THE BASIC ECONOMIC SECURITY TABLES™
FOR THE
WASHINGTON, DC METRO AREA

BEST POLICY BRIEF:
IMPROVING WORKFORCE DEVELOPMENT IN THE
DISTRICT OF COLUMBIA
The Basic Economic Security Tables™ (BEST) are tabulated by Wider Opportunities for Women (WOW) and the Center for Social Development (CSD) at Washington University in St. Louis as part of the national BEST Initiative led by WOW.

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Wider Opportunities for Women (WOW)

Wider Opportunities for Women (WOW) works nationally and in its home community of Washington, D.C. to achieve economic independence and equality of opportunity for women and families at all stages of life. For over 45 years, WOW has been a leader in the areas of nontraditional employment, job training and education, welfare-to-work and workforce development policy. Since 1995, WOW has been devoted to the self-sufficiency of women and their families through the national Family Economic Security (FES) Project. Through FES, WOW has reframed the national debate on social policies and programs from one that focuses on poverty to one that focuses on what it takes families to make ends meet. Building on FES, WOW has expanded its intergenerational mission of economic independence for women and families at all stages of life with the Elder Economic Security Initiative.

The national BEST Initiative is a multi-year, research-driven campaign to raise awareness of the true cost of moving beyond survival to economic security. The BEST combines coalition building, research, advocacy, education and outreach at the national, state and community levels to promote the economic well-being of low-income families through economic development and creation of good jobs—those that offer employment-based benefits such as health insurance and retirement savings plans and that pay or offer a pathway to family-sustaining wages.

Center for Social Development, Washington University-St. Louis

The Center for Social Development conducts research that informs how individuals, families, and communities increase capacity, formulate and reach life goals, and contribute to the economy and society. The Center for Social Development’s principal focus is on families and communities at the bottom of society. Major areas of work include Asset Building and Civic Engagement & Service.

As Washington, DC grapples with and emerges from the “Great Recession,” it must prepare for recovery, and place a renewed emphasis on moving economically vulnerable DC families onto a path of economic security. Public, private and non-profit sectors can reframe their policy and program goals with a lens of economic security by: (1) defining, creating and supporting good jobs; (2) improving the District’s workforce system; (3) working to limit or reduce the high cost of living for District residents; and (4) promoting savings.

District Residents with a Wide Range of Incomes Lack Security

In 2009, the poverty rate in Washington, DC was 18.4%, up from 15% at the beginning of the decade.\(^1\) In difficult economic times, the poverty rate is an important and convenient indicator of the number of individuals and families mired in the most severe of financial crises. Because it is one-dimensional, however, the federal poverty level (FPL) sheds no light on the actual cost of living, the causes of income inadequacy, nor the consequences of living in poverty.

The official poverty level also does not indicate the number of people—including some in DC’s middle class—who live above the poverty line but lack some or several of the many elements of economic security. A national research project conducted by Lake Research Partners and Wider Opportunities for Women shows that Americans realize that poverty and security are distant, and that they “have a very different perspective from the current federal poverty guidelines on how much it takes for families and senior citizens to make ends meet on a daily basis.”\(^2\) The FPL for a family of four is $22,050. However, 64% of Americans believe a family of four needs more than $50,000 to make ends meet. Forty-five percent believe a family of four needs $60,000 or more.\(^3\)

In order to create a stable economy, Washington, DC must focus on those who live below the poverty line and those who live above the poverty line but lack the components of basic economic security. Families, policymakers, economic developers, employers, advocates and service providers face growing uncertainty. Restoring stability to the District’s economy requires a clear-eyed understanding of what workers and their families require to make ends meet and plan for a secure future.

Six Steps to Building the Economic Security of DC Residents

1. Create good jobs in the District
2. Build a coordinated system of training and education to prepare DC residents for growing good jobs in the District
3. Increase the availability of child care and housing for low- and moderate-income families in the District
4. Help DC residents save for emergencies and their retirement
5. Ensure that DC residents who require a range of public assistance are informed about programs and have access to them
6. Align District services and programs to build the economic security of DC residents, and establish a related interagency task force and citizen-based advisory group

The economic security that District families aspire to, particularly in times of instability, is defined by the Basic Economic Security Tables™ (BEST) Index. The BEST Index follows on a long history of research defining families’ spending and income needs, but reflects a modern economy and contemporary understanding of how families achieve financial security. The BEST captures the local variance in prices which determine how well incomes allow families to make ends meet. The BEST improves on the descriptive power of earlier budget standards by presenting the specific needs of more than 400 family types—all possible one- or two-adult families with up to six children. BEST values for adults are not age-specific, and are applicable to any independent working adult.

To further improve understanding of worker expenses and income needs, the BEST calculates separate income requirements for workers with and workers without access to employment-based benefits. Receipt of benefits—namely employer-sponsored health insurance and employment-based retirement plans—can be critical to short- and long-term economic security, and can prevent families from suffering marked declines in stability, or even impoverishment. The Index also distinguishes between workers who are and are not covered by unemployment insurance. Those without access to unemployment insurance require greater emergency savings to insulate them from instability, as they cannot count on unemployment insurance to replace lost income.

