



Household Income

County's median household income is nearly twice the Nation's

Montgomery County is prosperous and affluent, as is the Washington, D.C. region, basking in the federal government and robust high tech rays. In the race of highest incomes, the County bests several marks. Its estimated 1996 median household income at \$66,085 is 86 percent higher than the nation's \$35,500, 40 percent higher than Maryland's \$47,100 and vies with Howard County for the number one position in the state. Over a quarter 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 is at an all-time record high. In 1996, 8.2 percent of the United State's households - or 1 in 12 - reported total income of at least \$100,000. In Montgomery County -- 2 out of 7 households exceed \$100,000 -- a household is three times more likely than the national norm to have such high income.

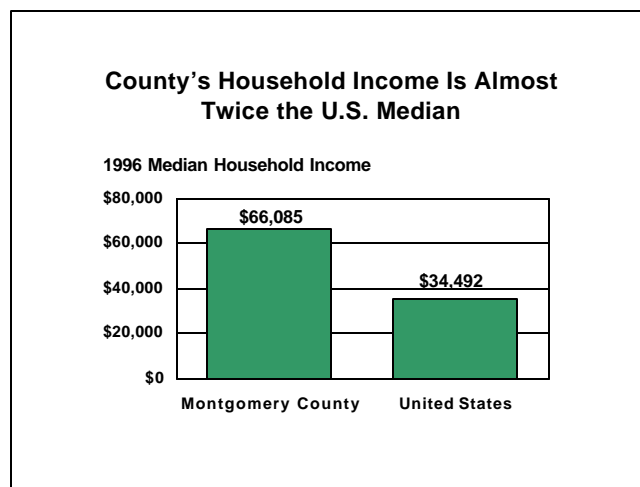


Figure 39: 1996 Median Incomes of the County and the Nation

Montgomery County's lofty household incomes are fueled by high paying jobs, rewarding the well-educated resident workforce in a variety of professional and managerial occupations. Behind today's record level of affluence are the dual-income couples of the baby boom generation reaching their peak-earning years. Of the 85,200 County households with incomes of \$100,000 or more, 68 percent are dual-income couples similar to 65 percent across the nation. The rising economic fortunes of dual-income households should boost household income for another ten years.

Local minorities with median household incomes higher than their national counterpart contribute strongly to Montgomery County's high median income. The 1996 median income of local Asian and Pacific Islander households is \$65,630, 45 percent higher than this group's national median of \$45,420. Black households in the County bring in twice the household income of blacks nationwide, \$50,325 compared to \$25,065. Hispanic households at \$47,310 may be only three-quarters of the County median, but the figure is also 78 percent more than the national Hispanic median income of \$26,585.

Income upturn after a decade of almost running in place

Just keeping pace with the decade's inflation rate, the County's 1996 median household income slipped only \$400 since 1986, \$66,085 compared to the adjusted 1986 median of \$66,493. The stagnant income figures across the decade are primarily due to job losses and slow job growth during the County's prolonged recession in the early 1990s. Subsequently, estimates show household income growth outpaced the region's cost of living increase. Montgomery County's estimated 1999 median household income of \$71,614 is an 8.4 percent gain over the three years. This upturn exceeds the 5.2 percent rise in the Baltimore-Washington CMSA consumer price index, which translates into more real income for many Montgomery County households, increasing by 3.2 percent between 1996 and 1999.

It is remarkable that Montgomery County's median income kept close pace with inflation considering the underlying demographic changes that occurred since 1987. Notably, the percentage of whites, who have the highest median income, decreased over the decade. This points to the strong contribution of minorities to the County's median household income. Reduction in household income was influenced by changes in household composition, although the changes are less pronounced than in the previous three decades. The County witnessed increases in single parent and single person households (predominately elderly), two household types with characteristically low median incomes. New households moving into the County are younger and earning less than the long-term residents. Substantial economic gains among mature households in their peak earning years (generally, ages 45 to 54) counterbalanced the various factors that could have drawn the median down. Prosperity will gain momentum, as the baby boom wave crests, funneling unprecedented numbers of people into their peak earning years.

Who won? Who lost?

Income changes across the decade are documented for the four housing structure types. The biggest income gainers among the structure types are high-rise apartments. The 1996 median income of \$44,985 for this group is an 8.4 percent increase above the adjusted 1986 figure of \$41,325. Most of the high-rise development during this period has been upper bracket luxury condominiums and apartments commanding high prices and attracting the 40's and 50's crowd. This rise also coincides with the increasing presence of empty nesters and 'young' seniors in high-rises, as many moved into luxury apartments in North Bethesda and Friendship Heights areas. The over 65 age bracket and the empty nesters, ages 55 to 64, are the only age groups in the County enjoying economic gain. The incomes of those living in townhouses held steady across the decade, while single-family detached and garden apartments both dropped by \$900. This drop is especially painful to those renting garden apartments because their median income is only \$39,500 compared to \$87,740 for those in single family detached.

