A Status Report on Maryland's Jurisdictions from the American Community Survey, 2011-2013

The Great Recession – the longest sustained decline in economic activity in the United States since the Great Depression of the 1930s - officially lasted from December 2007 to June 2009. But the legacy of that 18-month period of decline has been a lot longer due to a stubbornly slow recovery that has been in place since mid-2009.

Which jurisdictions in Maryland are still most affected by the Great Recession and its aftermath can be determined from the most recent release of American Community Survey data covering all 23 counties and Baltimore City.[1] This release of three-year American Community Survey data covers the 2011-2013 post-recession period and can be compared to data collected over the 2008 to 2010 period which roughly corresponds to most of the Great Recession period and the first year and a half of recovery.[2] By and large, it is some of the more rural jurisdictions on the Eastern Shore and in Western Maryland, which have had a harder time recovering the lost income and employment that was the product of the Great Recession.

Median Income

Maryland's median income fell by fell by just over $2,455, or 3.3 percent, between 2008-2010 and 2011-2013. In addition, 22 of Maryland's 24 jurisdictions experienced declines in inflation-adjusted median incomes between these two periods with nine of these drops statistically significant.[3] Of the nine jurisdictions which showed a statistically significant decline, the five with the largest numeric declines and double digit percentage declines and were either in Western Maryland (Garrett County, -6,205, or -12.9%), or on the Eastern Shore: Talbot (-$8,480, or -12.6%), Caroline (-$10,457, or -16.5%), and Somerset (-$11,385, or -25.7%). The declines in central Maryland were more modest, with the largest decline in Frederick (-$5,110, or -5.9%) and Charles (-$4,335, or -4.6%) counties.

There was an enormous difference between the lowest and highest median incomes for Maryland's jurisdictions in the 2011-2013 period. The median income for Howard County, at $107,452, is more than three times that of the lowest jurisdiction, Somerset, at $32,997. For the most part, household incomes are much higher in the central part of the state, and lower in the more rural areas in Western Maryland and on the Eastern Shore.

See Median Household Incomes: Map, Chart
See Change in Median Household Incomes: Map, Chart

[1] Release date, October 23rd, 2014 covers all census defined geographies of 20,000 or more in population.
[2] The Great Recession is generally defined as lasting from December 2007 to June 2009.
[3] A difference is statistically significant if it cannot be explained by chance alone, given the margins of error around the two estimates.

Total Poverty Rates

Although Maryland has one of the lowest poverty rates in the country, it continues to grow in the post-recessionary period. The overall poverty rate in Maryland in 2011-2013 was 10.2 percent, a statistically significant increase from the 9.1 percent rate in 2008-2010 (and up from 8.0 percent in 2006-2008, before the beginning of the Great Recession). As with income, there is a large difference among the jurisdictions in the percentage of the population living below the poverty line. Poverty rates were highest in the 2011-2013 period in Somerset County (27.1%) and Baltimore City (24.5%), approximately five times the poverty rate in Howard County (5.0%), which has the lowest rate in the state. As we move further away from the Great Recession, measures of poverty over the 2011-2013 period show that only Kent County had a statistically significant drop in poverty from 2008-2010, from 15.0 percent to 9.9 percent, a reduction of 5.1 percentage points. There were, however, 14 jurisdictions which did have (statistically significant) higher poverty rates in this most recent three-year period with the top six gains either in Western Maryland or on the Eastern Shore. By far, the largest increase was in Somerset County (up 12.9 percentage points) followed by Dorchester (up 5.7 percentage points) and Caroline (up 4.6 percentage points). Baltimore City had a relatively small increase (1.8 percentage points), while Howard County had the smallest statistically significant gain (from 4.0 % to 5.0%).

