

Census Update Survey 2003

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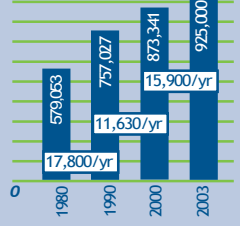
Survey shows Montgomery County growing, more diverse.

by Pamela Zorich, Research Planner Coordinator

Figure 1

Population gains now outpacing 1990s

Total Population
1 million



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Unless otherwise noted, the
source of all data is: *Census
Update Survey*; M-NCPPC
Research & Technology
Center; 1987, 1994, 1997,
and 2003.

About the Survey

The Montgomery County 2003 Census Update Survey is the eighth household poll conducted by the Research and Technology Center since 1974. The mail survey, sent to 16,000 randomly selected households in the County (and achieving a 63 percent response rate), collected basic demographic data such as age, race, education, employment, income, and housing characteristics. The Census Update Survey is usually conducted twice a decade. It serves to update the federal decennial census and provide a local slant on additional characteristics and interrelationships for the County and its Planning Areas.

The following analysis summarizes the Countywide changes in population, housing, mobility, employment, and income. The survey results depict the underlying components of change, such as the aging "Baby Boomers", new immigrant households, and minority suburbanization. The Census Update Survey enjoys a long history of being a valuable data source for Montgomery County Department of Park and Planning, various Montgomery County agencies, as well as private and nonprofit organizations.

Maryland's most populous jurisdiction is on track to 1 million mark

Since 1989, Montgomery County has been the most populous jurisdiction in Maryland. At the time of the 2003 Census Update Survey, the County's estimated total population figure was 925,000¹, a 6 percent increase from the U.S. Census Bureau's April 2000 estimate of 873,341. Over one-fifth of the Washington, D.C. metropolitan population resides in

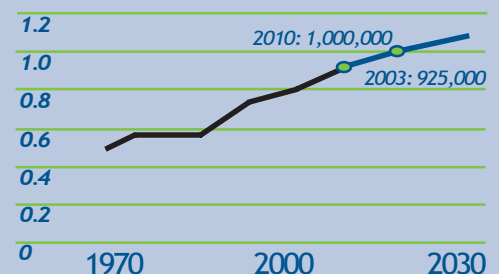
Montgomery County, and the County is second only to northern Virginia's Fairfax County. Nationally, Montgomery County falls in the top 45 counties ranked by total population. In 2000, its ranking of 49th just cracked the top 50-population size list; thus, Montgomery County's population size is increasing relative to all other counties.

One of the emerging trends of this decade is a marked increase in the County's population growth compared to the 1990s. The two leading contributors to the County's sustained population growth are the unflagging record level of births (the historic pace of more than 13,000 births per year is expected to continue at least until 2010), and the influx of new residents from other states and immigrants from other countries. Montgomery County has already gained almost 52,000 people since 2000, or approximately 15,900 people per year. But, population growth is relative, as the same gain of 52,000 people in nearby Loudoun County, Virginia, translates into the fastest population growth (8.7 percent annual growth) in the nation during the three years after the

Figure 2

County's population will cross 1 million mark in 2010

Montgomery County population 1970-2030,
in millions



2000 U.S. Census. In contrast, the County's comparatively large population base enables it to absorb growth at a rather modest average annual percentage growth rate of 1.7 percent (well below the phenomenal pace of 3 percent witnessed in the 1980s). Montgomery County is expected to maintain about the same growth rate for the remainder of this decade. The current Research and Technology Center forecast predicts the County's population will cross the one million-population mark in 2010 and then enter a mature, slow growth phase in the subsequent decades.

Of the County's 2003 total population, 914,900 people are household members, and approximately 10,100 live in institutions such as prisons, school dormitories, and nursing homes. Please note that unless otherwise indicated, *this report describes the characteristics of the household population*, not the total population, which includes those residing in group-quarters.

Gateway Montgomery: one in five households are new to the County

Montgomery County is a major migration "gateway" into Maryland for in-movers from other states and immigrants from abroad. Nineteen percent of the population, or 173,990 people, became new County residents between 1998 and 2003. Individuals and families are continually attracted to Montgomery County because of its large employment base, the excellent quality of life, and its growing immigrant population base.