Family and non-family median incomes held their ground in constant dollars since 1986. The median family income went up slightly, by \$862, to \$77,100 while the non-family median shrank by \$237 to \$42,415. A closer look at the different household types reveals that most outpaced inflation across the decade except for unrelated, non-family households. Married couple households gained \$2,317, or 2.9 percent, and single parent families went up 3.9 percent, or \$1,748. Even single-person households

witnessed a gain of \$2,117, or 5.4 percent, mainly attributable to the well-off elderly. The incomes of non-family households with two or more unrelated individuals (approximately 2.7 percent or 8,400 households in the County) were devoured by inflation – these households with a \$61,290 median income felt a 13.2 percent drop in their real income since 1986. Household size, mirroring the characteristics of household types, reflects much the same pattern of gains. One- and two-person households gained over \$2,000; three-person households were up a negligible \$261; four-person households usually having dual incomes are doubly blessed with the highest median, \$88,205 and the greatest gain, \$4,081. Larger households, five or more persons, are the only household size that lost ground, -\$2,637, down to \$82,285, which is still a very substantial median by any definition.

1996 Household Income by Age of Household Head							
1996 Household Income	< 35	35-44	45-54	55-64	65+	Total Households	%
< \$5,000	1.6	1.0	0.4	1.3	0.9	3,226	1.0%
\$5,000- 9,999	0.9	0.8	0.7	1.3	2.6	3,787	1.2%
\$10,000- 14,999	1.5	0.6	1.2	1.4	4.9	5,762	1.9%
\$15,000- 19,999	2.8	1.5	1.1	0.9	5.2	7,354	2.4%
\$20,000- 24,999	4.0	2.9	1.6	3.3	6.2	10,869	3.5%
\$25,000- 29,999	6.5	2.6	2.3	3.0	6.2	12,514	4.0%
\$30,000- 34,999	7.9	3.2	3.0	3.0	6.1	14,387	4.6%
\$35,000- 39,999	6.8	5.0	3.5	3.9	5.6	15,487	5.0%
\$40,000- 44,999	6.6	6.0	4.0	3.5	6.2	16,661	5.4%
\$45,000- 49,999	7.4	5.5	3.3	4.0	5.2	15,783	5.1%
\$50,000- 54,999	8.1	5.0	4.3	5.2	6.5	17,956	5.8%
\$55,000- 59,999	4.4	4.6	3.7	3.6	4.3	12,919	4.2%
\$60,000- 64,999	6.7	5.2	4.5	4.4	5.2	16,204	5.2%
\$65,000- 69,999	4.8	4.5	3.6	3.3	3.0	12,245	3.9%
\$70,000- 74,999	4.7	5.0	4.1	3.4	4.4	13,555	4.4%
\$75,000- 79,999	3.3	4.2	3.5	3.6	3.3	11,243	3.6%
\$80,000- 89,999	5.8	7.4	6.1	5.2	4.4	18,434	5.9%
\$90,000- 99,999	5.0	5.6	7.4	6.2	3.8	17,555	5.6%
\$100,000- 119,999	5.4	10.0	11.1	12.2	6.2	27,706	8.9%
\$120,000- 139,999	2.6	6.5	9.2	8.4	2.9	18,414	5.9%
\$140,000- 159,999	1.3	4.3	6.1	4.8	2.0	11,711	3.8%
\$160,000+	0.0	0.0	0.0	0.0	0.0	27,364	8.8%
Total Percentage	98.1	91.3	84.7	85.8	95.4	311,135	100.0%
Total Households	60,065	81,165	70,170	40,775	58,960	311,135	
Median 1996 Income	\$52,475	\$71,660	\$88,605	\$81,850	\$50,540	\$66,085	
% HH > \$100,000	9.3	20.7	26.4	25.4	11.1		27.4%

Table 69: Household Income by Householder Age

When compared by age, every householder in the County under the age of 55 has been hit hard since 1986. This probably reflects the growing percent of in-movers in the younger age groups as well as the recession. Households headed by adults under 35 lost \$3,669 in 1996 constant dollars (down 6.5 percent), those ages 35 to 44 lost \$4,518 (down 5.9 percent), and even the peak earners, 45 to 54, with the highest

median income of \$88,605, absorbed a loss of \$2,575, or 3.4 percent. Mature households captured the economy's bloom, the well cushioned, 55 to 64 year old householders feathered their empty nests with a lofty median income of \$81,850 and had the greatest gain, \$6,443, up 8.5 percent. Those over 65 enjoy a comfortable median income of \$50,540, which is typically coupled with a low housing cost burden. The senior households - gaining \$4,163 or 9.0 percent – are one of the two age groups in the County seeing a real dollar income increase since 1986.

