

# Labor force participation in the District of Columbia

## Six key facts you need to know



D.C. POLICY CENTER

The Alice M. Rivlin Initiative

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RD	0	Shady Grv	ARR 7
RD	5	Shady Grv	7
RD	6	Shady Grv	10

# Summary of Findings

*This report examines labor force participation among prime working-age D.C. residents (ages 25 to 54) from 2010 to 2023. During this period, their labor force participation rate consistently exceeded the national rate. Not only did labor force participation increase overall in the District, but rates notably rose for prime working-age women and late prime age residents (ages 45 to 54).*

*This report also highlights widening gaps in prime working-age labor force participation rates by birthplace, race, and educational attainment. Residents born outside D.C. maintained higher labor force participation rates than residents born in the District, with the gap expanding by 4.5 percentage points. Similarly, the gap between white and Black D.C. residents grew by 3.7 percentage points, with white residents maintaining higher rates. Disparities in rates by educational attainment were even more striking. The gap between those with at least a bachelor's degree and those with a high school diploma or less widened by 14 percentage points, with residents with at least a bachelor's degree maintaining the higher rates. In fact, the steepest decline in labor force participation—9 percentage points—was among prime working-age*

*residents with a high school diploma or less.*

*While this report does not fully explain why some residents are withdrawing from the labor force, it points to several potential factors. For instance, a larger share of those not in the labor force report disabilities—cognitive, visual, or hearing impairments—compared to those in the labor force. Other contributors may include discouragement about job prospects, caregiving responsibilities, and various physical or mental issues that are not disabling. Although less discussed, labor force withdrawal likely imposes similar kinds of costs as unemployment: loss of income, diminished job prospects, and poorer physical and mental health.*

*To reduce the identified disparities in labor force participation rates among prime working-age residents, this report offers six recommendations, such as expanding access to affordable childcare as well as strengthening initiatives that improve college and career readiness. By implementing these recommendations, D.C. can foster a more inclusive and competitive economy that maximizes opportunities for all residents and businesses.*

# Why does the prime working-age labor force participation rate matter?

The prime working-age labor force participation rate is the percentage of people aged 25 to 54 who are in the labor force, meaning they are either employed or actively seeking employment.<sup>1</sup> During their prime working ages, individuals typically reach their peak [productivity](#) and earnings. Higher earnings can lead to greater [financial stability](#), greater investment in one's family, and increased spending on goods or services—all of which can boost the District's economy. Conversely, individuals who are neither employed nor actively seeking a job are classified as “out of the labor force.”

Current economic [conditions modestly](#) influence the prime working-age labor force participation rate. During expansions, the rate tends to slightly increase. During recessions, it tends to slightly decrease.<sup>2</sup> Long-term trends exert a greater influence. Such [trends](#) include [automation](#), the decline of manual jobs, changes in social safety net programs, and the rise in women's labor force participation since the 1960s. While demographic trends—such as an aging population—profoundly affect the *overall* labor force participation rate, demographic trends affect the *prime working-age* rate less significantly. Older people nearing retirement and younger people attending school are typically outside the 25-to-54 age range.<sup>3</sup>

An individual's decision to participate in the

labor force can be a [personal](#) one. Some people may leave the labor force because they are discouraged about their job prospects, while others may have health concerns or family responsibilities.<sup>4</sup> Those with children may consider the availability and affordability of childcare. And according to some economic [research](#), young adult men—especially those between the ages of 21 and 30—may prioritize leisure—such as [playing video games](#)--over work. Given the many reasons people may leave the labor force, it is important to remember that not all cases of labor force withdrawal are grounds for societal concern.

The prime working-age labor force participation rate is not just a measure of workforce availability. It is also a gauge of resident and societal well-being. Although labor force withdrawal is less frequently discussed than unemployment, labor force withdrawal likely imposes [similar kinds of costs](#). For individuals discouraged about their job prospects, leaving the labor force is likely associated with a loss of income, reduced future earnings potential, worse job prospects, and poorer mental and physical health. For society as a whole, higher rates of labor force withdrawal are likely associated with higher rates of crime and possibly [lower rates of marriage](#). For these reasons and others, the District's social and economic vitality depends, in part, on reducing the barriers to labor force participation for prime working-age residents.<sup>5</sup>

# Fact #1

## The prime working-age labor force participation rate in the District exceeds that of the nation.

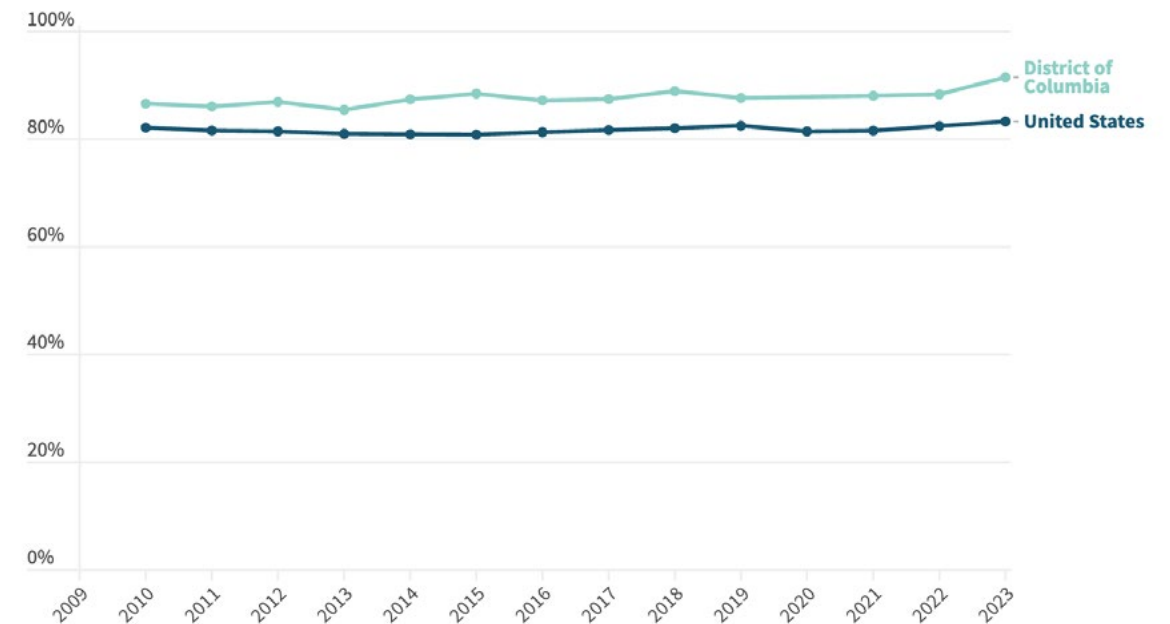
Between 2010 and 2023, the District's prime working-age labor force participation rate consistently exceeded the [national rate](#). While the U.S. experienced an increase of 1.1 percentage points, the District's rate rose by 4.9 percentage points, rising from 86.6 percent to 91.5 percent.