New residents are characterized as young, married couples in their 30s with children. The group is predominately non-Hispanic White (52.6 percent), although Asians (15.6 percent) and Hispanics (13.8 percent) comprise a higher percentage than the County norm. Almost half (44.5 percent) of the new residents are more likely to speak a language other than English. The new adult in-movers are highly educated, with 29.1 percent having a bachelor's degree and another 44.1 percent with an advanced degree. Almost half of the employed new residents work within the County and one-third commute into Washington, D.C.

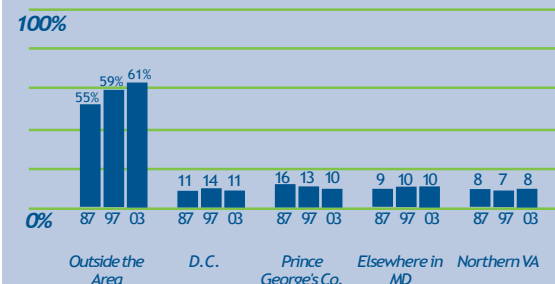
Most new residents (i.e., those households that moved into Montgomery County between 1998 and 2003) come from outside the Washington, D.C. metropolitan area. As illustrated in Figure 3, the out-of-region percentage share at 60.6 percent (39,325 new households) has been creeping up since 1984. No one local jurisdiction contributed substantially; unlike in years 1987 and 1997 when Prince George's and Washington, D.C., respectively, were leading local contributors. The District of Columbia, at 11.2 percent of all in-movers, or 7,225 households, just edged out neighboring Prince George's County at 10.1 percent (6,570) and the 10.4 combined percentage of other Maryland jurisdictions (6,740). About 5,000 households between 1998 and 2003 crossed the Potomac River to relocate in the County from Northern Virginia.

The County's new residents from Washington, D.C. and Northern Virginia are more likely to move into a single-family dwelling (43 percent), while newcomers from Maryland localities are just as likely to occupy a garden apartment as a single-family detached house (both at 31 percent). Almost one-third of those hailing from outside the metropolitan area choose garden apartments as their first home in Montgomery County. As to be expected of new residents, almost half of the new households rent their dwelling. New owners and renters alike are paying more than the average housing cost in the County. These younger

Figure 3

Most new residents come from outside the region

Percent of new residents



households also have a lower 2002 median household income (\$73,725) compared to the County's overall estimate (\$79,115).

Continuing trend of racial diversity

So, as Montgomery County grows, its population is becoming more racially and ethnically diverse. In the last decade, minority growth was fueling population growth. Minorities (that is, everyone who is not non-Hispanic White) accounted for 121 percent of the population growth between 1990 and 2000. Since 2000, this trend is not as robust, but it is still substantial with 66 percent of the growth attributed to minority gains.

According to the 2003 Census Update Survey, 68.2 percent of Montgomery County's resident population is White (including Hispanics), 14.0 percent are Black or African American, and another 12.0 percent are Asian and Pacific Islanders. Those of Hispanic or Latino origin (which may be of any race) comprise 11.4 percent of the County's residents. The non-Hispanic White population has declined from 66.3 percent in 1997 to 60.6 percent in 2003. In comparison, the nation is 80.7 percent white (68.3 percent non-Hispanic White), 12.7 percent Black, 4.2 percent Asian, and 13.4 percent Hispanic/Latino.² Montgomery County has the largest Hispanic and Asian populations in the state; in fact, almost half of Maryland's Hispanic and Asian populations live in the County. Hispanics or Latinos, with an annual growth rate since 1997 of 7.8 percent is the fastest growing minority group in the County, followed by Asians at 3.7 and African Americans or Blacks at 3.1 percent growth per year. The non-Hispanic White majority has a negligible annual growth rate of 0.3 percent between 1997 and 2003.

Foreign-born immigration spurs County's growth and cosmopolitan milieu

The 2003 Census Update Survey estimates the County's foreign-born population at approximately 232,000 people. The number of new foreign-born residents since 1997 accounts for

56 percent of Montgomery County's population growth. The percentage of persons born outside the United States and currently living in Montgomery County increased from 21.9 percent in 1997 to 25.3 percent in 2003.

