A PATHWAY TO THE MIDDLE CLASS: MIGRATION AND DEMOGRAPHIC CHANGE IN PRINCE GEORGE'S COUNTY

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Findings

Using Census and IRS migration data, this study finds that:

- **The racial composition of the populations of Washington, D.C. and Prince George's County have changed in opposite directions in the last fifteen years, as the region's black population became more concentrated in Prince George's County and less concentrated in the District.** While they were still majority-white in 2005, Montgomery, Anne Arundel, Howard, and Charles counties have become increasingly diverse.

- **From 1989 to 1999, the population of Prince George's County was consistently middle-income while the District lost middle-income households**. In both years, Prince George's median household income was well above the national average. Due to its middle-class character, Prince George's poverty rate was much lower than the District's though it was higher than poverty rates of more affluent nearby Maryland jurisdictions. In contrast to the District, Prince George's County had virtually no neighborhoods with concentrated poverty in 2000.

- **Migration in and out of Prince George's County changed the composition of the county's population from 1993 to 2004, although it had little impact on the population's total size.** An average of 46,000 people moved in and 49,000 people moved out of Prince George's County each year. Nearly 60 percent of all in-migrants were black, and out-migrants were much more likely to be white than in-migrants. The incomes of in-migrants were lower than out-migrants, and the former were more likely to be foreign born.

- **On balance, migrants moved into Prince George's County from the District of Columbia, and Montgomery County since 2000, and moved out to more distant Howard, Anne Arundel, and Charles counties.** Migration flows across the county's borders with the District and Montgomery County were characterized by thousands of lower-income and mostly minority workers moving in both directions, though inflows to Prince George's County from D.C. are much larger than outflows. Those moving into Prince George's County from the District and Montgomery County tended to settle near the borders of their previous residential jurisdictions. Meanwhile, migration flows with Anne Arundel, Charles, and Howard counties consisted generally of white and black migrants with relatively higher—but still moderate—incomes moving out of Prince George's. Those moving between Prince George's and all surrounding jurisdictions except for Montgomery County were overwhelmingly native-born; migration flows between Montgomery and Prince George's counties had relatively high proportions of foreign-born individuals.

- **Throughout the entire period, households crossing the Prince George's–D.C. border in both directions had lower incomes relative to households migrating between the county and surrounding Maryland jurisdictions.** Of households crossing the Prince George's–D.C. border, those migrating to Washington consistently had lower incomes than the larger number of migrants moving into Prince George's County from D.C.

Migration has contributed to the changing demographic landscape of Prince George's County. With its relatively affordable housing prices and middle-income character, Prince George's County seems to serve as a pathway to the middle class for large numbers of lower-income, working minorities from Washington, D.C. and Montgomery County.

Introduction

The Washington area is growing and decentralizing. From 1990 to 2000, the District of Columbia's population declined while the number of people living in surrounding suburbs increased. Prince George's County was among the suburban jurisdictions that experienced population growth, increasing by 10 percent from about 729,000 residents in 1990 to over 800,000 in 2000.[1] Prince George's continues to grow, with an estimated 840,000 residents in 2005.[2]

A dynamic county in a rapidly changing region, Prince George's County has experienced significant demographic transformation during the last 15 years. The county, which was half black in 1990, has become increasingly black while its foreign-born population has also grown.

During this period of growth, Prince George's has maintained its middle-class character; the majority of its households were middle-income in 1989 and 1999.[3] Still, it is not as well off as its neighboring Maryland jurisdictions. Some are concerned that the region's rapid economic development and rising housing costs—particularly in Washington, D.C.—have resulted in many of the area's lowest-income residents moving to Prince George's County. In light of both this concern and the county's changing demographics, this paper examines the characteristics of the people and households migrating into and out of Prince George's County between 1993 and 2004.[4]

Following a discussion of data and methods, the paper describes the demographic and economic characteristics of Prince George's total population, and compares the county to nearby jurisdictions, including the District of Columbia and Montgomery, Anne Arundel, Howard, and Charles counties. After providing an overview of the total population, the paper examines how migration in and out of Prince George's County has contributed to changes in population, income distribution, and racial/ethnic composition.

To give a general sense of migration's impact on the county, the study first reviews data on all migrants moving in and out of Prince George's County irrespective of their place of origin/destination. However, differences between localities, such as public school quality, housing prices, and municipal services, often influence people's decision to move from one jurisdiction to another in the same region. To assess movements in a regional context, the paper examines migration between Prince George's and the jurisdictions that surround it, including the District of Columbia, Montgomery, Anne Arundel, Howard, and Charles counties, all which have substantial population exchanges with the county.

Data and Methods

This paper uses several data sources to examine demographic and economic change in Prince George's County. To describe trends among the total population, this paper uses data from the 1990 and 2000 decennial censuses. Where possible, the paper uses more recent Census Bureau estimates from the 2005 Population Estimates or the 2005 American Community Survey.

To analyze migration, the paper relies on two data sets provided by the U.S. Census Bureau: the IRS Area-to-Area Migration Data and the Five-Percent Public Use Microdata Sample (PUMS) from Census 2000. The textbox below summarizes these data while a detailed discussion appears in the appendix. The paper uses these data for three purposes: measuring migration flows, analyzing migrant income, and analyzing migrants' demographic characteristics.

IRS Area-to-Area Migration Data, 1993–2004	Five-Percent Public Use Microdata Sample (PUMS), Census 2000
Data Source: IRS Individual Master File of income tax returns (administrative)	**Data Source:** 5 percent weighted sample of individuals and households from Census 2000 (survey)
Migrant Universe: • In-migrants: Households and individuals residing in Prince George's County who lived in a different U.S. county or country the prior year	**Migrant Universe**: • In-migrants: Individuals residing in Prince George's County in 2000 who lived in a different U.S. county or country in 1995
• Out-migrants: Households and individuals residing in another U.S. county who lived in Prince George's County the prior year	• Out-migrants: Individuals residing in another U.S. county in 2000 who lived in Prince George's County in 1995
Geographic Unit of Analysis: County	**Geographic Units of Analysis:** County and Public Use Microdata Areas (PUMAs)
Time Period: Two-year increments beginning with 1993–1994 and ending with 2003–2004	**Time Period:** Migration within the five year period of 1995 and 2000
Variables: • Number of returns estimate the number of migrant households • Number of exemptions estimate the number of individuals • Median adjusted income of migrant households	**Variables:** • Race/ethnicity of migrant individuals • Foreign born status of migrant individuals • PUMA for place of residence in 2000
Uses in Paper: • Measure annual gross and net migration flows • Analyze income of migrant households	**Uses in Paper:** • Analyze demographic characteristics of migrants • Analyze settlement patterns of in-migrants
Limitations: • Only counts individuals and households filing income tax returns (see appendix) • Does not provide demographic data	**Limitations:** • Does not capture annual migration flows (see appendix)

Measuring Migration Flows

This study uses the IRS migration data to examine annual migration flows from 1993 to 2004. Data on migration flows have three elements and include: (1) gross in-migration, the total number of people moving into a place from a given area(s); (2) gross out-migration, the total number of people moving out of a place to a given area(s); and (3) net in-migration, defined as the gross number of migrants who moved to a place minus the gross number of migrants who moved out. Positive net in-migration indicates that more people moved in than out (net inflow) while negative net in-migration demonstrates the reverse (net outflow). Gross migrations measure the magnitude of movement in and out of a place whereas net migration represents net population gains or losses caused by migration.

Analyzing Migrant Income

This report also uses the IRS migration data to examine the claim that migration has increased the proportion and number of low-income households in Prince George's County. Migration can increase the number of households at the lower end of the income distribution in two ways: (1) households with lower incomes can move into a jurisdiction; and (2) households with higher incomes can move out. To review both effects, the paper presents income trends among households moving in, as well as among those moving out of Prince George's County. Migrant income is expressed as the median household adjusted income in 2004 dollars.[5] Adjusted income is in accordance with the IRS's definition of gross adjusted income and includes taxable income from all sources minus specific deductions, such as the student loan interest deduction, the IRA deduction, and the self-employed health insurance deduction.[6] Note that IRS-provided household adjusted income and Census-reported household income differ and should not be compared.

One could argue that household income is not an appropriate measure since it is a factor of household size.[7] To address this concern, we reviewed the per capita income of people moving between Prince George's County and other jurisdictions. The per capita income trends have the same general patterns as median household income trends, suggesting that household size does not dramatically skew household income trends.

