State and Most Maryland Jurisdictions Have Incomes Below a Decade Ago

There are 16 jurisdictions in Maryland which meet the minimum population threshold (65,000) that allow for single-year estimates from the American Community Survey. Below are some of the highlights of a comparison of median household income estimates between 1999 (from the 2000 Census) and the single-year American Community estimates over the 2006 thru 2012 period. **All income figures and changes in income are expressed in constant 2012 dollars.**

- The Great Recession, which lasted from December 2007 thru June 2009, and the subsequent slow recovery since that time, has had significant effects on median household income in Maryland. For the state as a whole, median household income peaked in 2007 at $75,391, a rise of 3.5 percent from 1999 levels, but between 2007 and 2012 income declined by nearly $4,300 (-5.7%). As a result, Maryland's median household income in 2012 was over $1,700 (or -2.4%) *below* the 1999 level. (See **Median Household Income, 1999-2012.)**

- Twelve of the 16 jurisdictions for which there is data also had lower median household incomes in 2012 compared to 1999. The largest percentage declines occurred in Baltimore (-10.6%), Cecil (-9.4%), Allegany (-9.3%) and Prince George's (-8.2%) counties. (See **Map 1**.)

- During the rise to the peak incomes between 1999 and the mid-2000s, the largest percentage increases occurred in the three Southern Maryland counties of St. Mary's (+23.8%), Calvert (+15.9%) and Charles (+11.0%) counties. (See **Map 2**.)

- In general, it has been the more rural or outlying suburban counties that have been hit the hardest by the Great Recession and the housing bust and which showed the greatest decline from peak incomes to 2012 (Calvert, Cecil, Carroll, Wicomico and Washington counties). (See **Map 3**.) But there were also demographic changes that have played a role in some of these income changes. For example, Baltimore County, with the largest percentage decline in income since 1999 (and never had a higher income than 1999 during the 2006 to 2101 period), had the largest increase in the African American population in the state between 2000 and 2012, while at the same time experienced the second largest decline in non-Hispanic whites (after Prince George's County). During the 1999 to 2012 period, median household incomes declined by 6.7 percent for non- Hispanic whites and 12.1 percent for African Americans in Baltimore County. (See **Chart 1** and **Chart 2**.)

- However, it is not always the case that increases in minority populations leads to lower overall incomes. For example, Charles County saw its median household income grow by nearly $5,200 (6.0%) between 1999 and 2012, the third largest numeric and percentage increase among the 16 jurisdictions. During the 2000 to 2012 period Charles County's population increase was led by gains in African Americans, which was the fourth largest increase in the state, while also experiencing declines in its non-Hispanic white population (which was the fifth largest decline in the state). These demographic changes resulted in the County's minority share increasing from

32.7 percent in 2000 to 53.1 percent in 2012, the largest percentage point increase in minority share in the state. Over this time period, median household incomes of African Americans grew by 19.4 percent much greater than the 0.7 percent increase of non-Hispanic whites. (See **Chart 3** and **Chart 4**.)

- Allegany County had the lowest median household income in the state ($38,509) in 2012, below that of Baltimore City ($39,241), although this difference is NOT statistically significant at the 90 percent level of confidence. Between 2010 and 2012, Allegany's median household income went up by nearly $1,400 (3.8%), while the City's median household income declined by just under $1,000 (-2.5%), although neither change was statistically significant. In short, there as yet does not appear to be any significant economic improvement associated with the small increase in population in the City that occurred over the 2011 to 2012 period (1,126, or 0.2%), the first recorded increase in the City since the 1950s.

- Baltimore City's median household income actually grew between 1999 and 2008 by nearly $1,350 (3.2%), before declining. As a result of this subsequent decline, the City's 2012 median household income is about $2,200 (-5.3%) below its 1999 level.

- Howard County maintains the highest median household income in the state in 2012 ($108,844) as it did in 1999, and is one of only four counties in which its 2012 median income was actually higher than in 1999 (+$6,641, or 6.5%). But it is only because of the increase between 2011 and 2012 ($7,841, or 7.8%) that the 2012 income is above what it was in 1999. The County's median household income peaked at $112,590 in 2007 and experienced a nearly $3,746 (-3.3%) decline between 2007 and 2012, one of the smaller drops from a peak period.

- Montgomery County had the second highest median household income in 2012 ($94,965) as it did in 1999. But Montgomery's 2012 median household income is not statistically different from Charles ($90,880) and Calvert ($87,449) counties.

- Of the four jurisdictions with larger numeric incomes in 2012 compared to 1999, the largest increase over this time period was in St. Mary's County despite a rather large decline which occurred between 2010 and 2011 (-9,611, or -10.3%). The County's 2012 median household income of $86,358 was just over $10,900 (14.6%) higher than in 1999. While this difference is greater than the margin of error around the 2012 estimate (+/- $2,573), implying that the difference between 2011 and 1999 is statistically significant, estimates of median household income for St. Mary's has shown a large amount of variation, meaning the estimate for any single year is somewhat unreliable. An indication of this volatility is the nearly $15,400 increase in the County's median income estimate between 2009 and 2010, just before the large decrease in the following year.