The core BEST Index contains basic budget items essential to all families’ health and safety: housing, utilities, food and essential personal and household items such as clothing, household products and a landline telephone. The BEST assumes all adults work outside the home; all BEST workers therefore incur transportation costs, and all parents with children must pay child care costs. Workers also pay federal and state taxes, net of tax credits, on the income needed to pay for their basic needs. Because simply meeting basic needs is not enough to be economically secure, the BEST also includes emergency and retirement savings, which prevent corroded economic security, weakened families and impoverishment. Such saving is necessary for all workers, over the course of a work life, and is therefore included in the core BEST Index. Homeownership savings and education savings have traditionally been central to the American dream, but they are not required by all families, and are not the optimal means of building security for all families. They are therefore included in the BEST as addenda to the core Index. Table 1 enumerates BEST expenses and savings requirements for several family types.

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Economic security is the ability to afford basic needs and to save for emergencies and retirement.

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As the wages shown in Table 1 suggest, BEST wages are more easily attainable for some families than for others. For single parents and larger families, economic security is achieved only through wages of approximately $20 per hour, or higher.

Median incomes of DC’s single childless adults and married couples, with and without children, rise above their BEST Indexes. The median income for single women without children in the District is $48,318, and the median income for married couples with young children is $128,596, both well above their respective BEST Indexes. However, the income of the typical single parent in DC falls far short of the Index for any family headed by a single head of household. The median income for single women with children in DC is just $28,383, less than even the BEST Index for a single worker with no children.

More information on BEST expenses can be found below in Appendix A. For more detailed information on BEST expenses and savings components, or benchmarking typical District incomes against BEST economic security wages, see The Basic Economic Security Tables for the Washington, DC Metro Area, available at www.wowonline.org.

District Residents Need Good Jobs

Unemployment in the District has been above the national average for years and worsened during the recession. As the District emerges from the recession, it must focus on job creation in emerging fields such as “green jobs,” which present the District’s low- and moderate-income residents with the greatest opportunity to move toward economic security.

Unemployment in the DC metro area stayed significantly below the national average throughout the recession. Unemployment in the area peaked in January 2010 at 7.0%, while US unemployment peaked a few months earlier, in October 2009, at
10.1%. However, the unemployment rate within Washington, DC has stayed above the national average and significantly above that of the DC metro area: Unemployment in the District peaked at 12% in January 2010, 5 points higher than the DC metro area peak and nearly 2 points higher than the national high.\(^7\)

Recession has always hit low- to moderate-income workers hard. Since 2006, 13% of the jobs in DC’s already limited construction and manufacturing sectors have disappeared.\(^8\) These are jobs that can be middle-skill and offer career tracks to economic security. Expected continued weakness in the job market and a continuing shift in demand toward office work in the District make it uncertain when or whether those jobs will return.

As shown in Figure 2, the brunt of the recession has not been born equally by all communities. While workers in all employment sectors and all corners of the city have experienced increased unemployment during the recession, it is clear that unemployment is currently suffered disproportionately by DC’s African American workers. Unemployment rates for African Americans are nearly twice that of Latino workers and over three times that of white workers.\(^9\) Neither is this burden shared by all neighborhoods. The DC Fiscal Policy Institute estimates that the unemployment rate in 2009 in Ward 8 was 26.5%, more than twice the city average and nearly nine times the 2.9% unemployment rate in Ward 3.\(^10\)

Table 2 shows the top ten high growth jobs in Washington, DC. One-half do not require a four-year degree and only one does not pay BEST wages that support a single worker. While a general economic recovery will restore some good jobs, the city’s workforce and economic development systems should focus their resources on ensuring that good jobs are created, that District residents are prepared to obtain good jobs, and that targeted outreach supports populations and communities suffering high unemployment.
Job Creation Strategies Increase the Number of Good Jobs Available to District Workers

City policies, funding and programs can have a targeted impact on DC families by: (1) linking residents to good job career paths in fast-growing industries; (2) providing information to DC residents about good jobs in growing fields and available education and training; (3) directing public training dollars to prepare job seekers for those good jobs; and (4) providing incentives to employers in these sectors who pay family-sustaining wages or demonstrate an emphasis on building career paths.

The BEST Index report identifies the three private industry sectors growing most rapidly in the DC metro area: (1) professional and business services; (2) trade, transportation and utilities; and (3) education and health services. These industries represent a range of jobs requiring varying skills and offering different wage levels, from minimum wage to family-sustaining wages. It is incumbent upon the District workforce system to help District residents prepare for positions in such industries. And over one-third of jobs in the District are public sector jobs. Government must not forget or hesitate to provide education and training to the many who can serve the District’s public.

Similarly, the District must prepare District workers for "green" or "greening" jobs. There has been an unprecedented growth in job training programs that prepare DC residents for jobs in the emerging “green sector.” While demand for these jobs has been slow to appear, opportunities will grow in construction, transportation/transit and area utilities over the coming months and years.  

The Brookings Institute estimates that approximately, 60,000 DC residents are unemployed or underemployed. A continuum of job training and education programs must be put in place to address their and District employers’ needs. These programs should include career-based education for all ages, job readiness skills, hard skill training, recruitment, outreach, job placement and retention strategies.

Building the most effective and comprehensive workforce system in the District will require the full engagement of key leaders in the public, private and non-profit sectors, who must coordinate and maximize investments in education and workforce training. The Mayor and City Council have, above all else, the ability to convene serious discussions among all those who work within and or with the existing workforce system. Utilizing this convening power offers a unique opportunity to be responsive to city leaders engaged in workforce development, labor, business-centric organizations such as Chambers of Commerce and the Sustainable Business Network, the Washington Board of Trade, community-based service providers, and educators located across the metropolitan area.