Analyzing Migrants' Demographic Characteristics

Since the IRS data does not include demographic characteristics, this study uses the Census 2000 five-percent PUMS to determine the race/ethnicity and foreign-born status of those who moved in and out of Prince George's County between 1995 and 2000. It is important to note that the IRS and Census samples are different, as is the period of time in which the migrants' moves could have taken place. In short, the data are not directly comparable.

Findings

A. The racial composition of the populations of Washington, D.C. and Prince George's County have changed in opposite directions in the last fifteen years, as the region's black population became more concentrated in Prince George's County and less concentrated in the District.

Like other suburban jurisdictions in the Washington area, Prince George's population has increased by roughly 15 percent over the past fifteen years. Population growth can result from two factors: natural increases (births minus deaths) and net in-migration, or the number of people moving into a place minus the number moving out. From 1990 to 1999, more people moved out of Prince George's County than in, resulting in a net migration loss of 17,000 residents.[8] However, Prince George's population grew during this period due to a natural increase of more than 74,000 people.[9] By contrast, both natural increases and net migration gains fueled population growth in other Maryland counties, including Montgomery, Anne Arundel, Howard, and Charles from 1990 to 1999.[10]

Substantial demographic change has accompanied population growth in the Washington area and the nearby Maryland suburbs. Over the past fifteen years, the region's black population has been concentrated in the District and Prince George's County. However, Prince George's population has become increasingly black as D.C.'s black population has decreased. In 1990, 65 percent of D.C. residents were black compared to half of Prince George's residents.[11] By 2000, the proportion of the population that is black had grown in Prince George's (62 percent) and declined in D.C. (59 percent).[12] This trend continued to 2005, when an estimated 65 percent of Prince George's County and 56 percent of the District was black.[13]

While Prince George's has been a majority-black jurisdiction since 1990, the Maryland counties surrounding it are majority-white. However, these jurisdictions have become more diverse, with the white population's share of the total decreasing in each county over the past fifteen years (Table 1).

Table 1. Racial and Ethnic Composition of Selected Jurisdictions, 1990 and 2005

	D.C.		Prince George's		Montgomery		Anne Arundel		Charles		Howard	
	1990	*2005*	*1990*	*2005*	*1990*	*2005*	*1990*	*2005*	*1990*	*2005*	*1990*	*2005*
White	27.4%	31.1%	41.6%	19.0%	72.5%	55.8%	84.6%	77.3%	78.4%	57.6%	82.0%	67.1%
Black	65.3%	55.7%	50.2%	64.7%	11.8%	15.6%	11.7%	14.4%	18.0%	34.3%	11.6%	15.8%
Latino	5.2%	8.6%	4.0%	10.7%	7.2%	13.6%	1.6%	3.6%	1.5%	3.1%	2.0%	4.0%
Asian	1.8%	3.0%	3.7%	3.8%	8.1%	13.0%	1.8%	2.8%	1.2%	2.2%	4.2%	10.9%
Other	0.4%	0.4%	0.5%	1.8%	0.4%	2.0%	0.4%	1.8%	0.9%	2.7%	0.2%	2.3%

Source: Census 1990, 2005 U.S. Census Bureau Population Estimates

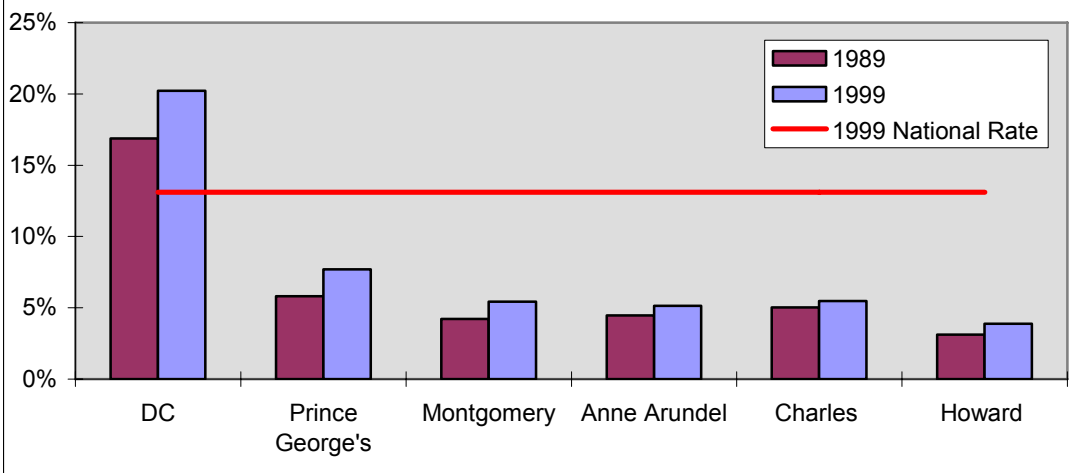
Immigration has contributed to the region's increasing diversity, with the total foreign born population growing in every jurisdiction. From 1990 to 2000, Prince George's foreign-born population grew by almost 60 percent, becoming nearly 14 percent of the total population in 2000.[14] Of the Maryland counties bordering Prince George's, only Montgomery had a larger proportion of the population that was foreign-born (27 percent) in 2000.[15] Similar to Prince George's County, immigrants accounted for 13 percent of the District's total population.[16] Foreign-born residents represented 11 percent of the population in Howard County, 5 percent in Anne Arundel, and 3 percent in Charles in 2000.[17]

B. From 1989 to 1999, the population of Prince George's County was consistently middle-income while the District lost middle-income households.

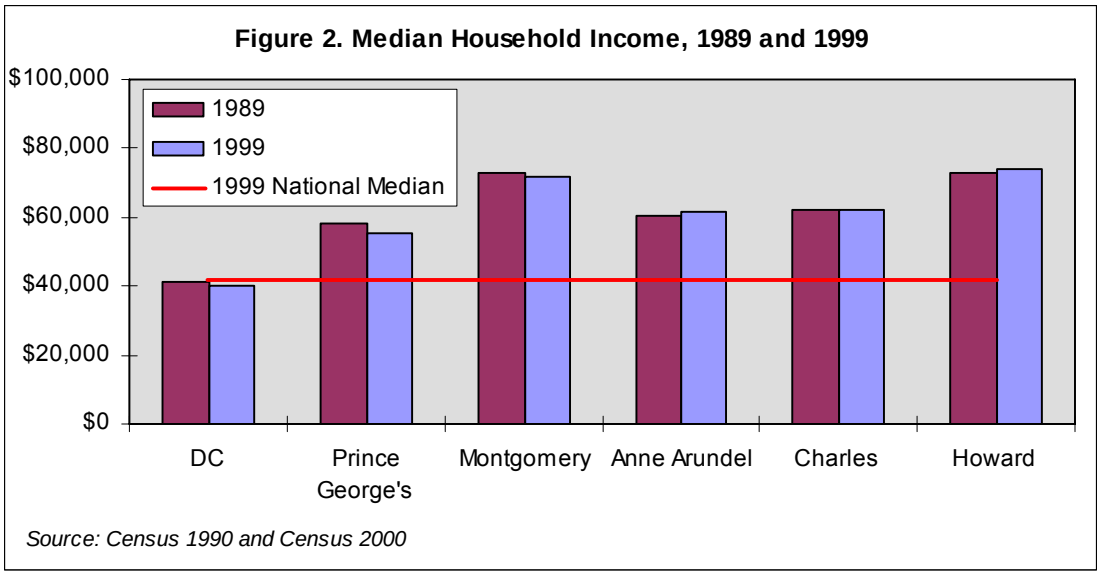
With one of the strongest metropolitan economies in the nation, the Washington region has experienced tremendous economic growth over the past several years. Prince George's County has shared in that prosperity. In 1989, median household income in Prince George's County was 43 percent higher than the national median. The county experienced a real decrease in median household income of 4.6 percent from 1989 to 1999, but its median remained 32 percent higher than the national average. Likewise, while Prince George's poverty rate rose from 5.7 percent in 1989 to 7.7 percent in 1999, its poverty rate was lower than the national rate during both time periods. There has been no real change in Prince George's median household income or poverty rate since 1999.[18]

Still, there are disparities between Prince George's County and its neighboring jurisdictions. In both 1989 and 1999, Prince George's poverty rate was higher than those of bordering Maryland jurisdictions, and its median household income was lower (Figures 1 and 2).