Median Household Income Changes: 1986 to 1996				
	1986 (1996 \$)	1996	Real Dollar Change	% Change
Montgomery County	\$66,493	\$66,085	-\$408	-0.61
Structure Type				
Single Family	\$79,846	\$79,795	-\$51	-0.06
SF Detached	\$88,661	\$87,740	-\$921	-1.04
SF Attached	\$63,489	\$63,500	\$11	0.02
Multi-family	\$40,702	\$40,935	\$233	0.57
Garden Apt	\$40,429	\$39,500	-\$929	-2.30
High-rise Unit	\$41,325	\$44,985	\$3,660	8.86
Tenure				
Own	\$79,457	\$77,815	-\$1,642	-2.07
Rent	\$40,843	\$40,190	-\$653	-1.60
Household Type				
Family	\$76,238	\$77,100	\$862	1.13
Married Couple	\$80,993	\$83,310	\$2,317	2.86
Single Parent	\$44,342	\$46,090	\$1,748	3.94
Other Related	\$53,058	\$62,255	\$9,197	17.33
Non-family	\$42,652	\$42,415	-\$237	-0.56
All Unrelated	\$67,560	\$61,290	-\$6,270	-9.28
Single Person	\$38,998	\$41,115	\$2,117	5.43
Household Size				
1 Person	\$38,998	\$41,115	\$2,117	5.43
2 Persons	\$68,082	\$70,420	\$2,338	3.43
3 Persons	\$76,389	\$76,650	\$261	0.34
4 Persons	\$84,124	\$88,205	\$4,081	4.85
5+ Persons	\$84,922	\$82,285	-\$2,637	-3.11
Household Head Age				
< 35	\$56,144	\$52,475	-\$3,669	-6.53
35-44	\$76,178	\$71,660	-\$4,518	-5.93
45-54	\$91,180	\$88,605	-\$2,575	-2.82
55-64	\$75,407	\$81,850	\$6,443	8.54
65+	\$46,377	\$50,540	\$4,163	8.98
Race & Hispanic Origin				
White	\$68,819	\$70,515	\$1,696	2.46
Black	\$49,500	\$50,325	\$825	1.67
Asian & Pacific Is.	\$59,151	\$65,630	\$6,479	10.95
Hispanic	\$56,590	\$47,310	-\$9,280	-16.40

Table 70: Median Household Income Changes 1987 and 1997

Asians and Hispanics in Montgomery County have experienced divergent income stories for the past ten years. The 1996 median income of Hispanic headed households nose-dived from an adjusted 1986 median of \$56,590 to \$47,310, a drop of 16.4 percent. This is also true for Hispanics nationwide, as decreased income reflects their massive immigration during the 1980s. The recent Hispanic arrivals in Montgomery

County are young families, facing language barriers and many working in low wage service positions. Hispanic household incomes are expected to climb, however, as the percentage of recent immigrants comprises a smaller proportion of the assimilated Hispanic population. In contrast, since 1986, the median income of Asian households has had the greatest increase, \$6,479, or 15.6 percent in real dollars, to reach \$65,630. Asian households are, for the most part, families with older, well-educated adults working in professional occupations. Often, extended Asian families have multiple wage earners living under one roof. Median income of white households went up \$1,700, to \$70,515, outrunning inflation by 3.5 percent. Black households also barely beat inflation over the decade, squeezing an extra \$825 to reach \$50,325.

County median disguises underlying diversity

A household's level of income affects housing choice, as evidenced in the relationship of median income to structure type. Median income differs dramatically by structure type; the median of single-family detached houses is more than twice the income of garden apartments, \$87,740 and \$39,500, respectively. The discrepancy by structure type is explained by the underlying household demographics. For example, garden apartments typically have more single occupants who are younger and have