Moreover, 36.8 percent of the County's population live in a household where the head or spouse is foreign-born. Compared to the rest of the County, the population in these households is characterized as younger with more children, a larger household size, more diverse, greater extremes in educational

Table 1

Montgomery County race and ethnicity, 1997 and 2003

Household population		1997		2003		Change
Non-Hispanic		752,485	91.4%	810,680	88.6%	7.7%
White		545,750	66.3%	554,660	60.6%	1.6%
African-American		106,645	13.0%	126,640	13.8%	18.4%
Asian & Pac. Islander		89,045	10.8%	108,865	11.9%	22.3%
Other		10,745	1.3%	20,515	2.2%	91.0%
Hispanic		71,015	8.6%	104,220	11.4%	46.8%
Total		823,500	100%	914,900	100%	11.1%

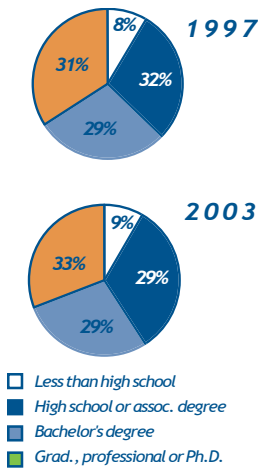
attainment, and more likely to carpool or take public transit to work. The median income of households with foreign-born head or spouse is 85 percent of the median of native-born households (\$69,830 and \$82,365, respectively).

Analysis of net international migration data³ compiled since 2000 shows that immigration from abroad is a major contributor to the County's growth. The Population Estimates Branch of the U.S. Census Bureau estimates 33,868 net international migrants moved to "gateway" Montgomery from April 2000 to July 2003. This is 46.7 percent of all immigrants that moved into Maryland during this period. In the state, the County's only rival as a magnet for international migrants is neighboring Prince George's County, which attracted fewer than half of Montgomery County's net immigrants during the same period. Only births (42,796 between 2000 and 2003) exceed international migration as a component of the County's growth.

Figure 4

County residents are very well-educated

Adults age 25 and older



It is important to note that the Census Update self-administered mail surveys most likely undercount the foreign born population residing in the County because some new immigrant households may not have the English skills to complete a detailed written questionnaire. For comparison, the 2000 U.S. Census estimated 26.7 percent of the County's population was foreign born.

New residents contribute to County's high level of educational attainment

One characteristic that sets Montgomery County apart is the high level of education attained by its adults; 62.8 percent of the County's population age 25 years or older has a Bachelor's degree or higher, compared to 26.7 percent nationally. This high percentage of college-educated residents consistently places Montgomery County in the top six counties in the nation for education. The percentage of college-educated adults is up since 1987, when 43.8 percent of those 25 years or older held at least a Bachelor's degree. Moreover, the increase in the percent of adults with advanced degrees from one-quarter to one-third accounts for the growth in the high level of educational attainment during this period.

The County attracts highly educated new residents; the many mid- and upper-level technology and federal government jobs in the County and region necessitate a highly educated workforce. Of the adults 25 years or older who moved into the County between 1998 and 2003, 73.2 percent have a Bachelor's degree or higher. The growing proportion of foreign-born and minority populations contribute to the County's high level of educational attainment. Foreign-born residents are almost as likely to hold advanced degrees as native-born residents, 32.2 and 34.8 percent, respectively. Actually, the County's foreign-born population is characterized by the extremes – 13.1 percent have less than a high school diploma and another 10.2 percent hold a doctorate degree. Educational attainment of minorities in the County far surpasses national level statistics. Forty-five percent of the County's African American adults earned a college or advanced degree, compared to 17.0 percent of Blacks nationwide; 66.4 percent of Asian adults have at least a Bachelor's degree, compared to 47.2 percent nationwide; and 35.7 percent of local Hispanics have at least a college degree, compared to 11.1 percent in the nation⁴. Asian adults at 13.4 percent have the highest percent of doctoral degrees of any group in the

Table 2

Montgomery County age distribution, 1970-2003

Population, in thousands	1970	1980	1987	1990	1997	2003
Under 5	43.0	33.1	46.1	58.6	58.4	56.4
5-9	54.6	37.8	44.3	50.6	64.2	69.8
10-14	57.9	48.7	41.1	44.2	56.9	69.7
15-19	47.9	50.7	43.0	42.4	46.2	57.6
20-24	34.3	45.9	43.1	50.9	39.1	40.1
25-34	68.9	100.0	125.3	148.8	125.0	112.3
35-44	69.6	80.9	116.4	133.9	150.8	153.3
45-54	69.1	68.6	75.7	89.1	120.5	146.0
55-64	41.1	58.0	68.4	62.2	68.8	97.9
65-74	19.8	31.0	46.6	46.1	52.6	55.9
75+	10.5	18.7	23.9	27.6	41.0	55.6
Household Pop	516.7	573.4	674.0	754.4	823.5	914.9
Total Population	522.8	579.0	680.0	762.2	832.4	925.0
Group Quarters	6.1	5.6	6.0	7.7	8.9	10.1
Median Age	29.7	32.1	34.0	33.9	36.0	38.0
Percent Under 20	39.4	29.7	25.9	26.6	27.4	27.7
Percent 65+	5.9	8.7	10.5	9.8	11.4	12.2