Figure 1. Poverty Rates, 1989 and 1999



Source: Census 1990 and Census 2000

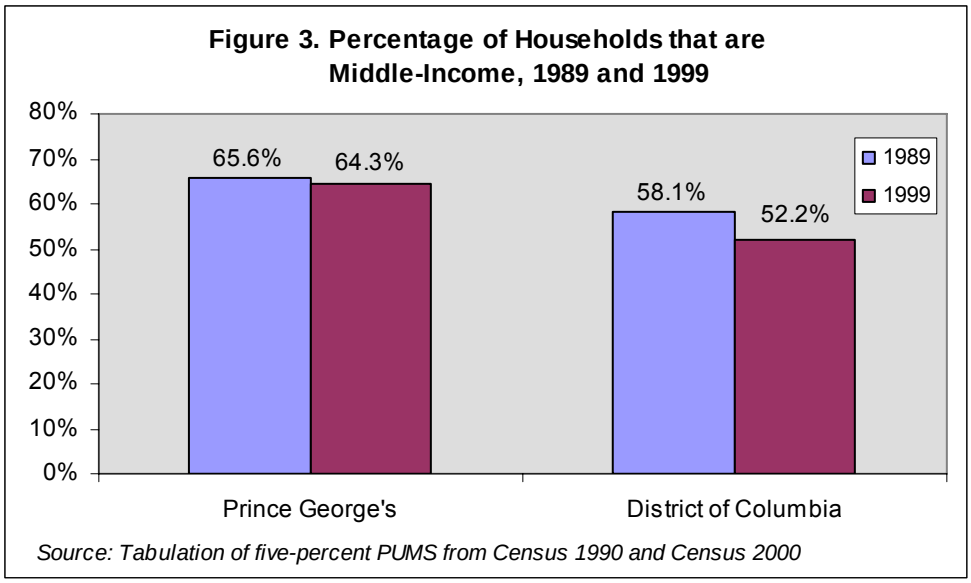


By contrast, the county was better off economically than the District. In 1999, Prince George's median income was 38 percent higher than D.C.'s, and the county's 7.7 percent poverty rate was much lower than the District's rate of 20 percent. Moreover, Prince George's County did not have pockets of concentrated poverty (defined as census tracts with poverty rates of 30 percent or more) as of the year 1999. Less than one percent of all Prince George's census tracts (only one of 183 tracts) suffered from concentrated poverty compared to 23 percent of all census tracts in the District.

Prince George's also remained consistently middle income while the District lost middle-income households. We use national income quintiles, adjusted for the higher cost of living in the Washington area, to create five different income categories: low; lower-middle; middle; upper-middle; and high. Households that fall into the three "middle" categories are "middle-income."[19]

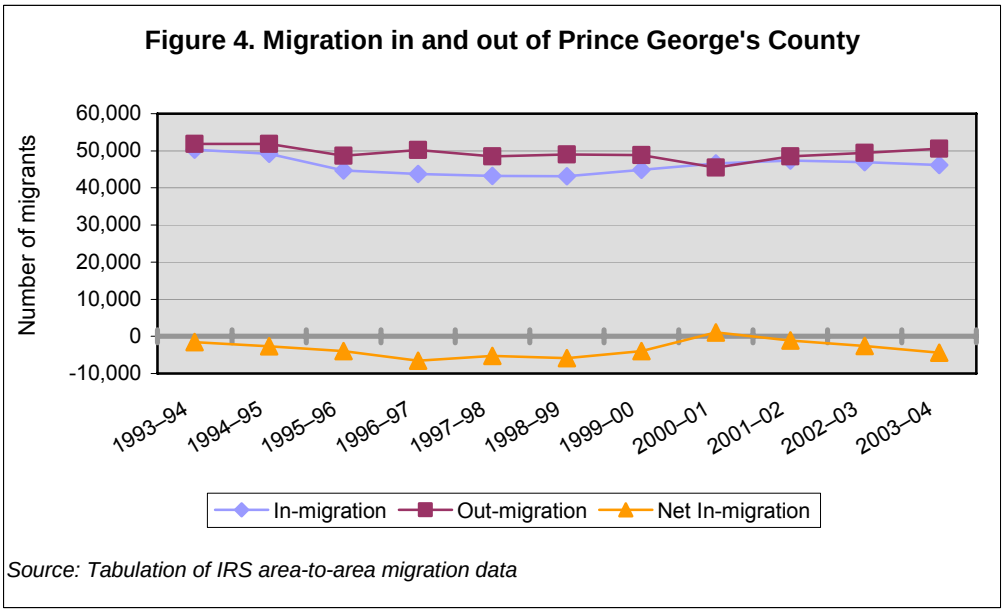
In 1989, about 66 percent of Prince George's households were middle-income, a percentage that fell very slightly to 64 percent in 1999 (Figure 3). By contrast, the proportion of middle-income households in Washington, D.C. declined from 58 percent in 1989 to 52 percent in 1999. An analysis of 2005 American Community Survey data reveals that neither D.C. nor Prince George's has experienced a statistically significant change in the percentage of middle-income households since 2000.

The relatively affordable housing available in Prince George's County may, in part, help the county maintain its middle-class character. Driven by a strong regional economy, housing prices in the District and many of its inner-ring suburbs have soared over the past five years. From 1999 to 2004, the real median housing price in the District more than doubled.[20] Meanwhile, Prince George's 50 percent real increase in median housing prices was the smallest increase among D.C. and the inner-ring suburbs (Montgomery, Prince George's, Fairfax, Alexandria, and Arlington).[21] At $226,900, the county also had the lowest median housing price in 2004.[22] Residents in other parts of the Washington region, as well as immigrants looking to settle in the area may move to the county in order to buy a home.



C. Migration in and out of Prince George's County changed the composition of the county's population in this period, although it had little impact on the population's total size.

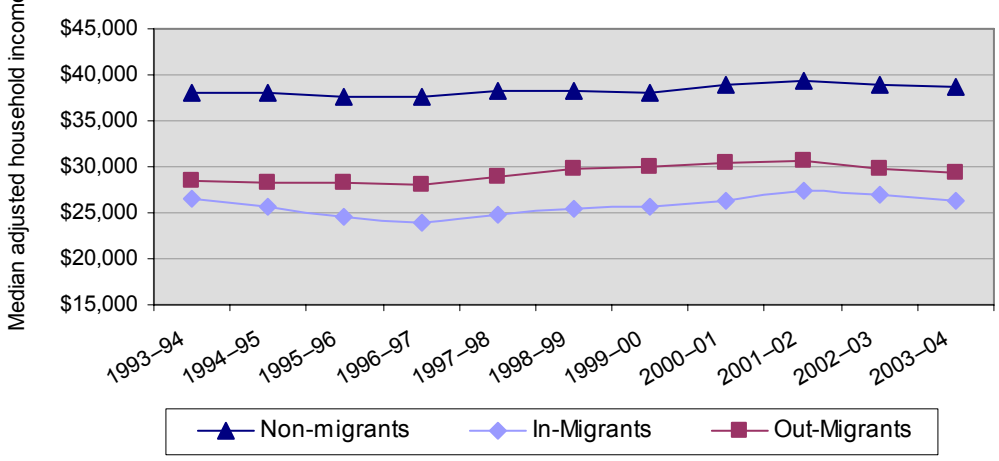
Migration had little effect on the total number of people living in Prince George's County. But large numbers of people moved in and out of the county each year. Over the period, an average of 46,000 people moved into Prince George's County annually while an average of 49,000 people moved out per year (Figure 4). These flows include international and domestic migration, and were each roughly equivalent to seven to eight percent of the county's total population.



The large flows of people moving into and out of Prince George's County contributed to the moderate change in the county's economic composition. Recall that migration can shift the income distribution to the left in two ways: households with lower incomes can move into a jurisdiction and households with higher incomes can move out. Though both in-migrant and out-migrant households had low to moderate incomes, the median adjusted incomes of all households moving into Prince George's County were consistently lower than those of all households moving out (Figure 5).

Median adjusted household income is based on the IRS definition of gross adjusted income, which is taxable income from all sources minus specific deductions, such as the student loan interest deduction, the IRA deduction, and the self-employed health insurance deduction. Between 1994 and 2004, the median adjusted incomes of all in-migrant households ranged from $24,000 to $27,400.[23] By contrast, the median adjusted incomes of all households moving out of the county over the same time period were higher, ranging from $28,100 to $30,700. Median adjusted incomes of in-migrant and out-migrant households were closest in 1993–1994 when the median income of out-migrant households was about 8 percent higher than the median income of in-migrant households. The largest income gap between in and out-migrant households occurred in 1999–2000 when the median adjusted income of out-migrant households was around $30,100—18 percent higher than the $25,600 median adjusted income of in-migrant households. Both in-migrant and out-migrant households had lower median adjusted incomes compared to households that stayed in Prince George's County. This trend likely reflects research that movers tend to have lower incomes than non-movers because they are usually younger, and in an earlier phase of their working lives.

