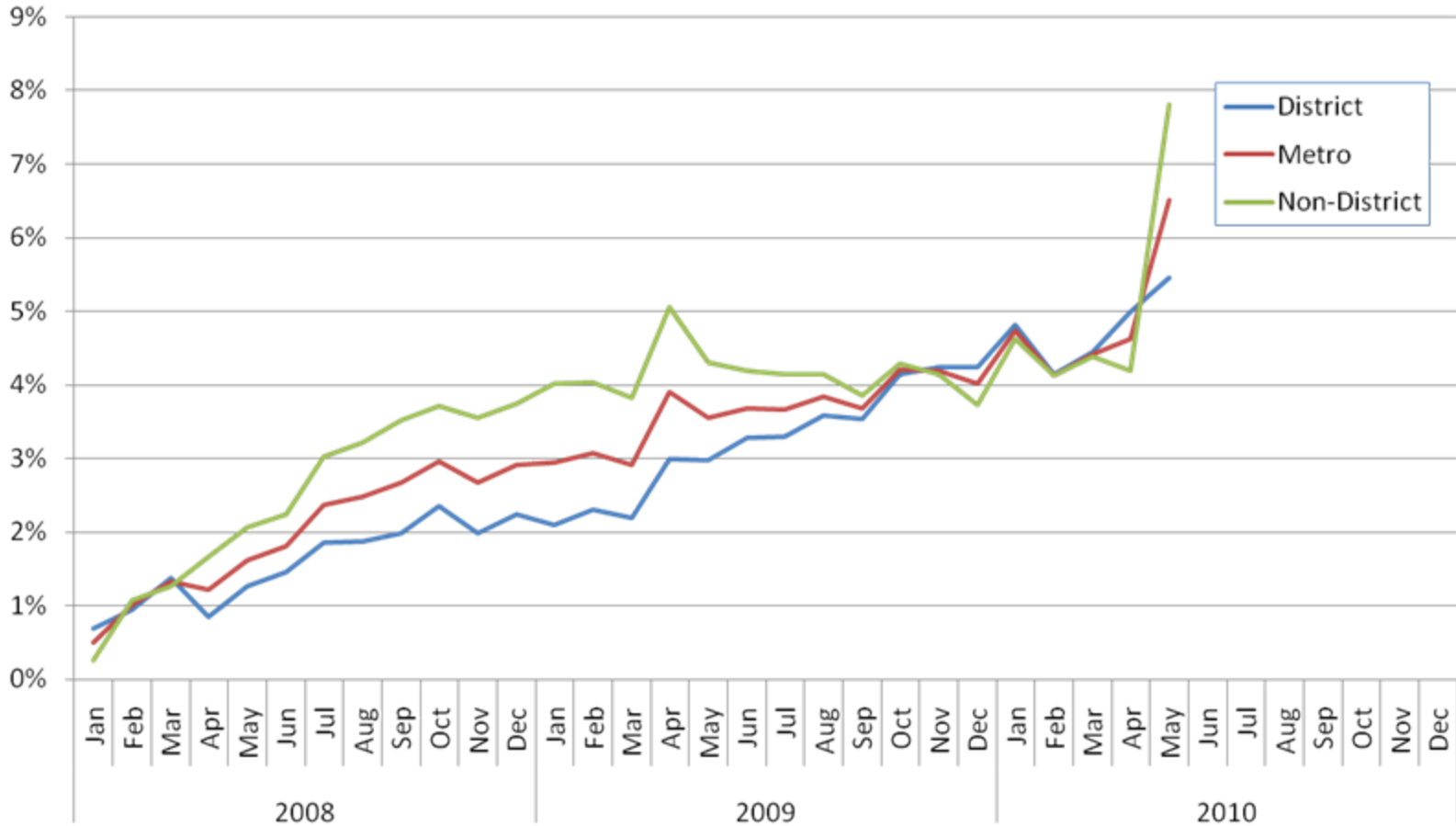
Source: Brookings Institution analysis of U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics. Not seasonally adjusted.





# The federal response to the recession has benefited the DC region in particular

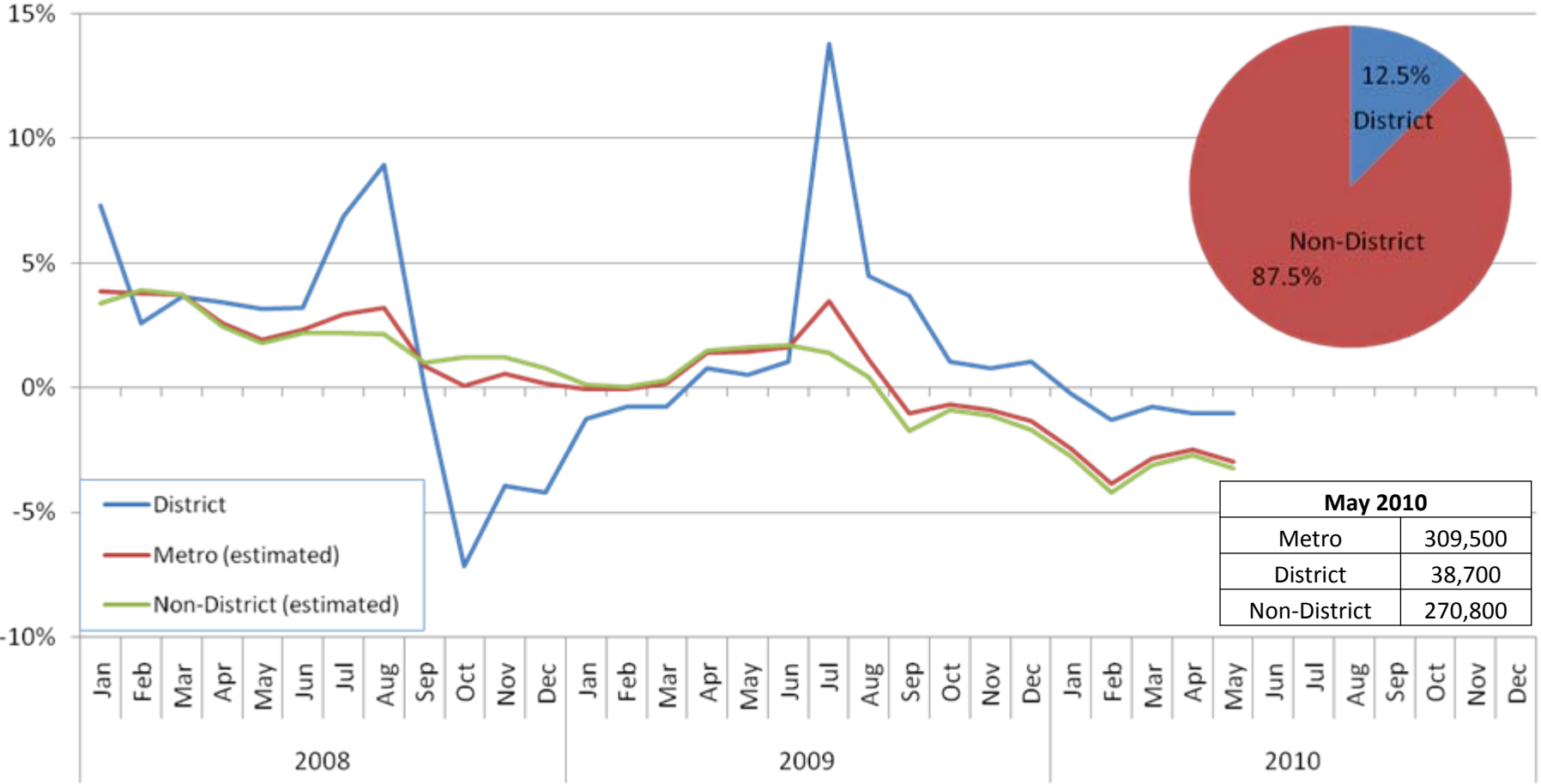
## % Change Federal Government Employment (compared to 12 months prior)



Source: Brookings Institution analysis of U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics. Not seasonally adjusted.

