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Sustained Neglect and Opportunities for Integrated Anchor-Cluster Development Strategies in Washington D.C.’s Southwest

If Washington D.C. is known for the stark east-west segregation between its white and black populations, the neighborhoods Bellevue, Washington Highlands, and Congress Heights in the far southwestern corner of the city are the most extreme examples of its segregation and poverty. Bordering Maryland on the east, the region is set apart from the rest of the city by major highways, I-295 to the west, and Suitland Parkway to the north. The U.S. Coast Guard Headquarters is located to its northwest, while D.C.’s major joint Navy and Air Force military base, Anacostia-Bolling, as well as the U.S. Naval Research Laboratory are located just on the other side of I-295. Along with the major military institutions, a slew of government-run shopping and lifestyle amenities are located on the periphery of the neighborhoods. The region contains about forty-thousand residents and two hospitals. There are almost no shops besides the gas stations and convenience stores sprinkled through the region. The Green Line of the Metro stops in Washington Heights, and a network of buses overlays the rest of the area. I chose to examine thirteen census tracts in and around Bellevue, Washington Highlands, and Congress Heights because of their shared proximity to military institutions and similar demographic, social and economic characteristics. The story of change over time in the neighborhoods is a story of neglect, as wages have stagnated and unemployment has remained stubbornly high. In the following economic base analysis, I will discuss the region’s demographic, economic and social characteristics, describe the major sources of employment in the neighborhoods compared to D.C. as a whole, and analyze how anchor-based and traded-sector economic growth can be merged to bring much-needed stable, well-paying employment to this part of the city.

William Julius Wilson’s descriptions of poor black communities in South Side Chicago in the ’90s resonate with the demographic profile of southwest D.C. today. The region is extremely homogeneous. Ninety-seven percent of the residents of the neighborhoods identify as black or African American, while only about one percent identify as white. Over the decade between 2000 and 2010, the area’s white population grew from 0.8 percent to 1.1 percent. Its Hispanic population grew at a similar rate, from 0.8 percent to 1.4 percent. In 2010, about forty-two percent of its population was under twenty-five years old, a slight decrease from the forty-seven percent of 2010, which is high compared to the thirty-three percent of individuals under 25 nationally. Housing patterns have remained similarly consistent. Fewer people are living in each household, shifting from 2.7 to 2.4 individuals per household in owner-occupied homes, with a smaller 0.1 percent shift from 2.6 to 2.5 people per household in renter-occupied homes. Across both time points, more than three quarters of all residents of southwest D.C. are renters. Educational attainment is low; only about ten percent of adults twenty-five or older have a Bachelor’s degree, and twenty percent have not finished high school at all. The neighborhoods have seen gains over the ten years after 2000, however, since only five percent had college degrees in 2000, and more than thirty percent hadn’t finished high school. Over the span of ten years, the population in the neighborhoods has dropped by less than four hundred, and its race, age and ethnicity characteristics generally reflect stability across almost every metric.

One of the most striking statistics coming out of the two census time points for Bellevue, Washington Highlands and Congress Heights was family composition and the rate of single-motherhood. More than three quarters of all families with children are composed of single mothers. This number has increased by a margin of five percentage points over the span between 2000 and 2010, unlike many other metrics indicating poverty in the neighborhoods that have decreased slightly over the decade. Only about fifteen percent of families living in the three neighborhoods were composed of married couples. [WJW commentary here]. In fact, the plurality of residents of the southwest district that I researched are single mothers living in rented homes.

The average resident works in a sales, office or service occupation, with unchanging levels of employment that is about thirty-three percent sales and office occupations and twenty-five percent service occupations. The third-largest occupation sector, including management, and professional occupations, comprised about twenty-four percent of the workforce across both time points. All other occupation sectors comprised less than ten percent of the workforce, including the sector including construction and manufacturing. As residents of Bellevue, Washington Highlands and Congress Heights have been unable to get professional and managerial jobs, they have also faced rampant unemployment. Twenty percent of working-age residents in the labor force were unemployed in 2010, compared to twelve percent in 2000. This statistic may be misleading, however, since unemployment nationally hit a thirty-year low in 2000 in a strong national economic period compared to the recession-era unemployment following the 2007 housing market crash. Even so, the percentage of people receiving public assistance has decreased from seventeen to fourteen percent of the residents. The average amount of money in 2010 dollars has also decreased, from about $4,200 in 2000 to $3,800 in 2010. Stagnant occupations and unemployment have led to stagnating wages. Median income in 2000 was $23,000, or about $30,000 in 2010 dollars, while in 2010, median income was about $30,800. Accounting for inflation, residents of the three neighborhoods have seen about a one-thousand dollar increase in their real wages over the ten years between 2000 and 2010. Poverty is both deep and wide in the neighborhoods; In 2000, twenty seven percent of residents were living under $10,000 a year, and that number has only decreased to about 19%, even as $10,000 is worth significantly less in 2010 than it was worth in 2000. In both 2010 and 2000, about thirty-seven percent of individuals were living in poverty, which is almost twice the national average.

The key observations motivating my investigation into these particular neighborhoods are the contrast between the seeming rich sources of employment in government jobs as well as high-wage traded sector jobs and the stubborn poverty of the area over time. An analysis of cross-sectional composition of the economy and discussion of regional specialization will help illustrate the dynamic between these neighborhoods, the city, the metropolitan area, and the nation as a whole. The Washington D.C. metropolitan area, which covers Northern Virginia and most of Maryland including Baltimore, is one of the wealthiest in the country. Absolute annual wages for the region are third highest in the country [cite cluster mapping], while absolute GDP per capita is seventh highest in the country. Growth has been strong for the region (with a GDP growth rate of 3.86 percent between 2001 and 2010 which is in the top third of growth rates for metropolitan regions). The metropolitan area’s labor specialization is the highest in the country in growth and absolute specialization with a 1.20% growth in labor specialization and almost 67 percent of traded employment is in D.C.’s strong clusters.

Broadly, Business Services is the largest cluster in the city, with half-a-million people employed in the sector in 2010 and a location quotient of 1.66 in 2010. Education and knowledge creation is the second largest cluster in the metropolitan area, with more than 200,000 people employed in the sector and a location quotient of 1.98. Financial services, marketing and communications each have large shares of employment. Within its Business Services cluster, Computer Services and Consulting are by far the largest sources of growth, contributing in large part to the relatively high growth rate and wages in the region, with more than 80,000 and 50,000 new jobs created for each sub-cluster respectively between 2000 and 2010. Research and development is a cross-sectoral strength of the D.C. metropolitan region. Research and development expenditures have remained 3rd highest in the country and in growth. Similarly, the metro area is the fifth highest concentration in venture capital in the country.

Narrowing in on the city itself, Washington D.C. has somewhat more moderate workforce specialization. For instance, Business Services have a location quotient of 1.24 in the city itself compared to the 1.66 of the metropolitan region. [More stuff about labor specialization in the city based on three-digit industries].

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