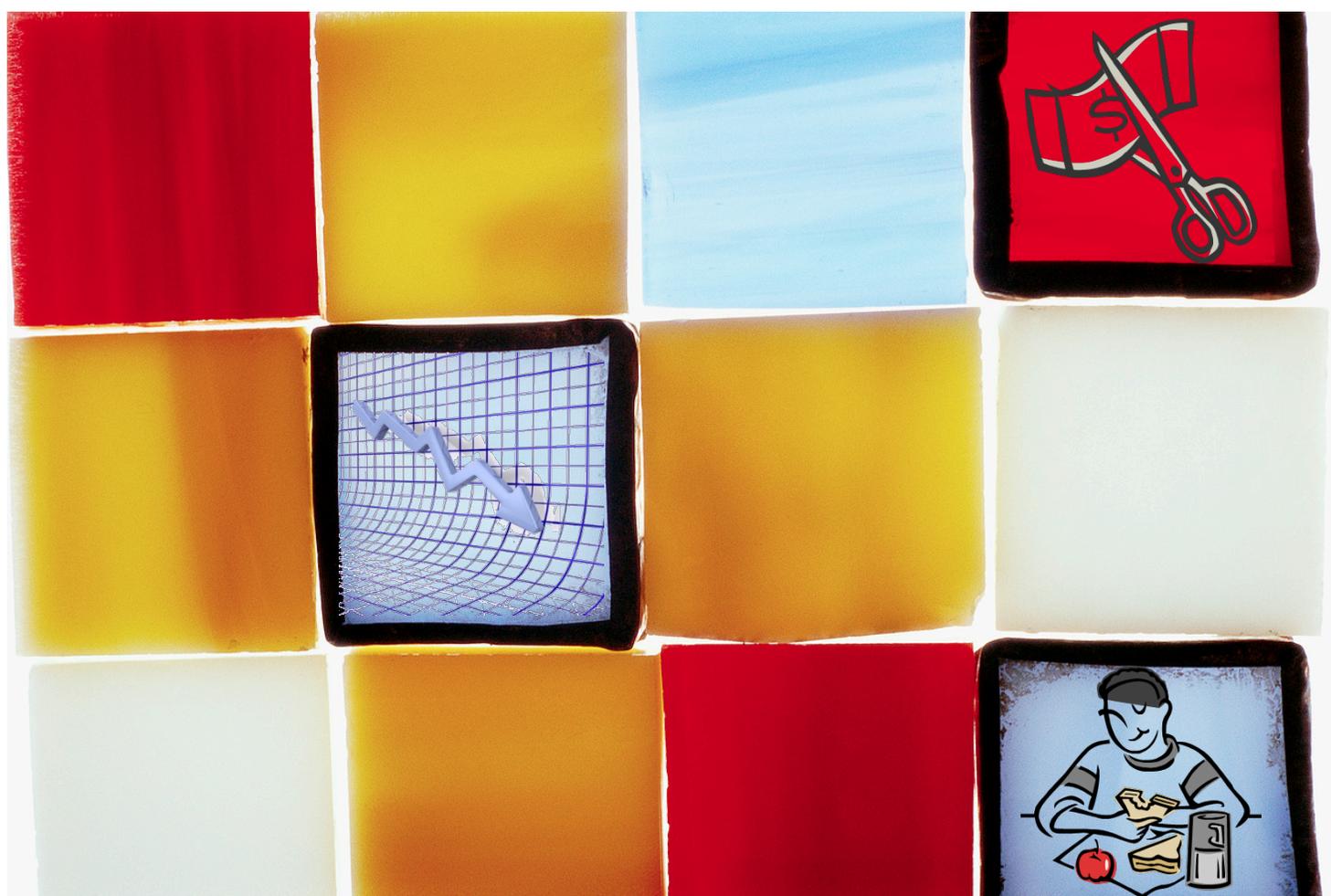


Economic Need in Fairfax County



Department of Neighborhood and Community Services
Economic, Demographic and Statistical Research
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Anne Pickford Cahill

Economic, Demographic and Statistical Research
Countywide Service Integration and Planning Management
Fairfax County Department of Neighborhood and Community Services

