



D.C. POLICY CENTER

D.C. POLICY CENTER PROSPECTUS

Established in 2016, the D.C. Policy Center is a non-partisan, action-oriented research and policy organization committed to advancing policies for a strong and vibrant economy in the District of Columbia. A resilient and growing economy is the only sustainable way the District can support services for its growing population, tend to its infrastructure needs, and provide a robust safety net for its most vulnerable residents.

The D.C. Policy Center will inform policymaking by offering data and analyses on the District's economy and demography. The D.C. Policy Center will directly engage in policymaking by developing and promoting policy proposals, building coalitions to facilitate their adoption, and providing the strongest evidence and the most convincing arguments in support of our policy agenda. Our main audience includes key members of the District's public policy world who collectively shape the direction of policy in the District, such as the Mayor and executive appointees; Councilmembers and their staff; career civil servants; and engaged advocates, employers, business groups, associations, academics, and analysts.

This Prospectus explains why a new research and policy organization is necessary in the District, and how the D.C. Policy Center will fulfill this need.

Why a New Policy Center?

At present, no think tank or research organization in the District of Columbia has a comprehensive agenda promoting policies that recognize the importance of a strong economy and robust economic growth. While employers would like to influence the direction of policy, they often end up playing defense instead in response to policy proposals (such as paid leave or more stringent rent control) or they seek support for a single-issue, low-impact policy (such as a tax abatement). Engaged this way, employers, industry associations, and other key stakeholders in the business community are often disconnected from each other, and unable to articulate a unified vision. Thus, effort they exert and money they spend on lobbying activities often have little impact on the policy direction of the City.

Policies national advocacy groups bring to our city do not always fit well with our needs or the institutional and economic realities of the District. The District of Columbia presents policymakers with unique challenges. We are an open economy—an integral part of a metropolitan area made up of similar industries, employers, and workers—and, hence, we must constantly compete with our neighboring jurisdictions

for jobs, businesses, and residents. Yet we also need to collaborate and coordinate with the same jurisdictions on regional needs, such as transportation investments or workforce regulations, and do so while constrained by a lack of federal representation or full control over our policies and our budget. Demographic dynamics, too, extend beyond the District's borders, with people moving into the City as they find jobs, and out to neighboring jurisdictions as they form households, buy homes, and send their children to school.

Unlike other policy organizations, the D.C. Policy Center has a singular focus on the District's economy and residents. National think tanks and research institutions, or even advocates that focus on local policy issues, rarely consider the economic realities of the District. No other major city is so starkly separated from its broader metropolitan area by state lines, and no other state is so completely defined by its central city. The challenges—and opportunities—facing policymakers in the District of Columbia are likewise unique, as the city is administratively separated from its metropolitan region while economic and demographic trends

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reflect the employers and residents making decisions within the context of the entire region. A D.C.-focused, data-driven policy center, which puts in context the local and regional push and pull factors, can bring together policymakers, employers, industry leaders, community advocates, and other stakeholders to advance comprehensive policies that support a strong and growing local economy for all District residents.

Objective data and targeted, high-quality analysis are necessary for a productive policy debate—but are too often absent from District discussions. D.C. is home to many national organizations whose well-respected experts and their research offer an intellectual foundation for their local legislative agendas. Equipped with data,

analyses, and policy arguments from national campaigns, they can influence D.C. policymakers and score legislative victories without tailoring their proposals to the economic realities of the District. Over the last few years, this network effectively engaged the D.C. Council on several issues meant to help District workers in low-wage and low-skill jobs. As the D.C. Council considered legislation for a paid family leave program and scheduling restrictions on employers, it sought and received little input from employers, both private and not-for-profit. The resulting policy solutions unintentionally imposed avoidable burdens on employers, and could eventually harm the very workers they were meant to protect. The communications between employers and the D.C. Council were inadequate partly because there was no independent source of quality research that could give context for employers' concerns and quantify the potential impacts on low-skill employment; some Councilmembers who supported the legislative agendas voiced their own discomfort with the lack of robust analysis on the potential impact on the District's economy. The D.C. Policy Center will fill this gap by providing data, analysis, and policy proposals that take into account the full context of the District's economic landscape.