Reinvigorating the District Workforce Investment Council (WIC), a centerpiece of the District workforce system, can attract a critical mass of employers. A clear mandate that clarifies the WIC’s authority to oversee the public or entire workforce system can
harmonize economic and workforce development needs of the city. The WIC should have direct access to the Mayor and, conversely, the Mayor should seek input from this body in the development of workforce policy and proposed legislation.

WOW has documented the success of approaches by workforce investment boards (WIBs) across the country, approaches which can offer ideas and guidance to all those interested in improving metro-area workforce systems. This research demonstrates communities’ abilities to strengthen their own fiscal bases and increase the number of residents who earn economic security wages through a strategic jobs agenda, including the streamlining and coordination of education and training systems. Subsequent research has also demonstrated how workforce investment boards can address the needs of specific populations who obtain fewer good jobs, such as women, ex-offenders and youth.

Work supports like transportation, child and elder care, transitional and subsidized employment, cash assistance and stipends can help adults prepare for jobs and bridge the financial gaps for those families living in poverty as they move closer toward economic security. Making investments in these “hard to serve” residents will reap rewards in the near and the longer term for households, the regional economy, and even the public sector. After entering quality jobs, formerly ‘hard to serve’ individuals and their families will no longer rely on public assistance programs, will contribute to the tax base, and will create increased consumer demand.

Workers Can Achieve Economic Security without a 4-Year Degree

Unemployment in Washington, DC is in large part the result of a substantial education gap. The DC metro area is home to the most educated populace in the nation, but more than 1-in-10 DC residents does not have a high school diploma, and 33% lack post-secondary education. These workers must compete in a regional labor market for low-skill positions that rarely provide employment-based benefits or pay economic security wages, and for good middle-skill jobs that often require post-secondary education or training.

Post-secondary education can lead workers to higher paying jobs and help protect them from recession. Nationally, the unemployment rate among those without a high school diploma was 14.6% in 2009, compared to 9.7% of those with a high school diploma, 6.8% of those with an associate’s degree and 4.6% of those with a bachelor’s degree or higher. In 2008, the median income in the District for a woman with a high school degree was $28,093; the median income for a woman with an associate’s degree was 26% higher ($35,333), and the median income for a woman with a bachelor’s degree was 83% higher ($51,482).

The District has successfully attracted highly educated workers, which has in many respects sustained the city for decades. It is clear, however,
that additional high school diplomas and post-secondary training and education—other than bachelor’s degrees—are key to developing a workforce skilled enough to earn economic security wages, attract industry, provide a stable tax base, and stabilize District communities.
Recommended Policy Actions

**THE NUMBER OF MIDDLE-SKILL JOBS IN THE DISTRICT OF COLUMBIA MUST BE INCREASED**

Before the recession, the highest paying, fastest growing jobs requiring less than a baccalaureate degree were computer specialists, health technicians, the building trades and installation/maintenance/repair. According to the Bureau of Labor Statistics, more than half of all job openings in the US between 2008 and 2018 will be in middle-skill occupations. The District’s workers should not be left behind as the “middle” of the job market expands.

Table 3 shows the top ten high-growth jobs in Washington, DC that do not require a 4-year degree and typically pay economic security wages. Most require post-secondary education, a certification or associate’s degree. Others require only on-the-job training. Some of the positions allow security wages upon entrance, while others allow higher wages only as workers accrue experience. It is such positions—as well as jobs in emerging fields such as “green jobs”—which present the District’s low- and moderate-income residents with the greatest opportunity to move toward economic security. Interestingly, in the DC region, women currently fill more than 80% of positions in 7 out of the 10 occupations listed in Table 3.

When these and other good jobs are available in the city, District government must promote local hiring. To accomplish this, the new Mayor must be responsive to city leaders engaged in workforce development, such as unions, the DC Chamber of Commerce, the Board of Trade and community-based service providers. This has not been the case over the past 4 years.

One method of creating access to middle-skill jobs for District residents is to engage employers willing to set aside dated or industry-standard education requirements for middle-skill positions. Employers should focus on hiring talented, dedicated, hard-working people and provide necessary on-the-job training to further their professional development. It is not necessary, for example, for an administrative assistant to have a 4-year degree in many instances; however, it is not uncommon for District employers to prefer candidates who have this extra education and are in fact over-qualified.

**RECOMMENDATIONS**

*Increase the number of middle-skill jobs in the District*

Unemployed and underemployed workers look to their local and state governments to improve employment prospects. The District can help create good jobs that will support workers without 4-year degrees by adjusting existing job creation incentives. The District government and employers should refer to the BEST for an operationalized definition of good jobs when adjusting incentives or creating new incentives.
Washington, DC has several special funds that finance economic development projects.\textsuperscript{20} The Industrial Revenue Bond Special Account, for example, finances tax-exempt loans to qualified private businesses and nonprofits for business expenses, such as infrastructure improvement or machinery and equipment.\textsuperscript{21} Most funds are general and do not specify employment at a targeted wage as a goal.

The government of the District of Columbia also uses tax incentives and preferences to attract employers to the city. Tax preferences range greatly in purpose and credits intended to improve employment have, over time, targeted a range of industries, areas within Washington, DC and worker skill sets. The New Economy Transformation Act of 2000, for example, included tax credits and other incentives designed to attract high-tech companies to the city.\textsuperscript{22}

More than $\frac{1}{2}$ of the nation’s jobs through 2018 will be middle-skill jobs.

