

Latest Maryland Snapshot from the 2014 American Community Survey

Typically, from year to year there are not many significant changes in the economic, social and housing data for Maryland, and that was mostly true with the data found in the release of the 2014 American Community Survey which showed generally stagnant income, unemployment and total poverty rates compared to 2013. However, there were a few significant changes of note over the 2013 to 2014 period, namely:

- the large increase in the foreign born population
- the reduction of the poverty rate for the youngest children
- the continued decline in the labor force participation rate
- the continued rise in educational attainment, and
- the continued rise in the percent of Maryland residents with health insurance.

The annual American Community Survey (ACS) – the U.S. Census Bureau’s nationwide monthly survey of 295,000 addresses covering demographic, social, economic and housing data, is a good instrument to measure not only changes from the previous year, but also to look at longer-term trends, such as telling us how far we have come since the advent of the Great Recession and the generally lackluster recovery which followed for years afterward.¹

Below are some highlights for Maryland from the 2014 American Community Survey, with comparisons back to 2008.

ECONOMIC:

- Maryland’s **unemployment rate** continued to fall, but the difference between 2014’s 7.2 percent rate and 2013’s 7.4 percent rate was not statistically significant. (See [Table 1.](#)) The 2014 unemployment rate of 7.2 percent was well below the eight percent plus rates from 2009 to 2012, but was still well above the 5.3 percent rate in 2008 before the effects of the Great Recession took hold.
- The **labor force participation rate**, or the percent of the population ages 16 and over in the labor force (either employed or unemployed) continues to fall, with a statistically significant drop of 0.5 percent to 68.1 percent in 2014. In 2008 Maryland’s labor force participation rate was 70.4%. A decline in the labor force participation rate can come from both an aging population as more people retire, or from a generally inhospitable job market which causes people to give up looking for work.
- There was no statistically significant change between 2013 and 2014 in the share of Maryland commuters who **commute to work** by any means. The share of those that carpooled was 9.3

¹ The official time period of the Great Recession according the National Bureau of Economic Research was December 2007 to June 2009.

percent in 2014, not a statistically significant difference from the 9.0 percent in 2013, but a statistically significant reduction from the 10 percent plus rates in 2008 to 2011. Likewise, the 73.9 percent that drove alone in 2014 was a statistically significant increase from 2008 thru 2012, but not from 2013. While there was not a significant increase in the share of commuters who use public transportation between 2013 and 2014, there was a statistically significant increase since 2008, rising from 8.6 percent in 2008 to 9.0 percent in 2014. The share of workers working from home also had a statistically significant increase between 2008 (3.8%) and 2014 (4.1%).

- **Average travel time** stood at 32.3 minutes in 2014, a statistically significant increase from average times in 2008-2010 and 2012. Maryland's 2014 travel time is the second longest in the U.S., trailing only New York's 32.6 minutes.
- **Median household income** continues to remain stagnant, having been stopped by the Great Recession. The most recent increase of \$296 dollars in the last year is not statistically significant, and the 2014 median of \$73,971 is \$3,594 (-4.6%) below what it was in 2008 when measured in constant 2014 dollars. Still, Maryland's 2014 median household income is the highest in the U.S.
- Along with the lack of growth in overall median household income has been a relatively stagnant share of the percent of households who have **earnings income** (essentially income from work). In 2014, 81.7 percent of households had earnings income, a decrease (but not a statistically significant one) from 82.2 percent in 2013. In 2008, 84.2 percent of households had earnings income.
- Along with the overall decline in the share of households with earnings over the last several years, there has been an increase in the share of households receiving **social security** benefits. In 2014, 26.9 percent of all Maryland households received social security benefits, up from 23.8 percent in 2008. All of the annual changes between 2008 and 2014 have been statistically significant. An aging population, as well as a less than robust job market in many of these years, has contributed to this increase.
- More directly related to the less than robust job market and stagnant incomes is the increase in households receiving **food stamp/SNAP benefits** over the last five years. In 2014, 11.6 percent of all Maryland households received these benefits, a statistically significant increase from the 11.1 percent in 2013. The 2014 rate is more than double the 5.5 percent share in 2008.
- There has been no statistically significant change in the overall **poverty rate** for Maryland residents over the last four years. However, the 2014 poverty rate of 10.1 percent is well above the 8.0 percent rate in 2008. In 2014 poverty rates were highest for all of the related children measures: under age 18 (12.7%), under five years (13.5%) and ages 5 to 17 (12.4%). The poverty rate for related children under five years did have a statistically significant drop from 2013

(16.4%). All of the related children poverty rates in 2014, though, were higher (by a statistically significant amount) than in 2008.