See Total Poverty Rates: Map, Chart
See Change in Total Poverty Rates: Map, Chart

Poverty Rates for Children and Seniors

Poverty rates for children are generally higher than the poverty rates for the overall population, and similarly, these rates are highest in Baltimore City and the more rural counties in Western Maryland and on the Eastern Shore. And, while there were no poverty rate declines for children in Maryland that were statistically significant, there were 11 jurisdictions which had statistically significant increases in addition to the state increase. For Maryland, the poverty rate for related children rose from 11.3 percent to 13.4 percent, a gain of 2.1 percentage points (and up from 9.6 percent in 2006-2008). The increase in poverty rates for some jurisdictions was alarmingly large, but for Somerset County, it was astronomical: from 17.6 percent to 42.4 percent, a gain of 24.8 percentage points. All of the larger gains were also on the Eastern Shore: +11.6 percentage points in Dorchester; +9.4 percentage points in Caroline; +8.0 percentage points in Talbot and +6.6 percentage points in Queen Anne's. As with overall poverty, the highest poverty rate for children is in Somerset (42.4%) with Baltimore City second at 35.2 percent. The lowest poverty rate for children in 2011-2013 is in Howard County (6.6%), although this was up from a 4.0 percent rate in 2008-2010.

Senior poverty (7.7%) for those ages 65 and over, on the other hand, is generally lower than the overall poverty rate, and unlike the poverty rate for children (or the overall poverty rate), there was not an increase between 2008-2010 and 2011-2013 (the 0.1% decline was not statistically significant). Among the jurisdictions, there were five which had statistically significant increases while two had statistically significant decreases. The largest gain by far was in Somerset (+7.4 percentage points), with all other gains (Charles, Queen Anne's, Calvert and Prince George's were less than 4.0 percentage points. Overall statistically significant declines in the elderly poverty rate occurred in Garrett (-5.1 percentage points) and Cecil (-4.1 percentage points). The highest poverty rate among seniors in 2011-2013 was in Baltimore City (17.3%), and Somerset (13.5%), while the lowest rates are found in Kent (3.5%) and Howard (4.2%).

See Poverty Rate for Related Children: Map, Chart
See Change in Poverty Rate for Related Children: Map, Chart

Food Stamp/SNAP Benefits

Part and parcel with the continued rise in poverty rates in the post-recessionary period has been an increase in the percent of households receiving food stamp/SNAP benefits.[4] Statewide the percent of households receiving these benefits increased from 7.0 percent in 2008-2010 to 10.7 percent in 2011-2013, a statistically significant increase of 3.7 percentage points (and more than double the 5.1 percent rate before the Great Recession in 2006-2008). Twenty-three out of Maryland's 24 jurisdictions had statistically significant increases, with the largest gains occurring in Baltimore City and several jurisdictions on the Eastern Shore or Western Maryland. For Baltimore City, just over one-fourth of all households (25.2%) receive these benefits while nearly one-quarter of households in Somerset County (23.4%) received these benefits during the 2011-2013 period. These two jurisdictions also had the largest increase in the share of households receiving these benefits, with Somerset's share rising by 9.5 percentage points and Baltimore City's share by 8.3 percentage points from the 2008-2010 period.

See Percent of Households Receiving Food Stamp/SNAP Benefits: Map, Chart

See Percentage Point Change in Household Receiving Food Stamp/SNAP Benefits: Map, Chart

Unemployment Rate

One of the hallmarks of a typical post-recession recovery is that the unemployment rate falls. This has not been the case with the recovery from the Great Recession as the statewide unemployment rate over the 2011-2013 period (8.2%) is substantially higher than during 2008-2010 (7.4%). All of Maryland's jurisdictions also had increases in their unemployment rate in this latest three-year period, with eight of these changes statistically significant. The largest percentage point gain was in Worcester (+5.0 percentage points) and in Garrett (+2.9 percentage points) counties. Baltimore City had the highest unemployment rate in the state in the 2011-2013 period (14.3%), followed by the Eastern Shore counties of Dorchester (12.4%), Worcester (12.3%), Caroline (10.8%) and Wicomico (10.5%).