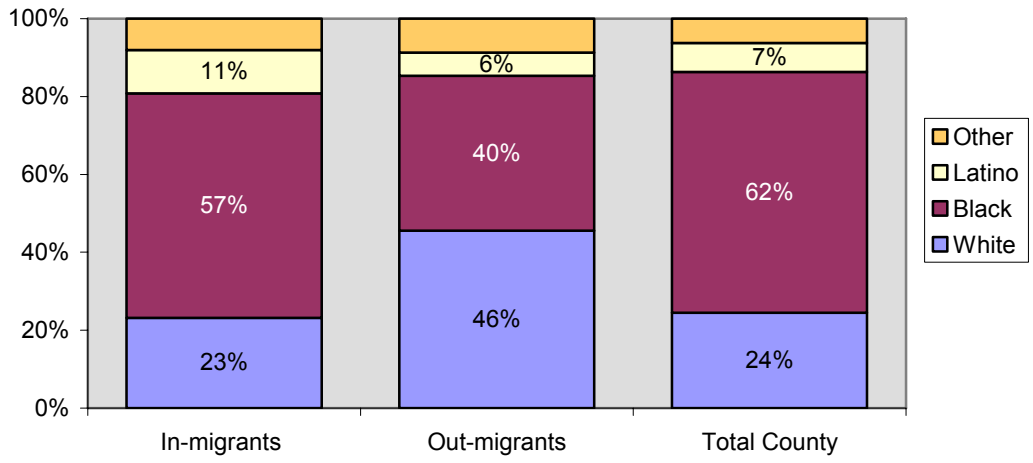
Figure 5. Median Household Adjusted Income for Prince George's Migrants and Non-Migrants, (2004 dollars)



Source: Tabulation of IRS area-to-area migration data

Migration also contributed to demographic change. Data from decennial censuses and annual population estimates reveal that Prince George's black population grew from 1990 to 2005. Migration could contribute to this transformation in two ways: more black individuals could move in and more whites could move out. At nearly 60 percent, the majority of individuals who moved to Prince George's County between 1995 and 2000 were black while less than a quarter were white (Figure 6). By contrast, no one race captured the majority of those moving out of the county between 1995 and 2000: the percentage of out-migrants who were black (40 percent) was nearly as large as the percentage of out-migrants that were white (46 percent). Still, out-migrants were much more likely to be white than in-migrants; the proportion of whites moving out of Prince George's County doubled the proportion of whites moving in.

Figure 6. Racial and Ethnic Composition of Prince George's Migrants, 1995 to 2000 and Total Population, 2000



Source: Tabulation of five-percent PUMS from Census 2000

The number of foreign-born individuals moving into the county between 1995 and 2000 was twice as large the number of foreign-born individuals moving out. About one in four individuals who moved to Prince George's County from 1995 to 2000 was foreign born. Foreign-born in-migrants were more likely to be black or Latino compared to immigrant out-migrants. While blacks and Latinos each accounted for about 36 percent of foreign-born in-migrants, each group represented only a quarter of foreign-born out-migrants.

D. On balance, migrants moved into Prince George's County from the District of Columbia, and Montgomery County since 2000, and moved out to more distant Howard, Anne Arundel, and Charles counties.

The findings presented thus far pertain to *all* of Prince George's migrants, regardless of where they moved from or to. However, people may move from one jurisdiction to another within the same region for a variety of reasons, such as differences in terms of housing prices, public school quality,

public safety levels, or the changing racial, ethnic, or economic composition of neighborhoods. Such local factors likely shape migration flows between Prince George's County and its neighbors. The rest of the paper therefore focuses on the county's regional migration flows.

The jurisdictions bordering Prince George's County, including the District of Columbia and Montgomery, Anne Arundel, Howard, and Charles counties provide large shares of migrants moving into the county on a yearly basis. They also annually capture substantial proportions of all individuals moving out of Prince George's County. In total, flows among these jurisdictions account for over half of both gross in-migration and gross out-migration each year. By contrast, exchanges with nearby jurisdictions in Northern Virginia (Alexandria, Arlington, and Fairfax) make up roughly six to seven percent of the county's inflows and outflows. Due to the substantial size of gross and net migration flows between Prince George's and its bordering jurisdictions, our analysis of the county's regional migration flows focuses on its exchanges with Washington, D.C. and Montgomery, Anne Arundel, Howard, and Charles counties.

1. Gross In-Migration

More Prince George's in-migrants came from the District of Columbia than from any other jurisdiction, representing a quarter to a third of all in-migration to the county each year (Table 2). Montgomery County followed behind the District, providing 16 to 20 percent of Prince George's in-migrants each year. A much smaller number of in-migrants came from bordering Maryland counties, Howard, Ann Arundel, and Charles. In fact, in every year, the District and Montgomery County each provided more in-migrants to Prince George's County than Ann Arundel, Howard, and Charles counties combined.

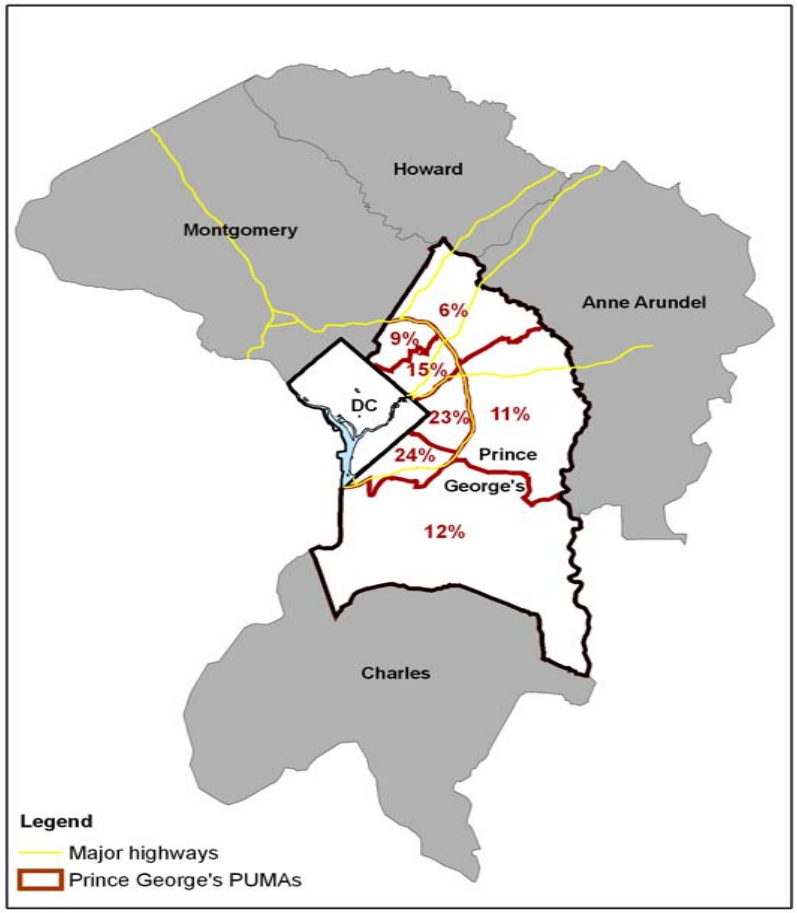
Table 2. Prince George's Gross In-Migration by Place of Origin, Selected Years

Jurisdiction of Origin	1993–1994		1999–2000		2003–2004	
	#	%	#	%	#	%
Washington, D.C.	16,395	32.6%	12,328	27.4%	11,813	25.6%
Bordering Maryland Jurisdictions						
Montgomery, MD	8,058	16.0%	7,263	16.2%	9,175	19.9%
Anne Arundel, MD	2,477	4.9%	2,401	5.3%	2,427	5.3%
Charles, MD	1,382	2.7%	1,387	3.1%	1,581	3.4%
Howard, MD	1,331	2.6%	1,219	2.7%	1,315	2.8%
Northern Virginia Jurisdictions						
Alexandria, VA	880	1.7%	727	1.6%	790	1.7%
Arlington, VA	703	1.4%	514	1.1%	706	1.5%
Fairfax County, VA	1,572	3.1%	1,481	3.3%	1,850	4.0%
All Other Places	17,491	34.8%	17,594	39.2%	16,489	35.7%
Total in-migration from all places	**50,289**	**100.0%**	**44,914**	**100.0%**	**46,146**	**100.0%**