1996 Household Income by Structure Type								
1996	<i>Single-Family</i>			<i>Multi-family</i>		Total		
Household Income	Detached	Attached	Total	Garden	Highrise	Total	Households	%
< \$5,000	0.3	0.2	0.3	3.2	2.6	3.0	3,226	1.0%
\$5,000- 9,999	0.3	0.4	0.4	2.9	4.6	3.4	3,787	1.2%
\$10,000- 14,999	1.1	0.9	1.0	3.9	4.0	3.9	5,762	1.9%
\$15,000- 19,999	1.3	0.9	1.2	5.3	5.5	5.4	7,354	2.4%
\$20,000- 24,999	1.5	2.5	1.7	8.8	6.2	8.0	10,869	3.5%
\$25,000- 29,999	2.2	3.3	2.5	8.6	6.4	7.9	12,514	4.0%
\$30,000- 34,999	2.3	5.1	3.0	8.9	8.3	8.8	14,387	4.6%
\$35,000- 39,999	3.0	6.0	3.7	9.4	5.7	8.2	15,487	5.0%
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\$45,000- 49,999	3.8	6.6	4.5	7.1	5.1	6.5	15,783	5.1%
\$50,000- 54,999	4.2	8.1	5.2	7.7	6.4	7.3	17,956	5.8%
\$55,000- 59,999	3.6	5.0	4.0	4.6	4.8	4.6	12,919	4.2%
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\$65,000- 69,999	3.8	5.4	4.2	3.2	3.3	3.3	12,245	3.9%
\$70,000- 74,999	4.5	5.9	4.9	2.7	3.8	3.1	13,555	4.4%
\$75,000- 79,999	4.1	4.7	4.2	1.6	2.9	2.0	11,243	3.6%
\$80,000- 89,999	7.3	6.8	7.2	2.7	2.8	2.7	18,434	5.9%
\$90,000- 99,999	7.2	6.1	6.9	2.0	3.0	2.3	17,555	5.6%
\$100,000- 119,999	12.7	7.4	11.4	1.4	5.4	2.6	27,705	8.9%
\$120,000- 139,999	8.4	5.8	7.8	0.8	2.0	1.2	18,414	5.9%
\$140,000- 159,999	5.7	2.3	4.9	0.4	2.0	0.9	11,711	3.8%
\$160,000- 179,999	3.2	1.3	2.7	0.2	0.7	0.4	6,454	2.1%
\$180,000- 199,999	2.2	0.5	1.8	0.0	0.3	0.1	4,123	1.3%
\$200,000- 249,999	3.9	0.9	3.2	0.1	1.0	0.4	7,436	2.4%
\$250,000- 299,999	1.7	0.4	1.4		0.4	0.1	3,149	1.0%
\$300,000+	3.4	0.4	2.6	0.2	0.7	0.4	6,202	2.0%
Total Percentage	100.0	100.0	100.0	100.0	100.0	100.0	311,135	100.0%
Total Households	161,925	53,840	215,765	65,020	30,350	95,370	311,135	
Median 1996 Income	\$87,740	\$63,500	\$79,795	\$39,500	\$44,985	\$40,935	\$66,085	
% HH > \$100,000	41.2	19.0	35.7	3.2	12.5	6.1		27.4%

Table 71: Household Income by Structure Type

entry level and mid-career jobs. About one-third of rental high-rises are luxury units commanding high housing costs. Townhouses offer an affordable housing option attracting young, first-time owners. The typical existing or resale, single-family detached house in Montgomery County requires an approximate household income of \$75,000 to buy the median sale priced house. Contrasts by structure type are further reflected in income variance by tenure where the median income of owner occupied households at \$77,815 is almost double that of renters, \$40,190. Most single-family dwellings are owner occupied while multi-family units are usually rented.

Income distribution varies by household composition, which is intertwined with the household's life stage and the number of workers. The practically double family household income - \$77,100, compared to \$42,415 for non-family households - underscores the lower incomes of single earner households, shared housing of young entry level workers, or single elderly found in non-family households. Married couples, predominately dual earners, have the highest median income, \$83,310, with 38 percent earning over \$100,000. On the bottom rungs are single persons with \$41,115 (only 6 percent have incomes over \$100,00) and single parent households at \$46,090 (11 percent bringing in over \$100,000).

1996 Household Income by Household Type									
1996 Household Income	Family			Total	Nonfamily		Total	Total Households	%
	Married- couple	Single- Parent	Other Relatives		All Unrelated	Single Person			
< \$5,000	0.4	2.5	1.2	0.7	1.9	2.2	2.2	3,226	1.0%
\$5,000- 9,999	0.3	2.0	0.9	0.5	0.7	3.7	3.4	3,787	1.2%
\$10,000- 14,999	0.7	2.0	1.9	0.9	1.6	5.0	4.7	5,762	1.9%
\$15,000- 19,999	1.0	4.8	0.8	1.5	4.1	5.2	5.2	7,354	2.4%
\$20,000- 24,999	1.7	6.7	4.9	2.4	2.7	7.2	6.8	10,869	3.5%
\$25,000- 29,999	2.4	7.7	3.0	3.0	1.9	7.7	7.2	12,514	4.0%
\$30,000- 34,999	2.9	6.8	2.1	3.3	2.9	8.9	8.4	14,387	4.6%
\$35,000- 39,999	3.3	8.0	5.8	3.9	7.2	8.1	8.0	15,487	5.0%
\$40,000- 44,999	3.9	7.8	5.6	4.4	5.4	9.0	8.6	16,661	5.4%
\$45,000- 49,999	4.2	7.5	4.6	4.6	6.5	6.6	6.6	15,783	5.1%
\$50,000- 54,999	5.0	6.4	8.9	5.2	8.6	7.0	7.1	17,956	5.8%
\$55,000- 59,999	3.8	4.9	4.8	3.9	5.1	4.7	4.8	12,919	4.2%
\$60,000- 64,999	5.0	4.5	11.9	5.1	5.4	5.3	5.4	16,204	5.2%
\$65,000- 69,999	4.2	3.2	5.2	4.1	5.7	3.1	3.3	12,245	3.9%
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\$120,000- 139,999	8.0	3.6	3.1	7.4	4.9	1.2	1.5	18,414	5.9%
\$140,000- 159,999	5.1	1.0	2.8	4.6	3.1	0.9	1.1	11,711	3.8%
\$160,000+	12.6	2.3	2.5	11.1	3.5	1.7	1.8	27,364	8.8%
Total Percentage	100.0	100.0	100.0	100.0	100.0	100.0	100.0	311,135	100.0%
Total Households	198,160	29,515	5,795	233,135	8,425	69,240	78,000	544,270	
Median 1996 Income	\$83,310	\$46,090	\$62,255	\$77,100	\$61,290	\$41,115	\$42,415	\$66,085	
% HH > \$100,000	37.8	11.3	16.1	34.1	14.5	6.3	7.0		27.4%