See Unemployment Rate: Map, Chart
See Percentage Point Change in the Unemployment Rate: Map, Chart

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[4] SNAP stands for the Supplemental Nutrition Assistance Program

Labor Force Participation Rate

During the Great Recession as the number of unemployed people rose sharply, the percent of the population ages 16 and over in the labor force also dropped. The latter statistic, known as the labor force participation rate, continues to fall in the post-recessionary period. Statewide, the labor force participation rate fell a statistically significant 1.2 percentage points (from 70.0 percent in 2008-2010 to 68.8 percent in 2011-2013). Among the state's 24 jurisdictions, there were 10 with statistically significant declines and none with a statistically significant increase. Of those that declined, three of the top four - Caroline, Kent and Wicomico – are all on the Eastern Shore, with the fourth (Charles) in Southern Maryland. There are several reasons for a declining labor force participation rate, including an increasing number of voluntary retirees, but a decline can also be a function of an increasing number of people who leave the labor force (i.e. are not working and are not actively seeking work) because of difficulty in finding work.

See Labor Force Participation Rate:* *Map, Chart
See Percentage Point Change in the Labor Force Participation Rate:* *Map, Chart

Homeownership Rate

During the Great Recession, thousands of homeowners nationwide lost their homes through foreclosure or abandonment, as jobs were lost or egregious mortgage rates kicked in on inflated housing prices. The fallout from this tumult in the housing market continues as the homeownership rate in Maryland continues to fall in the post recessionary period. During the 2011-2013 period, 66.8 percent of Maryland households were homeowners, a statistically significant drop from the 68.2 percent rate during the 2008-2010 period. Nine of Maryland's 24 jurisdictions had statistically significant declines in homeownership rates in this latest post-recession period, with the largest drop occurring in Talbot and Dorchester counties, where homeownership rates declined by 7.6 and 5.7 percentage points respectively. Other areas experiencing significant declines were the two Southern Maryland counties of Calvert (-3.0 percentage points), and Charles (-4.9 percentage points) as well as Kent County (-4.5 percentage points) on the Eastern Shore. In the 2011-2013 period, Baltimore City had the lowest homeownership rate (47.1%) while Queen Anne's had the highest (83.6%).

See Homeownership Rate:* *Map, Chart
See Percentage Point Change in Homeownership Rate:* *Map, Chart

Median Value of Homes

It was the run-up of housing prices to unsustainable levels, fueled to a large extent by easy credit, and the collapse of this housing price bubble that plunged the nation into the Great Recession. Post-recession, housing values continue to fall, with statewide inflation-adjusted values down $39,000, or 12.1 percent, in the 2011-2013 period compared to 2008-2010. All 24 jurisdictions of the state's jurisdictions also experienced declines in values, with 20 of these declines statistically significant. The largest percentage losses were in the central Maryland counties of Prince George's (-21.0%) and Charles (-18.4%), both of which also suffered a disproportionate number of foreclosures in the post-recessionary period. Following these two counties were Washington County (-15.5%) in Western Maryland and Caroline County (-15.5%) on the Eastern Shore. In a switch, however, from the many other indicators which have shown greater post-recessionary stress in Baltimore City and in the more rural counties, the percentage decline in home values were not statistically significant in Garrett and Allegany counties in Western Maryland or Somerset County on the Eastern Shore. Central Maryland still has by far the highest valued homes, however, with the highest values in Montgomery ($444,100) and Howard ($419,200) counties, while nine of the lowest valued homes were located on the Eastern Shore or in Western Maryland and Baltimore City. Queen Anne's County ($339,900) had the highest housing value on the Eastern Shore in 2011-2013 and was the fourth highest in the state.