Source: Tabulation of IRS area-to-area migration data

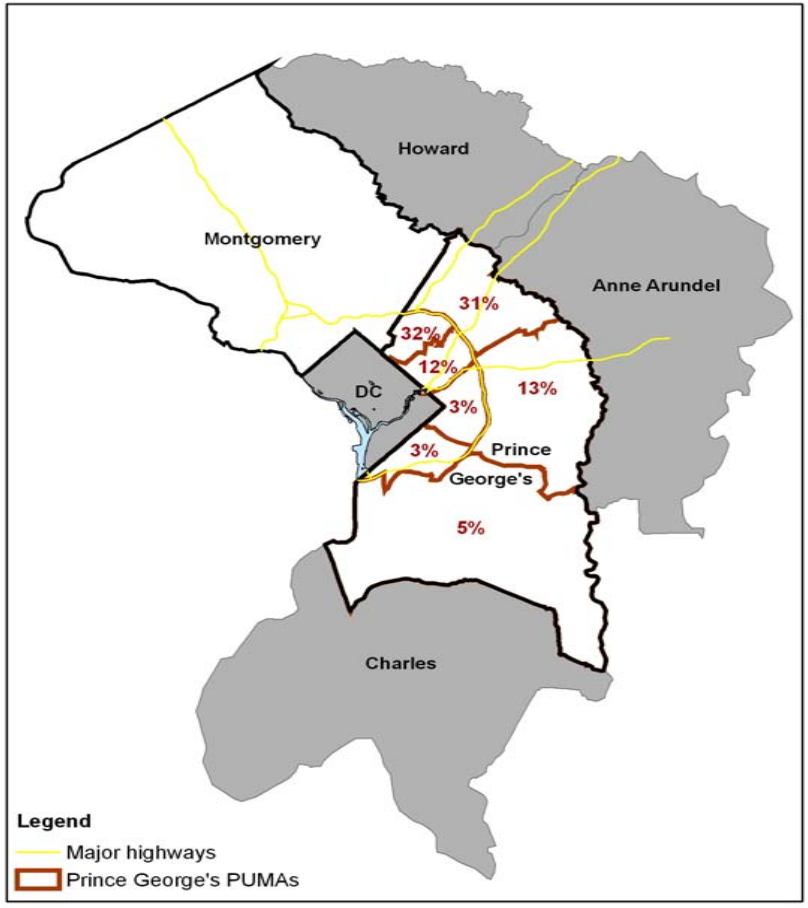
Those moving into Prince George's County from the District and Montgomery County tended to settle near the borders of their previous residential jurisdiction. This paper uses Public Use Microdata Areas (PUMAS), the smallest level of geography available on the PUMS, to examine the settlement patterns of in-migrants from the District and Montgomery County. Of Prince George's residents who lived in D.C. in 1995, 70 percent settled near the Prince George's–D.C. border, and nearly half lived in the western portion of Prince George's County that borders Southeast Washington (Figure 8). Similarly, 63 percent of those who migrated from Montgomery County between 1995 and 2000 lived in northern portion of Prince George's County near the Montgomery border (Figure 9).

Figure 8. Distribution of In-Migrants from Washington, D.C. by Place of Residence in Prince George's County, 2000



Source: Tabulation of five-percent PUMS from Census 2000

Figure 9. Distribution of In-Migrants from Montgomery County by Place of Residence in Prince George's County, 2000



Source: Tabulation of five-percent PUMS from Census 2000

2. Gross Out-Migration

Table 3 illustrates the destination counties of those who moved out of Prince George's to surrounding jurisdictions. Montgomery County captured the greatest share of Prince George's out-migrants in each of these years, followed by the District. Though Montgomery County and D.C. received the largest shares of out-migrants, out-migration to these destinations declined over the decade. The share of out-migrants moving to Ann Arundel and Howard counties each year remained steady while the share of Prince George's residents moving to Charles County increased from 5.3 percent in 1993–1994 to 7.9 percent in 2003–2004.

Table 3. Prince George's Gross Out-Migration by Destination, Selected Years

Destination Jurisdiction	1993–1994		1999–2000		2003–2004	
	#	%	#	%	#	%
Washington, D.C.	7,494	14.5%	7,214	14.8%	6,777	13.4%
Bordering Maryland Jurisdictions						
Montgomery, MD	8,639	16.7%	7,664	15.7%	8,017	15.9%
Anne Arundel, MD	4,793	9.2%	4,644	9.5%	4,660	9.2%
Charles, MD	2,762	5.3%	3,682	7.5%	4,016	7.9%
Howard, MD	2,570	5.0%	2,761	5.7%	2,599	5.1%
Northern Virginia Jurisdictions						
Alexandria, VA	672	1.3%	539	1.1%	638	1.3%
Arlington, VA	632	1.2%	452	0.9%	457	0.9%
Fairfax County, VA	1,899	3.7%	1,875	3.8%	1,856	3.7%
All Other Places	22,373	43.2%	20,013	41.0%	21,531	42.6%
Total out-migration to all places	**51,834**	**100.0%**	**48,844**	**100.0%**	**50,551**	**100.0%**

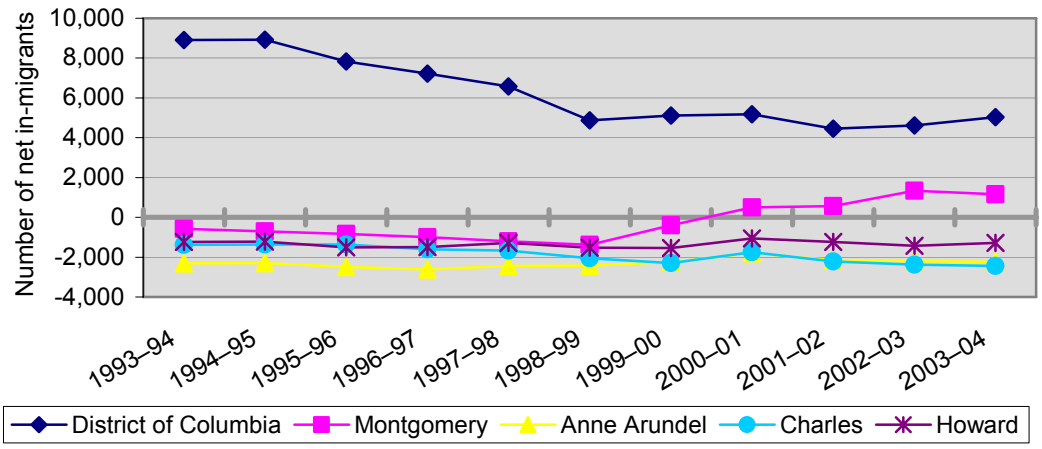
Source: Tabulation of IRS area-to-area migration data

3. Net Migration

Recall that positive net in-migration demonstrates a net inflow (more people moved in than out) while negative net-in migration indicates a net outflow (more people moved out than in). Figure 10 shows net in-migration to Prince George's County from surrounding counties throughout the entire period whereas Figure 11 illustrates the scale of Prince George's net migration flows for the most recent years of 2003–2004.

Over the past decade, the District of Columbia was the only nearby jurisdiction to consistently lose more residents than it gained from Prince George's County. However, Prince George's net population gain from the District decreased by 44 percent from about 8,900 net persons in 1993–1994 to just over 5,000 net persons in 2003–2004. In contrast, Prince George's County experienced net outflows to Anne Arundel, Charles, and Howard counties throughout the entire decade, demonstrating that more people consistently moved out of Prince George's County to these jurisdictions than in.