While a range of incentives and funds are designed to make doing business and employing DC residents easier and cheaper, none are specifically targeted at middle skill jobs and employment that would provide DC residents greater economic security.

It should be noted that BEST annual incomes needn’t be used as definitive thresholds for evaluating the value of potential employment. Rather, a percentage of local BEST incomes can be employed (e.g. 70% or 80% of the local BEST Index). Under some circumstances, more than one proportion of the BEST Index might be employed—within separate and well-defined sector employment initiatives, for example. The primary goal should be using the BEST to: 1) adopt a common but flexible standard, including a common language, used to assess development goals and prospects; 2) adopt a standard that is relevant to local economic conditions

Selected Business and Employment Incentives in Washington, DC

Economic Development Special Account Project Revenue
A locally financed fund that provides general economic development assistance through the Office of the Deputy Mayor for Planning and Economic Development.

Get DC Residents Training for Jobs Now Career Technical Training Fund
A locally-financed fund that provides funding to finance the costs associated with evening, weekend and summer technical education programs for adults at specified training sites in the city.

Lower Taxes for High-Tech Companies
Washington DC’s New Economy Transformation Act of 2000 established a collection of incentives to attract high-tech businesses to the city. The incentives include wage reimbursements of up to $5,000 for each person hired.

Industrial Revenue Bond Program
A locally-financed fund that provides tax-exempt loans to qualified businesses and nonprofits for a variety of business expenses.

Enterprise Zones
A federal/local partnership program that provides a variety of tax incentives to encourage economic activity in certain neighborhoods in the city. These tax incentives include an employee tax credit of $3,000 for each DC resident employee.
and can, if desired, be applied to the needs of specific family compositions.

No grant, loan, tax credit or other incentive in Washington, DC employs formal and consistent wage targets. A wage target or multiple wage targets would provide a simple, common means of knowing what kind of jobs come to the District, and could form the basis for more rigorous assessment of changing economic security among DC workers and families. Implementing systematic evaluations of tax incentives would allow city leaders to assess the cost-effectiveness of tax credits and to implement business incentives more efficiently.\(^\text{23}\)

The Office of the Deputy Mayor for Planning and Economic Development should create an assessment process utilizing the BEST Index prior to executing agreements and should conduct follow-up assessments of wages within recipient businesses. Requiring employers to compare proposed wages to the local BEST Index within applications will allow the Office to:

- Better evaluate economic impact
- Integrate an operationalized definition and awareness of good jobs into broad economic development goals
- Situate workers without 4-year degrees closer to the center of economic development planning and promote incentives for the public, private and non-profit sectors to invest in workers without 4-year degrees
- Spur development of long-term on-the-job-training and other forms of intermediate-term education and training that pay off for both workers and government
- Better integrate/match economic development and workforce development planning and goals

**Coordinate economic development and workforce development efforts**

Washington, DC’s future economic development and workforce development efforts must be closely coordinated. The city must attract businesses that will create family-sustaining jobs, ensure that major development projects include a training component for District residents, and assertively monitor and enforce requirements that businesses receiving financial incentives from the District hire DC residents for new jobs.\(^\text{24}\) The DC Jobs Council suggests that this should include Tax Increment Financing (TIF), Community Benefit Agreements (CBA) and a Unified Development Budget (UDB) to ensure District residents benefit directly from jobs created by development projects.\(^\text{25}\)

CBAs, for example, can be designed to ensure that local residents share in the benefits of large development projects and give the community a voice in shaping the outcomes of the development. Such projects can include public schools, highway and road construction, public housing development and large local projects such as Nationals Stadium or the new Homeland Security headquarters at the former Saint Elizabeth’s Hospital in Southeast Washington, the largest federal building project since construction of the Pentagon.

The CBA process begins with interested members of the community, who identify how a proposed development project can benefit residents and workers, such as by ensuring that residents are hired on projects and funds are set aside for job training. Once a list of potential benefits is determined, community members meet with the developer and/or representatives of the city to negotiate a CBA.\(^\text{26}\)

“High Road” Community Benefit Agreements are an innovative new means of helping communities obtain benefits from large-scale projects.\(^\text{27}\) Agreements may require developers to pay living wages, employ local low-income community members, support training programs, offer jobs that lead to career paths, or promote sustainability. Committees which work to achieve such agreements may include elected officials, contractors, developers, labor unions, environmental advocates, community based organizations and job training programs. Such agreements should include provisions for continuous oversight and transparency.
Agreements have sometimes fallen short in ensuring societal benefits, but offer promise to communities looking to provide good jobs to their residents.

High Road CBAs are largely an outgrowth of the greening of America. For example, in July 2010, Seattle signed a Community High-Road Agreement for its residential energy retrofit programs. The agreement targets locally-, minority-, and women-owned businesses and ensures that contractors will employ local, low-income residents at living wages. Portland, Milwaukee and Santa Clara County have also achieved High Road agreements for green projects. High Road CBAs signed in the District would place the city near the forefront of progressive green jobs development.

The Mayor and City Council, in conjunction with the DC Workforce Investment Council (WIC), the Green Jobs Council and industry and labor leaders should implement efforts to promote the creation of jobs for DC residents in the three fastest growing industries in the region (professional and business services, trade transportation and utilities, and education and health services) and in the green economy. A timetable with the number of jobs to be created should be established with a priority on middle-skill jobs.