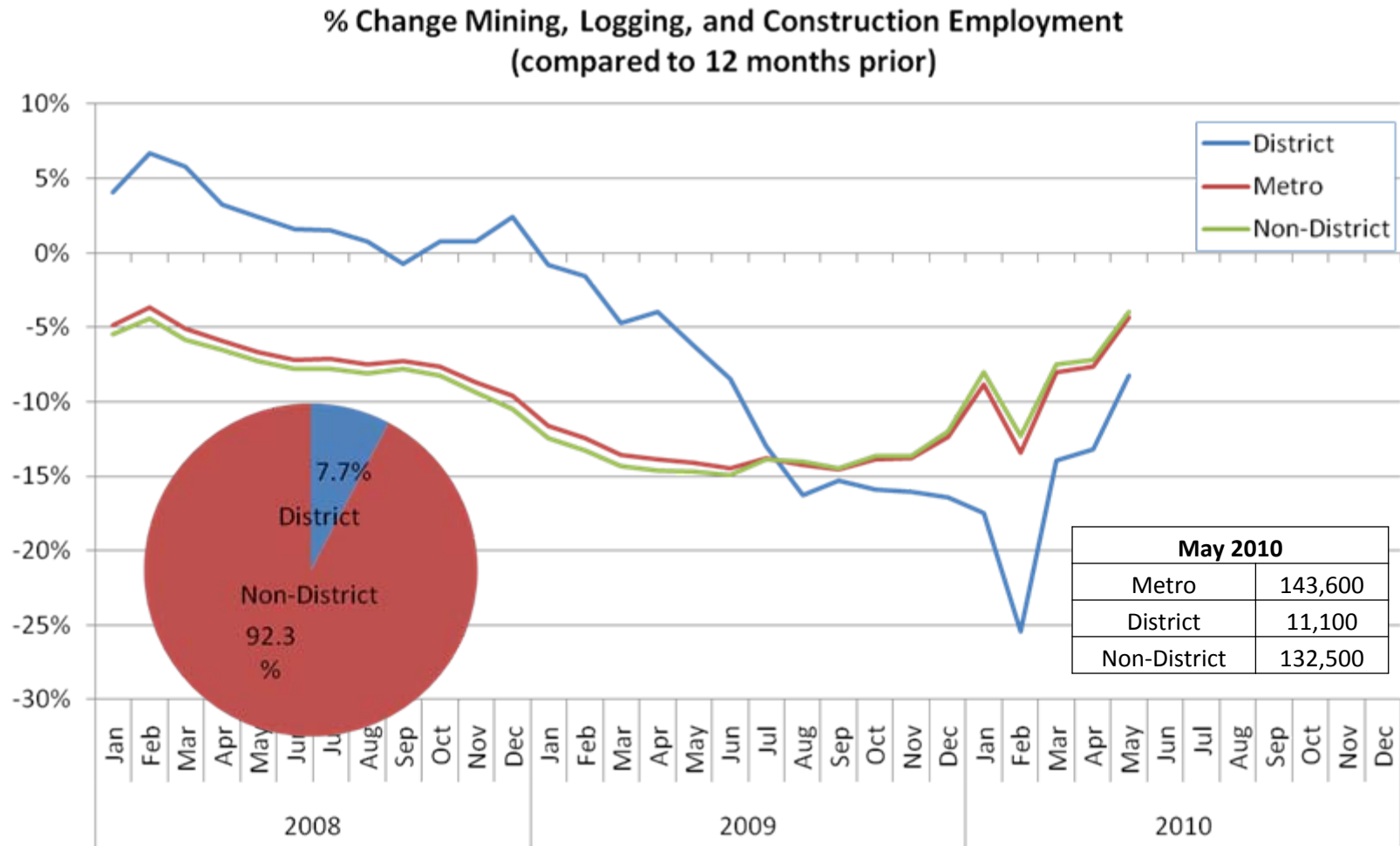
# State and local government employment continues to decline

**% Change Total State and Local Government Employment  
(compared to 12 months prior)**



Source: Brookings Institution analysis of U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics. Not seasonally adjusted.

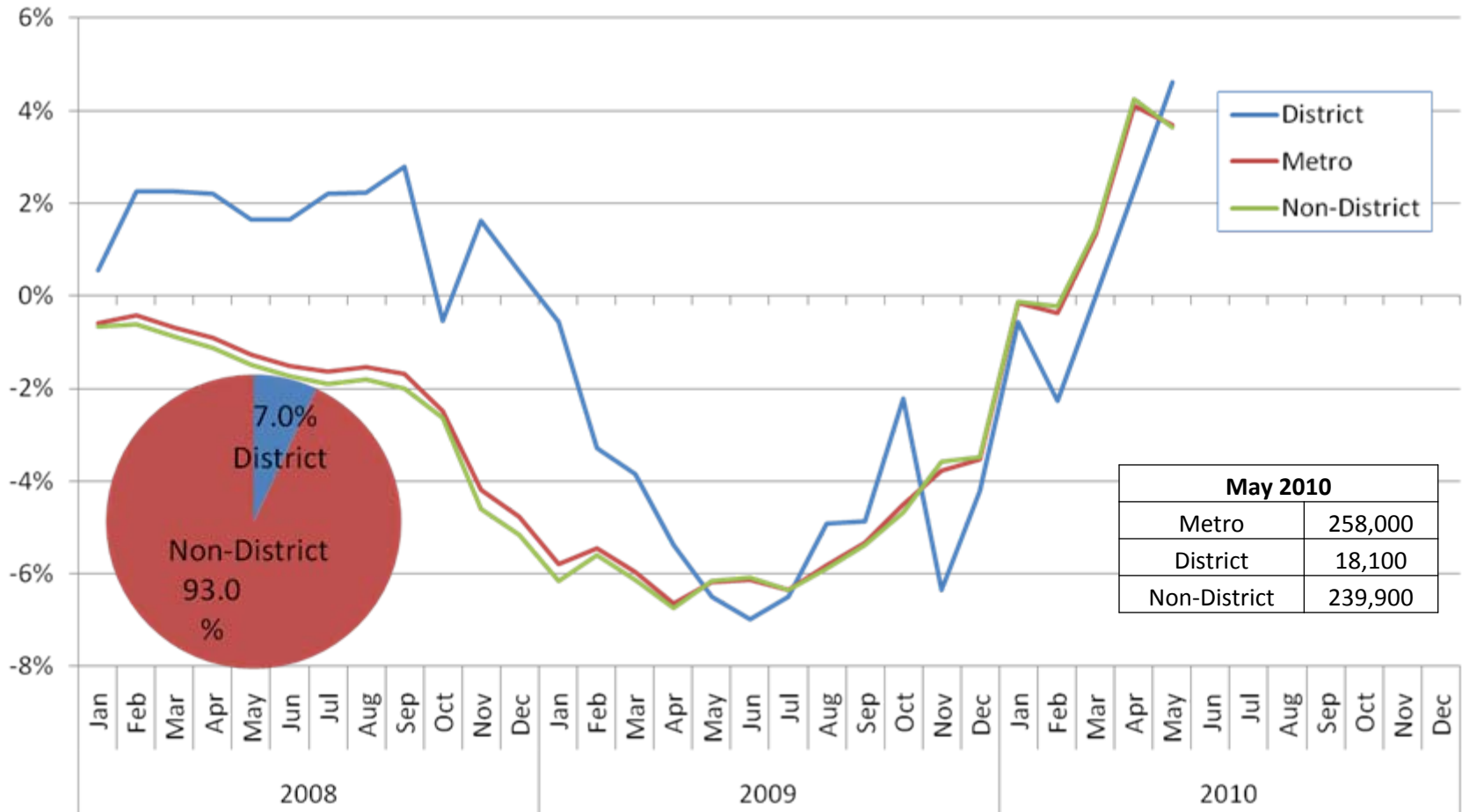
# The construction (and mining and logging) industries are still losing jobs



Source: Brookings Institution analysis of U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics. Not seasonally adjusted.