A striking feature of D.C.'s prime working-age labor force participation is the gap between residents born in the city and those born elsewhere. In 2010, this gap stood at 9.8 percentage points. By 2023, it had widened to 14.3 percentage points—an increase of 4.5 percentage points. One likely reason for the gap is that many people move to D.C. for work, especially for jobs in government or professional services.

The gap also raises questions about the ability of the District's public education system to prepare its high school graduates for the local labor market. Between the school years 2017-2018 and 2021-2022, the percentage of D.C. public high school graduates who enrolled in a higher education institution within a half year of graduating declined from [59 percent](#) to [53 percent](#). In a city where many jobs require a bachelor's degree, this decline in college enrollment is concerning. The decline underscores the need for the District's educational institutions to explore ways to better prepare students for the local job market.<sup>6</sup>

### Prime working-age labor force participation rates

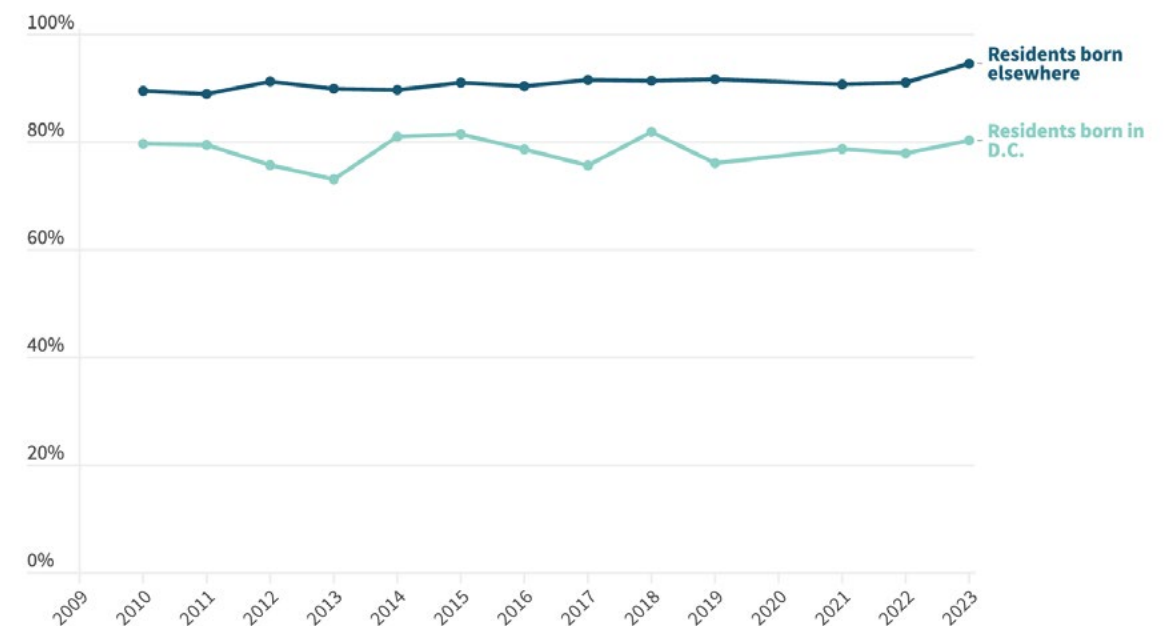
District of Columbia vs United States



Source: IPUMS ACS, FRED, and author's calculations. U.S. is seasonally adjusted.



Residents born elsewhere vs residents born in D.C.



Source: IPUMS ACS and author's calculations.



## Fact #2

### The gender gap in labor force participation rates among prime working-age D.C. residents narrowed between 2010 and 2023.

