

In a job market downturn, workforce support policies are essential

The FY2027 budget invests in career readiness for students while cutting workforce training for adults. Both populations need support.

What the budget proposes

The FY2027 budget invests in high-impact tutoring, which gives individualized academic support to improve student outcomes, and Advanced Technical Centers (ATCs), which give students hands-on training in skilled careers. At the same time, it cuts funding for Adult and Family Education (AFE) grants by \$0.4 million, a cumulative reduction of \$2.5 million since FY 2025. These grants fund workforce training for adults who need foundational skills or credentials to compete in the job market.

What we found

Between February 2020 and December 2025, D.C. lost 79,800 jobs and remains 10 percent below its pre-pandemic employment peak. In December 2025, D.C.'s unemployment rate of 6.7 percent was one and a half times the national rate of 4.4 percent. The job losses aren't limited to federal government jobs; even traditionally strong segments of the private sector haven't recovered. Research shows that entering a recessionary job market has lasting consequences: lower lifetime earnings, fewer opportunities, and worse health outcomes. These associated effects can last for a decade or more.

Why it matters

When the job market is weak, cutting these programs is counterproductive. Workforce investments determine whether D.C. emerges from this period with a strong labor force, or a wider skills gap, higher unemployment rates, and a shrinking tax base. Cutting AFE while investing in younger students leaves adult workers who are already navigating a difficult economy without the training that helps them get ahead.

Recommendations

We recommend the Council consider the following budget actions:

- Maintain investments in high-impact tutoring and ATCs as essential supports during this labor market downturn.
- Restore the \$2.5 million cut to AFE grants. Workforce training for adults is a needed expense in a weak economy.



A city that works requires fiscal discipline, economic growth, and effective government services. Following the release of the D.C.'s 2027 budget proposal, experts from the D.C. Policy Center are sharing key insights for policymakers to consider as they review the budget proposal and prioritize investments.

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