# Retail employment has started to recover

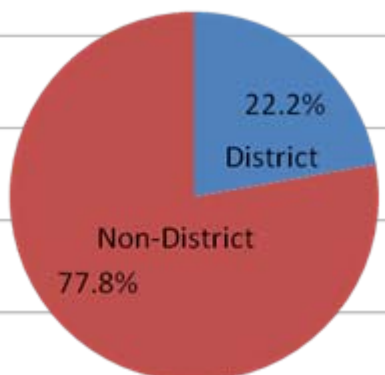
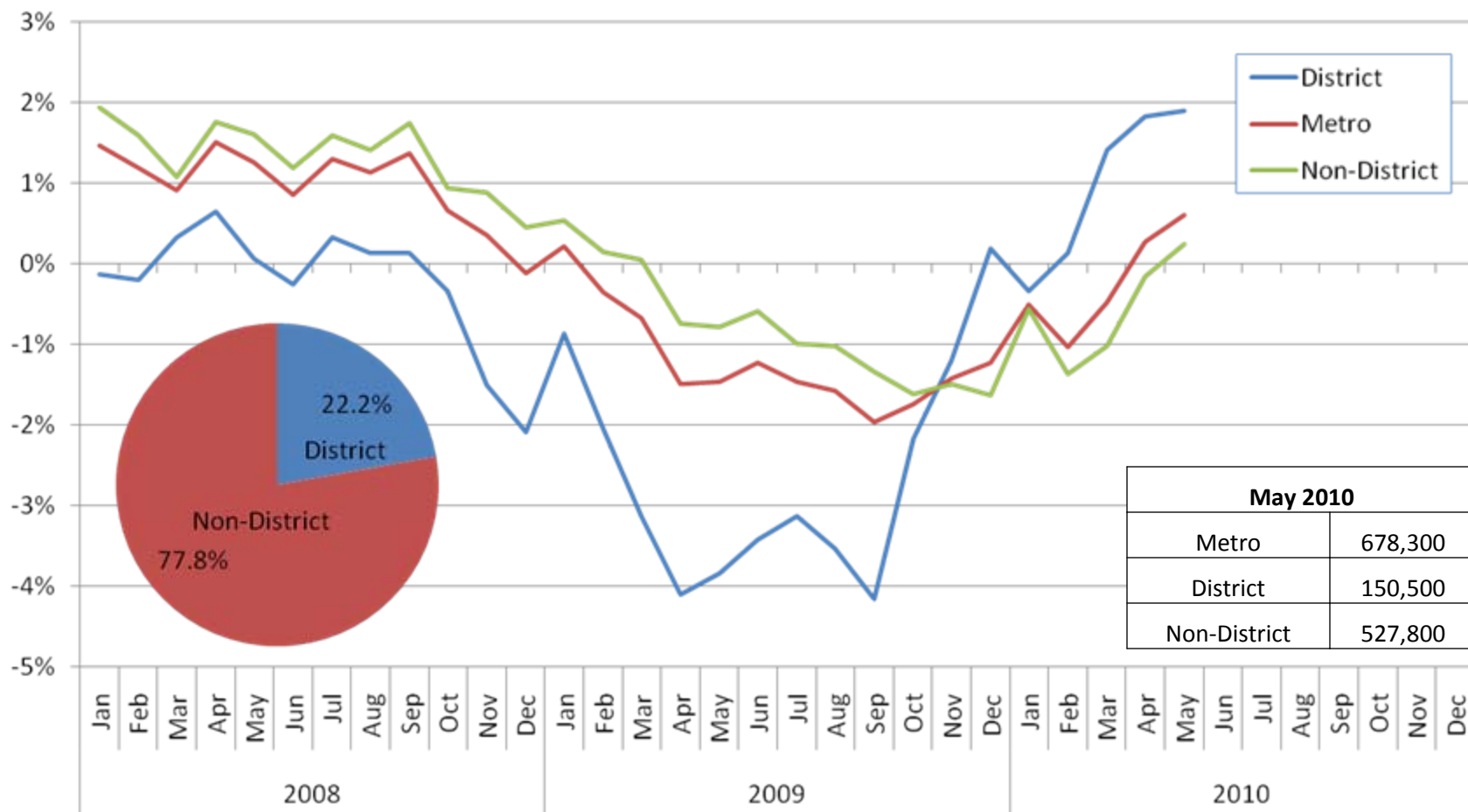
**% Change Retail Trade Employment  
(compared to 12 months prior)**



Source: Brookings Institution analysis of U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics. Not seasonally adjusted.

# Professional and Business Services employment has started to recover, particularly in the District

**% Change Professional and Business Services Employment  
(compared to 12 months prior)**

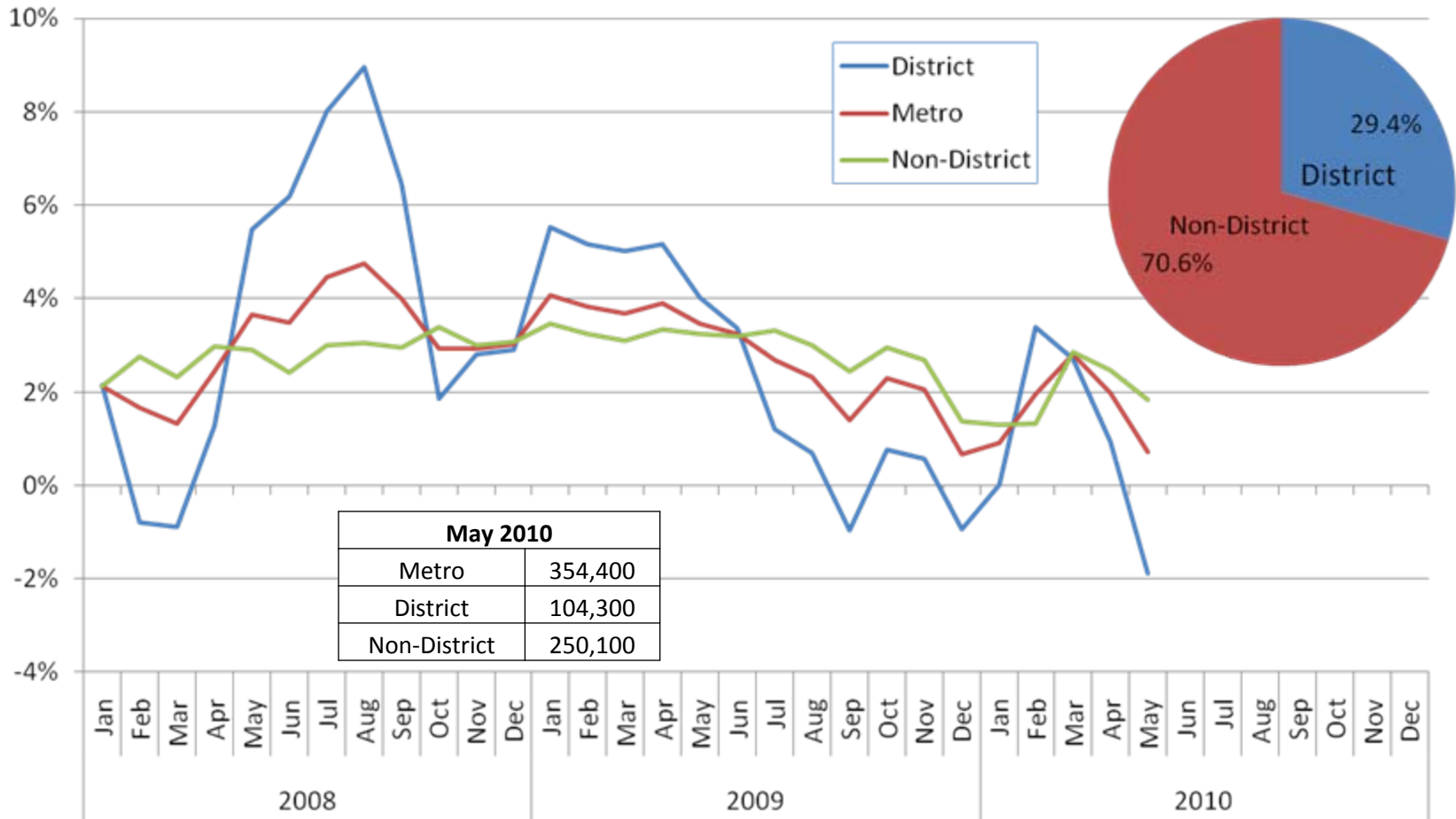


May 2010	
Metro	678,300
District	150,500
Non-District	527,800

Source: Brookings Institution analysis of U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics. Not seasonally adjusted.