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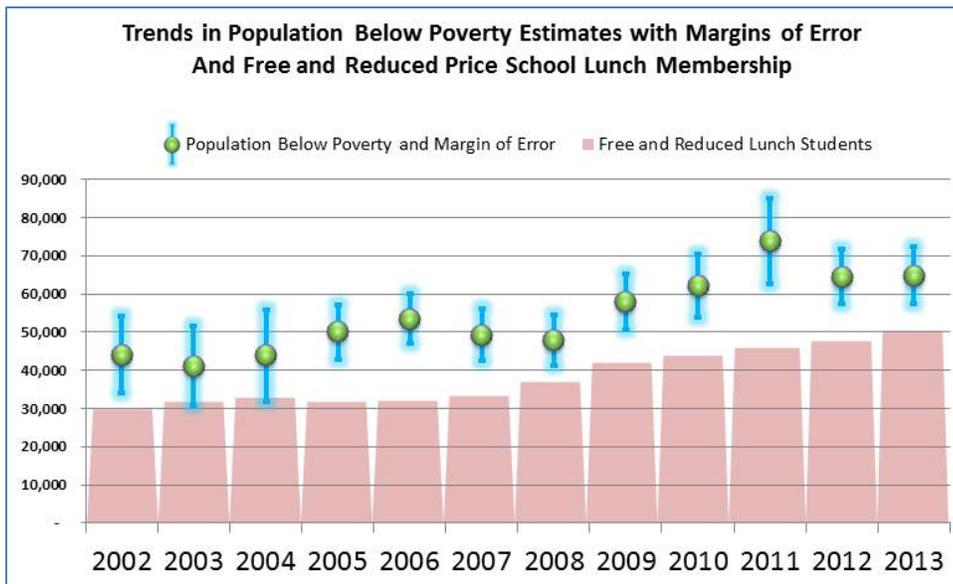
Introduction

Over the past decade, most of the suburban jurisdictions in the Washington Metropolitan area have experienced a rapid increase in poverty and need while the number of poor in the District of Columbia has not grown. This is not a local phenomenon but a pattern playing out in many metropolitan areas throughout the United States. In Fairfax County, the most rapid growth in low-income residents has occurred since the start of the 2008 recession. As a result of this expanding need, 29 percent of the county's public school students (more than 50,600 students) now receive free or reduced price lunches and over 47,000 Fairfax County residents receive SNAP (Supplemental Nutritional Assistance Program) benefits.

The growth in economic need is impacting the county's children and young adults more heavily than its older adults. In addition, it appears that much of the growth in need since 2008 is due to existing residents losing economic ground. Some of the factors contributing to the expansion of economic need in Fairfax County include wage stagnation among lower paying jobs, widening income inequality, and changes in family structure that have resulted in a growing proportion of children in single-parent families.

Trends Illustrating Changing Economic Need

The free and reduced price lunch program enrollment trends have mirrored those of other measures of low-income and poverty.



Sources: U.S. Census Bureau, 2002 to 2013 American Community Surveys; and Virginia Department of Education, Free and Reduced Price School Lunch Membership data, October 2002 to October 2013.

The estimated number of persons below poverty in Fairfax County has grown over the past decade with the steepest growth occurring after 2008. In the chart on the left, the school lunch program enrollment, represented by bars, shows the annual October figure as reported to the Virginia Department of Education. The estimates of the numbers of persons in Fairfax County below poverty (green dots) and the associated margins of error

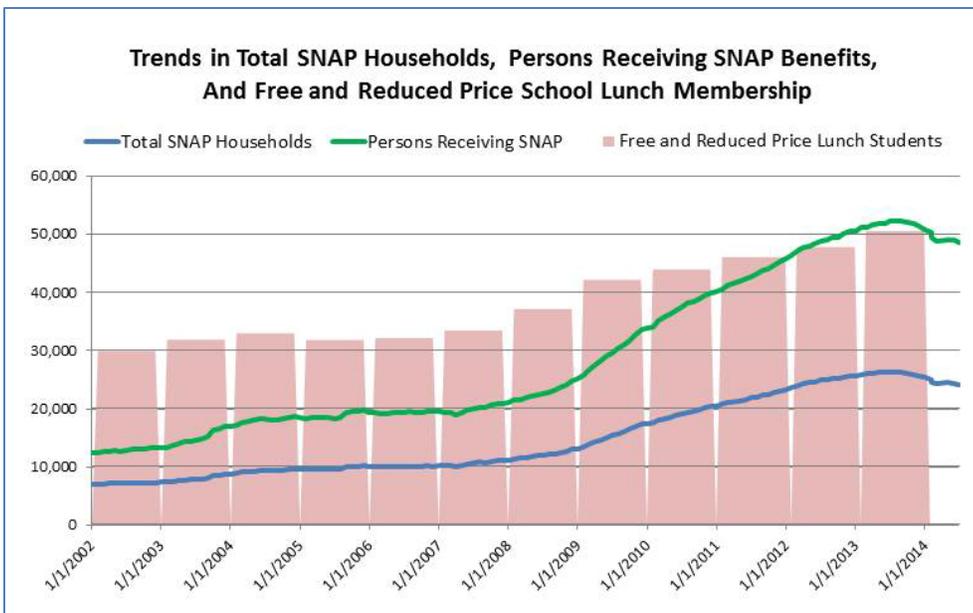
(blue lines) come from the U.S. Census Bureau's annual American Community Surveys. Between 2008 and 2013, both series exhibited growth; the estimated number of persons below poverty and the number of students participating in the free and reduced price school lunch program both increased 36 percent.

