

Equitable Growth Profile of Fairfax County Summary



Communities of color are driving Fairfax County's population growth, and their ability to participate and thrive is central to the county's success. While the county demonstrates overall strength and resilience, wide gaps in income, employment, education, and opportunity by race and geography place its economic future at risk.

Equitable growth is the path to sustained economic prosperity in Fairfax County. By creating pathways to good jobs, connecting younger generations with older ones, integrating immigrants into the economy, building communities of opportunity throughout the county, and ensuring educational and career pathways for all youth, Fairfax County can put all residents on the path toward reaching their full potential, and secure a bright future for the whole county.

Foreword

Fairfax County, Virginia, is a diverse and thriving urban county and is the most populous jurisdiction in both the state of Virginia and the Washington, DC, metropolitan area with over one million residents. Fairfax County ranks second nationally in terms of household income with a median of \$110,292. While Fairfax County's socioeconomic data tends to be extremely positive overall, not all residents are prospering.

Earlier this year, representatives from public, private, nonprofit, faith, and community sectors came together to expand our understanding of equity as a key economic driver in Fairfax County. We also had the opportunity to bring forward a local perspective in the development of this study prepared by PolicyLink and by the University of Southern California's Program for Environmental and Regional Equity (PERE). These learnings are compelling. We recognize that our community's future will be much brighter if we ensure the full inclusion of all residents in our county's economic, social, and political life.

We believe that, by using this profile, we can engage our community in conversations to better understand the growth realities we face and spark actions that ensure our continued economic growth and competitiveness. We are committed to working together as public, private, and community leaders to guide our path toward a vision of "One Fairfax" – a community in which everyone can participate and prosper.

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Overview

Across the country, communities are striving to put plans, policies, and programs in place that build healthier, more prosperous regions that provide opportunities for all of their residents to participate and thrive.

Equity – full inclusion of all residents in the economic, social, and political life of the region, regardless of race/ethnicity, and nativity, age, gender, neighborhood of residence, or other characteristics – is essential for regional prosperity. As the nation undergoes a profound demographic transformation in which people of color are quickly becoming the majority, ensuring that people of all races and ethnicities can participate and reach their full potential is more than just the right thing to do – it is an absolute economic imperative.

In the past, equity and growth have often been pursued on separate paths, but it is now becoming increasingly clear that they must be pursued together. The latest research on national and regional economic growth, from economists working at institutions including the International Monetary Fund and Standard and Poor's, finds that inequality hinders economic growth and prosperity, while greater economic and racial inclusion fosters greater economic mobility and more robust and sustained growth.¹

Embedding equity into local and regional development strategies is particularly important given the history of metropolitan development in the United States. America's regions are highly segregated by race and income, and these patterns of exclusion were created and maintained by public policies at the federal, state, regional, and local levels. In the decades after World War II, housing and transportation policies incentivized the growth of suburbs while redlining practices and racially restrictive covenants systematically prevented African Americans and other people of color (as well as some White immigrant populations, such as Jewish Americans) from buying homes in new developments while starving older urban neighborhoods of needed reinvestment. Many other factors continued racial discrimination in housing and employment, exclusionary land use practices that prevent construction of affordable multifamily homes in more affluent neighborhoods, and political fragmentation - have reinforced geographic, race, and class inequities.

Today, America's regions are patchworks of concentrated advantage and disadvantage, with some neighborhoods home to good schools, bustling commercial districts, services, parks, and other crucial ingredients for economic success, and other neighborhoods providing few of those elements. The goal of regional equity is to ensure that all neighborhoods throughout the region are communities of opportunity that provide their residents with the tools they need to thrive.

The Equitable Growth Profile of Fairfax County examines demographic trends and indicators of equitable growth, highlighting strengths and areas of vulnerability in relation to the goal of building a strong, resilient economy. It was developed by PolicyLink and the Program for Environmental and Regional Equity (PERE) to help the Fairfax County government, advocacy groups, elected officials, planners, business leaders, funders, and others working to build a stronger region.

This summary document highlights key findings from the profile along with policy and planning implications.

Equitable Growth Indicators

This profile draws from a unique Equitable Growth Indicators Database developed by PolicyLink and PERE. This database incorporates hundreds of data points from public and private data sources such as the U.S. Census Bureau, the U.S. Bureau of Labor Statistics, and Woods & Poole Economics, Inc. The database includes data for the 150 largest metropolitan regions and all 50 states, and includes historical data going back to 1980 for many economic indicators as well as demographic projections through 2040. It enables comparative regional and state analyses as well as tracking change over time.