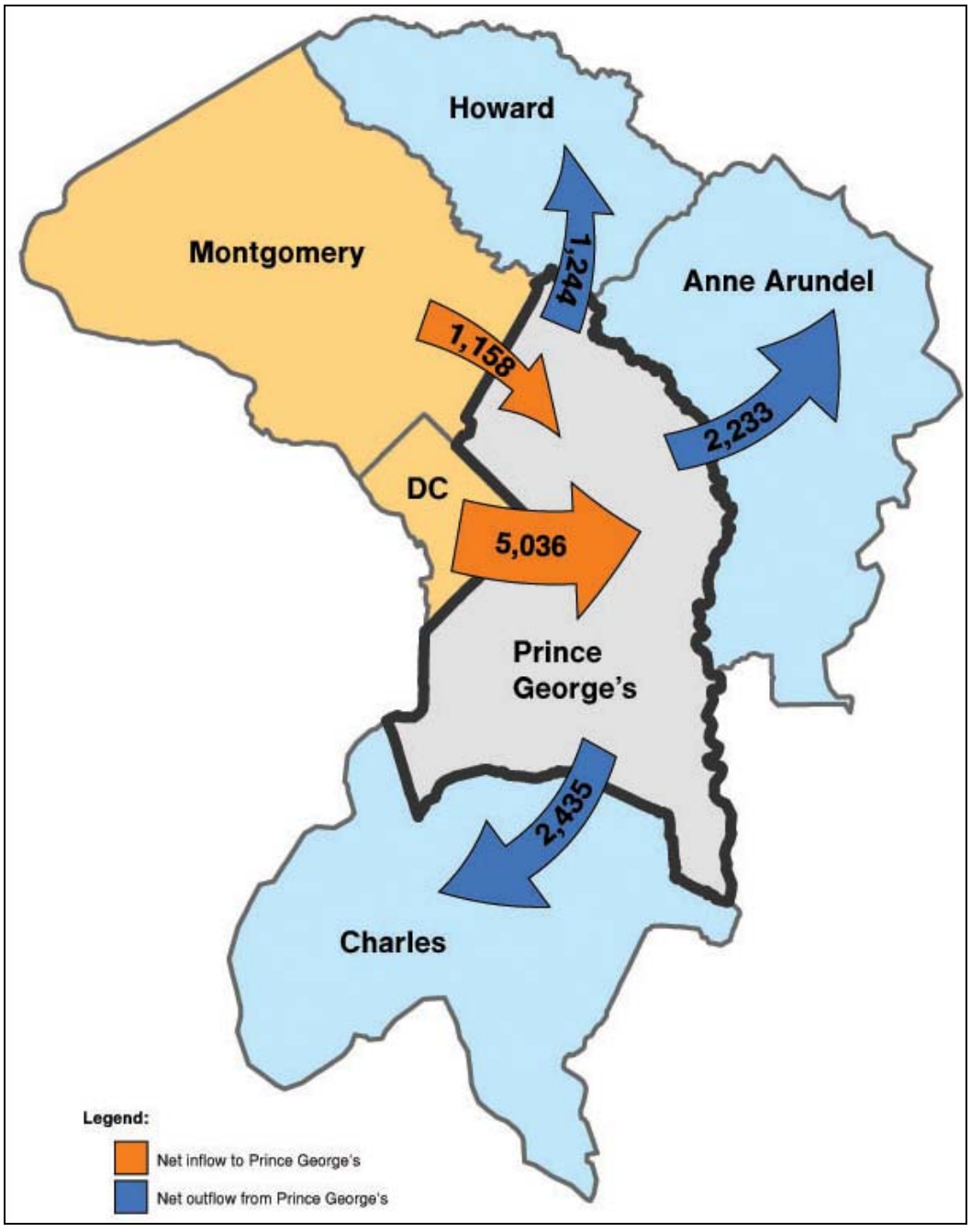
Figure 10. Net In-Migration to Prince George's County by Place of Origin



Source: Tabulation of IRS area-to-area migration data

Net in-migration from Montgomery County is of particular interest because it changed from negative to positive in 2000–2001. In other words, prior to 2000–2001, Prince George's lost more residents than it gained through migration flows with Montgomery County. But beginning in 2000–2001, this trend reversed: the total number of people moving into Prince George's County from Montgomery County was larger than the total number of Prince George's residents moving in the opposite direction. Net in-migration to Prince George's County from Montgomery County remained positive for the rest of the period, more than doubling from 506 net persons in 2000–2001 to 1,158 in 2003–2004.

Figure 11. Net Migration Between Prince George's County and Surrounding Jurisdictions, 2003–2004

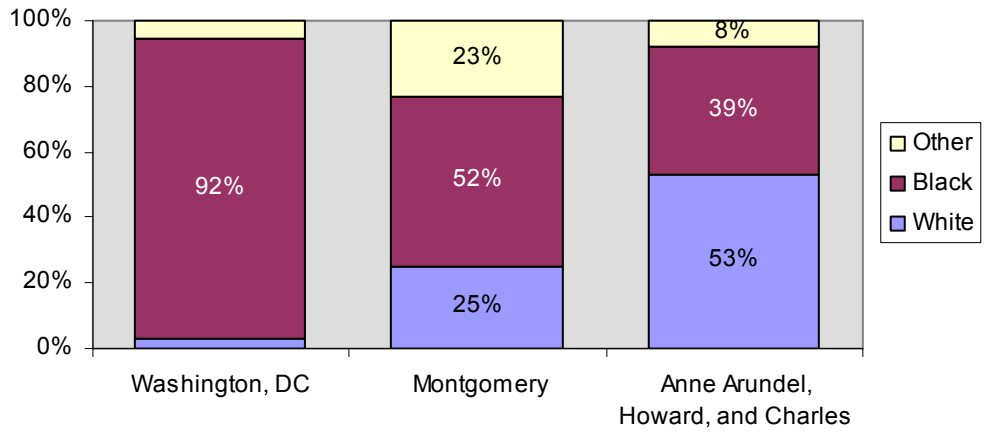


Source: Tabulation of IRS area-to-area migration data

4. Race, Ethnicity, and Immigrant Status of Migrants

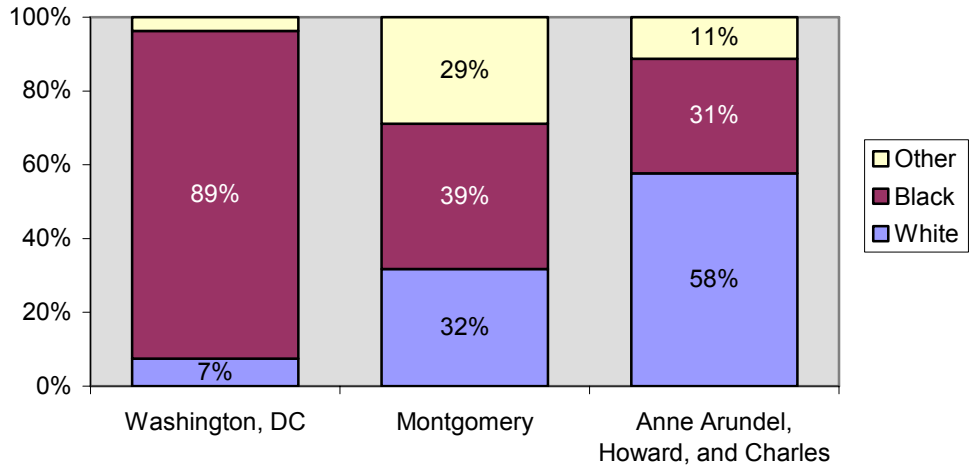
People who moved into Prince George's County from surrounding counties between 1995 and 2000 were more likely to be black than those moving out (Figures 12 and 13). Still, migration in both directions between Prince George's County and the District of Columbia was predominately black. Meanwhile, migration in both directions between Prince George's County and the surrounding counties of Anne Arundel, Howard, and Charles was majority white. Though inflows were small, 53 percent of all in-migrants from those jurisdictions were white compared to 58 percent of all individuals moving out.[24] Finally, migration flows between Montgomery County and Prince George's were relatively diverse.

Figure 12. Racial and Ethnic Composition of Gross In-Migrants by Place of Origin, 1995 to 2000



Source: Tabulation of five percent PUMS from Census 2000

Figure 13. Racial and Ethnic Composition of Gross Out-Migrants by Destination, 1995 to 2000



Source: Tabulation of five percent PUMS from Census 2000

Additionally**,** migration flows between Prince George's and Montgomery counties in both directions had high proportions of foreign-born individuals relative to flows between Prince George's and other nearby jurisdictions. Those moving between Prince George's County and Washington, D.C., Anne Arundel, Howard, and Charles counties were overwhelmingly native-born. By contrast, the foreign born accounted for over a quarter of in-migrants from Montgomery County and nearly a third of the out-migrants who moved to Montgomery County.

E. Throughout the entire period, households crossing the Prince George's-D.C. border in both directions had lower incomes relative to households migrating between the county and surrounding Maryland jurisdictions.

Table 4 provides the number of households and the median household adjusted income for households moving into Prince George's County from nearby jurisdictions in selected years. The median provides a sense of the income distribution among migrant households, as half of all households have adjusted incomes below the median and half have incomes above it.

As the chart highlights, there were more households moving to Prince George's from the District of Columbia than from any other jurisdiction, and of all households moving in from nearby places, those from D.C. had the lowest median adjusted incomes. The thousands of households moving in from Montgomery County also had relatively low median adjusted incomes. For example, in 2003–2004, median adjusted incomes of in-migrant households from Montgomery County were only about $1,400 or 4.9 percent higher than the median adjusted incomes of households from the District. Thus, both the District and Montgomery County contributed a significant share of lower-income, working households to Prince George's County.