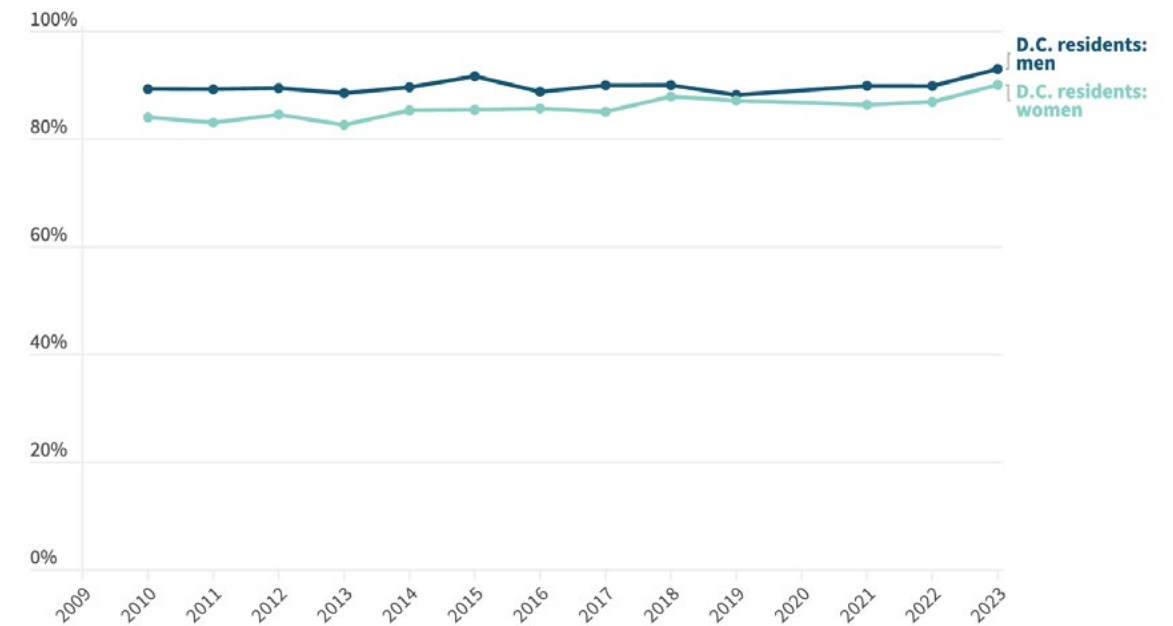
Historically, the national labor force participation rate of prime working-age men has exceeded that of women. This trend has held true for the District. The good news is that the District's gender gap has narrowed. Between 2010 and 2023, the labor force participation rate for prime working-age women increased by approximately 6 percentage points, and the rate for men rose by 3.7 percentage points. As a result, the gender gap narrowed by 2.3 percentage points—from a gap of 5.2 percentage points in 2010 to a gap of 2.9 percentage points in 2023.

Despite this progress, in 2023, women accounted for 61 percent of prime working-age District residents who were out of

the labor force.<sup>7</sup> This fact suggests that gender-related barriers remain. Identifying and addressing these barriers should be a focus of policymakers moving forward.

### Prime working-age labor force participation by gender

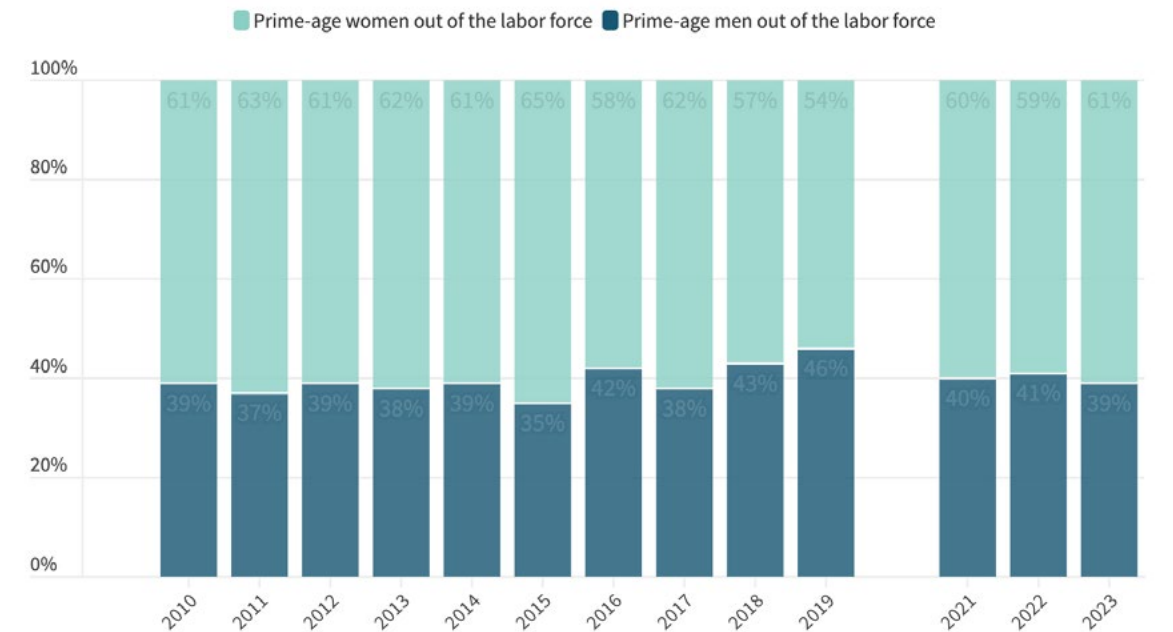
Labor force participation rates by gender



Source: IPUMS ACS and author's calculations.



### Composition of those not in the labor force



Source: IPUMS ACS and author's calculations.



## Fact #3

The labor force participation rate for D.C. residents in their late prime working-ages (ages 45 to 54) substantially increased between 2010 and 2023.

Among prime working-age D.C. residents, those in their late prime years—ages 45 to 54—saw a substantial increase in their labor force participation rate, rising from 78.8 percent in 2010 to 88.8 percent in 2023. The rate for those residents in their early prime years—ages 25 to 34—climbed from 88.4 percent to 91.9 percent, and the rate for those in their mid-prime years—ages 35 to 44—rose from 91.1 percent to 92.7 percent.