County; adult, non-Hispanic Whites are second with 9.3 percent.

Maturing County is aging in place

Montgomery County is a maturing suburban county with an aging population and declining household mobility. Since 1987, the “Baby Boomers” (those born between 1946 and 1964) pushed the median age of County residents from 34 to 38 years of age in 2003. During this period, the aging boomer cohort shifted its bulging percentage share into the 40 to 60 age groups. New in-mover households with heads averaging 41.8 years of age also contributed young boomers to the mix. Moreover, continuing shrinkage in the percentage share of the 20-to-34 age group by 8 percent (down to 17 percent of the population) assured the median’s rise. Over the past three decades, the population steadily matured from a median age of 30 in 1970, to 34 in 1987, to the current 38 years. The median age is expected to continue creeping upwards as the dominating post-World War II baby boomers age.

Boomers are not only advancing in years, they are aging in place. Between 1987 and 2003, the frequency of overall residential turnover and mobility in the County declined as the median length of residency rose from 5 years to 7 years. The percent of households that have lived in the same house five years prior to each survey steadily increased from 50 percent in 1987 to 60 percent in 2003.

One-out-of-eight residents are 65 years of age or older

In 2003, approximately 111,600 people age 65 and older live in Montgomery County households⁵. Of the elderly residents, half of these are over 74 years old. At 12.2 percent in 2003, the senior age group makes up a steadily increasing share of the County’s total population since 1960. More recently, growth in the 75+ age group accounts for 80 percent of the increase in the elderly population since 1997. Between 1997 and 2003, Montgomery County’s elderly population increased by one fifth, or 3.2 percent annually, while the subset

of frail elderly, those 75 years of age and older, increased by 35 percent during this same time period, from 41,175 to 55,650, amounting to a gain of almost 6 percent a year. According to the current population forecast, percentage growth in the elderly age cohort is expected to continue across this decade at about the same pace and reach an even higher rate after 2010 when the edge of the baby boomer cohort approaches retirement age.

Trend of shrinking household size bottoms out

After decades of declining average household size from 3.65 in 1960 to 2.62 in 1987, the trend bottomed out in the 1990s. The County’s average household size showed an up-tick to 2.70 in 2003. The average household size of single-family homes crossed the 3-person mark (3.04) and multi-family units stayed just shy of 2 people (1.96). The increasing multi-family household size points to more families living in multi-family dwellings and the appeal of luxury condominiums to empty nesters (i.e., parents ages 45 to 64 who no longer have children living at home).

Average household size reflects the household’s life stage typically demarcated by the age of the household head. The largest average household size, 3.29, occurs in households where the householder is 35 to 44 years old, coinciding with the life stage when more children are present in the household. The large family size of this age group occurs in both single-family structures, averaging 3.68 persons per household, and multi-family households, at 2.35. For single-family householders 25 to 34 years old, the average household size increased from 2.87 in 1987 to 2.98 in 2003. Perhaps this is a sign of lessening delay in child rearing among those who can afford home ownership. Households headed by persons under 25 years old are increasing in size (from 2.18 in 1987 to 2.24 in 2003), which reflects doubling up in units rather than single-person occupancy. Elderly heads have the smallest household size, 1.83. Most seniors – the majority, active “young” couples choosing to stay in their