Geography

This profile describes demographic and economic conditions in Fairfax County and Fairfax City, which are situated within the Washington, DC, metropolitan statistical area. In some cases, we present data separately for the county and city, as well as census tract level data. Unless otherwise noted, all data follow this regional geography, which is simply referred to as "Fairfax County."

Profile Highlights

The region is undergoing a major demographic shift

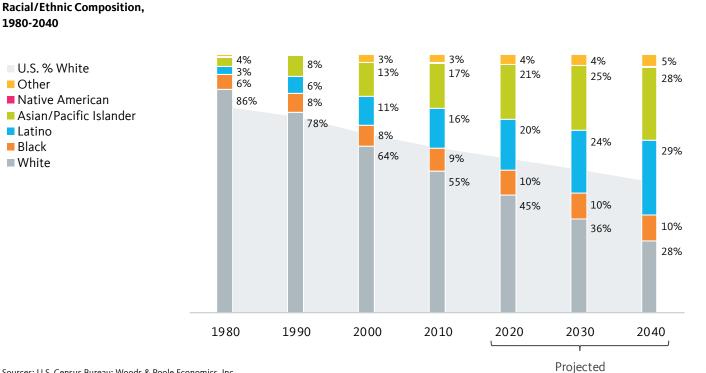
Fairfax County is growing and its demographics are quickly diversifying. Since 1980, its population has nearly doubled, from 600,000 to over 1 million. During the same time period, the share of residents who are people of color has more than tripled, from 14 to 45 percent. By 2044, when the nation is projected to become majority people of color, over 70 percent of the county's population will be people of color. Communities of color – especially Latinos, Asians, and people of other and mixed racial backgrounds – accounted for all of the net population growth over the last decade, contributing 130 percent of the growth and offsetting a decline in the White population. Latinos were the fastest growing group, increasing 57 percent and gaining more than 62,000 residents, followed by Asians, with a 50 percent growth rate and a slightly higher net gain of over 64,000 residents. For both Latinos and Asians, the U.S.-born has a faster growth rate over the decade than immigrants. The county's Black population has stabilized and will remain about a tenth of the population for the foreseeable future. The majority of the county's Middle Eastern population is growing more quickly than the immigrant population.

The county's demographic shift is taking place throughout the county and the city of Fairfax. By 2040, two-thirds of Fairfax City's residents will be people of color, compared with 72 percent in Fairfax County. Between 2010 and 2040, people of color will continue to drive growth in the county.

Youth are at the forefront of the county's changing demographics, and Fairfax's young residents are much more diverse than its seniors. Today, 52 percent of youth are people of color, compared with 27 percent of seniors. This 25 percentage point racial generation gap between young and old has risen very quickly, more than tripling since 1980. This gap presents a potential economic risk for the county because a large racial generation gap often corresponds with lower investments in the educational systems and community infrastructure needed to support the economic participation of youth.²

Stronger and more equitable growth is the key to the county's future prosperity

While Fairfax County's economy has been strong in the past and remains so to this day, it has struggled somewhat to recover from the Great Recession: while its GDP and job growth remain higher than national averages, its GDP is growing at less than half its pre-recession rate. Additionally, while growth in jobs and earnings has outpaced averages for the nation and the Washington, DC, metro as a whole since 1990, much of it has been concentrated in high-wage jobs: jobs and earnings for high-wage workers have increased by more than the combined rates for medium and low-wage workers. While this should be celebrated as a sign of strength, it has also contributed to heightened economic inequality and a shrinking middle class, which can pose a threat to maintaining a prosperous and sustainable economy moving forward.



The share of people of color is projected to increase through 2040

In addition to these trends of uneven growth, racial gaps – especially for Blacks and Latinos – in education, employment, and income have persisted and in some cases widened over time. As the county grows more diverse, these inequities become an even more serious threat to economic strength and competitiveness. Below are several key challenges the county will need to address to ensure a strong economy and a better shot at returning to the high growth seen prior to the recession.

