A Status Report on Maryland's Jurisdictions from the American Community Survey

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 have been most affected by the Great Recession and its aftermath can now more readily be determined from the recent release of American Community Survey data covering all 23 counties and Baltimore City.[1] The most recent release of three-year American Community Survey data covering the 2010-2012 post-recession period can be compared to data collected over the 2007 to 2009 period which roughly corresponds to the Great Recession.[2] By and large, it is some of the more rural jurisdictions on the Eastern Shore and in Western Maryland, as well as Baltimore City, 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 in the post recessionary 2010-2012 period fell by just over $2,900, or 3.9 percent. In addition, twenty of Maryland's 24 jurisdictions experienced declines in inflation-adjusted median incomes between 2007-2009 and 2010-2012, (of those four with a numeric gain, none of the increases were statistically significant).[3] Of the 20 jurisdictions which showed a drop, 11 of these had a decline which was statistically significant. Among these jurisdictions, the four largest numeric and percentage declines were all on the Eastern Shore: Somerset (-$6,705, or -15.1%), Dorchester (-$6,343, or -12.9%), Talbot (-7,403, or -11.1%) and Cecil (-$5,884, or -8.3%) counties. In central Maryland, the largest numeric decline was in Montgomery County (-$5,099, or -5.1%), while Baltimore City had the largest percentage drop (-5.2% or a -$2,182 decline).

There was an enormous difference between the lowest and highest median incomes for Maryland's jurisdictions in the 2010-2012 period. The median income for Howard County, at $106,222, is nearly three times that of the lowest jurisdiction, Somerset, at $37,733. 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

[1] Release date, November 14th, 2013 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.

See Change in Median Household Incomes: Map, Chart

Total Poverty Rates

Although Maryland has one of the lowest poverty rates in the country, it continued to grow in the post-recessionary period. The overall poverty rate in Maryland in 2010-2012 was 10.1 percent, a statistically significant increase from the 8.4 percent rate during the 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 2010-2012 period in Baltimore City where just over one-quarter of the population (25.2%) lives in poverty, five times the poverty rate in Howard County (5.0%), which has the lowest rate in the state. Post-recession measures of poverty over the 2010-2012 period show that there were no statistically significant drops in poverty among Maryland's 24 jurisdictions (the largest drop of 3.7 percentage points recorded for Kent County, is NOT statistically significant). There were, however, 14 jurisdictions which did have (statistically significant) higher poverty rates post-recession than during the recession. Five of the six largest increases occurred either on the Eastern Shore or in Western Maryland, with the exception among the top six being Baltimore City, which with a 5.1 percentage point gain had the largest increase statewide along with Wicomico County. Following these two jurisdictions were poverty rate gains in Dorchester, Talbot, Allegany and Queen Anne's counties. The lowest significant increase (of one percentage point) occurred in the central Maryland counties of Baltimore, Montgomery and Howard.

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, like the overall poverty rate, there were no post-recession poverty rate declines for children in Maryland that were statistically significant, but there were 10 jurisdictions which had statistically significant increases. The increase in these poverty rates for some jurisdictions are alarmingly large: 9.6 percentage points in Wicomico; 8.8 percentage points in Dorchester County and Baltimore City, 6.2 percentage points in Queen Anne's County and 5.8 percentage points in Harford County. As with overall poverty, the highest poverty rate for children is in Baltimore City, where well over one-third of all children (36.3%) live in poverty, up from just over one-quarter (27.5%) in the 2007-2009 period. The lowest poverty rate for children in 2010-2012 is in Howard County (5.9%), although higher than in 2007-2009 (4.1%), this increase is not statistically significant.

Senior poverty (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, there was actually a small, but statistically significant drop in the senior poverty rate for Maryland from 2007-2009 (8.0%) to 2010-2012 (7.6%). Among the jurisdictions, there were no statistically significant increases and only two jurisdictions with a statistically significant decrease (Worcester and St. Mary's). The highest poverty rate among seniors in

2010-2012 was in Baltimore City (18.0%), and Dorchester County (10.6%), while the lowest rates are found in Worcester (4.4%) and St. Mary's (4.1%).

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 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 5.8 percent to 9.9 percent, a statistical significant increase of 4.1 percentage points. Twenty-two out of Maryland's 24 jurisdictions had statistically significant increases. The largest gains occurred in Baltimore City and five jurisdictions on the Eastern Shore: Dorchester, Caroline, Wicomico, Somerset, and Kent counties, as well as Garrett County in Western Maryland. For Baltimore City, nearly one-fourth of all households (23.8%) and for Dorchester County, just over one-fifth of all households (21.8%), received these benefits during the 2010-2012 period, up 10.3 and 8.2 percentage points respectively, the two largest increases in the state.

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 2010-2012 period (8.6%) is substantially higher than during the 2007-2009 recession period (6.3%). All of Maryland's jurisdictions also had increases in their unemployment rate in the post-recessionary period, with 19 of these changes statistically significant. The largest percentage point gains were on the Eastern Shore (Worcester, Talbot, Cecil, Caroline, Wicomico), Western Maryland (Washington) and in Baltimore City. Baltimore City had by far the highest unemployment rate in the state in the 2010-2012 period (15.4%), followed by the Eastern Shore counties of Dorchester (13.3%), Wicomico (11.4%), Worcester (10.8%) and Cecil (10.3%).