**Capitalise on federal and local investments in green jobs**

The federal government has made available billions of dollars for green building and related green projects. Building on recent federal funding for green economic development is especially relevant to DC because it targets a new and expanding sector—a sector with jobs often paying economic security wages. The District’s “Green Building Act of 2006” offers new possibilities to both small businesses and low-income job seekers. The green legislation passed by the District is projected to create 169,000 jobs through 2018, 89% of which do not require a bachelor’s degree. The Council and other city leaders should ensure that, through this new Green legislation and effective monitoring and enforcement of the District’s “First Source” hiring requirements, provisions are made for adequate skills-based training and wrap-around public assistance so that low-income DC workers will be able to enter and succeed in high-paying, stable jobs in local green industries and small businesses.

New green industries offer a unique opportunity for women, minorities and other low-income populations who have been underrepresented in the construction workforce, where earnings can be 20-30% higher than in occupations traditionally held by women. A large portion of the 2009 ARRA funds for infrastructure programs has yet to be spent; to the extent that any new funds are allocated for infrastructure development—whether in transportation, green jobs, weatherization, or school repair—funding recipients should be required to maintain inclusive hiring through qualified apprenticeship and pre-apprenticeship programs serving underrepresented populations.

Climate change legislation that passed in the US House of Representatives (HR 2454) and is now stalled in the Senate contains a Green Construction Careers Demonstration that can serve as a model.

- The Mayor and DC City Council should adopt the language, concept and local economic security wage rates from the DC BEST Index, and include the Index in current and future District legislation targeting Green Economic Development as it expands in the DC metro area.

**Take full advantage of the Federal Highway Administration's program for On-the-Job Training/Supportive Services Program**

The grants provided by the On-the-Job Training/Supportive Services Program of the Federal Highway Administration’s Office of Civil Rights can fund recruitment, skills training, job placement, child care, outreach, transportation to work sites, post-graduation follow-up, job site monitoring and pre- and post-employment counseling for populations underrepresented in transportation, engineering and construction. This requires state highway departments to submit a "statement of work," including a needs assessment. States may apply for grant funding up to
one-half of one percent of the federal funding they receive through the surface transportation program and the bridges program. The District was not one of the 19 states to receive such a grant in 2010.

**Target hiring**

States and cities across the country have set requirements for the number of low-income workers and/or workers from underrepresented populations who must be employed on public projects. The specific models used by cities and states have taken several different forms, but research done by the National Employment Law Project points to best practices that can be undertaken in DC.  

- Hire locally. Local employees provide continued support to the community. Residents with good jobs are more likely to support local businesses, and shorter commutes improve workplace and family stability.

The District can provide incentives to businesses to keep money in the local economy. An example is Ohio’s Project Hometown Investment in Regional Economies (HIRE), funded through ARRA. This effort provides up to six months of assistance to offset up to 50% of the cost of on-the-job training for full-time jobs in a handful of targeted, high-demand industries.  

- Promote self-employment and small business development. Microenterprise development generates income, builds assets and supports local economies. Among start-ups, microenterprises represents 18% of all private US employment, and the Ewing Marion Kauffman Foundation’s study *Where Will the Jobs Come From?* states that companies less than five years old created nearly two-thirds of net new jobs in 2007.  

Microenterprise can be a boon to communities experiencing higher-than-average unemployment and encourage growth among women and minorities. For example, research suggests that women entrepreneurs tend to hire other women, and to consider potential as much as current skills, increasing the likelihood that employees without impressive resumes will find pathways into the middle class and develop assets that will help multiple generations.

Last year, ARRA provided an additional $50 million for the federal Small Business Administration’s (SBA) microloan program, which provides funding for qualified non-profit community-based lenders who, in turn, provide microloans of up to $35,000 to local entrepreneurs and small business owners—along with technical assistance and training. Such lending removes limited access to credit for business growth.

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**COORDINATION BETWEEN EDUCATION AND TRAINING PROGRAMS IS KEY TO BUILDING ECONOMIC SECURITY OF VULNERABLE DC RESIDENTS**

The District is part of a greater regional economy, and shares labor with surrounding counties. Workers from outside Washington, DC, both skilled and unskilled, fill job openings in the District, which presents a problem for unemployed DC residents. Many DC residents face multiple challenges in obtaining quality employment: lack of basic or post-secondary education, inadequate

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Microenterprise represents 18% of all private US employment. With an average cost of $1,525 per woman served, a $1 million investment in programs [can] result in 132 new jobs being created within 12 months and a total of 480 new jobs in five years.  

- Ewing Marion Kauffman Foundation
opportunity to increase soft skills, inadequate English language skills and the high cost of work (such as child care and transportation expenses). Often jobs which are obtainable do not offer clear pathways to economic security.

The primary barrier faced by those seeking middle-skill good jobs in the District of Columbia is a lack of qualifications. Many unemployed and under-employed District residents suffer low literacy levels, a lack of soft skills, and insufficient training for high-demand, economic security-wage jobs. The solution is a cooperative effort among relevant District agencies and nonprofit organizations providing workforce development, literacy, public assistance and case management. These challenges must be addressed to properly prepare the workforce and educational system in the District.

