

## **Effects of the Great Recession and Subsequent Slow Recovery on Maryland through ACS Highlights (Comparing 2010 with years 2006 through 2009)**

Overall, the socioeconomic data released with the American Community Survey for 2010 paints a picture of Maryland that is still fighting the lingering effects of the Great Recession. Even though the recession ended more than two years ago, the unemployment rate has yet to fall, median household income is down and poverty is up. People are coping with a less than robust economy by getting more education and doubling up in households. And while housing values are down sharply from pre-recession peaks, the percent of households spending 35 percent or more of their income for housing costs dropped much more modestly from pre-recession peaks. Highlights from the 2010 American Community Survey:<sup>1</sup>

### **Economic:**

- The unemployment rate has risen from 3.6 percent in 2006 to 5.5 percent in 2009 and 6.1 percent in 2010. At the same time the labor force participation rate has dropped from a peak of 70.4% in 2008 to 69.5% in 2010.
- Median household income peaked in 2007 at \$71,781 and has since dropped just over \$2,900 (-4.1%) to \$68,854 by 2010 in 2010 inflation-adjusted dollars
- The poverty rate has been steadily increasing, going from 7.8 percent in 2006 to 9.1 percent in 2009 and 9.9 percent in 2010. Similarly, for those under age 18 the poverty rate rose from 9.7 percent in 2006 to 11.6 percent in 2009 and to 13.0 percent in 2010.

### **Social:**

- The weak economy may be prompting people to go back to college for advanced degrees or to seek more training. The percent of the population ages 25 and over which have a graduate or professional degree has increased from 15.7 percent in 2006 to 16.4 percent in 2010.
- The foreign born population continues to increase. The total number of foreign born in 2010 was just under 804,000, up from 683,000 in 2006 and 730,400 in 2009. The

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<sup>1</sup> All comparisons are statistically significant at the 90 percent level of confidence unless otherwise stated.

foreign born share of the State's population in now 13.9 percent, up from 12.8 percent in 2009 and 12.2 percent in 2006.

## **Housing:**

- Average household size has increased from 2.62 in 2006 to 2.65 in 2009 and 2010 as more people are doubling up.
- The increase in average family size was even more pronounced, rising from 3.19 in 2006 to 3.26 in 2009 and 3.23 in 2010 as young adults moved back home.
- Overall vacancy rates have climbed from 9.2 percent in 2006 to 10.6 percent in 2010. Homeowner vacancy rates are still relatively low in 2010 (2.3%), but well above what they were in 2006 (1.4%). Rental vacancy rates actually peaked in 2009 at 9.1 percent up from 7.6 percent in 2006, but have fallen back to 7.5 percent in 2010.
- The median value of owner-occupied housing continues to fall after peaking at \$347,000 in 2007. Median value dropped 8.2 percent between 2007 and 2009 (to \$318,700) and fell an additional 5.4 percent (to \$301,400) in 2010.
- Median monthly owner costs for units with a mortgage have generally followed the path of housing value with a bit of a lag. These costs rose 10.5 percent between 2006 and 2009 (from \$1,875 per month to \$2,071 per month), before falling by 2.7 percent (to \$2,016) in 2010.
- With falling incomes, and rising costs, the percent of owners with mortgages paying 35.0 percent or more of their incomes for housing costs increased from 25.8 percent in 2006 to 29.8 percent in 2008. With the decline in home values, however, this share dropped to 28.6 percent in 2010. For renters, the increase in those paying 35.0 percent or more of their income for rent went from 36.9 percent in 2006 to 42.1 percent in 2009, before declining slightly to 41.2 percent in 2010.<sup>2</sup>

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<sup>2</sup> The change between 2009 and 2010 is not statistically significant.