# “Eds and Meds” employment has not fared as well in the District

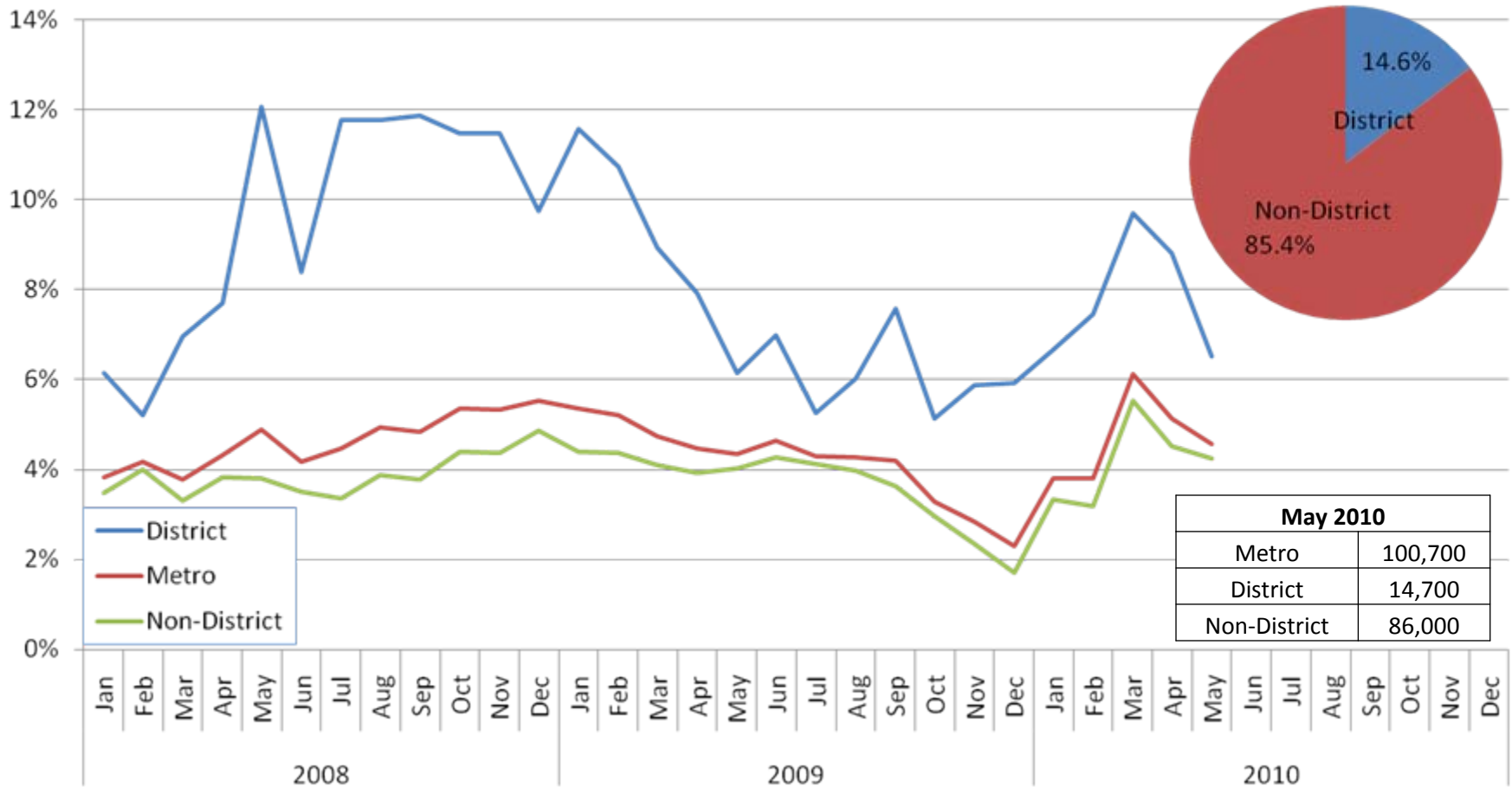
**% Change Education and Health Services Employment  
(compared to 12 months prior)**



Source: Brookings Institution analysis of U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics. Not seasonally adjusted.

# Ambulatory care has been a consistent bright spot in the employment picture for the District . . .

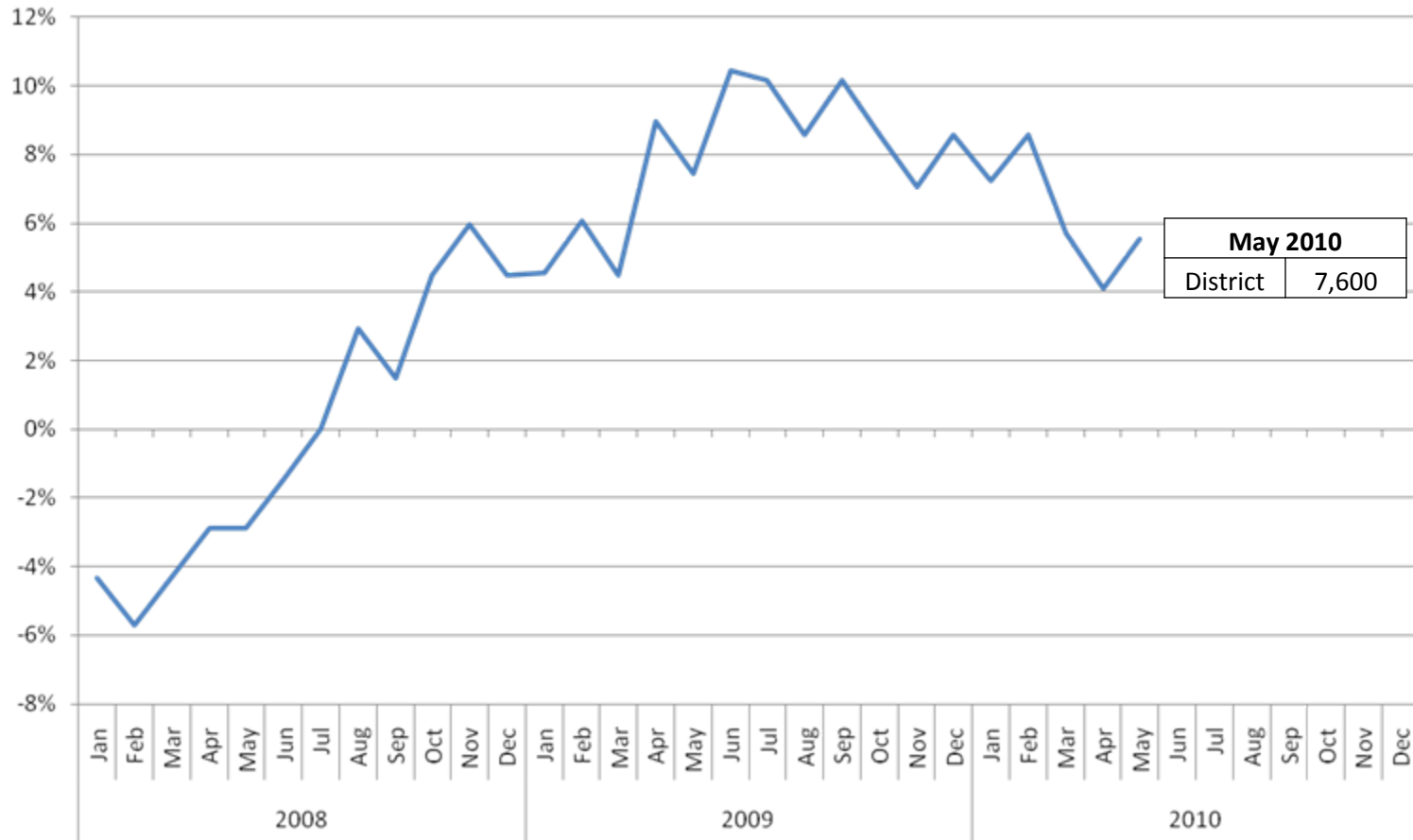
**% Change Ambulatory Health Care Services Employment  
(compared to 12 months prior)**



Source: Brookings Institution analysis of U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics. Not seasonally adjusted.