A successful workforce development system has workers at all skill levels on career paths to economic security wages. The successful system ensures that education and training is targeted to occupations and industries that have the greatest employment and economic security potential. Unfortunately, the DC system has been widely criticized for its lack of strategic skill development for residents. The lack of alignment of workforce development programs (such as the Workforce Investment Act (WIA), Carl D. Perkins Program, Social Services Block Grants, or the Community Development Block Grant) with postsecondary and community college training and education has created a piecemeal approach to developing the DC workforce. A more streamlined approach would better capitalize on available funding while providing greater resources to job seekers and those changing careers.

WOW has documented the success of workforce approaches across the country through its Promising Practices in Workforce Development research series. This research demonstrates that customers reap the benefits of streamlined service delivery and comprehensive services. Subsequent research has also shown that workforce investment boards (WIBs) that address the needs of specific populations such as women, ex-offenders and youth improve city- or state-wide employment outcomes.

RECOMMENDATIONS

Create an integrated public workforce system in DC

- While different populations within the District have different needs, all need a solid, well-functioning, coordinated workforce system that can serve residents’ needs, including job-readiness training, educational programs and public assistance that can support a struggling worker’s new career. The Mayor and City Council should promote a seamless system which increases opportunities for low-skill workers and:
  - Provides incentives for businesses, including emerging industries, which create career paths to economic security wages
  - Maximizes linkages among relevant city agencies
  - Promotes programs that offer core skills to jobseekers

- To ensure accountability, a high-level position within the Executive Office of the Mayor should be charged with ensuring components of the workforce and related systems are better integrated.

- Employ the Washington, DC Metro Area BEST to advance utilization of labor market information. While a great many DC residents require entry-level jobs which are often low paying, potential careers and career training should be evaluated in terms of economic security, of whether career paths allow workers to approach or attain BEST wages for their families. Identifying, benchmarking and tracking career paths that lead to economic security will indicate success for the individual worker, for training and
services vendors, for other service providers, and for the city as a whole.42

- Develop a system of transparency and accountability for all city agencies that provide education and training. Such a system strengthens connections to businesses and improves measures of success. Aggregate and anonymous client-level data should be collected to assess customers’ movement toward economic security.43

**Fully employ a sector approach within the DC workforce system**

A sector approach addresses worker and employer needs for a specific industry sector, such as manufacturing, health care or construction. A successful approach brings together multiple parties to promote growth in the targeted industry, improve employers’ outcomes, and improve job quality and prospects for workers.

An Urban Institute study of local WIBs that participated in a sector employment demonstration project found that there was no one "best" organizational structure for initiating and operating a sector project, but effective WIB roles ranged from a high level of WIB member involvement in attracting support from the business community, to day-to-day involvement of One-Stop staff in recruiting and orienting participants, to conducting better contract monitoring activities and overseeing implementation.44

The DC WIC has taken initial steps to undertake a sector approach in the fields of hospitality and construction.45 These sectors should be examined from the perspective of today’s information on growing industries and on the development of career paths beginning with entry-level jobs to those that pay economically secure wages.

Recent data from the Washington Area Women’s Foundation’s Portrait Project reveal that DC’s single-women-headed households with children are struggling most to make ends meet and face high rates of poverty.46 In the District, more than 1-in-5 women-headed households with children is poor, and nearly two-thirds of such families live in unaffordable housing.47 A targeted sector-based effort should therefore include opportunities for women in nontraditional occupations, wherein women comprise only a small portion of the workforce.48

**Eliminate the work-first approach to training**

Both WIA and TANF have a “work first” approach to service delivery. Such an approach pushes participants into putting work first, taking any job that reduces need for public assistance, regardless of their barriers to work, career goals or training needs. During a recession this approach is unduly punitive. The National Bureau of Economic Research has found that welfare reforms have reduced by 20-25% the probability that women aged 21-49 will attend high school and that those aged 24-49 will attend college.49 Understanding that increased education leads to increased income and community stability, DC should move from the punitive work first model to one that enables single parents to prepare for jobs that will support their families and no longer require public assistance.

An example of legislation which could move the District in that direction is the “Temporary Assistance for Needy Families (“TANF”) Educational Opportunities and Accountability Act of 2010,” introduced by Councilmember Michael Brown. The bill would require assessment on in-take of every TANF-eligible client and “expand the current list of acceptable work activities to include vocational education, adult basic education, participation in secondary education, and GED preparation....”450 The bill would require collection of data on training program completion rates, employment, and employment retention up to 12 months.

**Strengthen Educational Opportunities for DC Adult Learners**
The city must not only expand access to higher education, but provide services where citizens most need them, including the District’s east side, where residents could benefit from education related to high-demand occupations.\(^{51}\)

The District should address the current literacy crisis in the city by setting a goal to increase adult literacy by 20% (22,800 adults) each year between 2011 and 2015 with a focus on building more intergenerational and FCE (Functional Literacy) programs throughout the community.

The University of the District of Columbia (UDC) should undertake strategies to strengthen its role as a community college. UDC is an integral part of the workforce system and must provide a well-rounded education that incorporates a career pathways approach and to better align their workforce development mission areas and academic credentialing. CCDC’s Workforce Development & Lifelong Learning division should be supported in its efforts to bring training to the many neighborhoods of the city and to help build seamless pathways to work in growth industries.

The District should develop and implement a clear vocational education plan with the goal of preparing students, Perkins Act administrators and Career and Technical educators to work with wage adequacy standard.