Educational barriers for marginalized communities remain

A strong education is central to labor market competitiveness in today's knowledge and technology-driven economy, but a growing segment of Fairfax's workforce lacks access to the education needed for the jobs of the future. According to the Georgetown Center for Education and the Workforce, 45 percent of all jobs in Virginia will require an associate's degree or higher by 2020. Today only 25 percent of Latino immigrants in Fairfax County have that level of education. Even without achievement gaps, Latino immigrants have limited access to good jobs: while every other group with a bachelor's degree or higher has over half of its workforce in high-opportunity jobs, only 37 percent of Latino immigrants with the same level of education work in these positions. Similarly, college-educated Latino immigrants work in low-opportunity jobs at a rate nearly four times higher than the county average.

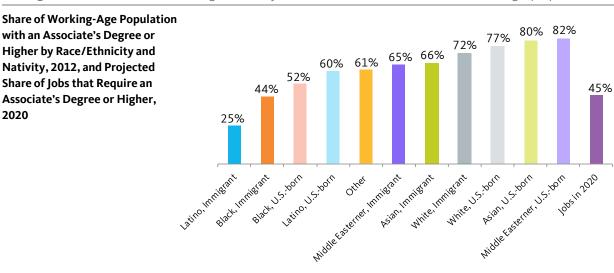
The middle and lower classes are being squeezed

A strong middle class is the foundation for a strong economy, but Fairfax County's middle class is being squeezed while inequality is on the rise. Since 1979, the share of middle-class households in the county has shrunk significantly, from 40 percent to 33 percent. This decrease has been absorbed by lower-class households, whose share of all households grew from 30 percent to 40 percent during the same period. Encouragingly, the racial composition of middle-class households has shifted to become more reflective of the racial composition of the county's households. People of color make up 34 percent of middle-class households compared to 37 percent of all households. This provides evidence of some economic inclusion of Black and emerging Latino and Asian/Pacific Islander populations.

While earnings for low-wage jobs have increased 18 percent over the past two decades, that is slightly more than half the rate of the increase for middle-class jobs and – alarmingly - less than one-third the increase for high-wage jobs during the same time period. At the far end of the spectrum, wages for the bottom 10th and 20th percentiles have actually decreased since 1979. This has a disproportionate impact on people of color who are more likely to work in low-wage jobs.

Racial economic gaps

Across a host of indicators, including employment, wages, poverty, working poor rates, and access to "high-opportunity" occupations, people of color fare worse in the Fairfax labor market than their White counterparts. These racial economic gaps remain even after controlling for education, which reveals the persistence of racial barriers to economic opportunity – including overt discrimination as well as more subtle forms of exclusion that are embedded into institutions and systems.



Raising educational attainment among the county's communities of color is critical to building a prepared workforce

Sources: Georgetown Center for Education and the Workforce; IPUMS. Universe for education levels of workers includes all persons ages 25 through 64. Note: Data for 2012 by race/ethnicity and nativity represent a 2008 through 2012 average at the county level; data on jobs in 2020 represents a state-level projection for Virginia. While overall unemployment in Fairfax County is lower than the national average, Latinos, Blacks, and especially people with other and mixed racial backgrounds have much higher rates of unemployment than Whites. Black workers face higher unemployment rates than their White and Latino counterparts at almost every education level, and both Black and – especially – Latino residents earn lower wages than Whites at every education level. Wage disparities persist even among highly educated workers, with college-educated (BA degree only) Blacks and Latinos earning \$9/hour and \$16/hour less than their White counterparts, respectively. Middle Eastern groups, too, lag behind Whites earning \$9/hour less.

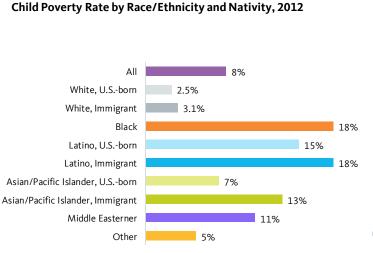
Poverty and a growing number of people who are working poor (defined here as working full-time for an income below 150 percent of the poverty level) are both on the rise in the county and are most severe for communities of color. Over one in ten Latinos and Blacks now live below the poverty level, compared to less than one in 30 Whites. Working poverty is particularly a problem for Latinos and Middle Easterners. In addition, U.S.born Latino and Black children are five and six times more likely, respectively, to live in poverty compared to White children. Finally, a disproportionate share of Black and Latino households (49 and 56 percent) are rent burdened compared to Asian and White households (42 and 39 percent), which further limits geographic and economic mobility.