See Median Value of Homes: Map, Chart
See the Percent Change in Median Value of Homes: Map, Chart

Median Monthly Owner Costs

With a drop in value of owner-occupied homes, (along with a drop in interest rates), post-recession median monthly owner costs (for those homeowners who have a mortgage) also declined. Statewide, these median costs declined by an inflation-adjusted $230 or 10.6 percent between 2008-2010 and 2011-2013. All 24 jurisdictions also showed declines, with 18 of these declines statistically significant. The largest percentage decline was in Talbot County (-15.0%, or -$295), a reduction that amounts to $3,500 over the course of a year. The next three largest percentage declines occurred in Prince George's (-14.6%), Dorchester (-13.6%), and Caroline (-12.4%) counties. The smallest declines tended to be on the Eastern Shore (Queen Anne's, Worcester, Wicomico and Somerset), and in Western Maryland (Allegany and Garrett counties), but among these only Wicomico's decline was statistically significant. By and large, total median owner costs in 2011-2013 are far higher in central Maryland than in the rural parts of the state, with median owner costs for the two highest, Montgomery ($2,423) and Howard ($2,446), more than twice that of the two lowest, Garrett ($1,193) and Allegany ($1,097).

See Median Monthly Owner Costs: Map, Chart
See Percent Change in Median Monthly Owner Costs: Map, Chart

Monthly Renter Costs

While monthly owner costs dropped along with a drop in values in the post recessionary period, there was no statewide statistically significant inflation-adjusted increase in the median gross rent even as there was an increase in the share of households that became renters. There were only six jurisdictions which showed statistically significant changes, with two declines and four increases. The largest numeric increase was in Calvert County ($225), a 17.2 percent gain which brought the gross monthly rent to $1,532 from $1,307. The largest percentage increase was in Garrett (19.8%), bringing its monthly rent to $720 from $601. Baltimore City had a small decline (-$26, or – 2.8%), while Queen Anne's drop was much more significant (-220, or -16.1%). Monthly rents are much higher in central Maryland, particularly in Montgomery, Calvert and Howard counties and lowest in Western Maryland and on the Eastern Shore.

See Median Monthly Renter Costs: Map, Chart
See Percent Change in Median Monthly Owner Costs: Map, Chart

Monthly Owner Costs as a Percent of Income

Although both income and monthly owner costs fell in the post recessionary period, the good news is that statewide homeowner costs (-10.6%) fell more than median household income (-3.3%) and this has translated into a drop in the percent of homeowners with a mortgage paying at least 35 percent of their income for housing costs (a traditional measure of cost burdened homeowners). In the 2011-2013 period, 25.3 percent of Maryland homeowners with a mortgage were paying 35 percent or more of their income for monthly costs, down from 29.3 percent in 2008-2010. Ten of Maryland's 24 jurisdictions also had statistically significant declines in their share of cost burdened homeowners, with the largest drops occurring in Prince George's, Harford, St. Mary's, Montgomery and Frederick counties, while no jurisdictions had statistically significant increases. For the most part, Eastern Shore home owners are more financially stressed than in other parts of the state, having five of the top six jurisdictions with the highest shares of cost-burdened homeowners, led by Worcester (32.7%), Dorchester (32.1%) and Kent (32.1%) counties.

See Percent of Homeowners Paying 35 Percent or More of Income for Housing: Map, Chart
See Percentage Pt Change in Homeowners Paying 35 Pct. or More of Income for Housing: Map, Chart

Renter Costs as a Percent of Income

Unlike the improving picture for cost-burdened homeowners, there was a statistically significant increase in the percent of renters paying at least 35 percent of their incomes for rent, rising statewide from 41.5 percent in 2008-2010 to 42.4 percent in 2011-2013. However, there were only six jurisdictions with statistically significant increases, with the largest increase of cost-burdened renters occurring in Caroline (rising from 34.7 percent to 48.3 percent) and Talbot (rising from 40.1% to 52.3%) counties. The four other significant increases were in Frederick (34.1% to 41.8%), Howard (35.0% to 39.7%), Baltimore (40.1% to 42.5%) and Prince George's (40.1% to 42.1%) counties. As with homeowners, Eastern Shore renters are in general more cost burdened than renters in central Maryland counties, with the top four (and six of the top eight) counties with the highest share of renters paying at least 35 percent of their incomes for rent located on the Eastern Shore.

See Percent of Renters Paying 35 Percent or More of Income for Rent: Map, Chart
See Percentage Point Change of Renters Paying 35 Percent or More of Income for Rent: Map, Chart

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