Figure 5

Frail elderly driving growth in 65+ age group

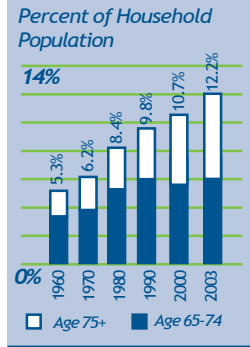


Figure 6

Average household size peaked in 1960



Table 3

Average Household Size by Household Head Age and Structure Type

Head Age	2003			1997			1987		
	Single-Family	Multi-Family	Total	Single-Family	Multi-Family	Total	Single-Family	Multi-Family	Total
< 25	*	*	2.24	*	*	2.09	*	*	2.18
25-34	2.98	2.12	2.53	2.97	2.02	2.49	2.87	2.04	2.53
35-44	3.68	2.35	3.29	3.57	2.36	3.25	3.51	2.13	3.22
45-64	3.09	2.01	2.87	2.96	1.96	2.77	2.94	1.80	2.73
65+	2.09	1.43	1.83	2.04	1.39	1.82	2.03	1.40	1.79
All Ages	3.04	1.96	2.70	2.95	1.94	2.65	2.94	1.86	2.62
Total HH	234,205	104,240	338,445	215,765	95,370	311,135	179,261	74,752	254,013

* Sample size too small for a reliable estimate.

homes – average 2.09 persons per household. Multi-family housing for seniors predominately serves the older and frail elderly, and the high rate of single-person survivor occupancy is evidenced in the lowest of all average household sizes, 1.43.

Many competing factors affecting household size are at play as the County's underlying demographics change. Factors holding down the average size include the shrinking baby boomer household as the crest of the ever prevalent baby boomers in their upper-fifties in 2003 enter the empty-nest stage and are now making retirement plans. Baby boomers endowed with increasing longevity portend more married-couple households later in life, but also more single-person households of very elderly persons beginning in 2020. On the other hand, since 2000, the County is experiencing a record-breaking number of births that is expected to continue averaging 13,300 births per year until 2010. The high fertility

rates of recent immigrants and the County's current immigration pattern of consolidating families in this country appear likely to continue and tend to bring larger households. The latest household forecast predicts a relatively stable household size until the end of this decade as the competing size factors balance, and then a slow drop to 2.59 persons per household by 2025.

Modest residential job growth spans 2001 recession

Almost three-fourths of residents over the age of 16 were employed in 2003, unchanged from reports from 1987 and 1997. Of approximately 508,515 employed residents, about 92,000, or 12.8 percent, are employed part-time. The County's retirees, at 12.9 percent of the age 16 plus population (90,750), showed a slight decrease compared to 13.7 percent cited in the 1997 survey. This downward blip may reflect those delaying retirement due to changes in the Social Security regulations, falling stock market prices, and declining interest rates.

The brief economic recession in 2001 did not have the same dramatic effect on employment growth as the hard-hitting recession of 1991. The average annual percent employment growth between 1997 and 2003 is 1.6 percent, or an average annual gain of 7,400 working residents. As the accompanying table illustrates, examining growth over a longer period smoothes out the economic swings. Gauging

Table 4

Employment status of residents, 1997 and 2003

Employment Status	1997		2003	
Employed full time	382,760	60.4%	416,545	59.1%
Employed part time	81,315	12.8%	91,970	13.0%
Homemaker	41,685	6.6%	48,180	6.8%
Retired	86,545	13.7%	90,750	12.9%
Not employed/not seeking	22,620	3.6%	32,800	4.7%
Unemployed/seeking work	18,155	2.9%	24,875	3.5%
Total	633,080	100.0%	705,120	100.0%

Residents age 16 and older

growth from 1994 (beginning of the post-1991 recession recovery period) to 2003 reveals a slightly higher average annual growth rate of 1.8 percent over the longer averaged span.

Table 5

Resident employment, 1977-2003

	Total Gain	Average Growth	Annual Growth
1977-1987	105,699	10,570	3.8%
1977-80	22,223	7,408	2.7%
1980-84	31,321	7,830	2.6%
1984-87	52,155	17,400	5.3%
1987-1997	80,851	8,085	2.1%
1987-90	48,851	16,116	4.2%
1990-94	6,942	1,732	0.4%
1994-97	25,561	8,520	1.9%
1994-2003	70,000	7,778	1.8%
1997-03	44,440	7,407	1.6%

Most residents live and work in the County

While emerging as a major regional employment center since the 1980s, Montgomery County successfully retained its identity as a preferred residential suburb. The majority of residents avail themselves of employment opportunities within the County, with 58.8 percent of employed residents living and working here in 2003. The percent of working residents employed in the County has hovered below 60 percent since 1977. Of the total at-place jobs in Montgomery County, residents work at 60 percent of the estimated 496,160 positions in 2003. Although, commuting does have its rewards, as heads of households who work outside the County have higher median household incomes (\$100,630) than those employed within the County (\$79,775).

