

District of Columbia Labor Market Continued to Improve in April

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Labor market conditions improved at a modest pace in the District of Columbia in April. Payroll employment was little changed for the month as the District of Columbia gained a scant 300 jobs. Private employment accounted for two-thirds of the increase. The household survey indicated greater improvement. The unemployment rate resumed its downward trend after pausing in March at 9.8 percent. In April it declined by three tenths to 9.5 percent. The unemployment rate is now a full percentage point lower than its recent peak of 10.5 percent in August 2011.

Looking at the payroll numbers more closely, there was little change across most industry sectors. Private payroll employment edged higher as a result of moderate increases in education and health services, with both increasing by 600 jobs, and modest increases in financial and government employment. Partially offsetting those increases was a decline in trade, transportation, and utilities of 500 jobs and modest decreases in leisure and hospitality, other services, construction, and professional and business services. Despite the slight growth for the month, the year-over-year change in total payroll employment in April rose to 2.1 percent from 1.8 percent last month—seven tenths above the national rate of 1.4 percent. Growth in private sector employment was more robust, with private sector jobs increasing by 3.8 percent over the past 12 months. The increase in private employment was relatively broad based, with most industry sectors registering notable increases. The exceptions were information (which fell by 2.7 percent), government (which declined by 1.0 percent as a result of a 1.6 percent decline in federal payrolls), trade, transportation and utilities (which edged lower by four-tenths of a percent), and financial activities (which was flat). Notably, although professional and business services increased 1.9 percent over the past year, the sector increased by considerably less than the average for the private sector.

The results of the household survey indicated a notable improvement in the labor market in April. The unemployment rate fell three tenths to 9.5 percent, continuing on its downward trend that began in August 2011. The unemployment rate is now one percentage point lower than its recent peak, but at 9.8 percent is only slightly lower than where it was at the end of the recession in June 2009. As was the case in previous months, workers entering the labor force were successful in finding employment—both the labor force and the number of employed in the survey increased in each of the last nine months. At the same time, the number of unemployed in the survey declined for the eighth consecutive month.

Overall, both surveys indicated continued improvement in the District labor market, although the improvement according to the establishment survey was very modest. Despite ongoing concerns about anticipated cutbacks in federal spending, the labor market continued to improve and there has yet to be a significant restraint on job growth in the private sector. However, at 9.5 percent the unemployment rate remained very elevated, indicating a very weak labor market for District residents. In addition, the level of claims for unemployment insurance also remained elevated and considerably higher than during the recession. So despite the positive signals from both surveys in recent months, labor market conditions remained weak.