Often, free and reduced price lunch data are used as a proxy for low social economic status as are poverty statistics. The data sources, however, rarely move in complete unison. School lunch program enrollment data can vary from year to year and from area to area for a number of reasons. Older students are less likely to enroll making school lunch data less accurate among older students. Different school

districts and schools' enrollment numbers may not be comparable because some schools rely more heavily on direct certification through other programs while other schools rely on families self-enrolling. In addition, there is allowable over-counting among some schools that are allowed to count all of their students as eligible under specific program provisions.¹

Poverty estimates from the American Community Survey (ACS) are sample data and, therefore, are likely to exhibit more noticeable variation and noise depending on the quality of the sample and the effectiveness of follow-up to collect information from nonrespondents. "The ACS generally underestimate(s) the percentages of students eligible for free lunch... and underreports SNAP (Supplemental Nutritional Assistance Program) participation among ACS respondents..."² For example in Fairfax County, the 2013 ACS underestimated the county's SNAP participation by more than 38 percent – the 2013 ACS estimated that 18,157 (+/- 2,217) households participated in SNAP whereas between 25,179 and 26,075 households were actually enrolled in SNAP during 2013.

As with the student lunch program, participation in SNAP has increased over the past decade and strongly increased since 2008 in Fairfax County. Enrollment in the free and reduced price school lunch program is less restrictive than that for SNAP. To qualify for the free and reduced price school lunch program, a family's income must be below 185 percent of poverty. Financial assets and citizenship are not considered. In 2013, the income of a family of four could not exceed \$42,643 for their child to qualify for the school lunch program. To qualify for SNAP, a family without any members age 60 years or older must meet the following qualifications: family income must not exceed 130 percent of poverty (\$29,965 for a family of four); the family's financial assets must not exceed \$2,000; and family members must be citizens or legal immigrants. Most adult immigrants, however, must have lived in the United States for a minimum of five years before they can qualify for SNAP benefits.



Sources: Virginia Department of Education, Free and Reduced Price School Lunch Membership data, October 2002 to October 2013; and Virginia Department of Social Services, SNAP Reports, January 2002 to August 2014.

The chart to the left overlays the growth trends for students enrolled in the FCPS free and reduced price school lunch program and SNAP households and recipients since 2002. The free and reduced price school lunch membership is shown as bars. The SNAP lines plot the monthly number of households (blue) and persons (green) receiving SNAP benefits as reported to the Virginia Department of Social Services. Since 2008, both the SNAP and free

and reduced price school lunch programs experienced rapid increases in participation. Between October

¹ U.S. Department of Education, *Free and Reduced-Price Lunch Eligibility Data in ED Facts: A White Paper on Current Status and Potential Changes*, 2012, pp. 9-13.

² *Ibid.*, p. 21.

2008 and October 2013, the number of families and persons receiving SNAP benefits increased more rapidly than the number of students enrolled in the free and reduced price lunch program. The number of students enrolled in the school lunch program increased by 36 percent between October 2008 and October 2013. During the same time period, the number of families receiving SNAP benefits increased by 110 percent and the number of persons receiving SNAP benefits increased 120 percent. During 2014, monthly participation in SNAP has diminished suggesting that some county's vulnerable residents are now finding jobs or seeing their hours increased. School lunch data for 2014 are not yet available so it is too early to see if the SNAP trend will be reflected in the school lunch data.