Table 72: Household Income by Household Type

Income differences by household size tell much the same story as household composition. Single-person households, predominately young, new to the workforce or retired elderly have the lowest median income, \$41,115. Income rises as the household size increases until reaching households with five or more individuals. Two-, three-, and four-person households typically bring in \$70,420, \$76,650, and \$88,205, respectively. Larger households are more likely to have multiple wage earners. Also, larger size households typically have more mature household heads, whose earning potential reflects their greater work experience. Median income of five persons or more households drops to \$82,285. These largest households may be younger families with more children or extended families. For all household size categories except single-person households, the median incomes uniformly exceeded the County median of \$66,085 by 6 to 25 percent.

1996 Household Income by Household Size							
1996 Household Income	Number of Persons in Household					Total Households	%
	1	2	3	4	5+		
< \$5,000	2.2	1.0	0.8	0.1	0.4	3,226	1.0%
\$5,000- 9,999	3.7	0.6	0.5	0.4	0.3	3,787	1.2%
\$10,000- 14,999	5.0	1.0	1.6	0.5	0.3	5,762	1.9%
\$15,000- 19,999	5.2	1.8	1.6	1.2	0.9	7,354	2.4%
\$20,000- 24,999	7.2	2.9	2.4	1.8	1.9	10,869	3.5%
\$25,000- 29,999	7.7	3.3	3.3	2.2	2.3	12,514	4.0%
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\$35,000- 39,999	8.1	4.7	3.8	3.0	4.3	15,487	5.0%
\$40,000- 44,999	9.0	4.9	4.7	2.9	3.9	16,661	5.4%
\$45,000- 49,999	6.6	4.9	4.7	3.8	5.1	15,783	5.1%
\$50,000- 54,999	7.0	6.3	5.3	3.7	5.5	17,956	5.8%
\$55,000- 59,999	4.7	3.9	4.7	3.5	3.9	12,919	4.2%
\$60,000- 64,999	5.3	6.0	3.9	4.6	5.4	16,204	5.2%
\$65,000- 69,999	3.1	4.4	3.7	4.6	3.7	12,245	3.9%
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\$80,000- 89,999	2.5	6.3	7.8	7.8	6.2	18,434	5.9%
\$90,000- 99,999	1.8	5.9	7.8	7.3	7.2	17,555	5.6%
\$100,000- 119,999	2.5	9.8	10.1	14.0	9.9	27,706	8.9%
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\$140,000- 159,999	0.9	4.0	4.4	5.7	5.0	11,711	3.8%
\$160,000+	1.7	8.9	9.5	13.4	15.8	27,364	8.8%
Total Percentage	100.0	100.0	100.0	100.0	100.0	311,135	100.0%
Total Households	69,240	104,420	53,965	49,940	33,570	311,135	
Median 1996 Income	\$41,115	\$70,420	\$76,650	\$88,205	\$82,285	\$66,085	
% HH > \$100,000	6.3	29.3	31.9	41.4	38.0		27.4%

Table 73: Household Income by Household Size

Income by age of householder varies progressively, reflecting the individual's life stage and earning potential. Younger household heads, under age 35, beginning careers and, for some, families, pull in \$52,475 (79.4 percent of the total median income). Household heads ages 35 to 44 with families underway, mid-career and usually dual incomes have a median household income of \$71,660. Households headed by 45 to 54

year olds have a prime earner, possibly two, in advanced careers resulting in the highest median, \$88,505, one-third higher than the County's median. Household income starts dropping off with empty nesters, 55 to 64, \$81,850, as there are some workers beginning early retirement and there are fewer dual income couples because women in this age group typically did not hold professional careers. The 65 and up age cohort, a mix of householders including those delaying retirement, working part-time, fixed-income couples, or single retirees, has the lowest median income, \$50,540 (76.5 percent of the County's median).