Disconnected youth

The county's future quite literally depends on the ability of its youth to power its economy in the years to come. Although the fact that more of the county's youth are getting high school degrees than in the past is a positive sign, the number of "disconnected youth" who are neither in school nor working is also on the rise. In the county, nearly 9,200 youth are currently disconnected, nearly half of whom are Black and Latino. On the positive side, dropout rates have improved significantly over the past decade for Blacks and U.S.-born Latinos, although more than a quarter of Latino immigrant youth still drop out of high school or lack a diploma, compared to only 1 percent of Whites.

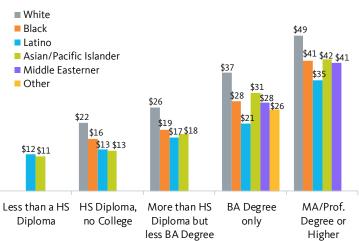
An uneven geography of opportunity and prosperity

While Fairfax County as a whole is quite prosperous, the wealth of opportunities that the county has to offer are not distributed evenly across the county. In particular, the southeastern portion of the county has the lowest child opportunity and health opportunity when compared to other areas in the county. Similarly, communities in the southeastern portion of the county have higher poverty rates and higher shares of rentburdened households (households spending 30 percent or more of income on rent). Not coincidentally, communities of color are concentrated in the same areas that are faring worse.



The county's Blacks and Latinos earn disproportionately low wages and are more likely to have children living in poverty

Median Hourly Wage by Educational Attainment and Race/Ethnicity, 2012



Source: IPUMS. Universe includes the population under age 18 not in group quarters. Note: Data represent a 2008 through 2012 average.

Source: IPUMS. Universe includes civilian non-institutional full-time wage and salary workers ages 25 through 64. Note: Data represent a 2008 through 2012 average.

Racial economic inclusion would strengthen the economy

Fairfax County's rising inequality and racial gaps are not only bad for communities of color – they hinder the whole county's economic growth and prosperity. According to our analysis, if there were no racial disparities in income, GDP would have been \$26.2 billion higher in 2012. Unless racial gaps are closed, the costs of inequity will grow as Fairfax County becomes more diverse.

Implications

Fairfax's growing, diverse population is a major economic asset that will help the county compete in the global economy, if the county's leaders invest in ensuring all of its residents can connect to good jobs and contribute their talent and creativity to building a strong next economy. Our data analysis suggests focusing on the following goals to spur more equitable growth in the county. Below we describe each goal and share strategies that the county's leaders might pursue to advance these goals.

County leaders have already thought through many of these same issues, documented in the County Board of Supervisors Strategic Plan to Facilitate Economic Success, for example. Yet the goals we suggest are much more intentional in defining that successful growth means equitable growth and that the county's people of color – often marginalized from the economic processes – are key drivers to the economic future.

Create pathways to good jobs for workers facing barriers to employment

The county's higher levels of unemployment and lower levels of educational attainment for many members of its communities of color call for a strong focus on creating on-ramps to good, family-supporting careers for these populations. There are several promising approaches to building these pathways:

- Implement sectoral workforce strategies that connect workers with low education levels to high-quality training programs that lead to gainful employment in growing sectors of the economy. Such approaches are a win-win for employers who need access to skilled workers as well as workers seeking employment.
- Ensure public investments in roads, transit, sewers, and other community infrastructure are made in ways that create job opportunities for the underemployed and unemployed. This can be done by targeting investments in neighborhoods where unemployment and poverty are high and by implementing local and targeted hiring and training strategies.
- Remove barriers and implement strategies to help minorityowned businesses expand. This can create employment pathways for people who are jobless because these firms tend to hire more employees of color and people living in the community.



Fairfax County's GDP would have been \$26.2 billion higher in 2012 if there were no racial disparities in income

Sources: U.S. Bureau of Economic Analysis; IPUMS; U.S. Bureau of Labor Statistics.

 Leverage the economic power of large anchor institutions, like hospitals and universities, for community economic development. These anchors can develop intentional strategies to hire jobseekers facing barriers to employment, create on-the-job training opportunities, and purchase more goods and services from local- and minority-owned businesses who provide local jobs.