Factors Contributing to the Economic Need Trends

The Fairfax County trend showing increasing numbers of low income persons since 2000 is also occurring nationwide. Between 2000 and 2012, the U.S. Census Bureau estimated that the number of persons in the United States who are below poverty increased in number by 46 percent.³ “A surprising fact about poverty in the United States is that it declined steeply throughout the 1960s and then increased in an uneven pattern thereafter, never again equaling its low point during the early 1970s. Children’s poverty has followed this pattern, with increases in many years after the early 1970s. By contrast, the poverty rate among the elderly continued to fall throughout the period, from nearly 25 percent in 1970 to 10 percent by 2005. The decline in poverty among the elderly has a straightforward explanation—Social Security.”⁴

Migration data for Fairfax County from 2006 to 2010 do not suggest that Fairfax County is “importing” low income households from other areas. Five-year migration data suggest that approximately the same number of low-income households entered the county as moved to other locations. The growth in low-income residents since 2007 in Fairfax County is a result of current residents losing economic ground and seeing their incomes decline. Economic conditions caused by the recent recession along with long-term income inequality are the primary factors that have fueled the increase in low-income residents in Fairfax County and the United States as a whole. Over a much longer time span, changes in family composition have also influenced the number of children living in low income families.

Economic Conditions:

Although the 1960s saw the highest economic growth rate of the last half of the twentieth century (in the United States), the following three decades all enjoyed growth of more than 20 percent in per capita gross domestic product (GDP). Yet between the early 1970s and the mid-1990s, poverty increased. Why, with the economy growing, was the nation not able to continue the progress it made against poverty during the 1960s? To paraphrase President Kennedy’s famous aphorism, why didn’t a rising tide lift more boats?

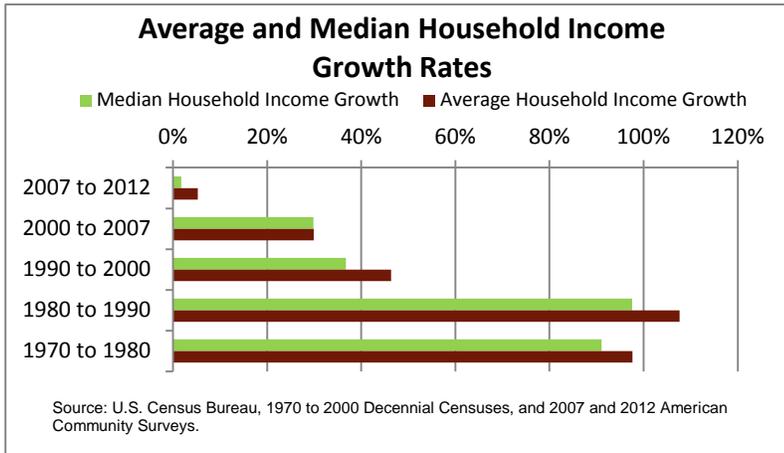
One reason was wage stagnation at the bottom of the income distribution, which led to growing wage inequality. Between 1979 and 1996, inflation-adjusted wages at the tenth percentile of the distribution fell in most years, ending up about 12 percent below where they started. Wages recovered during the vibrant economy of the second half of the 1990s as poverty fell once again, but even so wound up in 2003 almost exactly where they were in 1979.⁵

³ Bishaw, Alemayehu, *Poverty: 2000 to 2012*, American Community Survey Briefs, United States Census Bureau, September 2013.

⁴ Haskins, Ron and Sawhill, Isabel; *Introducing the Issue*; Journal: The Next Generation of Antipoverty Policies; Volume 17, Number 2, Fall 2007, p. 3.

⁵ *Ibid.*, p. 4.

One way in which income inequality may be measured over time is by examining how average, or “mean,” household income changes relative to median income. The growth rate of average income is a direct measure of the growth rate of the economy over time. If equally distributed among households, all household incomes would rise at that rate, as would the median income. But if average income rises at a faster pace than median income, it usually indicates that more and more income is being concentrated among the richer households.⁶



As shown in the chart, Fairfax County average household income has increased more rapidly than median household income since 1970. Prior to the recent recession, between 2000 and 2007, average household income and median household income in Fairfax County rose at about the same rates, 29.9 percent and 29.8 percent respectively. Thus, there was very little growth in income inequality during those years. But since 2007, Fairfax County has experienced a resurgence in income

inequality growth. Between 2007 and 2012, average household income rose 5.3 percent whereas median household income rose only 1.8 percent.⁷ The newly released household income data from the U.S. Census Bureau’s 2013 American Community Survey suggest that between 2012 and 2013 lower income households had stronger income growth than higher income households in Fairfax County. However, average weekly wage data from the Virginia Employment Commission do not show the same pattern.