The D.C. Policy Center will proactively engage employers in local policy. The D.C. policy landscape now lacks a rigorous, independent research group that can analyze legislation and policy options in a way that reflects pro-growth priorities, and takes into consideration employers' concerns. Even policies that are meant to increase employment or spur economic growth are proposed without engaging the employers in the process. Meanwhile, without an avenue to constructively take part in policy discussions, the leaders of the District's major industries are missing larger opportunities to generate creative, comprehensive solutions. The D.C. Policy Center, which is currently incubated in the Federal City Council, is therefore uniquely positioned to bring employers into conversations about D.C.'s future. This will allow employers to engage with the policy process in a more proactive and thoughtful manner, which will, in turn, create more opportunities for D.C.'s many stakeholders to come together to find common ground.

D.C.: A Changing City

The District of Columbia is quickly changing. Some of these changes reflect broader national trends; others are tied to our unique regional and local factors. These conditions offer a challenging context for policymakers, who may find themselves navigating policy options and proposals that have worked in other localities but are not ideally suited for a city with circumscribed fiscal tools in an open, fiercely competitive economy:

- **Demographic change.** The District is in the midst of a population boom, driven by an influx of new residents who are disproportionately white, young, and affluent. Economic growth over the past decade has strengthened incomes for many, but also brought about rapid gentrification in many areas of the city. These forces are altering where people live and work, with attendant shifts in housing, transportation, and education patterns.¹
- **The challenge of inclusive growth.** Like many other cities, the District has high levels of income inequality,² partly driven by its diverse make-up, and partly by its labor market that heavily rewards skills and education, but offers few opportunities to those without training and qualifications.³ And, as is the case

¹ Families now populate the central corridor between Rock Creek Park and the Anacostia River, where housing prices rapidly increased. At the same time, certain parts of the city have not recovered yet from the housing price declines from the Great Recession. Combined with gentrification, this has made the City more segregated. See various essays on District-Measured.com.

² The District as of 2014, had the 7th highest income gap between the 95th and 20th percentile among U.S. cities. For details, see Natalie Holmes and Alan Berube, *City and Metropolitan Inequality On the Rise, Driven by Declining Incomes*, Brookings Institute, available at <https://www.brookings.edu/research/city-and-metropolitan-inequality-on-the-rise-driven-by-declining-incomes/>

³ See, for example, Glaeser, E. L., Resseger, M. G. & Tobio, K. *Urban Inequality*. nber.org (2008). Available at: <http://www.nber.org/papers/w14419.pdf>. (Accessed: 28 September 2016).

in many other cities, homelessness, lack of workforce housing, the need for infrastructure investments, and workforce development for the most disadvantaged residents are key challenges for our city.

- **A shifting workforce.** As the federal government takes on a less dominant role in the District's employment landscape, D.C.'s workforce is also becoming less economically diverse: Middle-wage jobs—the bulk of positions in professional and business service areas, health, and education—are no longer the engine of the District's economy, and a smaller share of low-income workers can afford to live in the city.⁴ And while two-thirds of our civilian workforce continues to be non-residents, more of our high-income residents with professional jobs are working outside the city; that means our employers face even stiffer competition from our neighboring jurisdictions in finding qualified employees.
- **Regional dynamics.** D.C. is an open economy—an integral part of a metropolitan area made up of similar industries, businesses, and workers—and hence must constantly compete with neighboring jurisdictions for jobs, businesses, and residents. Yet, we need to collaborate and coordinate with the same jurisdictions on regional policies such as transportation investments or workforce regulations, and do so while constrained by lack of federal representation or full control over our policies and budget.