... as has nursing and residential care employment

**% Change Nursing and Residential Care Facilities Employment in the District of Columbia (compared to 12 months prior)**

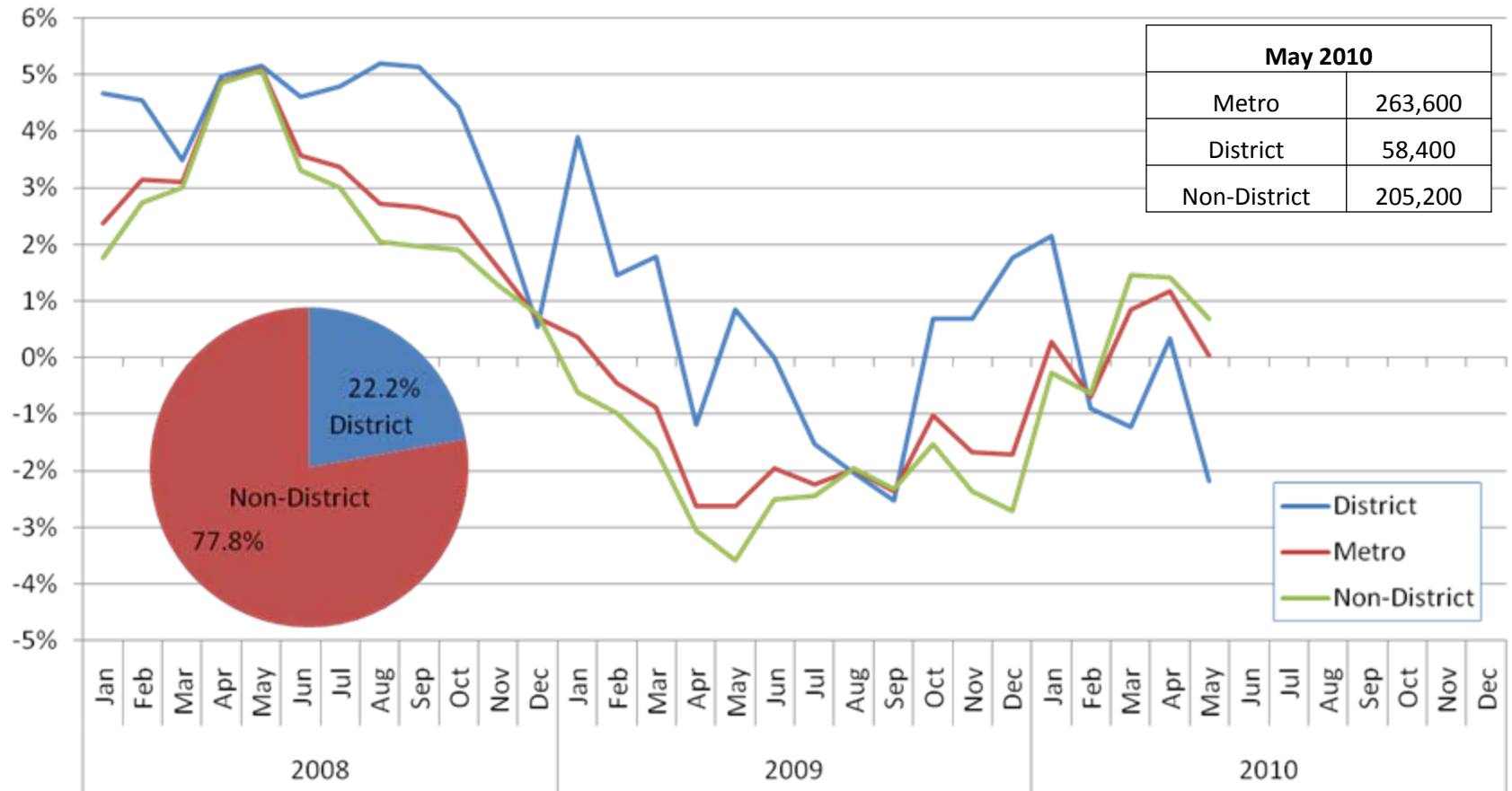


Source: Brookings Institution analysis of U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics. Not seasonally adjusted.



# Leisure and hospitality employment continues to struggle

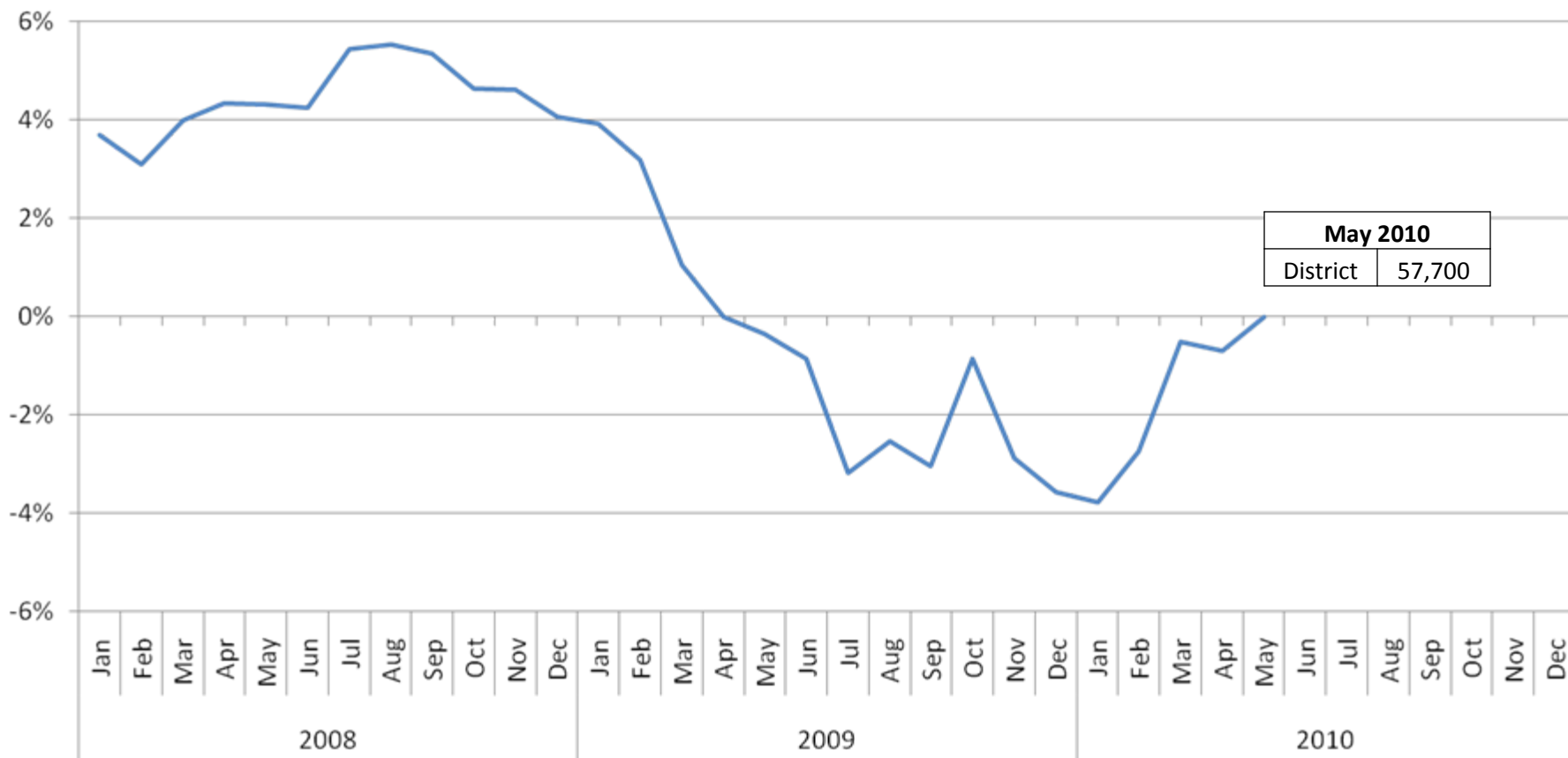
**% Change Leisure and Hospitality Employment  
(compared to 12 months prior)**



Source: Brookings Institution analysis of U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics. Not seasonally adjusted.