**OCCUPATIONAL SEGREGATION HAS NOT DECREASED AND JOBS ARE NOT FAMILY-FRIENDLY**

Occupational segregation prevents women and men from fulfilling their professional potential. More specifically, for women segregation has often resulted in jobs, such as service provision and care giving, that are lower paying and offer fewer benefits. In 2008, one-half of all working women were clustered into just 5% of the occupations tracked by the US Bureau of Labor Statistics.\(^{52}\) Such segregation is reinforced by job training efforts: 55.6% of male Workforce Investment Act (WIA) training recipients are trained in occupations relating to installation, repair, transportation, production and material moving skills, while just 8.3% of female recipients are similarly trained. In addition, 47.4% of female training recipients are trained in service, sales and clerical occupations, compared to 13.8% of male recipients.\(^{53}\) As a result, women continue to face greater rates of poverty than men, and in 2009, over 16.4 million American women were living in poverty, including nearly 7 million women living in extreme poverty (income below half of the federal poverty line). Poverty among men also rose in 2009, but remained substantially lower than poverty among women.\(^{54}\)

While women represent approximately half of the workforce, they are underrepresented in growing occupations. Both research and practice document that women are interested in and capable of performing a wide range of infrastructure jobs, from low-skilled laborer to the most skilled trades.\(^{55}\) These jobs, which are considered nontraditional for women, are typically good for women—they often pay 20-30% more than traditionally female jobs and often provide better benefits, greater career and training opportunities, established career ladders and higher job satisfaction. A focused effort can ensure women are intentionally included in such occupations and more likely to approach or achieve economic security.

**RECOMMENDATIONS**

**Improve Women’s Middle-Skill Education, Training and Hiring**

- Promote pre-apprenticeship training programs for low-income populations and in nontraditional jobs for women. Programs should include recruitment, job placement and retention, career pathways and work supports that are coordinated by nonprofits, joint labor-management councils or other public private efforts.
- Build career awareness for women and girls about “nontraditional” careers. Conduct
outreach, assessment and pre-apprenticeship training to prepare women for construction and other male-dominated industries.

- Fund pre-apprenticeship and outreach programs, as well as wrap-around services (e.g. child care subsidies, mentoring) to increase the supply of qualified women.

- Apply for grants through the Federal Highway Administration’s On-the-Job Training/Supportive Services Program. This program allows states to use one-half of one percent of federal dollars received on training programs for populations that are underrepresented in the construction field.

- Over 30 years ago, President Carter created Executive Order 11246, requiring equal opportunity for women and minorities on federally funded construction sites and setting a hiring goal of 6.9% for women. The District should set a more ambitious local goal.

- Promote collaboration. Forge collaborations with industry and labor partners to promote workplace equity. Mega projects, those that cost more than $1 billion and meet requirements for community interest, can be used to promote the use of community benefit agreements as well as demonstrate the effectiveness of increased hiring goals for women and minority workers.

In 2008, 50% of working women were clustered into 5% of occupations tracked by the US Bureau of Labor Statistics.

- Encourage hiring of low-income individuals. Enact laws or regulations that require the hiring of individuals with current incomes equal to a selected proportion of the BEST Index for selected family types.

- Integrate the goal of training and hiring women and minorities into CBAs beyond the requirements of DC’s First Source Agreement Program.

Promote workforce flexibility

Research performed by the National Partnership for Women and Families indicates that more than one-third of working women do not have access to paid sick days; this number is even higher in female-dominated industries such as food service and child care. The Accrued Sick and Safe Leave Act, passed in 2008, requires District employers to provide paid leave days to employees. Full-time workers at businesses of 100 or more employees can earn up to seven paid sick days per year, those working at businesses with 25-99 employees can earn five paid sick days per year, and those working at smaller businesses can earn three paid sick days per year. The legislation exempts certain groups of workers including restaurant staff and employees who have worked less than one year for their employer, leaving some employees vulnerable. Those not covered by sick leave policies lose wages for days they or their family members are sick. Nationwide, twenty percent of working mothers reported that they or a family member had been fired or disciplined by an employer for taking time off to care for sick family members. This loss of pay contributes to economic instability.

Sick Leave policies allow workers to better care for their children and families, enhance their work performance and promote job security—without suffering repercussions. The Accrued Sick and Safe Leave Act also allows workers to use their sick days as “safe days,” which allow employees paid time off for absences associated with domestic violence or sexual assault. Workers with leave do not risk unemployment when ill or when addressing family or personal needs, which creates a more stable workforce.
The District leadership has thus far failed to sufficiently enforce the DC Sick Paid Leave law or improve working conditions by introducing new legislation.

**Conclusion**

As recession slowly subsides, Washington, DC is focused on jobs. The recession was deepened by insecure workers, many with limited skills, who lost jobs or feared losing income. Many were overleveraged after borrowing to pay for increasingly expensive basic needs. Workers’ crises were then perpetuated by factors such as insufficient household savings and the District’s weak unemployment insurance benefits. These sources of insecurity will still exist when Washington, DC emerges from recession. The Basic Economic Security Tables for the Washington, DC Metro Area provides a blueprint for building economic security through good jobs. Workers will in future have an even stronger interest in pursuing genuine economic stability, and as the city rebuilds and renews its economy, it must build stability on the only strong foundation—good jobs.