The Mission of the D.C. Policy Center

The D.C. Policy Center will work to promote policies that fit the economic and demographic realities of the District. The D.C. Policy Center's work will serve as the research and analytical foundation on which new lines of growth-focused policy solutions can be built. Through rigorous research and collaboration, the D.C. Policy Center will test policy ideas, disseminate its findings, and engage in constructive dialogue and debate. It will foster debate based on its research and data, and offer practical policy solutions for elected officials and civic leaders. The D.C. Policy Center will also put forward comprehensive policy options to solve major problems in our city including: job creation, building and maintaining housing for middle and low income residents, workforce development, alleviating poverty, and infrastructure investment, among others. The unifying theme in our work is the premise that a strong and competitive economy creates the greatest range of options and the requisite resources for serving the needs of our city, especially our most vulnerable residents.

The D.C. Policy Center's immediate goal is to become a respected and influential institution in the District of Columbia, and establish a reputation for timely, high-quality, data-driven policy analysis.⁵ We will also facilitate forums for the exchange of ideas, seek to measure the impacts of policies, review current events, and provide data for public consumption. In the long term, the D.C. Policy Center will seek to create a new, stable, cross-issue network of policy leaders in the District that can work together to promote a strong, growing, and resilient local economy.

⁴ See 2016 BLS Occupation Employment Statistics.

⁵ Research shows that organizations become more influential as they age, and when they have a broad policy agenda or a large scale of operations. But they are also more influential if their research is precise and directly useful in policy formulation. Kent Weaver and James G. McGann, *Think Tanks and Civil Societies: Catalysts for Ideas and Action*, Washington DC, 2009, page 313.

The policy and advocacy world is crowded. In 2016, 427 organizations or individuals registered as lobbyists with the District of Columbia’s Board of Ethics and Accountability.⁶ Added to this are many organizations that write or produce analyses on the District of Columbia, testify at Council hearings, or serve as experts or pro bono researchers for the legislative or the executive branches. So how will the D.C. Policy Center emerge as a leading voice in what is already a crowded space?

The D.C. Policy Center has two key strengths that will help distinguish itself. First it has an unwavering focus on the District’s residents and economy, tracking population, jobs, wages and income, changes in industry structure, business conditions, housing fundamentals, activities in key industries, and changes in demography. Second, it has a commanding knowledge of the most recent and innovative research on urban economic and social policy, built on close ties with the Federal City Council and the D.C. business community, and drawing from the insights and experiences of our Advisory Board members.

The D.C. Policy Center will work closely with members of both the executive and legislative branches of D.C. government. Policymakers are our natural allies, and can become our most effective partners if we provide them with sound, intellectually rigorous ideas. The Center will also work with industry groups and associations providing them with ideas and research they can use in their advocacy. These groups have indicated that they are also open to sharing with the D.C. Policy Center data and information only their members have, providing the Center with formidable resources and a competitive advantage in industry and business analyses.

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The D.C. Policy Center’s Action Plan

The following observations inform our policy work:

- **Two groups of stakeholders shape policy in the District.** The first group is a stable network of local stakeholders that includes executive appointees and career civil servants, committee staff, and a well-connected group of specialists, researchers, and interest group analysts. The other group engages around a narrower set of interests and includes research and advocacy groups with national or even international agendas. While these national groups sometimes target the District as a convenient forum to showcase or advance certain priorities, these policies are not always appropriately tailored to our local economy. The D.C. Policy Center will offer data-driven analysis and actionable policy solutions for the first group—local stakeholders—as a home-grown, D.C.-oriented think tank with aspirations strongly centered on advancing economic and social welfare in the City.

⁶ District law requires individuals or entities to register as lobbyists if they receive compensation in an amount of \$250 or more from one or more sources for lobbying activities, or spend \$250 on lobbying in any three-consecutive calendar-month period.

- **To influence policy, the D.C. Policy Center must engage with many influential leaders and interest groups.** It will therefore build on its existing relationships to build a robust network of government officials, employers, local research organizations, and community groups.
- **Major policy changes can sometimes be accomplished quickly, or they may need persistent work over a long period.** Smaller policy changes now can often set the stage for more sweeping reforms down the road. The D.C. Policy Center will seek to affect significant changes over the long run, but will also embrace incremental improvements and near-term trade-offs that create a path to gradually improving suboptimal policies.
- **Institutions that cover a broad range of policy issues are more influential than single-issue or narrowly focused organizations.** The D.C. Policy Center will thus work in as many issue areas as resources allow as we develop a comprehensive vision and attendant policies for a strong and vibrant D.C.
- **Media visibility contributes to policymaking influence.** The D.C. Policy Center will be a major presence in print and electronic media.