# Religious, civic, and association employment may increase

**% Change Religious, Grant-making, Civic, Professional, and Similar Organizations Employment in District of Columbia (compared to 12 months prior)**

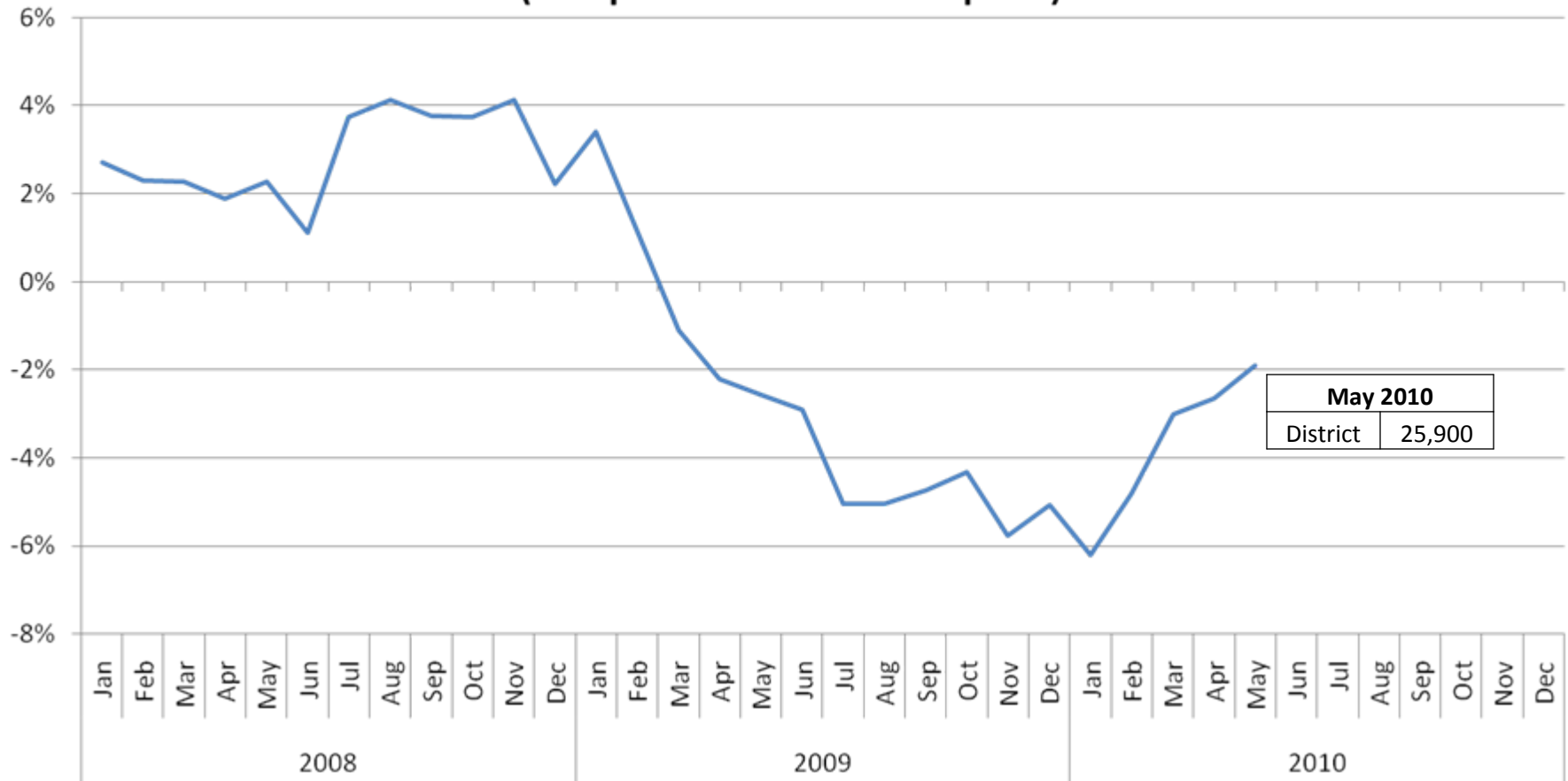


<b>May 2010</b>	
District	57,700

Source: Brookings Institution analysis of U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics. Not seasonally adjusted.

# Job losses in business, labor, and political organizations are slowing

**% Change Business, Professional, Labor, Political, and Similar Organizations Employment in District of Columbia  
(compared to 12 months prior)**

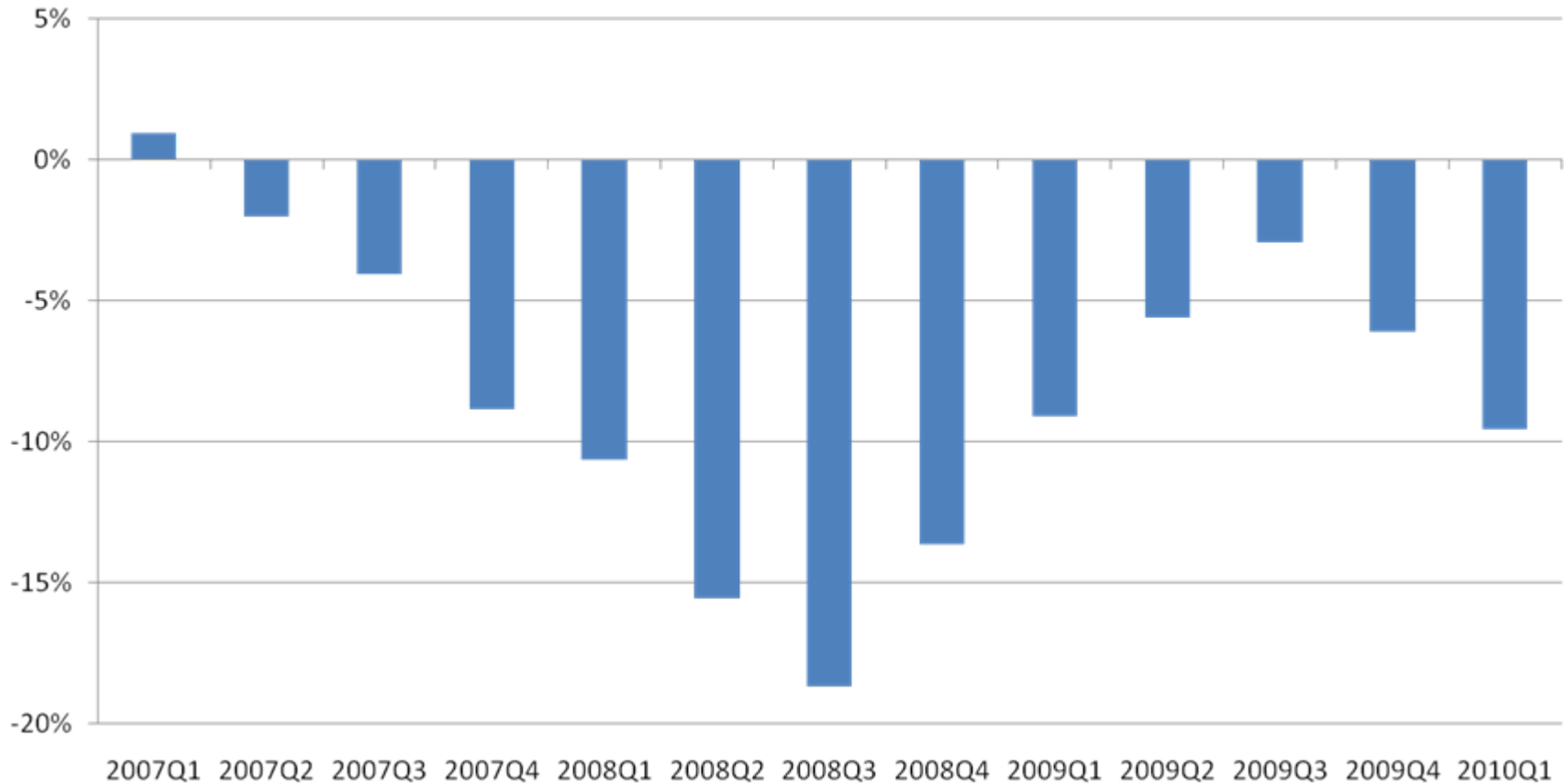


<b>May 2010</b>	
District	25,900

Source: Brookings Institution analysis of U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics. Not seasonally adjusted.