- The 2014 poverty rate for the elderly, ages 65 and over, was the lowest of any age group at 7.4 percent. This age group was the only one to have a statistically significant *drop* from the 2008 rate (8.2%).
- The percent of Marylanders with **health insurance** increased to 92.1 percent in 2014, a statistically significant increase from the 89.8 percent in 2013 and every year back to 2008 when it stood at 89.2 percent. However, these gains over the years is the result of the increasing share of residents with **public health insurance** (Medicaid and Medicare), as the percentage of residents with **private health insurance** has dropped. Residents with private health insurance in 2014 (73.6%) is the same as in 2013 but 4.5 percentage points below what it was in 2008 (78.1%). The share of residents with public coverage had increases in each of the last six years, and now stands at 30.7 percent, over eight percentage points higher than in 2008. As a result of these changes, the percent of residents **without any insurance** has dropped to 7.9 percent in 2014, 2.9 percentage points below what it was in 2008.

SOCIAL:

- As has been noted in the past, the weak job market post Great Recession had led to increased **educational attainment**, as more people stay in school gaining the skills and training which will make them more marketable. In 2014 the share of Maryland residents ages 25 and older with a bachelor's degree or higher was 38.2 percent, a statistically significant increase from 2013's 37.4 percent, as well as the 35.2 percent share in 2008. Also, the percent of the adult population with a graduate or professional degree in 2014 (17.5%) is a statistically significant increase from 2008 (15.5%).
- There was a statistically significant increase of nearly 48,200 in Maryland's **foreign born population** between 2013 and 2014, pushing the 2014 foreign born share to 14.9 percent, up from 12.4 percent in 2008.
- In 2014, 6.4 percent of Maryland residents spoke English less than very well, not a statistically significant difference from the previous four years.

HOUSING:

- The **average household size** in Maryland continues to slowly go up, rising to 2.70 in 2014, a statistically significant increase from 2013 (2.68) as well as the years back to 2008. The rise in the average household size since 2008 (2.62) may be due to both the effects of the Great Recession and slowly recovering housing market on household formation, as well as an increase in the foreign born population which tend to have larger household sizes due to a younger age profile than the native born population.

- The increase in **average family size** has been equally pronounced, rising from 3.21 in 2008 to 3.29 in 2014 for the same reasons as the increase in average household sizes. There was no statistically significant change between 2013 and 2014.
- The **overall vacancy rate** showed a statistically insignificant increase between 2013 (10.1%) and 2014 (10.6%), and is near its peak in 2011 (10.7%). **Homeowner vacancy rates** are relatively low in 2014 (1.6%), a statistically significant decline from 2008 (2.1%).
- **Rental vacancy rates** have declined over the last several years after peaking in 2009 at 9.1 percent. The 2014 rate of 6.8 percent represents a statistically significant drop from the 2009 peak as a recovering housing market has meant more demand for rental units.
- The **median value of owner-occupied homes** had its first statistically significant increase in 2014 since 2008. The 2014 self-reported median value of \$288,500 was \$8,300 above the \$280,200 value of 2013. Overall, though, median values of owner-occupied homes are off by \$86,650, or 23.1 percent, from 2008 when measured in 2014 constant dollars.
- **Median monthly owner costs** for units with a mortgage stood at \$1,903 in 2014 an insignificant change from 2013, but the first time in four years there wasn't a drop. Median monthly costs peaked in 2009 at \$2,244. The 2014 costs are \$341, or 15.2 percent below the 2009 value when measured in constant dollars, a consequence of lower housing costs as well as lower mortgage interest rates.
- Unlike owner costs, **median rental costs** have generally been up. The 2014 median rental cost of \$1,242 is (a statistically insignificant) increase from 2013 (\$1,228) and up by \$61 (5.2%) since 2008.
- **The percent of "cost burdened" owners with a mortgage** continues to fall. The percent of homeowners with a mortgage paying 35 percent or more of their income for housing was 23.0 percent in 2014, a statistically significant drop from 2008 through 2012 (but not 2013). In 2008, 29.8 percent of homeowners were "cost burdened."
- In contrast to homeowners, **the share of renters paying 35 percent of their incomes for rental costs** has fluctuated over the last five years but remains at a much higher level than for homeowners. The 2014 share of 41.8 percent is not statistically different from 2013 (42.1%), but the reduction from the peak of 43.9 percent in 2011 is statistically significant.

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