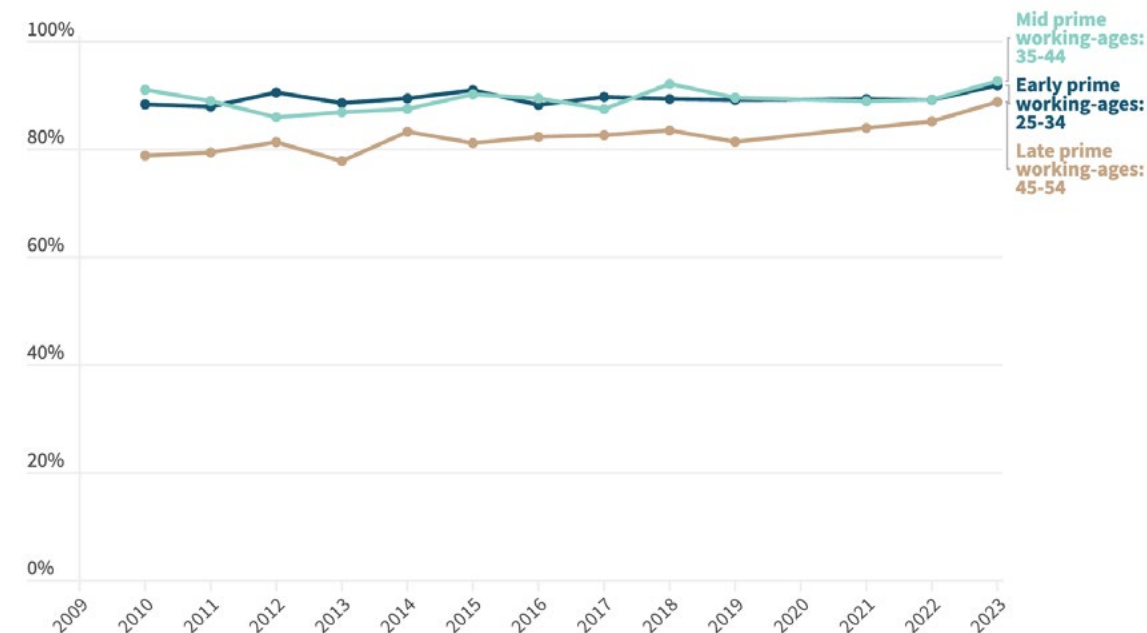
The increased labor force participation among late prime-age residents changed the composition of prime working-age residents out of the labor force. In 2010, the late prime cohort accounted for 42 percent

of those out of the labor force. By 2023, that share dropped to 29 percent. Given that the rise in labor force participation among late prime-age residents outpaced the decline in their overall population, this suggests that the shift in composition is primarily driven by greater labor force participation.

The increase in participation among late prime-age residents may be driven by changing retirement plans, financial obligations, better health, or greater job satisfaction. Whatever the causes, the uptick marks a notable shift in the District's labor force dynamics.

## Prime working-age labor force participation by age

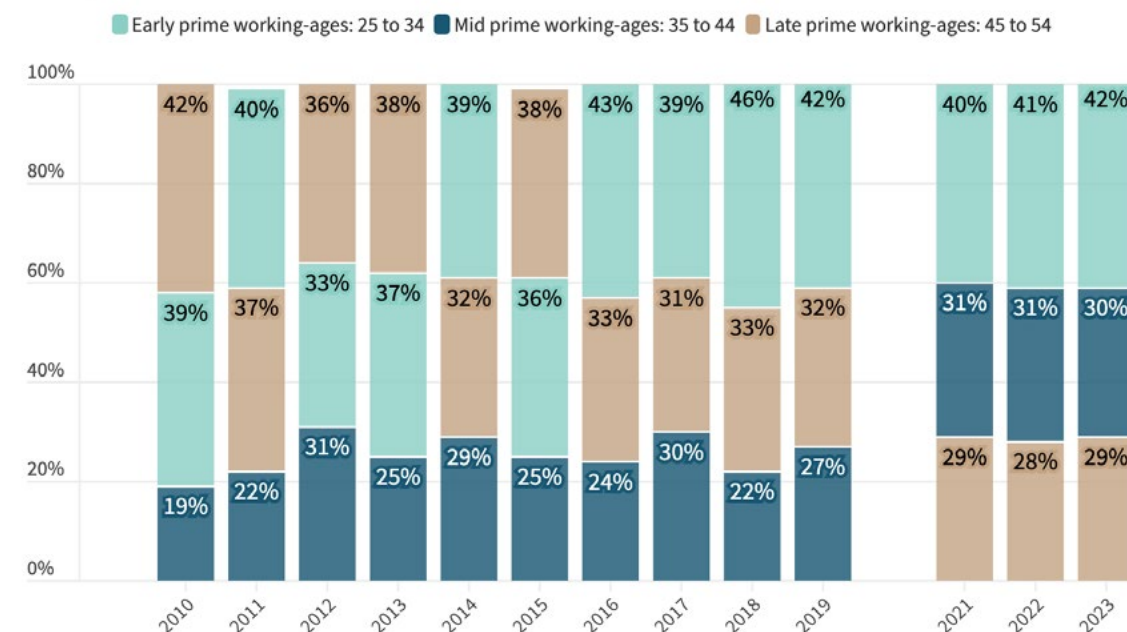
Labor force participation rates by age



Source: IPUMS ACS and author's calculations.



## Composition of those not in the labor force



Source: IPUMS ACS and author's calculations.



## Fact #4

The labor force participation rate for prime working-age residents with a high school degree or less declined substantially—by 9 percentage points—between 2010 and 2023.