Overall, there is little change since 1987 in the shares of workers commuting to major employment centers in the metropolitan area. One out of four employed County residents commute to the District of Columbia, a fairly stable rate over the past 16 years. There is a slight edging up of residents working in

Table 6

Work location of residents, 1977-2003

	1977	1987	1997	2003
Montgomery County	57.8	58.7	57.9	58.8
Prince George's County	5.2	5.4	5.2	5.2
Elsewhere in Maryland	2.8	3.1	3.9	4.4
District of Columbia	27.4	24.5	23.6	23.1
Virginia	5.0	6.8	8.0	7.4
Other/multiple locations	1.8	1.5	1.3	1.1
Total percent	100%	100%	100%	100%
Total employed residents	227,525	383,224	464,075	508,515

surrounding Maryland counties (from 8.5 percent in 1987 to 9.6 percent in 2003), while the percent of commuters to Northern Virginia slightly receded from the high of 8 percent in 1997 to 7.4 percent in 2003.

4 out of 5 employed residents still commute by car

Hectic schedules, convenience, and relatively inexpensive driving costs keep commuting by car, by far, the favored method of getting to work: 79.3 percent of resident workers drive or carpool. Moreover, since the resident work force increased almost 10 percent since 1997, so did the number of car commuters, approximately 403,250 workers, a 6.5 percent increase since the previous survey. The popularity of driving alone creeps upward (currently 73.4 percent up from 71.6 percent in 1987), while carpooling continues its steady decline from 11.1 percent in 1987 to 5.9 percent in 2003. Fortunately, during the same period, public transit picked up commuter ridership from 12.0 percent to the recently reported 14.5 percent, even though public transit

Figure 7

Commuting: drop in carpooling accompanies slight increase in transit use

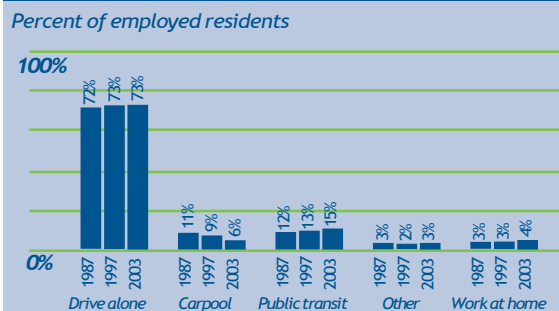


Figure 8

3 of 8 households have incomes over \$100,000

2002 income, percent of households by category



2002 County median household Income: \$79,115

commutes average 50 minutes compared to 28 minutes in a car. Whether the trend of working at home, currently 3.7 percent, will ever relieve pressure on roadways remains to be seen.

County's median household income rises since 1996

Overall, Montgomery County remains prosperous and affluent, as does the Washington, D.C., region, cushioned by the federal government's stabilizing role as employer, tenant, and contractor of goods and services. In the race for highest incomes, the County bests several marks. Its estimated 2002 median household income at \$79,115 is 87 percent higher than the nation's \$42,409, 36 percent higher than Maryland's \$58,600, and vies with Howard County (\$85,150) for the number one position in the state⁶.

After weathering the brief 2001 recession, the County's median income figure gained ground since 1996, increasing 5.1 percent in 2002 over the inflation adjusted 1996 median of \$75,277. Those living in single-family detached households relished the greatest change; median incomes rising from just under \$100,000 in 1996 (2002 constant dollars) to \$111,480 in 2002. New residents contributed to the County's high incomes as the median income of new households to the County exceeds the norm across all housing structure types.

Montgomery County's lofty household incomes are fueled by high paying jobs, rewarding the well-educated resident work force in a variety of professional and managerial occupations. Approximately, 38 percent of the County's households pull in incomes of \$100,000 or more. According to the U.S. Census Bureau, the nation's share of households with incomes of \$100,000 or more endured a minor slip from its all-time record high achieved in 2000. In 2002, 14.1 percent of the United State's households - or 1 in 7 - reported total income of at least \$100,000⁷. In Montgomery County, a household is 2.5 times more likely than the national norm to have such high income.