The economic recovery has yet to reach many of those living in the national capital region. Wages and employment have fallen during the recovery for workers with less than a bachelor’s degree, while they have grown significantly for those with a bachelor’s degree or higher.... Workers without a bachelor’s or an advanced degree are struggling to maintain their foothold in the national capital region economy.... What workers do affects how they have fared since the recession, as well. While some industries in the national capital region continued to grow throughout the downturn, others suffered substantial declines in employment.⁸

A look at Fairfax County average weekly wages and jobs by industry reveals several patterns. Overall, there were real wage declines and net job losses in the majority of the county’s lower paying industry sectors while there were real wage increases and net job gains in the majority of the county’s higher paying industry sectors since 2007. In 2013, the average weekly wage earned from a job located in Fairfax County was \$1,503. When adjusted for inflation, average weekly wages for industry sectors that

⁶ The United States Conference of Mayors, *U.S. Metro Economies: Income and Wage Gaps Across the US*, Global Insight, Inc., August 2014, p.9.

⁷ Income data from U.S. Census Bureau, 1970 to 2000 Decennial Censuses, and 2007 and 2012 American Community Surveys.

⁸ *Bursting the Bubble: The Challenges of Working and Living in the National Capital Region*; a joint project of The Commonwealth Institute for Fiscal Analysis, The DC Fiscal Policy Institute, and The Maryland Center on Economic Policy; June 2014, pp. 3 and 6.

pay less than \$1,503 declined by nearly \$21 per week and a net of 5,152 jobs were lost between 2007 and 2013.⁹

Family Composition:

Over the long term (since 1967), changes in family composition have also been associated with the increase of children in poverty in the United States. In the United States, “poverty in female-headed families is four or five times greater than poverty in married-couple families. High divorce rates, falling marriage rates, and rising nonmarital birthrates over the past three decades have more than doubled the share of children living with single mothers.”¹⁰

Children living with single mothers in Fairfax County, like those nationally, experience much higher poverty rates than those children living in other family arrangements. The 2013 ACS estimates that 20.1 percent (+/- 5.7 percent) of children living with single mothers are below poverty in Fairfax County. This poverty rate is much higher than that for children living in other household arrangements. The overall 2013 poverty rate for children under age 18 years in Fairfax County was estimated to be 7.3 percent (+/- 1.3 percent).¹¹

The national trend of an increasing proportion of children living with single mothers has also been occurring in Fairfax County. Between the 2000 and 2010 Decennial Censuses, the number of Fairfax County children (persons under 18 years) living in female-headed families without a spouse present increased 12.8 percent or by 3,419 children; in contrast, the county’s total number of children increased only 6.7 percent.¹² The 2013 ACS suggests that the proportion of Fairfax County children living with a single-mother has continued to increase since 2010 but it is difficult to estimate the exact magnitude of the increase using the 2013 sample data because of the wide margin of error.

Summary

Long term trends of increasing income inequality and an increasing percent of single-parent households have slowly increased the county’s poverty rates, especially those for children. The 2008 recession greatly amplified these trends and Fairfax County’s most vulnerable residents rapidly lost ground. Job loss during the recession impacted lower wage jobs more than higher wage jobs and new jobs created since the recession for less skilled workers have tended pay less than those lost. The SNAP participation data, however, suggest that the county’s most vulnerable residents may be beginning to make progress. In August 2013, SNAP participation peaked. Since that time, SNAP participation has declined suggesting that some of the participants are now finding employment or working longer hours. This decline in SNAP participation is likely an indication that the industries that employ lower skilled workers are beginning to recover and expand. Unfortunately the jobs being created thus far do not appear to pay as well as those lost.

⁹ Virginia Employment Commission, 2007 to 2013 Quarterly Census of Employment and Wages, Multiple industries data for Fairfax County, aggregate of all types of ownership. The calculated decline in real wages also takes into account the shift in available jobs in these lower paying industry sectors.

¹⁰ Haskins, Ron and Sawhill, Isabel; *Introducing the Issue*; Journal: The Next Generation of Antipoverty Policies; Volume 17, Number 2, Fall 2007, p. 4.

¹¹ U.S. Census Bureau, 2013 American Community Survey.

¹² U.S. Census Bureau, 2000 and 2010 Decennial Censuses.



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