

Wealthy Loudoun widens its lead over rest of region

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Median incomes affected by changing demographics, housing mix

The income gap among the region's wealthiest counties is widening as Loudoun County padded its lead in 2009 over its more urban neighbors, new U.S. Census Bureau statistics show.

Fairfax County is the second-richest jurisdiction in the area, but households there earn on average \$11,000 less than Loudoun's \$114,204. Montgomery County households, ranked fifth-wealthiest in the region, make \$20,000 less. Maryland's Howard County, tops in Maryland at \$101,940, and Virginia's Arlington County at \$96,218 round out the top five.

Ten years ago, the gap at the top was narrower. Just \$3,000 separated Fairfax -- ranked first at the time -- and Loudoun counties. Roughly \$9,000 separated Loudoun and Montgomery counties. Last year, Loudoun increased its median income by more than any other county in the Washington area, gaining more than 3 percent.

During the decade, housing and changing demographics have played a key role in incomes, economists said.

"Loudoun is more oriented toward single-family, detached homes; many of them are very large," said Anirban Basu, CEO of Sage Policy Group in Baltimore. "The executive decision makers [living there] have been better able to retain their earnings."

Meanwhile, Montgomery and Fairfax have boomed in population and diversity. Both are more than three times the size of Loudoun and offer a mixed variety of housing, attracting all levels of income.

But Basu said Montgomery County was primed for a gain in the region's rankings partly because of its high educational level. More than 30 percent of residents hold a degree higher than a bachelor's, second only to Arlington County, where 35 percent of residents hold an advanced degree. Montgomery's growing immigrant population is also skewing the income lower.

"Montgomery County is the gateway to immigrants in Maryland," Basu said. "As a result there are many highly educated newcomers in Montgomery County and these

are people who have the potential to earn significant income. But they have yet to reach that point in their careers."

Regionally, changes in income levels from 2008 to 2009 were mixed. Montgomery and Howard counties saw a marginal uptick, while incomes in Prince George's and Anne Arundel counties fell 2 and 4 percent, respectively. Frederick County saw the biggest gain in Maryland -- jumping more than 5 percent to \$83,229 -- largely because of the concentration of federal employees who received cost-of-living raises in 2009, said Daraius Irani, director of Towson University's Regional Economics Studies Institute.

The District's income also jumped by 5 percent to \$59,290. But economists note the statistic is lopsided as D.C.'s poverty rate increased to more than 18 percent.

The region's biggest income drop was in Alexandria, which fell by 9.5 percent to \$77,095. But Irani said the small sample size exaggerates the figure.

"A couple millionaires move out and the whole thing goes down," he said.