Not every household is participating in the

County's wealthy reputation. Almost one out of five households (19.3 percent) reported incomes less than \$40,000 in 2003. Since 1997, the percentage of households falling below the household income cap for Montgomery County's Moderately Priced Dwelling Unit Program (65 percent of the County's median income) has increased from 27 percent to 29 percent, or to approximately 98,000 households in 2003. Also, examination of income by racial and ethnic groups reveals disparity not only in the median household income among the groups, but also in income growth since 1997. While non-Hispanic White and Asian householders, already with the highest median incomes, enjoyed 4 percent income growth between 1996 and 2002, households headed by a Black/African American or a Hispanic/Latino experienced a 4 and 6 percent drop, respectively, in the median household income.

Record rates of homeownership

The recent national homeownership record high of 69 percent was sparked by economic revival in the United States and low mortgage interest rates. This national trend played out locally with homeownership in Montgomery County rising from 71.2 percent in 1997 to 77.3 percent in 2003. Of the County's 338,445 households in 2003, 7 out of 9 are owner occupied, the remainder, 22.7 percent, are rental units. Concomitantly, there is a marked jump in ownership across all racial groups in the County and in the nation since 1997. In Montgomery County, the greatest change is found among Black households, climbing from 43.3 percent home ownership in 1997 to 52.8 percent in 2003.

Table 7

Median household income varies by race & ethnicity

In 2002 constant dollars

	1986	1996	2002
Not Hispanic:			
White	\$79,057	\$81,070	\$84,501
Black	\$56,386	\$57,422	\$55,287
Asian & Pacific Is.	\$67,378	\$74,759	\$78,180
Hispanic	\$66,414	\$53,902	\$50,790
County	\$75,742	\$75,277	\$79,115

Among owners (261,655 households in 2003), 62.3 percent reside in detached single-family structures, 22.4 percent in townhouses, and 15.4 percent are in multi-family condominiums. Of the 76,790 rental households, over half (54.4 percent) of all renters live in garden apartments: almost double the number of high-rise tenants. About one out of six renters occupy single-family units; townhouse rentals exceed detached rental units, at 6,800, compared to 5,700 units.

Rental households bear excessive housing cost burdens

In documenting the high housing cost facing residents, the 2000 U.S. Census reported Montgomery County as having the highest average homeownership and rental costs in Maryland. In 2003, the average monthly ownership cost (including principal, interest, taxes, and insurance) for homeowners is \$1,436; the most costly option, single-family detached houses average \$1,672 per month while garden condominiums averaging \$883 offer the most affordable ownership choice. Average rental costs range from \$950 for garden apartments to \$1,541 for single-family detached houses – the overall average rental costs is \$1,060 in 2003.

Since rental households typically have a lower median household income than homeowners (\$47,459 versus \$86,084, respectively), rental households are more likely to incur an excessive housing cost burden. Excessive housing burden is defined as a household spending more than 30 percent of its annual income on housing costs – either contract rent or mortgage costs. Only 14.1 percent of homeowners in 2003 report mortgage outlays exceeding 30 percent of income, compared to 37.7 percent incidence among renters who pay the same percentage of income for contract rent.

Owners of detached, single-family housing units enjoy the most favorable housing expense condition: only 11.1 percent endure excessive mortgage burden. Townhouse owners – many of whom are recent purchasers – show a slightly higher rate of excessive

housing costs at 15.9 percent. High-rise and garden condominium owners, at 22 percent, show excessive mortgage burdens at twice the rate of detached unit owners, spending more than 30 percent of their income on housing costs.

Renters living in high-rise apartments are most likely to pay a high, disproportionate percent of income on rent: 44.8 percent exceed the 30 percent housing cost burden benchmark. In the most popular rental option, garden apartments, 38.3 percent of households pay excessive housing costs. Although renting a single-family dwelling, on average, is more expensive than multi-family units, only one-quarter of single-family rentals spend more than 30 percent of their income on rent.

After a promising decline recorded in 1997, the percent of renters' incidence of excessive housing cost burden increased since the last Census Update Survey. In 2003, 37.7 percent of County renters paid 30 percent or more of income for contract rent compared to 27.4 percent in 1997. Among homeowners, there has been a steady, rising percentage of homeowners meeting the benchmark. In 1987, less than 10 percent of homeowners exceeded the affordability benchmark. By 2003, the percentage of homeowners spending more than 30 percent of their income on housing costs crept up to 14.0 percent.