Fairfax County's effort to create career pathways for longterm growth. The Northern Virginia Workforce Investment Board (NVWIB) is a team of private and public sector partners who share a common goal to promote Northern Virginia economic prosperity and long-term growth. The board receives and administers annual federal Workforce Investment Act (WIA) dollars that help fund comprehensive employment and training services to area employers, job seekers, and youth. The NVWIB oversees six SkillSource One Stop Employment Centers and they offer a broad array of employment assessment, workforce counseling, job training, and support services for jobseekers. Total adult job seekers' visits to the SkillSource Centers are projected to exceed 65,000 in FY 2015. Learn more at www.myskillsource.org.

Bridge the racial generation gap

Bridging the racial generation gap between youth of color and a predominantly White senior population is critical to ensure a strong workforce in the county. This is reflected by the Fairfax County Board of Supervisors when it initiated its Fairfax 50+ Community Plan that addresses the dramatic aging of the baby boomer population and the long-term socioeconomic planning needed to facilitate a well-cared-for and opportunity-rich region for all.

One arena where seniors and young workers of color and their families have shared interests is elder care. Ensuring living wages, benefits, and adequate training and standards for care workers is a win-win path to strengthen the quality of elder care. When care jobs are good jobs that can support a family, turnover is lower and care is not disrupted. Worker organizing, innovative business models, and policy changes are all strategies to improve the quality of elder care and care work. Another way to build bridges is to plan for multigenerational communities, which allow the elderly to age in place while providing safe and healthy environments for families to raise children. Investments in multigenerational community facilities and public spaces (for example, schools that include facilities for seniors) can encourage social interaction between residents of all ages. Caring Across Generations Campaign advocates for the rights of seniors and their care workers. The Caring Across Generations campaign is a national movement to bring together families, workers, and others to transform the care industry and ensure seniors and care workers can live with dignity. In Illinois, Missouri, Ohio, and elsewhere, the campaign builds broad coalitions to make care work visible, highlighting its value to the overall economy and the support it provides families. Caring Across Generations' policy reforms include increasing access to in-home care for Medicaid recipients and ensuring care jobs pay a living wage and provide benefits, training opportunities, and a pathway to citizenship. Learn more at www.caringacross.org.

Integrate immigrants into the county's economy

Immigrants are contributing to growth in the county, yet they face barriers to fully participating in economic and civic life. Many regions are implementing successful strategies to ensure immigrants have access to the services, education and training, entrepreneurship, and job opportunities they need to thrive. The high growth rate among immigrant populations reinforces the necessity of strong local programs focused on integration and training into the local and national economy.

Tennessee welcomes immigrants to build a stronger economy. Responding to a rapidly growing immigrant population (the third-fastest growing in the nation), the Welcoming Tennessee Initiative was launched in 2005 to counter anti-immigrant backlash and strengthen the local economy. Using dinner conversations between long-time residents and immigrants, billboards, and other community strategies, the initiative successfully defeated English-only referendums and legislation. Since then, the project has inspired a national Welcoming America initiative, with affiliates in 21 states. Learn more at www.welcomingamerica.org.

Build communities of opportunity throughout the county

All neighborhoods located throughout the county should provide their residents with the ingredients they need to thrive and also open up opportunities for low-income people and people of color to live in neighborhoods that are already rich with opportunity (and from which they've historically been excluded).

Coordinating transportation, housing, and economic development investments over the long term will foster more

equitable development patterns and healthier neighborhoods across the county. Addressing lingering racially discriminatory housing and lending practices and enforcing fair housing laws are also critical to expand opportunity for all.

Reinforcing the link between equity and health in California.

In 2010, The California Endowment launched a 10-year \$1 billion Healthy Neighborhoods Initiative to advance statewide policy, change the narrative, and transform 14 of California's communities most devastated by health inequities into places where all people have an opportunity to thrive. Research on the social determinants of health has found that 70 percent of health outcomes are determined by the social, political, and economic environments that shape the choices we make. The Building Healthy Communities place-based investment prioritizes working with residents and the public sector on policy changes. Learn more at www.calendow.org/buildinghealthy-communities/.