The D.C. Policy Center's Work Products

The D.C. Policy Center's primary goal is to engage productively with policy leaders who set the pace and direction of policy change in the District of Columbia. Accordingly, the primary audience for our work products will be those policy leaders who collectively determine the direction of policy in the District. Our staff and Board Members will regularly meet with key members of the District's executive and legislative branches, as well as research groups, advocacy organizations, and industry groups and associations. We will identify leading participants in our issue areas to determine what synergies exist to help advance our policy goals in those areas. Our work products for our primary audience will include:

- **Policy proposals:** The D.C. Policy Center will produce proposals for reform in our key areas of engagement and look for opportunities to work with policymakers and advocates to facilitate their adoption. These proposals will help shape the larger policy conversations with empirical evidence and data-driven analysis.
- **Tracking the fiscal climate and executive capacity that affect policy outcomes.** The District does not always implement the legislation it enacts, often due to fiscal constraints or political roadblocks. The D.C. Policy Center will focus on developing policies that are politically and fiscally possible and have buy-in from the executive branch for actual implementation.
- **Testimony.** Testifying at the D.C. Council is not always the most effective mechanism for advancing ideas, but it is indicative of a group's energetic involvement in the broader policymaking process. Testifying on bills in our engagement areas is therefore another method to make key political leaders and policy audiences aware of the Center's work.
- **Tracking agency rulemaking.** Agency rulemaking, which is detailed and specific, can sometimes have as much or even more of an impact "on the ground" than legislation. Commentary on pending rules is an opportunity to influence final rulemaking and to signal valuable policy expertise. The D.C. Policy Center will take every opportunity to file comments in important, relevant administrative rulemakings.
- **Participation in policy debates.** Our staff will also engage constructively in policy debates to strengthen our brand, increase our visibility, help create new alliances, and ensure that we take advantage of every opportunity to improve public policy.

The D.C. Policy Center will also produce original research to build a reputation as a reliable source of strong, robust analyses. The audience for our original research products extend beyond policy leaders to

include researchers, journalists, and engaged citizens. Our primary goal for these work products is to reinforce credibility with policy leaders so they can comfortably and confidently embrace our policy agenda. These work products will include:

- **Regular blog posts focusing on the District's economy and other key policy areas** (e.g. housing, work-force development, infrastructure, poverty alleviation, and regional competitiveness.) Our blog posts will include data analysis, research findings, or reviews and constructive criticisms of other research when warranted. The posts will always have content or analysis original to the D.C. Policy Center.
- **Policy and issue papers on key engagement areas.** As the D.C. Policy Center grows and deepens its work, it will publish more extensive papers to form a stronger intellectual foundation for the Center's positions. We will publish these papers on our website and in relevant third party publications to reach new audiences.
- **Collaboration with other organization and associations.** Over time, formal and informal collaborations with other organizations will allow the D.C. Policy Center to build new repositories of data and information.

Concluding Thoughts

Advancing growth-focused policies for the District requires direct and regular engagement with lawmakers, coalition building, creative ideas, sound political strategy, and hard work. The D.C. Policy Center will work to guide the direction of policy and improve economic and social outcomes in the District. We are non-partisan, independent, and open-minded. We believe any idea can be debated and improved, and that people can disagree without being disagreeable or dogmatic. We will strive to be open and unbiased in our research. We will share our data and analyses, be involved in debates, and always look to find a better way in service of our City.

We hope you will support us in our endeavor.

Contact

**Yesim Sayin Taylor, Executive Director
D.C. Policy Center**

1156 15th St. NW Suite 500
Washington D.C. 20005
(202) 223-2233 (direct)
(202) 795-0049 (cell)
yesim@dcpolicycenter.org
www.dcpolicycenter.org