Table 4. Median Household Adjusted Income of Prince George's In-Migrants in 2004 Dollars by Place of Origin, Selected Years

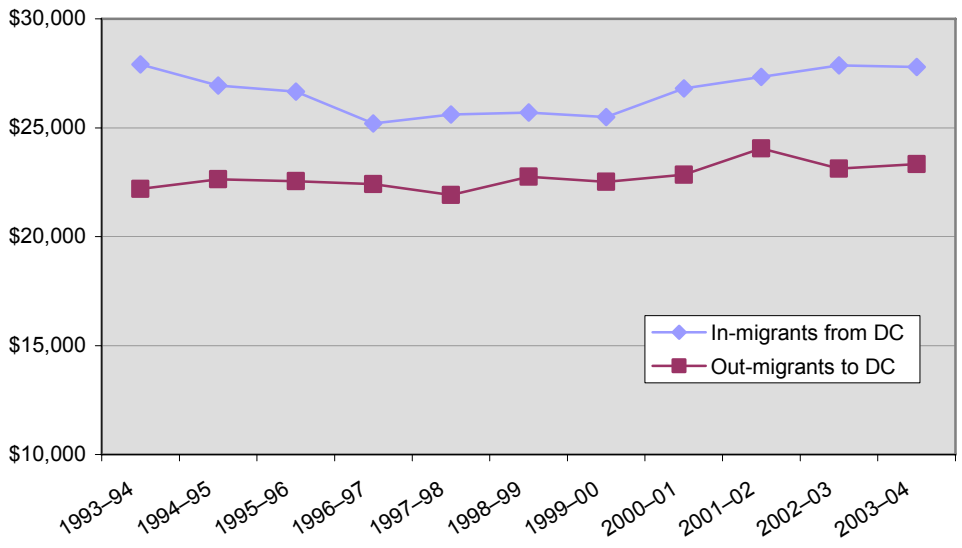
Jurisdiction of Origin	1993–1994		1999–2000		2003–2004	
	# of households	median income	# of households	median income	# of households	median income
Washington, D.C.	7,327	$27,914	5,896	$25,493	5,743	$27,793
Montgomery, MD	4,235	$27,271	3,971	$27,554	4,797	$29,152
Anne Arundel, MD	1,300	$31,771	1,318	$31,333	1,328	$33,547
Charles, MD	713	$28,990	718	$28,935	824	$29,906
Howard, MD	770	$32,489	719	$32,983	750	$35,367

Source: Tabulation of IRS Area-to-Area Migration data

Though the District provided Prince George's County with low-income households, it absorbed a smaller number of households with even lower incomes from Prince George's County. During the most recent period (2003–2004), the median income of out-migrant households moving to the District was about $23,300—nearly $4,500 (16 percent) lower than the median adjusted income of households moving in the opposite direction (Figure 14). This finding indicates that though more

people moved from Washington to Prince George's County, thousands of low-income households did move in both directions across the Prince George's–D.C. border every year.

Figure 14. Median Adjusted Income of Households Moving Between Prince George's County and Washington, DC (2004 dollars)



Source: Tabulation of IRS area-to-area migration data

Whereas Prince George's out-migrants with relatively low incomes regularly moved to Washington, moderate-income households consistently moved to Anne Arundel, Howard, and Charles counties (Table 5). In 2003–2004, households moving to these jurisdictions had median adjusted incomes ranging from $35,800 to $40,000. In sum, while the inflow of low-income households from the District and Montgomery County likely contributed to modest economic changes in Prince George's County, so did the concurrent outflow of Prince George's moderate-income households to Anne Arundel, Howard, and Charles counties.

Table 5. Median Household Adjusted Income of Prince George's Out-Migrants in 2004 Dollars by Destination, Selected Years

Destination Jurisdiction	1993–1994		1999–2000		2003–2004	
	# of households	median income	# of households	median income	# of households	median income
Washington, D.C.	3,569	$22,194	3,679	$22,517	3,534	$23,330
Montgomery, MD	4,463	$26,721	4,036	$29,706	4,237	$27,792
Anne Arundel, MD	2,449	$38,037	2,440	$37,578	2,487	$37,230
Charles, MD	1,331	$34,424	1,700	$36,704	1,859	$40,019
Howard, MD	1,355	$37,487	1,418	$37,060	1,322	$35,847

Source: Tabulation of IRS area-to-area migration data

Conclusion

Though large flows of people moving in and out of Prince George's have not significantly impacted the county's overall population size, they have contributed to demographic and economic changes in the county. Findings indicate that migration in and out of Prince George's County is a more complex story than the common narrative of poor District residents crossing the Prince George's border en masse.

Lower-income, working households are moving into Prince George's County, mainly from Washington, D.C. and Montgomery County. While the vast majority of movers from the District were black, Latinos and the foreign-born made up significant proportions of migrants from Montgomery County. Low-income, minority families in search of affordable housing, better schools, or safer neighborhoods may see moving to Prince George's County—a majority black, solidly middle-income suburban jurisdiction—as a pathway to entering the middle class.

While more migrants moved into Prince George's County from the District than in the opposite direction, thousands of households with even lower incomes did move into Washington from Prince George's County each year. Moreover, individuals moving to Prince George's from the District tended to settle near the border. The porous Prince George's–D.C. border suggests that the two jurisdictions may benefit from addressing common concerns and goals.

Finally, out-migration has also affected Prince George's County. Households moving to Anne Arundel, Charles, and Howard counties had higher incomes than the households that took their place. The out-migration of these households will only contribute to the economic disparities between Prince George's County and its more affluent neighbors. To maintain its middle-class character and racial diversity, the county must consider ways to keep higher-income households from leaving.

Appendix

I. IRS Area-to-Area Migration Data

The IRS migration data are derived by Census from the IRS Individual Master File, which contains administrative records for every income tax return filed by late September of the filing year.[25] The data are estimated to include 95 to 98 percent of the individual filing population.[26] The number of returns provides an estimate of households while exemptions claimed on returns are used to estimate individuals. Derived from administrative records, the data are more reliable and inclusive then self-reported survey data.

Census identifies migrants from the IRS master file by comparing information on street address, mailing address, state, and zip code for two consecutive years of returns for each filer.[27] If the information is the same for both years, the filer is labeled as a non-migrant.[28] If the county of residence differs between the two returns, the filer is labeled as migrant.[29] Since the data show movement from one year to another, they are expressed in two-year increments.[30] If a household moves back and forth between the same two jurisdictions, the IRS data counts each of that household's moves as a migration. To avoid "double counting" of households who move into the same jurisdiction during two different time periods, net migration can only be calculated for each of the two-year increments rather than over a number of years.

The IRS migration data's largest limitation lies in its potential to undercount poor families with gross incomes below income tax filing requirements, which ranged from $8,200 for a single person to $16,400 for a married couple filing jointly in the 2005 tax year. However, it is likely that the Earned Income Tax Credit (EITC) mitigates this problem as many filers with incomes below the filing requirement submit tax returns to claim the earned income credit.[31]

To assess the magnitude of under-representation, we compare the actual number of EITC claimants reported in IRS administrative data to a census-based EITC eligibility proxy. The eligibility proxy provides a rough estimate of EITC-eligible families by identifying families in Census 2000 that most resemble families entitled to the EITC in 1999.[32] If the number of families that received the EITC is much smaller than the eligibility proxy, then low-income families are likely undercounted in the IRS data. According to this method, IRS data seems to cover approximately 95 percent of low-income District families identified as EITC-eligible in the 2000 Census. By contrast, IRS data seems to capture *more* low-income families in Prince George's County than does Census.[33] In sum, the census-based eligibility proxy is not significantly smaller than the total number of EITC claimants in either jurisdiction. This finding suggests that IRS's coverage of the low-income, working population is at least as good as the decennial census coverage.

II. Five-Percent Public Use Microdata Sample from Census 2000

The PUMS data is derived from the Census 2000. As microdata, the PUMS are individual census records for a five-percent sample of people and households. Characteristics are based on the Census long form and include demographic variables for 2000, such as race/ethnicity and citizenship status. Each individual person and household record in the PUMS sample is weighted to represent a given geography's population.

The Census long form derives migration information with the question shown in the textbox below.

Census 2000 Questions Regarding Migration

15 a. Did this person live in this house or apartment 5 years ago (on April 1, 1995)?

