D.C. POLICY CENTER
The Alice M. Rivlin Initiative

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Down 79,800 jobs

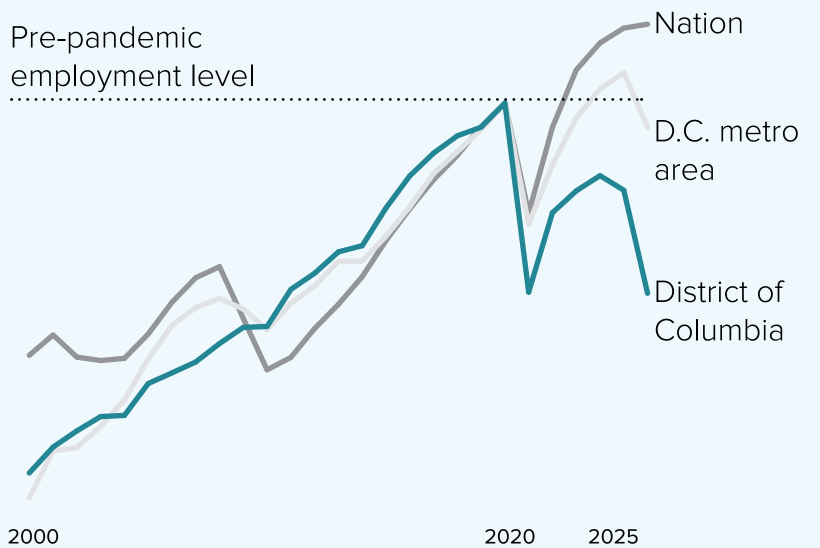
A risk to the District of Columbia's superstar status

With an educated, well-paid, and engaged workforce, the District of Columbia became a "superstar city." But the city shed 79,800 jobs between February 2020 and December 2025, putting its superstar status at risk. For young adults, entering a poor labor market can result in lower earnings, fewer employment opportunities, and greater difficulty building a career and starting a family.

What is a "superstar" city?

The notion of a superstar city was introduced by economists Joseph Gyourko, Christopher Mayer, and Todd Sinai. In their framework, a city becomes a superstar when demand from higher-income households consistently exceeds a constrained housing supply—causing housing prices to increase substantially.

In this report, **a superstar workforce is measured along three dimensions: educational attainment, wages, and labor force engagement**. Superstar cities often score well on all three, but with inequalities, such as widening gaps in wages and labor force participation between workers with higher and lower levels of educational attainment. The District of Columbia is no exception.



Poor post-pandemic job growth threatens the District's superstar status.
Between Feb 2020–Dec 2025, the city lost almost 79,800 jobs, lagging the broader D.C. metro area and national trends.

About the Alice M. Rivlin Initiative for Economic Policy and Competitiveness

The D.C. Policy Center's Alice M. Rivlin Initiative for Economic Policy & Competitiveness provides an in-depth and objective look at the factors that influence the District of Columbia's attractiveness and competitive position in the region and in the nation.

This work is grounded in the idea that strengthening D.C.'s competitive position requires a balanced study of how economic policy, business conditions, quality of life, access to opportunity and resources, and workforce dynamics all contribute to the city's growth and prosperity.

Read *Down 79,800 jobs: A risk to the District of the Columbia's superstar status* and other reports from the Alice M. Rivlin Initiative at dcpolicycenter.org.

Scan to read the report and other publications.

Weak job growth poses two risks for the city:

1. The immediate risk is **long-term damage to younger workers** entering the weak job market.

Entering a recessionary labor market is associated with lower earnings and worse employment prospects for a decade or more.

2. The contingent risk is that **talented workers leave the District** for elsewhere in the country.

Individuals who may leave are skilled and entrepreneurial younger people —the workers who are crucial for economic vitality in the District.

Preserving D.C.'s superstar status requires a comprehensive approach that aligns education, economic incentives, and housing policy.

Strengthen pathways from schooling to the workforce.

Further support apprenticeships and employer-guided training.

Offer targeted economic incentives.

Use tax-incentives to encourage job growth in export-oriented sectors, such as professional and technical services as well as cybersecurity or technology.

Build more housing.

Expand by-right development and reform zoning.