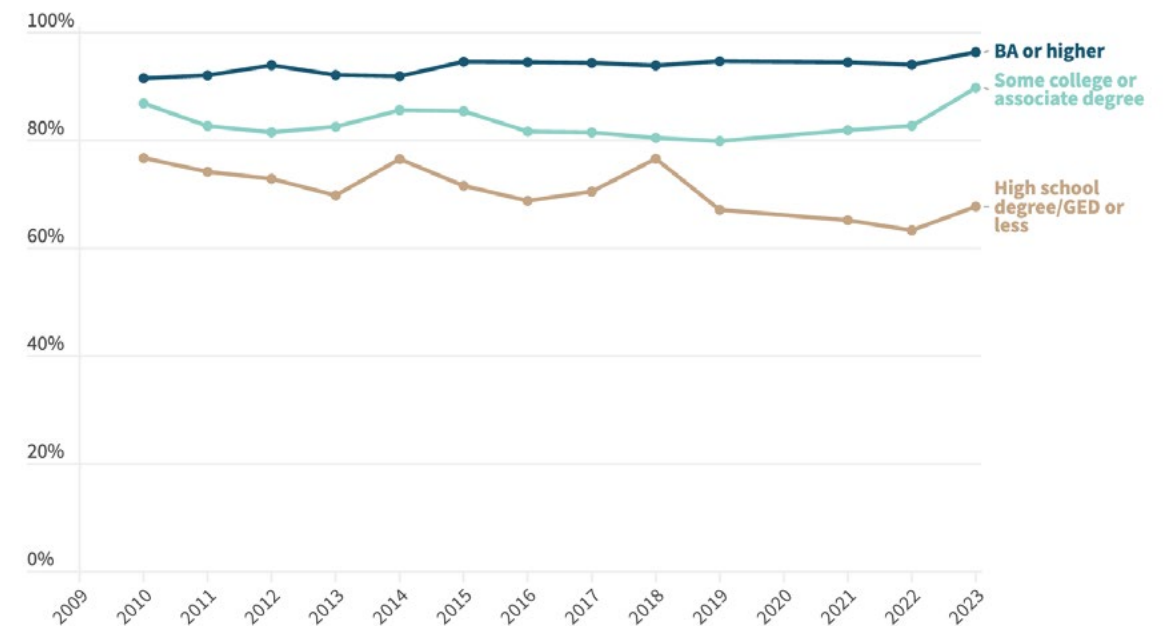
Nationally, [individuals](#) with higher educational attainment tend to participate in the labor force at higher rates than those with lower levels of educational attainment. And the District is no exception. The gap in prime working-age labor force participation rates between D.C. residents with a high school diploma or less and those with at least a bachelor's degree widened from 2010 to 2023. The rate for prime working-age D.C. residents with a high school diploma or less fell by 9 percentage points, while the rate for those with at least a bachelor's degree rose by 4.9 percentage points. As a result, the gap between these two groups increased from roughly 15 percentage points in 2010 to almost 29 percentage points in 2023.

Between 2010 and 2023, residents with a high school degree or less made up the largest share of prime working-age individuals who were out of the labor force. Meanwhile, individuals with a bachelor's degree or higher made up the second largest group, and those with some college education accounted for the smallest share.

The growing gaps in labor force participation rates are concerning. If left unaddressed, the declining labor force participation rate among working-age residents with lower levels of educational attainment is likely to have negative long-term consequences for the District, including greater inequality and reduced upward mobility.

## Prime working-age labor force participation by education

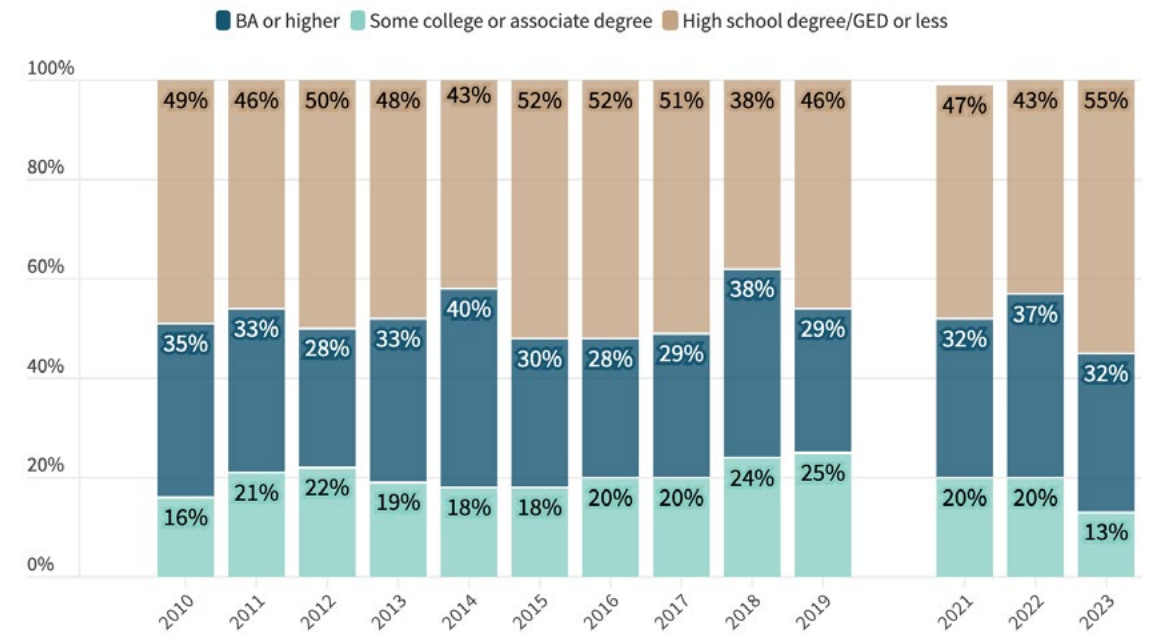
Labor force participation rates by education



Source: IPUMS ACS and author's calculations.



## Composition of those not in the labor force



Source: IPUMS ACS and author's calculations.



## Fact #5

### Despite overall increases, gaps in prime working-age labor force participation rates between white and non-white D.C. residents widened between 2010 and 2023.