# Housing prices in DC region are down 25.8 percent in last three years

Percent Change in House Price Index  
(over four quarters)

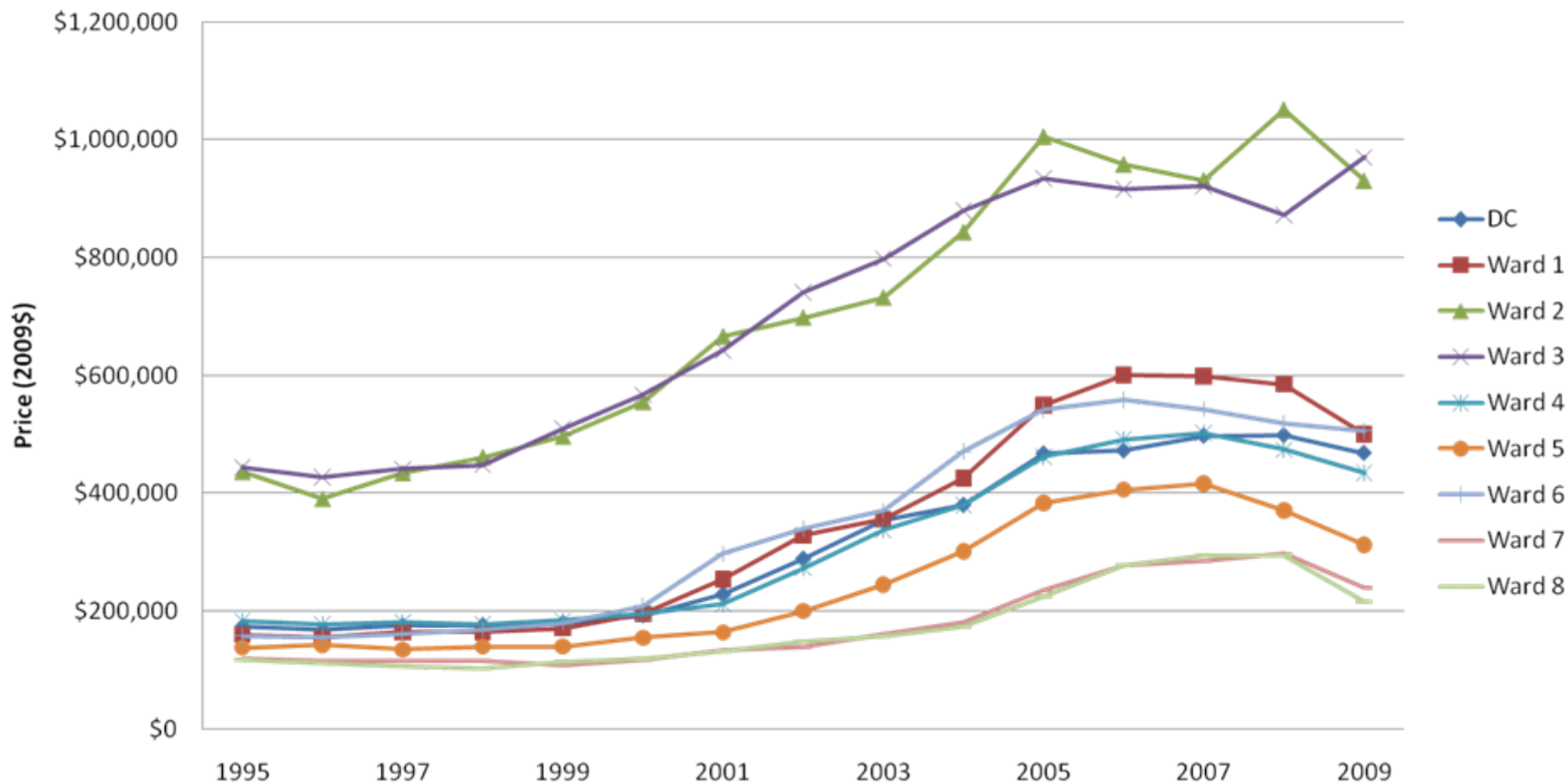


Source: Federal Housing Financing Administration (FHFA)



# Median housing prices are at their lowest point since 2005 in the District, though Ward 3 continues to rise

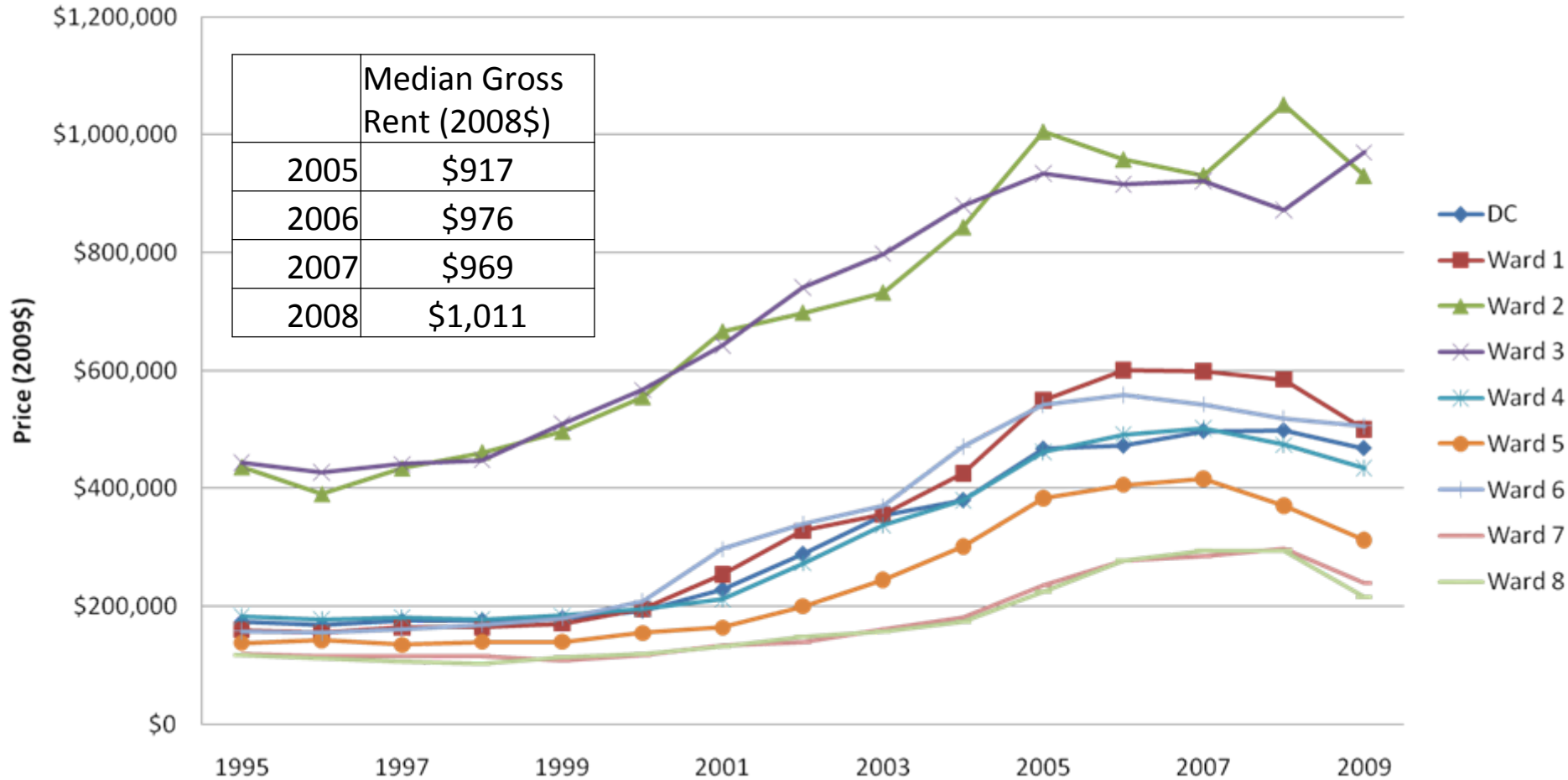
## Median Sale Price for Single-Family Home in District