- ☐ Person is under 5 years old
- ☐ Yes, this house
- ☐ No, outside the United States—Print the name of foreign country, or Puerto Rico, Guam, etc., below;
- ☐ No, different house in the United States.

If a person chooses "No, outside the United States," they are considered a migrant. Persons who choose "No, different house in the United States," must provide the name of the city, town, county, and state where they lived five years ago. If they report that they lived in a county other than their 2000 county of residence in 1995, they are considered a migrant.

The demographic data that the PUMS can provide for migrants is limited by the data's five-year migration period. In other words, because a person could have moved five years before the 2000 survey, characteristics that change with time like family type, income, poverty status, educational attainment, etc, are not necessarily the same at the time of survey in 2000 as they were at the time of the move. Thus, the demographic analysis in this paper is limited to variables that remain constant throughout time: race and foreign-born status.

The PUMS does not capture any information on annual migration flows between 1995 and 2000. For example, if someone moved into Prince George's County in 1996 and then moved out of the county in 1997, they are not included in the count of migrants. *Only those who moved to Prince George's County after April 1, 1995 and remained residents of the county in April 2000 are identified as migrants.* Thus, the PUMS cannot be used to estimate the magnitude of annual migration flows. Also, since Census 2000 is a national dataset, the PUMS only captures the demographic attributes of those who moved out of Prince George's County to another area in the U.S. Individuals who lived in Prince George's County in 1995 and since moved abroad are not included in the dataset.

III. Identifying Middle-Income Households

Identifying households as middle-income requires an analysis of income distributions in Prince George's County and Washington, D.C. To provide a consistent measure with which to compare income distributions, we turn to the national income quintiles for both 1989 and 1999, computed from Census 1990 and Census 2000.[34] Because the cost of living is higher in the Washington metropolitan area than in the nation generally, we adjust each of the national income quintiles with a metropolitan price index. The metropolitan price index is based on data collected by the U.S. Department of Housing and Urban Development (HUD) on Fair Market Rents for two-bedroom units.[35] We then use the adjusted income quintiles to create five income categories for each year of analysis: low; lower-middle; middle; upper-middle; and high for each year of analysis

Table 6. Household Income Ranges by Group, Washington Metro Area, 1989 and 1999

Income Group	1989 Income Range, Washington Metro Area	1999 Income Range, Washington Metro Area
Low-income	Under $13,969	Under $20,427
Lower-middle-income	$13,969 to $26,871	$20,427 to $37,726
Middle-income	$26,872 to $41,125	$37,727 to $57,820
Upper-middle-income	$41,126 to $60,049	$57,821 to $88,480
High-income	Over $60,049	Over $88,482

Source: Berube, Alan and Thacher Tiffany. "The Shape of the Curve: Household Income Distributions in U.S. Cities 1979–1999." (Washington: Brookings Institution, August 2004).
Note: highlighted cells constitute "middle income categories."

Next, we use the five-percent PUMS from Census 1990 and Census 2000 to identify the number and proportion of households in each income category for Washington, D.C. and Prince George's County. Taken together, the proportion of households in the three middle-income categories, (lower-middle, middle, and upper-middle) equal the percentage of the jurisdiction's household population that are "middle-income."

We apply the same analysis to the 2005 American Community Survey. For both the District of Columbia and Prince George's County, there are no statistically significant changes in the proportion of middle-income households between 2000 and 2005.

References

Berube, Alan. 2005. "¿Tienes EITC?: A Study of the Earned Income Tax Credit in Immigrant Communities." Washington: Brookings Institution.

Berube, Alan and Thacher Tiffany. August 2004. "The Shape of the Curve: Household Income Distributions in U.S. Cities, 1979—1999." Washington: Brookings Institution.

Gross, Emily. 2005. *Internal Revenue Service Area-to-Area Migration Data: Strengths, Limitations, and Current Trends*. Washington, D.C.: Statistics of Income Bulletin, US Internal Revenue Service.

Turner, Margery Austin and others. 2005. "Housing in the Nation's Capital." Washington: Fannie Mae Foundation and the Urban Institute.

Endnotes

[1] Census 1990 and Census 2000.
[2] The total population estimate for 2005 is from the Population Estimates Program, Population Division, U.S. Census Bureau.
[3] Author's analysis of data from Census 1990 and Census 2000.
[4] At the time of this analysis, 2004 was the last year for which the IRS Area-to-Area Migration data was available.
[5] Gross adjusted income is adjusted to 2004 dollars using the CPI-U.
[6] Taxable income sources include wages, salaries, tips, taxable interest, ordinary dividends, taxable refunds, credits, or offsets of state and local income taxes, alimony received, business income or loss, capital gains or losses, other gains or losses, taxable IRA distributions, taxable pensions and annuities, rental real estate, royalties, farm income or losses, unemployment compensation, taxable social security benefits, and other income. Specific deductions include educator expenses, the IRA deduction, student loan interest deduction, tuition and fees deduction, Archer MSA deduction, moving expenses, one-half of self-employment tax, self-employed health insurance deduction, self-employed SEP, SIMPLE, and qualified plans, penalty on early withdrawal of savings, and alimony paid out.
[7] For example, a household containing one person who earns $30,000 a year will have a lower household income than a household containing two persons who each earn $30,000 a year. The lower income of the first household is a result of household size, not a result of the earnings capacity of individual within the household.
[8] Population Estimates Program, Population Division, U.S. Census Bureau.
[9] Ibid.
[10] Ibid.
[11] Census 1990.
[12] Census 2000.
[13] Population Estimates Program, Population Division, U.S. Census Bureau.
[14] Census 1990 and Census 2000.
[15] Census 2000.
[16] Census 2000.
[17] Census 2000.
[18] For Prince George's County, the 2005 American Community Survey (ACS) reports a poverty rate of 8.5 percent with a +/-1.3 margin of error and a median household income of $63,365 with a +/-$1,739 margin of error. The margins of error are at a 90 percent confidence level. The differences between the ACS estimates and the Census 2000 estimates for these variables are not statistically significant at the 90 percent confidence level, and are thus interpreted as no change.
[19] The methodology used to define households as "middle-income" was developed by Alan Berube and Thacher Tiffany in the report, "The Shape of the Curve: Household Income Distributions in U.S. Cities, 1979—1999" (Washington: The Brookings Institution, August 2004). See the appendix for details on the methodology used to define households as "middle-income."

[20] Author's analysis of data from the Metropolitan Regional Information Systems, Inc., National Association of Realtors Real Estate Trend Indicator Report. Data provided by the Urban Institute, "Housing in the Nation's Capital, 2005, Supplemental Appendix" (Washington: 2005).
[21] Ibid.
[22] Ibid.
[23] All median household adjusted incomes are rounded to the nearest hundred when referenced in the text. Calculations of percent change are based on actual median incomes, not rounded numbers.
[24] Anne Arundel, Howard, and Charles counties are combined due to small sample sizes and similarities in demographic trends.
[25] Emily Gross, "Internal Revenue Service Area-to-Area Migration Data: Strengths, Limitations, and Current Trends" (Washington: U.S. Internal Revenue Service, 2005).
[26] Ibid.
[27] Ibid.
[28] Ibid.
[29] Ibid.
[30] Ibid.
[31] The income ceiling for the EITC in 2005 was $11,750 for a single worker without qualifying children, $31,030 for a single worker with one qualifying child and $35,263 for a single worker with two or more qualifying children.
[32] The eligibility proxy was developed and used by Alan Berube in the report "¿Tienes EITC?: A Study of the Earned Income Tax Credit in Immigrant Communities" (Washington: Brookings Institution, 2005). It includes all families with own children and incomes under $30,000, all families with no own children and incomes under $10,000 and all non-family households with incomes under $10,000.
[33] The following factors may cause the number of EITC claimants to be larger than the census-based participation proxy: families who are not actually eligible for the EITC claim it in error;
families with income under the EITC threshold according to IRS's definition of adjusted gross income may have Census reported gross income over the 10,000 and 30,000 thresholds; the census eligibility proxy does not capture EITC eligible families with related children; and the census eligibility proxy does not capture multiple qualifying childless earners living in the same household.
[34] This method was developed by Alan Berube and Tiffany Thatcher in the report "The Shape of the Curve: Household Income Distributions in U.S. Cities, 1979–1999." (Washington: Brookings Institution, August 2004).
[35] For more on the metropolitan price index, see Berube, Alan and Thacher Tiffany, "The Shape of the Curve: Household Income Distributions in U.S. Cities, 1979–1999." (Washington: Brookings Institution, August 2004).

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