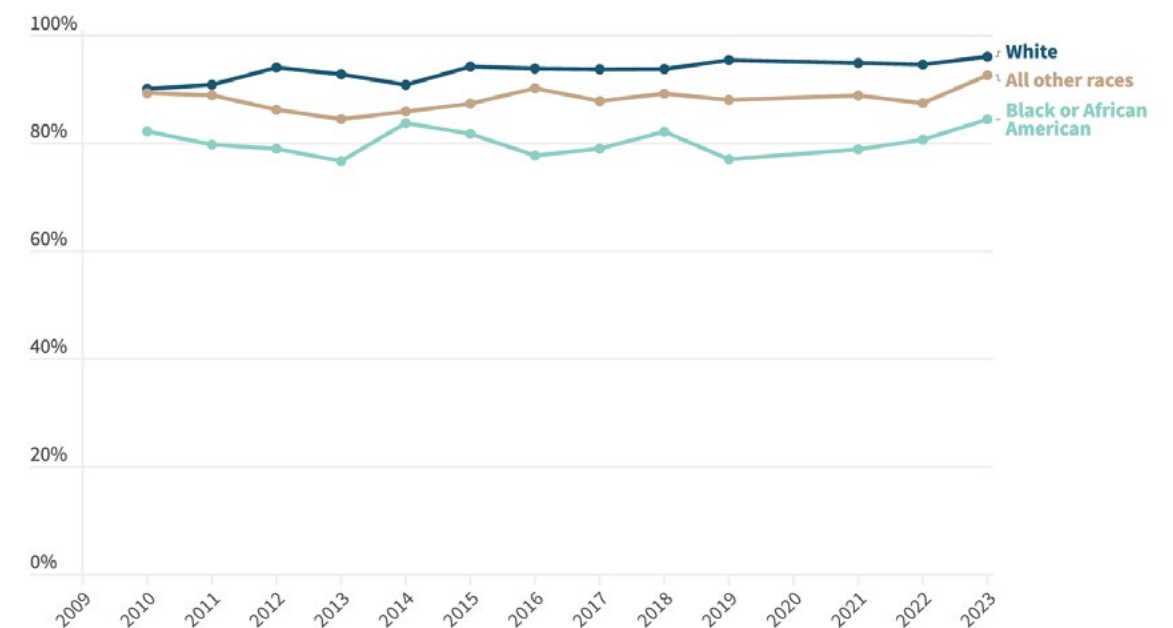
From 2010 to 2023, the labor force participation rate of prime working-age white D.C. residents increased from 90.1 percent to 96.1 percent. Rates for non-white residents increased by less. The rate for Black prime working-age D.C. residents increased by almost 2.3 percentage points, while the rate for residents of other races rose by 3.3 percentage points. However, despite the increases, the *gap* in labor force participation rates between white and Black residents widened by 3.7 percentage points, and the gap between white residents and those of other races grew by 2.7 percentage points.<sup>8</sup>

Throughout the period, prime working-age Black residents consistently made up more than half of prime working-age residents out of the labor force. Meanwhile, the share of white residents out of the labor force declined, while the share of residents of other races grew.

The gaps in labor force participation rates by race raise questions about structural barriers that primarily affect non-white residents. Such barriers likely include disparities in education and unequal access to job opportunities. Without thoughtful intervention, the District risks allowing these existing inequalities to persist and deepen over time.

### Prime working-age labor force participation by race

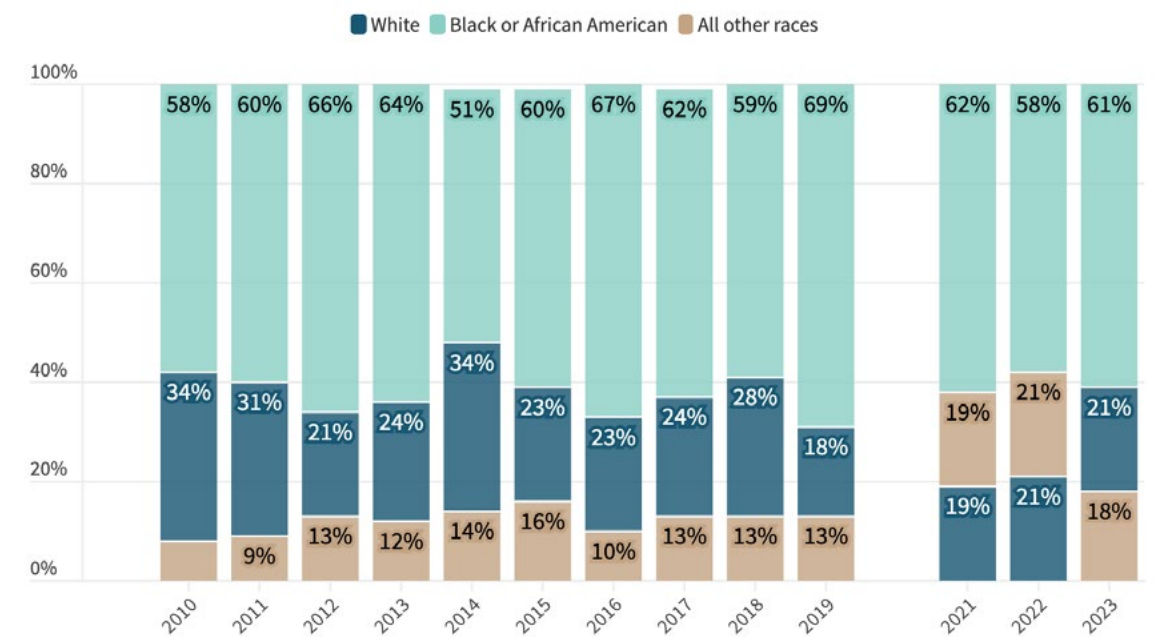
Labor force participation rates by race



Source: IPUMS ACS and author's calculations.