This age and income relationship is fairly consistent across the years. The 1977 Census Update Survey reported the median income of householders under the age of 35 amounted to 74 percent of the total median. A similar relationship for this age group was found in the 1984 Census Update Survey at 80 percent, and continued to gain in 1987 to 84 percent of the median for all households. The latest survey found the median income of household heads under the age of 35 slipped to 79 percent in 1996. The age group with the consistently highest median household income reported in both 1986 and 1996 are the 45 to 54 year old householders, raking in peak career earnings. The elderly consistently had the lowest median income of all the householder age groups. Many older people have lower than average household incomes because they are no longer working, but they usually have higher than average net worth because they own their homes free and clear.

Race & Hispanic monetary split

The 1996 median income of minority or nonwhite households at \$53,172 is 80 percent of the County's total household median income and 75 percent of the white household median. A closer look at the income distribution reveals 14.6 percent of the minority households had incomes below \$25,000, almost twice the percentage found in white households. In the upper brackets, only 18 percent of minority households have incomes over \$100,000 compared to 31 percent of white households. Further income distinctions can be made along specific racial and Hispanic lines. The income gap observed in 1996 ranges from the high, \$70,515 (6.7 percent above the total median) for white households, to the low, \$47,310 (28.4 percent below the median) for Hispanic households. The median incomes of Asian households, at \$65,630, and black households, at \$50,325, fall in the middle.

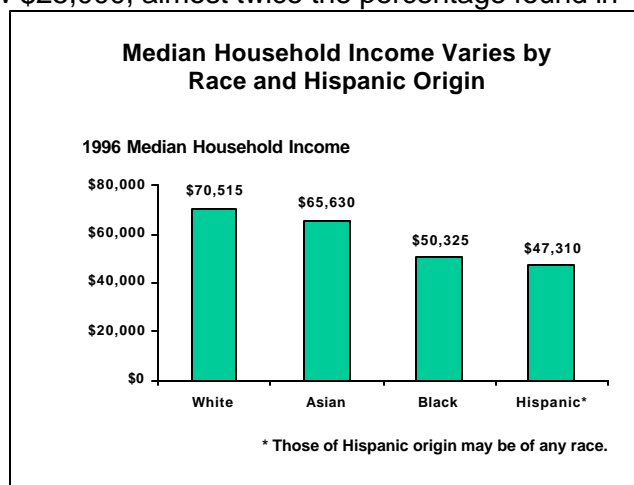


Figure 40: Median Household Income by Race and Hispanic Origin

Much of the income disparity among racial groups may be explained by the associated group differences in household composition, stage in life cycle, the householder's age, educational attainment and occupation, and discrimination. For example, behind the sharply different black and white medians lies the different household composition. Married couples head 50.1 percent of black households compared to 64.2 percent of white households. Moreover, a single parent heads almost

one-quarter of black households, i.e., a minority female, single-wage earner - a combination of typically low-income categories - supports one out of four black households. Only 7.4 percent of white households are single parents. The income gap between blacks and whites narrows when comparing younger, college-educated or married households, reflecting financial advantages that education and marriage bring and the relatively recent breakthroughs in racial discrimination.

Asian households are well positioned for affluence, having the highest percentage of married couple families among the racial groups, extremely well-educated with two out of three adults having at least a college degree, and most workers in high paying, mid- or peak professional careers. Also, Asian households have the second highest number of workers per household, 1.9, pointing to married couple household's potential for dual incomes and possibly multi-earners in extended family living situations. The median household income of Asians maybe limited by the lower incomes of the recent immigrants and language barriers in the workplace.

Income trends for Hispanic households are not as positive. While many Hispanics are educated professionals, a large share are undereducated, recent immigrants. If you live in a Hispanic household you are twice as likely as the general population to be in a household making less than \$25,000; 19.4 percent of Hispanic households compared to 10.0 percent of all households have incomes less than \$25,000. Hispanic households have the lowest median income in the County, despite averaging two workers per household, the highest rate among the racial/ethnic groups. The lower median income of Hispanic households is strongly tied to this group's employment concentration in service occupations, below average educational attainment, prevalence of young families and massive influx of recent immigrants. Overrepresentation of Hispanic workers in the low-wage services industry weighs down the median income even though an equal proportion of Hispanics (albeit, the lowest percentage of all groups) work in professional occupations. The Hispanic population has the highest concentration of adults not completing high school -- one out of five Hispanics do not have a high school diploma -- and the lowest percentage of college graduates or professional degrees, 39 percent. A number of the County's immigrants are refugees from economically stressed or war torn countries where educational opportunities are rare. Educational achievement rises significantly with second and third generation Hispanics. A very high percentage of Hispanic households are married couple families, but they are young families with dependent children. One third of the Hispanic population is under the age of 18. The median income of Hispanic households is expected to rise, as the percentage of recent immigrants comprises a smaller proportion of the assimilated Hispanic population.