Figure 9

Home ownership increase spans racial/ethnic groups

Percent of households owning their homes

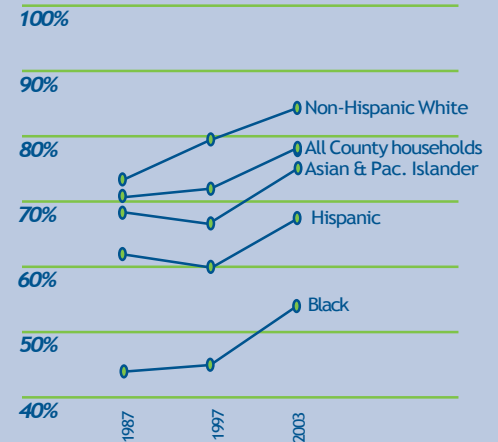
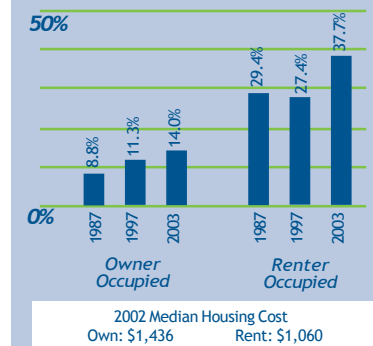


Figure 10

Renters spend more of income on housing

Percent of households



Widespread computer ownership

In the past decade, rocketing computer ownership occurred in Montgomery County as computer prices plummeted, making ever-

advancing technology affordable to most households and pervasive in daily life. In 2003, 87 percent of the County's households reported at least one personal computer and of these households, 93 percent have access to the Internet. Since 1994, the number of households with computers has more than doubled, from 140,700 to 294,000 in 2003. While gains also occurred across the nation, home computer use in the County still outpaces the national figure of 68 percent of United States households owning computers.

Computer ownership and Internet access is varying associated with householder age, family type, income, and race. Young adults (18 to 24) and children are heavily computer fixated; 97 percent in each age group have computers at home. Computer ownership remains quite high across all age groups (mid-90s percentage) until age 55 (92 percent) when high-tech savvy or affordability become issues, dropping the rate to 81 percent of young elderly (65 to 74) and to only 61 percent of those age 75 and older. Family type illustrates the division of in-home use; computers are found in 95 percent of family households versus 70 percent of non-family homes. The strongest predictor of computer ownership is household income. Households with income below \$20,000 have about a 50 percent chance of owning a computer compared to 99 percent saturation of households with incomes exceeding \$100,000, where the question then becomes how many computers are available. Each of the racial and Hispanic groups exceed 90 percent ownership rates, with Asian households leading the pack at 97 percent; all the factors contributing to ownership come into play – high income families with children and well educated parents. The lower rate of non-Hispanic White households (92 percent) is

attributed to the higher percent of elderly (less interest and lower income) found in this racial group, while the percentages for Black and Hispanic households (91 percent each) may be explained by these households typically having lower median household income.

For more information about computer ownership and internet access trends in Montgomery County, please see our companion report, "The Digital Gap is Closing in Montgomery County."

Footnotes

¹ The July 2003 population estimate is from the Washington Council of Government's Cooperative Forecast Round 6.4 (1/23/04).

² U.S. Census Bureau, *Statistical Abstract of the United States: 2003*.

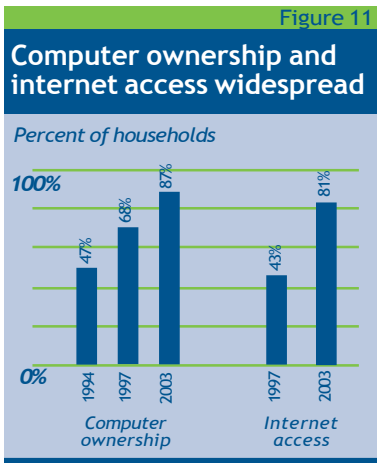
³ International migration includes net foreign-born international migration, net movement to/from Puerto Rico, net Armed Forces relocation, and native emigration.

⁴ U.S. Census Bureau, *Statistical Abstract of the United States: 2003*

⁵ This estimate does not include elderly living in nursing homes and other types of group quarters.

⁶ U.S. Census Bureau, "Income in the United States: 2002", September 2003; Maryland Department of Planning, *Planning Data Services*, May 2003.

⁷ U.S. Census Bureau, "Income in the United States: 2002", September 2003.



For More Information

Census Update Survey 2003

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