### Composition of those not in the labor force



Source: IPUMS ACS and author's calculations.



## Fact #6

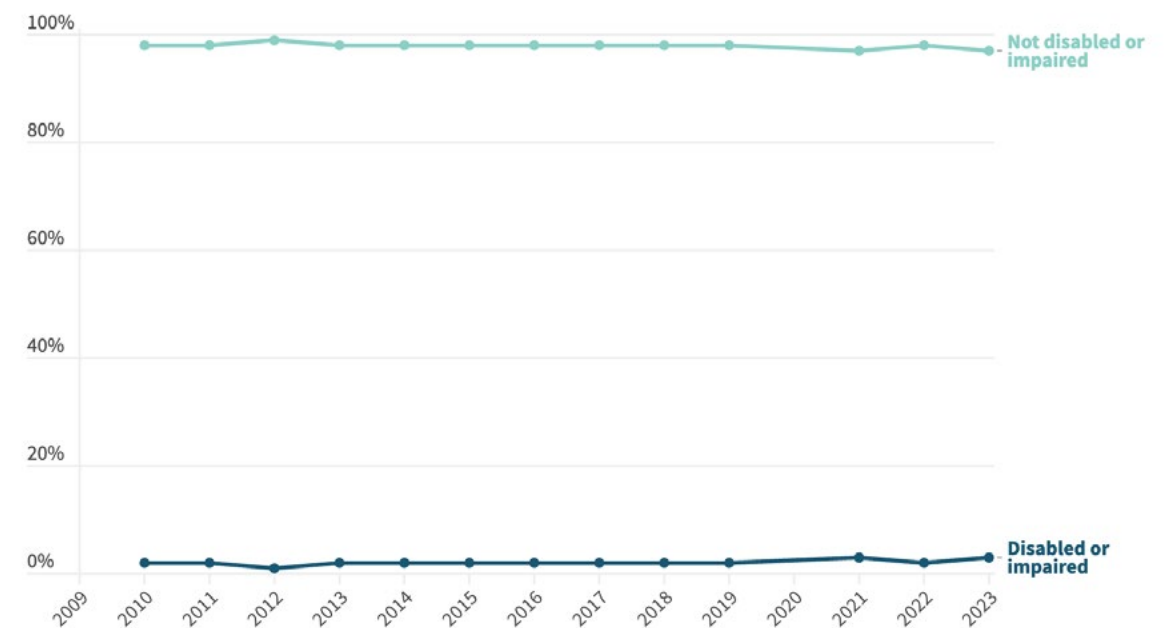
**A higher percentage of prime working-age residents who are out of the labor force live with disabilities or impairments compared to those in the labor force.**

While it is not possible to explore all the reasons why people exit the labor force, American Community Survey (ACS) micro-data offers hints. Between 2010 and 2023, 1 to 3 percent of prime working-age residents in the labor force lived with disabilities or impairments—including challenges related to [cognitive](#), [mobility](#), [independent living](#), [self-care](#), [hearing](#), or [vision](#). In contrast, 11 to 21 percent of those not in the labor force had disabilities.

To boost labor force participation among residents with disabilities or impairments, the District must identify and eliminate accessibility barriers.

### Prime working-age residents who are disabled or impaired by labor force status

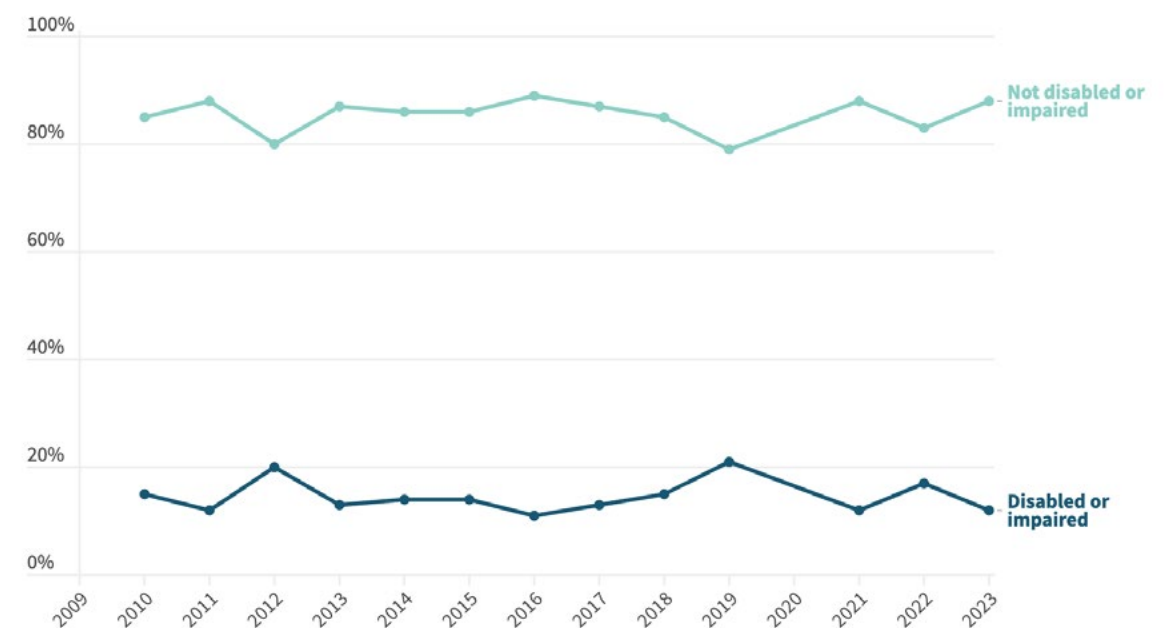
In the labor force



Source: IPUMS ACS and author's calculations.



