

Incomes fall in Montgomery and Fairfax counties

By Carol Morello and Ted Mellnik, Published: September 22

Median household incomes in the two largest, wealthiest jurisdictions in the Washington region suffered significant declines over the past decade, ending up well below what they were in 2000.

According to census data being released Thursday, the median household income in Montgomery County fell to \$89,000 in 2010, about \$4,500 below the figure a decade earlier using inflation-adjusted dollars. Fairfax County lost \$3,000 from its median income, ending the decade at \$103,000.

The declines have produced a Cinderella-worthy change in wealth rankings: Montgomery County, home to Congressional Country Club, now has a lower median household income than Prince William County, home of the Potomac Mills outlet mall.

“The image folks have that the county’s full of super-rich people — we’re past that assumption,” said Montgomery County’s director of human resources, Joe Adler. “The county’s population has changed.”

Demographers say that the changes are as much about population shifts as about the recession and that they may signal a more long-term rearrangement of our understanding of who lives where in the region.

The Washington area overall weathered the decade better than the rest of the country. It was one of just two metropolitan areas that registered median income gains, up \$1,300, according to Alan Berube, a demographer with the Brookings Institution. Virginia Beach was the other gainer. Nationwide, the decade was the first since World War II in which household incomes declined.

The region’s gains, however, varied widely. Loudoun County led the pack, with its median income up \$14,000 to more than \$119,000. It attracted highly educated workers with jobs near Dulles. Arlington County median incomes rose more than \$12,000 as the area drew singles and families with few or no children wanting to live close to the District.

In the District, household incomes rose more than \$8,000 as the city proved a magnet to young professionals.

But the two places considered the engines of growth and prosperity at the beginning of the decade stumbled.

Anne Cahill, the Fairfax County demographer, believes that much of the decline in Fairfax was because of the economy and that the area will recover.

“I don’t think it means a whole lot,” she said of household income levels. “Fairfax remains one of the most wealthy jurisdictions in the country.”

Numbers are no surprise

The census statistics are estimates, based on questionnaires mailed at random, but they are considered the most accurate numbers available. Government officials say they were not surprised by the findings, because they have observed median incomes slipping in places once considered the epitome of posh.

Poverty rates are creeping up, even in neighborhoods with some of the highest income levels. Adult children are moving back in with their parents when they can’t find jobs.

Many economists and demographers think that long-term demographic changes are driving household incomes lower and that they are likely to stay there for the long run.

They point to an increase in immigrants who earn lower wages. A lot of Fairfax County’s poor are immigrants, Cahill said. Around the country, recent immigrants are more likely to live in suburbs than in core cities.

Another major factor is the aging of residents who have substituted pensions and Social Security for salaries.

“Fairfax has more people retiring in place who are no longer making \$150,000,” said John McClain, deputy director of the Center for Regional Analysis at George Mason University. “Now they’re making \$35,000 a year from Social Security and income from investments.”

Both Fairfax and Montgomery have seen significant increases in both groups. More than one in 10 residents are 65 or older, and one in three was born in a foreign country. Non-Hispanic whites are now a minority in Montgomery County and are expected to become so in Fairfax County by the next census.

“One only needs to look at Silver Spring and Takoma Park to realize how diverse Montgomery County has become,” said Anirban Basu, a economic consultant with the Sage Policy Group in Baltimore. “Montgomery County is incredibly welcoming to people with various backgrounds. It has not tried to retain a sense of homogeneity, but instead has embraced diversity almost more than any place in the country outside of New York and northern New Jersey.”

‘More opportunities’

It has embraced people like Josue Cifuentes, 47, and his wife, Leslie, 30.

Natives of Guatemala, the couple were living in Prince William County when Josue was laid off from his job as an electrician last fall. They fell behind on their rent, and the landlord asked them to leave.

So they and their three children moved into a house with his cousin and her child.

“Moving to Maryland was a big deal for us, but there were more opportunities for us in Montgomery County,” Josue Cifuentes said this week, waiting for his wife at a nonprofit clinic in Wheaton.

He was holding a rolled-up application for an electrician’s job and a handwritten note explaining that he had been unemployed for the past year but that he owns his own tools and transportation.

“We’ve never been in a position where we’ve had to ask for help, so it’s tough,” he said. “But I have to feed the children either way.”

Rollin Stanley, director of Montgomery County’s planning department, said more businesses are being created in the county by minorities than by whites.

Lower household income levels reflect the county’s growing diversity, he said.

“Some may see it as negative,” he said. “I see it as positive. The demographics are changing and positioning the county for real success in the future. That’s going to mean a growth in business opportunities and a lot of people sharing the American dream.”