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**Building the Economic Security of DC Residents through Good Jobs**

1. Establish economic security as a goal for all workers and all communities
2. Increase the number of good, middle-skill jobs in the District
3. Integrate economic development and workforce development efforts
4. Improve education and training opportunities for workers without 4-year degrees
5. Strengthen adult education and the DC community college system
6. Adopt a sector approach to training efforts
7. Employ the Basic Economic Security Tables to guide efforts to improve economic security
Appendix A: BEST Components

**Housing and Utilities**: BEST housing expenses are adjusted US Department of Housing and Urban Development (HUD) Fair Market Rents (FMR). FMRs for Washington, DC are the 40th percentile of rents across the city, by number of bedrooms. FMRs are separated into rent and utilities values using expense ratios created by HUD during the annual FMR update process.

**Food**: BEST food costs are taken from the USDA Low-Cost Food Plan, which presents an age-specific, no-frills diet consisting entirely of foods prepared and eaten at home.

**Transportation**: BEST Transportation costs are those of 7-day Metro bus and rail passes for workers (only). Workers are assumed to use only public transportation for all of their travel needs.

**Child Care**: BEST child care expenses are age-specific market rates taken from the Washington, DC childcare market rate survey. Monthly expenses are the 75th percentile of all care rates in the city. Licensed family care (care provided in the care provider’s home) rates are used for infants and toddlers. Licensed care center rates are used for preschool and school-age children.

**Personal and Household Items**: BEST personal and household items expense is equal to 27% of a family’s housing, utility and food expenses. This ratio is based on renters’ average expenditures, taken from the US Bureau of Labor Statistics’ Consumer Expenditure Survey. Clothing, housekeeping supplies, personal care products, a landline telephone and minimal life insurance and bank fees are captured under this heading.

**Health Care**: BEST health care costs are health insurance premiums and out-of-pocket costs. Health care premiums for workers with employer-sponsored health insurance are average premiums, by state, for individual, employee-plus-one or family coverage. Out-of-pocket expenses are average expenses by age group. BEST non-employer sponsored health insurance premiums are those for the least expensive plans which approximate typical employer-sponsored plans. Expenses are based on data from the US Department of Health and Human Services’ Medical Expenditure Panel Survey.

**Taxes and Tax Credits**: Federal payroll taxes and federal, state and local income taxes are calculated for each family type based on the family’s BEST income requirements. Sales taxes are calculated based on personal and household item spending. Tax credits calculated include: 1) federal EITC; 2) federal child tax credit; 3) federal child and dependent care credit; 4) federal Making Work Pay credit; 5) DC EITC and 6) DC dependent care credits.

**Emergency Savings**: BEST emergency savings is the amount of savings needed to meet basic needs during a “typical” period of unemployment, defined as the median term of unemployment, 8.9 weeks, during the most recent complete business cycle (2001-2007). A family must save enough to replace their current BEST income. The BEST assumes that Washington, DC families with access to unemployment insurance will receive the 2009 city average of 22% of their pre-unemployment wages in benefits (up to the maximum UI benefit of $1,436 per month).

**Retirement Savings**: BEST retirement savings is the amount of savings, less average Social Security benefits, that workers need at time of retirement to remain economically secure throughout an average retirement period. Workers with access to employment-based retirement benefits are assumed to save into a 401(k) and receive the national average employer match. All other workers save into Individual Retirement Accounts.

**Education Savings**: BEST education savings is the monthly saving amount needed to finance a child’s post-secondary education without incurring debt. BEST assumes that parents save consistently for 17 years, and that the child lives at home and attends community college in DC for the first two years, transfers to a public university for a bachelor’s degree, and works during the summers.

**Homeownership Savings**: Homeownership savings is the monthly savings amount needed to pay a 20% down payment and closings costs on a home at the 25th percentile of all home prices, by number of bedrooms, in Washington, DC.
Many BEST expenses are applicable to working adults 65 and older. However, such older adults are likely to participate in Medicare, and to receive Social Security, which contradict BEST health care and income assumptions. For information on the income needs of fully-retired elders, see Wider Opportunities for Women’s Elder Economic Security Standard Index at www.wowonline.org.

Because the BEST assumes both adults in a two-adult household have the choice to work and do work outside the home, families pay child care and other costs for as many as six children. This causes BEST annual income requirements to reach levels attainable only by affluent households. Areas for further research include the financial status of large families, and how large families with two working adults respond to child care needs in the Washington, DC metro area.


Kerstetter, Katie. Increase in DC’s Unemployment Rate Falls Most Heavily on Those Least Able to Afford it. Washington, DC: DC Fiscal Policy Institute, 2010.


US Census Bureau. 2009 American Community Survey.


US Census Bureau. 2009 American Community Survey.


goal for local training programs that receive federal dollars. This allows localities to evaluate municipal financing and development programs.” It mandates that “all projects funded in whole or in part with District of Columbia funds, or other funds which the District administers, shall provide for increased employment opportunities for District residents.”


The 2006 Carl Perkins Career and Technical Education Act demonstrates how income measures can be incorporated to ensure workers are being trained in the skills they will need for good jobs. The 2006 Perkins Act incorporates Wider Opportunities for Women’s Self Sufficiency Standard as a goal for local training programs that receive federal dollars. This allows localities to evaluate how well local training programs are preparing workers for self-sufficiency.


Traditionally female occupations are those in which 25 percent or fewer of workers are men. Nontraditional occupations typically have higher wages and better benefits than jobs in the service sector, where many low-skilled women are clustered.