1996 Household Income by Householder's Race or Hispanic Origin						
1996 Household Income	Race			Hispanic Origin	Total Households	%
	White	Black	Asian/P.I.			
< \$5,000	0.8	2.6	1.0	1.6	3,226	1.0%
\$5,000- 9,999	1.0	1.8	1.8	2.4	3,787	1.2%
\$10,000- 14,999	1.8	2.5	1.7	2.2	5,762	1.9%
\$15,000- 19,999	2.0	3.8	2.0	5.5	7,354	2.4%
\$20,000- 24,999	3.2	4.9	4.0	7.7	10,869	3.5%
\$25,000- 29,999	3.4	5.5	6.1	7.4	12,514	4.0%
\$30,000- 34,999	4.0	7.1	4.9	6.7	14,387	4.6%
\$35,000- 39,999	4.4	8.3	5.3	7.3	15,487	5.0%
\$40,000- 44,999	5.1	7.1	5.2	6.2	16,661	5.4%
\$45,000- 49,999	4.8	6.1	4.1	6.4	15,783	5.1%
\$50,000- 54,999	5.6	7.0	5.1	6.4	17,956	5.8%
\$55,000- 59,999	4.1	5.3	3.2	2.8	12,919	4.2%
\$60,000- 64,999	5.2	5.7	5.0	3.7	16,204	5.2%
\$65,000- 69,999	4.2	2.4	4.0	4.4	12,245	3.9%
\$70,000- 74,999	4.4	3.9	5.6	3.4	13,555	4.4%
\$75,000- 79,999	3.8	2.6	3.5	3.4	11,243	3.6%
\$80,000- 89,999	6.3	5.1	5.1	5.0	18,434	5.9%
\$90,000- 99,999	6.0	3.9	6.1	3.5	17,555	5.6%
\$100,000- 119,999	9.7	5.4	7.7	4.1	27,706	8.9%
\$120,000- 139,999	6.3	3.9	6.0	4.3	18,414	5.9%
\$140,000- 159,999	4.0	2.0	3.9	0.9	11,711	3.8%
\$160,000+	10.0	3.0	8.5	4.6	27,364	8.8%
Total Percentage	100.0	100.0	100.0	100.0	311,135	100.0%
Total Households	239,615	38,115	26,020	18,970	311,135	
Median 1996 Income	\$70,515	\$50,325	\$65,630	\$47,310	\$66,085	
% HH > \$100,000	30.0	14.4	26.1	14.0		27.4%

Table 74: Household Income by Householder's Race or Hispanic Origin

Rural fringes attract the affluent

The greatest changes in incomes since 1986 are found in the rural outreaches of the County. In the up-County area, Poolesville, at \$68,985, is the big gainer, up 12.0 percent, or \$7,381 in 1996 constant dollars, followed by Olney, hiking up its income by \$6,082 to reach \$86,365 and Damascus, at \$82,190, up \$6,028 since 1986. The new large lot developments in these areas are attracting the well-off households both from within the County and outside its border. The renowned high-income areas of Potomac, topping the scale at \$113,605 (172 percent higher than the County median) and Bethesda/Chevy Chase at \$95,480 (144 percent above the median) saw modest 2 to 4 percent increases. The high-priced housing markets in large-lot Potomac and Olney and the very desirable Bethesda require household incomes well above the County's median to live there.

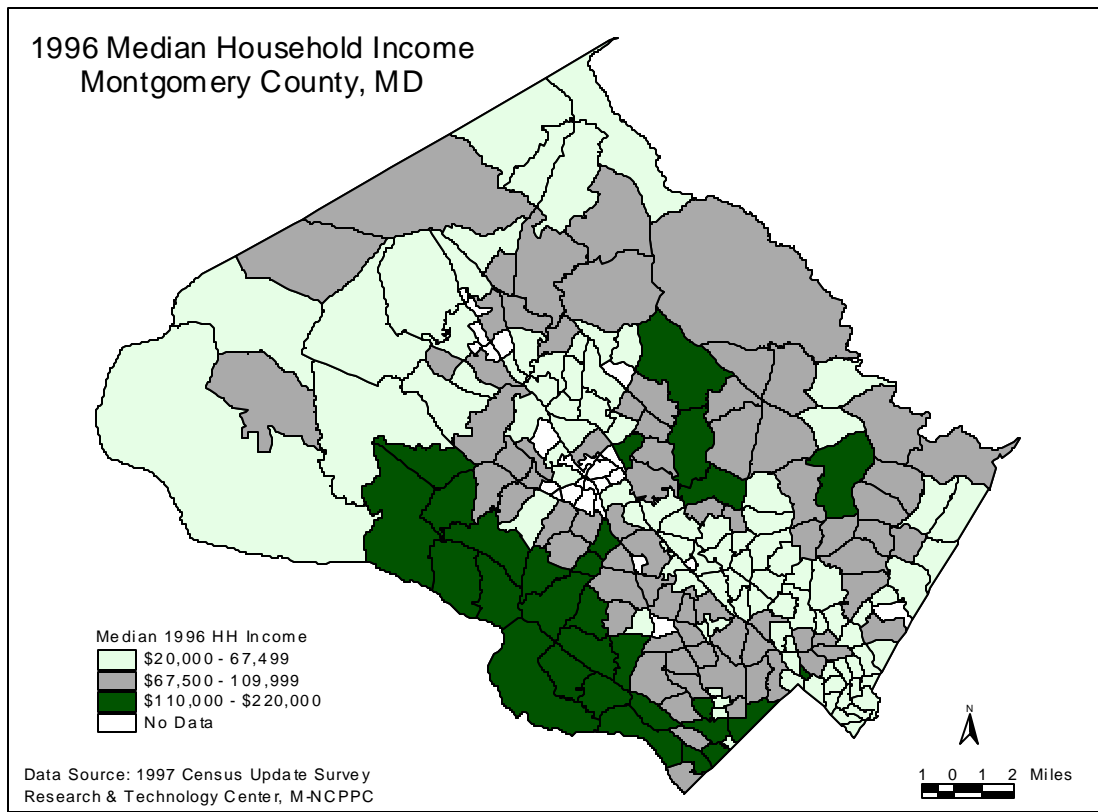
The older, predominately post World War II housing stock and the high concentration of rental units make down-County one of the more affordable areas in Montgomery County and, subsequently, household incomes are below the County's median of \$66,085. The 1996 median household income for Silver Spring/Takoma Park, at \$48,910, is three-quarters of the County's median and Kensington/Wheaton, slightly better off at \$55,005, is about 20 percent below the mid-point. Of these two areas,