Ensure education and career pathways for all youth

Ensuring that all youth in the county, including Blacks, Native Americans, Latinos, and immigrants, can access a good education that leads to a career is critical to develop the human capital to power the county's economy in the future. The high share of immigrant youth without high school degrees signals the need for intentional strategies to ensure young people have the supports they need to successfully complete high school and enter college or another training program that leads to a job. Replacing overly harsh "zero tolerance" school discipline policies with strategies focused on positive behavior support and restorative justice can work to lower suspension and expulsion rates and reduce the number of disconnected youth. Increasing the availability of apprenticeships, career academies, and other education and training supports that provide work experience and connections can also keep more youth on the track to graduation, college, and careers.

Strengthening the K-12 public school system by ensuring sufficient and equitable funding for schools attended by lowerincome students is also essential to build a vital workforce. Bilingual education and other language access strategies can help youth who are English-language learners excel in school. And it is not enough to only address in-school time; high-quality afterschool and youth development activities that provide learning opportunities outside of the school day are also critical ingredients for academic success. And Fairfax County is already on the right path by looking forward to ensure coordination and delivery of workforce training programs for students by partnering with the Northern Virginia Community College and Fairfax County Public Schools. This strategy entails talking with key employers along with assessing workforce development programs to determine if they are properly aligned to meet the projected employment needs in the county. This can feed into ensuring these investments in educational success follow children throughout their lifespan, from cradle to college to career. The research shows that balanced investments spread throughout the lives of vulnerable children reap the greatest rewards.

Foster diverse civic participation and leadership

Given the county's rapid demographic shifts that are being driven by the increasing diversity of the youth population, it is important for county leaders in every sector to proactively take steps to ensure opportunities for communities of color to participate in decision making and leadership. Strategies to build diverse leadership include the following:

- Create a durable countywide equity network or collaborative of leaders across race, age, issue areas, and geography to advance equitable growth strategies and policies.
- Facilitate active engagement by all racial and ethnic communities in local planning processes by implementing best practices for multicultural engagement (e.g., translation services, provision of child care during meetings, etc.).
- Support leadership development programs (such as the Boards and Commissions Leadership Institute), including youth-focused programs, to help neighborhood, organizational, and civic leaders build their leadership and capacity to serve in government and on decision-making bodies.

Boards and Commissions Leadership Institute trains next generation of leaders. Since 2010, Urban Habitat's Boards and Commissions Leadership Institute has been training leaders from underrepresented San Francisco Bay Area communities to serve on decision-making bodies. The Institute empowers residents to become leaders on the issues that have the most direct impact on their neighborhoods: transportation, housing, jobs, and more. Graduates have won 35 seats on priority boards and commissions, including planning commissions, housing authorities, and rent boards. The program is being replicated in the Twin Cities, Sacramento, and elsewhere. Learn more at www.urbanhabitat.org/leadership/bcli.

Conclusion

Community leaders in the public, private, and nonprofit sectors are already taking steps to connect its more vulnerable communities to educational and economic opportunities, and these efforts must continue. To secure a prosperous future, Fairfax needs to implement a growth model that is driven by equity – just and fair inclusion into a society in which everyone can participate and prosper. Concerted investments and policies for, and developed from within, communities of color will also be essential to ensure the county's fastest-growing populations are ready to lead it into the next economy.

¹ Andrew G. Berg and Jonathan D. Ostry, *Inequality and Unsustainable Growth: Two Sides of the Same Coin?*, Staff Discussion Note (Washington, DC: International Monetary Fund, 2011)

http://www.imf.org/external/pubs/ft/sdn/2011/sdn1108.pdf; Jonathan D. Ostry, Andrew Berg, and Charalambos G. Tsangarides, *Redistribution, Inequality, and Growth*, Staff Discussion Note (Washington, DC: International Monetary Fund, 2014) <u>http://www.imf.org/external/pubs/ft/sdn/2014/sdn1402.pdf;</u> Joe Maguire, *How Increasing Inequality is Dampening U.S. Economic Growth, and Possible Ways to Change the Tide* (New York, NY: Standard & Poor's Financial Services LLC, 2014)

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² David N. Figlio and Deborah Fletcher, Suburbanization, Demographic Change and the Consequences for School Finance, working paper (Cambridge, MA: National Bureau of Economic Research, 2010), http://www.nber.org/papers/w16137.pdf.

Cover photos courtesy of Fairfax County, Virginia.

Equitable Growth Profiles are products of a partnership between PolicyLink and PERE, the Program for Environmental and Regional Equity at the University of Southern California.

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