Out of the labor force



Source: IPUMS ACS and author's calculations.





# Policy Implications

The District’s ability to address challenges affecting labor force participation among prime-working-age residents is critical for the city’s long-term economic and social vitality. The six facts in this report suggest the following areas of focus:

**Recommendation 1:** To close the labor force participation gap between native and non-native D.C. residents, the District would do well to evaluate how effectively its public schools prepare students for college and the local job market. Strengthening college and career readiness initiatives could boost labor force participation among D.C.-born residents. Strong [local talent pipelines](#) equip residents with essential skills, and, in turn, reduce the likelihood that residents withdraw leave the labor force.<sup>9</sup>

**Recommendation 2:** While labor force participation has increased among the District’s prime working-age women, their rate remains lower than that of men. To further close this gap, the District should invest in programs that lower barriers to labor force participation for women. Expanding access to affordable [childcare](#)—including options during non-traditional hours—could complement the city’s strong [paid family leave program](#) and free pre-K access. Further expanding childcare access would likely boost labor participation among prime working-age women.

**Recommendation 3:** To further encourage late prime-working age labor force participation, the District could incentivize lifelong learning and reskilling. Programs focused on updating skills—particularly for

growing sectors—may help workers stay engaged in the labor force.

**Recommendation 4:** The District already has a [strong charter school sector](#) offering adult high school education focused on post-graduation employment. Supporting these efforts through partnerships between local employers and education providers can ensure training programs align with employer needs and the skill gaps of residents. Such partnerships would likely further reduce labor force participation barriers for prime working-age residents with lower levels of educational attainment.

**Recommendation 5:** To reduce the gaps in labor force participation by race, the District should invest in targeted workforce development programs. Initiatives could include mentorship programs, business incubators for minority-owned enterprises, and job placement services designed to address hiring-related barriers for prime working-age non-white residents in D.C.

**Recommendation 6:** To further support labor force participation for residents with disabilities, the District should consider expanding tailored employment services such as vocational rehabilitation, job coaching, and employment support programs.

# Data Appendix

- This report’s analysis relies heavily on [IPUMS USA American Community Survey \(ACS\) microdata](#) for the years 2010 to 2019 and 2021 to 2023. IPUMS ACS data can be accessed [here](#). The prime working-age labor force participation rate for the United States can be accessed via [FRED](#).
- All IPUMS [ACS estimates](#) used to calculate labor force participation rates were statistically significant. However, it is important to keep in mind that ACS estimates are subject to sampling error.
- According to the [Bureau of Labor Statistics](#), the labor force participation rate “is the percentage of the population that is either working or actively looking for work.” The labor force consists of people who are “[employed](#)” or “[unemployed](#).” All ACS samples are restricted to prime working-age D.C. residents who do not live in [institutional quarters](#) and do not report a military [occupation](#). For example, the District’s prime working-age labor force participation rate is the number of prime working-age D.C. residents in the labor force divided by the total number of prime working-age D.C. residents not in the military or institutionalized.
- Labor force participation rates differ depending on the data source one uses—[IPUMS American Community Survey](#) (IPUMS USA ACS) or Current Population Survey (CPS) data. The BLS [reports](#) that “in 2022, the numbers of people in the U.S. that the ACS classified as “employed” and “unemployed” were higher than the official CPS estimates, while the number of people that the ACS classified as “not in the labor force” was lower than the office CPS estimate.”

# Endnotes

**1** Instead of the standard phrase “prime age,” this report uses “prime working-age” to refer to people between the ages of 25 and 54.

**2** The post-COVID economic recovery [led](#) to a national increase in the prime working-age male labor force participation rate. This increase helped recover some of the ground lost from a decline that started in the mid 1950s. As of early August 2024, the rate for prime working-age men [exceeded](#) its pre-pandemic level and trend.

**3** In the mid-2010s, economists highlighted that an increasing number of prime working-age men in the United States were not working. Between January 1955 and June 2024, the [labor force participation rate of prime working-age men](#) in the United States declined from 97.5 percent to 89.6 percent. In contrast, [the labor force participation rate for prime working-age women](#) increased from 38.9 percent to 77.9 percent. [Research](#) by economists Benjamin Austin, Edward Glaeser, and Lawrence H. Summers found that the problem of “[men without work](#)” tended to affect “[eastern heartland](#)” states rather than states near the coasts. The phrase “men without work” was coined by Nicholas Eberstadt.

**4** [Research](#) by economists Alan B. Krueger, Judd Cramer, and David Cho suggests that people experiencing [long-term unemployment](#) may be more likely to leave the labor force.

**5** See a June 2016 report by the Council of Economic Advisors entitled “The long-term decline in prime-age male labor force participation.” The authors write that “while no definitive studies link nonparticipation with broader outcomes, to the extent that nonparticipating individuals have become so discouraged about the prospects of finding work that they do not participate, it is reasonable to expect that many of the documented effects of unemployment beyond the simple loss of income extend to nonparticipation” (p. 5).

**6** For more on public education outcomes in the District, see Chelsea Coffin and Hannah Mason, “[State of D.C. Schools, 2022-23: Challenges to pandemic recovery in a new normal](#)” D.C. Policy Center, March 8, 2024.

**7** Throughout the period discussed, the labor force participation rate of prime working-age women in D.C. exceeded the [national rate](#).

**8** The “all other races” category [includes](#) people who identify as: “American Indian or Alaska Native,” “Chinese,” “Japanese,” “Other Asian or Pacific Islander,” “Other race,” “Two major races,” and “Three or more major races.”

**9** For more on local talent pipelines see, Emilia Calma and Yesim Sayin, “[The case for creating a local talent pipeline in the District of Columbia](#)” D.C. Policy Center, April 29, 2021.