Silver Spring/Takoma Park -- even though it remains the lowest income area in the County -- made headway since 1986, gaining \$4,614, or 10 percent in real dollars, while Kensington/Wheaton lost substantial ground, down \$4,761, or 8 percent of its adjusted 1986 income. Expect continued good news for the Silver Spring area as the downtown revitalization comes to fruition and the residential real estate market continues its upturn. Below median income areas are also found along the I-270 and US 29 traffic corridors, again coinciding with high rental concentrations (renters typically have roughly half the household income of owners) and low priced townhouses serving younger, moderate income first-time homebuyers.

Most areas in the County experienced gains in household incomes except Colesville, down \$8,517 to \$62,670, previously mentioned Kensington/Wheaton, and Rockville/North Bethesda, falling \$1,605 to \$64,770. Resale housing prices of the 1940s and 1950s housing stock, concentrated in Kensington/Wheaton and Rockville, have stagnated since 1986. The older, more affordable housing stock and relatively inexpensive rental options in these areas attract new in-movers and recent immigrants, both groups characterized by lower household incomes.

1996 Household Income by Combined Planning Areas												
1996 Household Income	Silver Spring	Bethesda/ Chevy Chase	Rockville/ N. Bethesda	Kensington/ Wheaton	I-270 Corridor	Colesville	Potomac	Olney	Damascus	Poolesville	Total Households	Total %
< \$5,000	2.2	0.4	1.7	1.4	0.9	0.8	0.4	0.3	0.2	0.8	3,226	1.0%
\$5,000- 9,999	2.5	0.4	1.1	1.7	1.3	1.0	0.7	0.2	0.5	1.3	3,787	1.2%
\$10,000- 14,999	2.9	0.8	1.7	2.8	1.8	1.5	1.0	1.5	1.2	0.7	5,762	1.9%
\$15,000- 19,999	3.9	1.3	3.3	3.3	2.1	1.7	0.9	0.8	1.4	3.4	7,354	2.4%
\$20,000- 24,999	6.7	1.9	4.0	5.2	3.0	3.5	1.0	0.7	1.3	1.5	10,869	3.5%
\$25,000- 29,999	6.9	1.8	4.4	5.6	4.5	4.0	0.7	2.2	1.4	1.7	12,514	4.0%
\$30,000- 34,999	6.0	3.3	5.4	5.4	5.1	5.7	0.9	2.5	3.1	5.8	14,387	4.6%
\$35,000- 39,999	7.5	3.1	4.3	5.1	6.2	6.8	2.0	4.1	2.4	2.8	15,487	5.0%
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\$160,000+	3.8	23.5	839.0	3.9	3.0	5.0	26.7	7.7	7.7	4.4	27,364	8.8%
Total Percentage	100.0	100.0	930.1	100.0	100.0	100.0	100.0	100.0	100.0	100.0	311,135	100.0%
Total Households	27,935	35,655	33,770	65,285	66,515	31,425	25,635	10,235	11,980	2,695	311,135	
Median 1996 Income	\$48,910	\$95,480	\$64,770	\$55,005	\$60,375	\$62,670	\$113,605	\$86,365	\$82,190	\$68,985	\$66,085	
% HH > \$100,000	14.4	47.7	855.9	18.4	19.0	22.0	58.7	35.5	36.0	21.3		27.4%

Table 75: Household Income by Combined Planning Areas



Map 6: 1996 Median Household Income