Source: NeighborhoodInfoDC; U.S. Census Bureau, American Community Survey

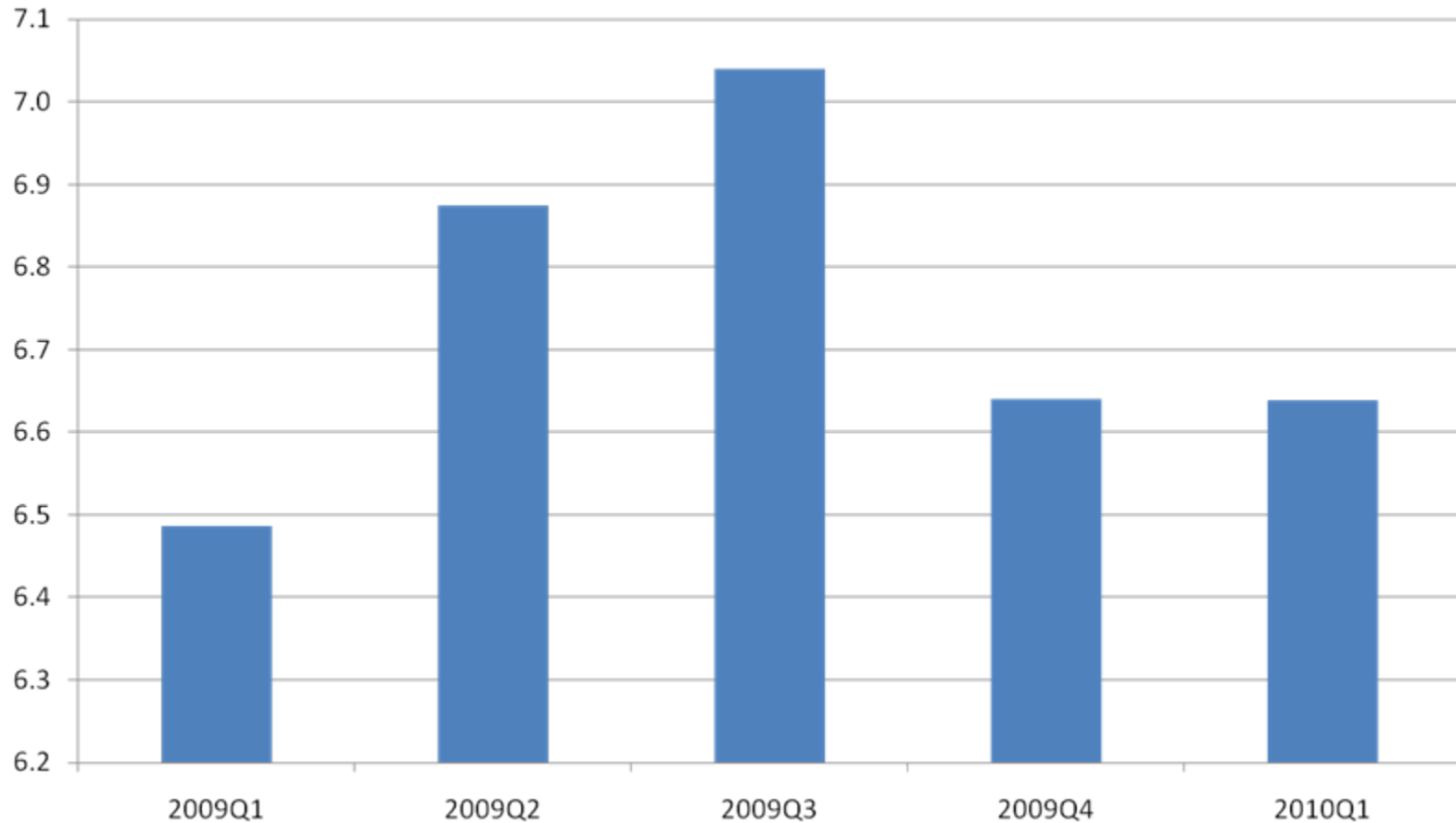
# However, District rents continue to rise

## Median Sale Price for Single-Family Home in District



The level of Real Estate Owned (REO) property has fallen off, but is still high relative to other metropolitan areas

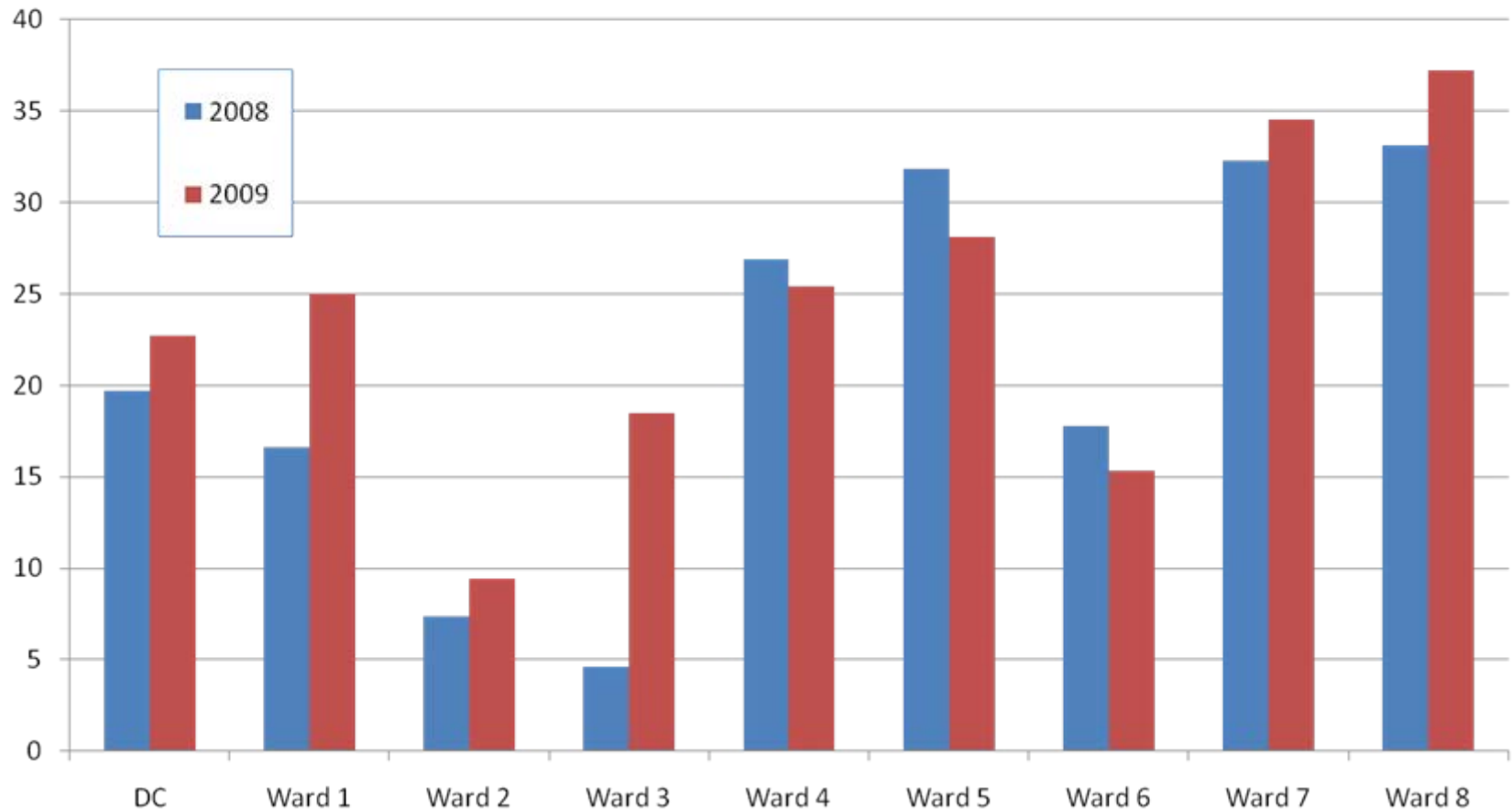
REO Properties per 1,000 Mortgageable Properties



Source: McDash Analytics; U.S. Census Bureau

# In the District, foreclosures continue to rise

Foreclosure Starts per 1,000 Units





# What does this mean?

- District and region continue to do well relative to other metros and cities, even during recession
- However, intraregional and intra-District inequality persists and has been exacerbated by the crisis
- Service demand is up (no surprise)
- Financial resources will continue to be tight for several years

**“I believe this difficult economic prognosis has two major implications. First, we must learn to act regionally in deploying both public and private resources. Pollution and traffic congestion, for example, undermine the health and productivity of the region, but they cannot be solved by individual jurisdictions on their own. They are inherently cross-border problems that must be addressed with collective regional action. Second, non-profits must work together to use their resources more effectively...they must conserve, cooperate and consolidate to carry out their missions efficiently. If they do not, they will not be among the fit who survive. “**

**Alice Rivlin, July 20<sup>th</sup>, 2010**

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