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

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, continued to fall in the post-recessionary period. Statewide, the labor force participation rate fell a statistically significant 0.7 percentage points (from 69.7 percent in 2007-2009 to 69.0 in 2010-2012). Among the state's 24 jurisdictions, there were 10 jurisdictions with statistically

[4] SNAP stands for the Supplemental Nutrition Assistance Program

significant declines and only one (Anne Arundel County) with a statistically significant increase. Of those that declined, four of the top five - Kent, Caroline, Wicomico and Allegany – are all on the Eastern Shore, with the fifth (Garrett) in Western 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 thru 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 2010-2012 period, 67.1 percent of Maryland households were homeowners, a statistically significant drop from the 69.2 percent rate during the 2007-2009 period. Ten of Maryland's 24 jurisdictions had statistically significant declines in homeownership rates in the post-recession period, with the largest drop occurring in Dorchester County, where homeownership rates declined by 6.4 percentage points (from 72.7% to 66.3%). Other areas experiencing significant declines were the two Southern Maryland counties of Calvert (-4.7 percentage points), and Charles (-4.5 percentage points) as well as Cecil County (-4.1 percentage points) on the Eastern Shore and Baltimore City (-3.6 percentage points). In the 2010-2012 period, Baltimore City had the lowest homeownership rate (47.1%) while Queen Anne's had the highest (85.8%).

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 $45,800, or 13.7 percent, in the 2010-2012 period compared to 2007-2009. Twenty-three of the state's 24 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 (-22.1%) and Charles (-18.7%), which also suffered a disproportionate number of foreclosures in the post-recessionary period. Following these two counties were Washington County (-17.4%) in Western Maryland and Caroline County (-16.7%) 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 the lowest in Baltimore City (-6.3%) and Cecil County (-5.8%), or were not statistically significant in Dorchester, Somerset, Garrett and Allegany counties. Central Maryland still has by far the highest valued homes, however, with the highest values in Montgomery ($444,100) and

Howard ($417,700) counties, while 10 of the 11 lowest valued homes were located on the Eastern Shore or in Western Maryland and Baltimore City. Queen Anne's County ($346,100) had the highest housing value on the Eastern Shore in 2010-2012 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 $121 or 5.7 percent between 2007-2009 and 2010-2012. Twenty-three of 24 jurisdictions also showed declines, with 14 of these declines statistically significant. The largest decline by far was in Kent County (-$325, or -18.7%), a reduction that amounts to $3,900 over the course of a year. The next three largest percentage declines occurred in Charles (-8.8%), Prince George's (-7.5%) and Washington (-7.4%) counties which also had the three largest percentage declines in the median value of homes between 2007-2009 and 2010-2012. The smallest declines tended to be on the Eastern Shore (Worcester, Somerset, Wicomico and Caroline), Western Maryland (Allegany County), but none of these declines were statistically significant. The only jurisdiction to show an increase in median monthly costs was Queen Anne's County ($46, or 2.2%), but this increase was not statistically significant. By and large, total median owner costs in 2010-2012 are far higher in central Maryland than in the rural parts of the state, with median owner costs for the two highest Montgomery ($2,499) and Howard ($2,494) twice that of the two lowest, Garrett ($1,202) and Allegany ($1,122).

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 an increase in the median gross rent as a greater share of households became renters. Statewide, there was an inflation-adjusted $30, or 2.6 percent, increase in rent between 2007-2009 and 2010-2012, a gain which would push annual rental costs to $14,124 from $13,764 per year. There were only five jurisdictions which showed statistically significant increases, the largest of which was in Dorchester County, a 17.3 percent gain which brought the gross monthly rent to $814 from $694. Two jurisdictions on the Eastern Shore actually showed statistically significant drops in gross rent, Queen Anne's (-18.9%) and Somerset (-16.6%).

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 (-5.7%) fell more than median household income (-3.9%) 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 2010-2012 period, 27.2 percent of Maryland homeowners with a mortgage were paying 35 percent or more of their income for monthly costs, down from 29.1 percent in 2007-2009. Eight of Maryland's 24 jurisdictions also had statistically significant declines in their share of cost burdened homeowners, with the largest drops occurring in Charles, Worcester, St. Mary's and Frederick counties. Dorchester County was the only jurisdiction which showed a statistically significant increase, going from 28.3 percent to 35.6 percent of homeowners which are cost burdened. With this increase, Dorchester has the highest proportion of homeowners which spend 35 percent or more of their incomes for monthly housing costs. For the most part, Eastern Shore home owners are similarly financially stressed, with six of the top seven jurisdictions with the highest shares of cost-burdened homeowners located in Eastern Shore 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 40.3 percent in 2007-2009 to 42.3 percent in 2010-2012. However, there were only four jurisdictions with statistically significant increases, with the largest increase of cost-burdened renters occurring in Allegany County, rising from 32.7 percent to 45.7 percent. The three other significant increases were in Wicomico (40.9% to 49.8%), Frederick (34.5% to 40.7%) and Prince George's (37.9% to 41.7%) counties. As with homeowners, Eastern Shore renters are in general more cost burdened than renters in central Maryland counties, with eight of the top 11 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