



Why Arlington's Low-Income Residents are Being Displaced and Why it Matters

Updated May 2025

Reductions in federal government jobs along with already-high commercial real estate vacancies bring concerning economic headwinds for Arlington that will affect virtually all our residents. But our lowest income neighbors continue to be most seriously challenged, and their ability to live here affects our viability. Arlington's Affordable Housing Master Plan, adopted by the County in 2015, recognizes that **people at all income levels are increasingly important for meeting Arlington's full economic development potential**. In recent years, the County has seen increasing numbers of high wage jobs. Nonetheless, workers in lower-wage jobs form the backbone of the County's economy, supporting business and government functions, providing resident goods and services, and serving the thousands of visitors who come here each year.

The 2025 area median income (AMI) in Arlington is \$163,900; yet 11% of our residents make under 30% of that, or less than \$49,170 for a family of four. These low-income residents are being priced out of the community. Among those most at risk of displacement are residents who provide essential services - child and health care, hospitality, office cleaning, and restaurant, retail, and construction work. They are struggling every day to make ends meet, often working multiple jobs.

This paper provides basic context on three intersecting issues that contribute to their displacement: insufficient deeply affordable housing, lack of living wages and career pathways, and high child care costs. These are recurring themes that have emerged through related community initiatives over recent years.

Since 2019, Arlington Community Foundation's Shared Prosperity Initiative has carried forward the work of these prior community efforts to identify opportunities to reduce displacement of low-income residents.

Deeply Affordable Housing. Housing that costs more than 30% of a family's income is not considered affordable by the US Department of Housing and Urban Development. However, high rents in Arlington mean that lower income families regularly spend well more than 50% of their pay on housing. Rents in

The County's vision is that Arlington is "a diverse and inclusive world-class urban community... where people unite to form a...sustainable community in which each person is important." Over many years, a large body of public/private work with significant community engagement has focused on key issues that must be addressed to protect Arlington's diversity, sustainability and inclusivity:

[The 2015 Affordable Housing Master Plan and Implementation Framework, with a 2020 updated needs analysis](#)

[The ongoing Arlington Child Care Initiative](#), with a special emphasis on policy changes to improve supply and affordability

[The 2018-2019 Community Progress Network](#), bringing the concerns of hundreds of low-income residents to the table

[Destination 2027](#) focusing on eliminating disparities in the social determinants of health and the formation of a County equity plan

Arlington have *increased* month-over-month, compared to a slight decline nationally. The 2025 median monthly rent for two-bedroom units is \$3,400 a month.

Adding further pressure to very low income households is the fact that there is a supply/demand mismatch within the County's stock of affordable rental housing. The vast majority of committed affordable units are for families making 61-80% AMI. Yet, **the greatest need is for more deeply affordable housing at 30% AMI.**

An insufficient supply of housing affordable at 30% AMI means it is increasingly difficult to retain the diverse workforce needed to sustain our local economy. Data from JobsEQ for April 2025 showed nearly 1,000 vacancies in Arlington that do not require education beyond a high school diploma or GED. However, many of these are part-time, variable schedule, low-wage positions that are not sufficient to pay the high rents in Arlington. Housing affordable to the majority of applicants for these positions is an hour or more away and facing long daily commutes for these low wages doesn't make financial sense.

The Community Foundation has evaluated and piloted a variety of financing, land use, and regulatory strategies that could add units committed at the lowest levels of affordability. For example, the Foundation worked with Arlington County and developer Jair Lynch to identify financing pathways to preserve 134 units at 30% AMI affordability in the Barcroft Apartments redevelopment. And, based on advocacy and analysis led by the Foundation, the County Board budgeted for an additional \$1 million for FY25 to "buy-down" construction costs, making apartment rents affordable to individuals earning less than 30% AMI. This initial investment is the first of its kind earmarked for 30% units in Arlington, but ongoing investment is needed. The Foundation is now advocating for the adoption of a county-wide goal to achieve at least 10% of units affordable at 30% AMI in ALL county-funded committed affordable projects moving forward.

Other strategies include:

- ❖ Increasing local contributions to the County's AHIF and Housing Grant programs
- ❖ Providing tax or other incentives for private owners to offer below-market rent and/or sell to mission-oriented developers
- ❖ Selling or donating underutilized public land to a nonprofit or mission-oriented owner to develop new units committed at the lowest levels of affordability
- ❖ Utilizing income averaging (offsetting rents at 30% AMI with some 70-80% AMI units)

Pathways to Quality Jobs. Most vacancies in jobs requiring a high school diploma or less are hourly shift work without benefits. Within Arlington and the nearby region, there are insufficient investments dedicated to plausible career pathways with hiring commitments, living wages and benefits for very low-income working adults with limited education. To break that down further:

DISPARITIES IN ARLINGTON

Arlington's high median household income masks significant income and quality-of-life disparities from one neighborhood to the next. For example, the poverty rate in one South Arlington census tract is 19% (childhood poverty is 38%), and 25% of the residents there are uninsured. In contrast, a tract less than two miles away in North Arlington has a poverty rate and uninsured rate under 3%.

Getting Ahead: The Uneven Opportunity Landscape in Northern VA
Northern VA Health Foundation

By **plausible** we mean *realistic* careers for working adults based on their educational backgrounds and existing skills. Examples include careers in hospitality, transportation, health care, and building trades.

By **pathways** we mean ones involving certifications or apprenticeships that lead to forward mobility and take childcare and transportation needs into account.

By **hiring commitments** we mean that there are employers who have full time positions with predictable schedules committed to Arlington residents who complete these workforce development programs.

Living wages and benefits are key. Living wages are what is needed to cover basic household needs without outside assistance. Virginia's minimum wage is only \$12.41 per hour, which equates to under \$26,000 per year. However, MIT's living wage calculator for Arlington identifies the living wage as \$30.54 for a single person; \$81.27 for a single person with two children, and \$42.72 *each* for two working parents with two children. In contrast, the April 2025 average hourly rate for child care workers in Arlington is \$19.38; \$18.81 for food service workers; and \$19.00 for nursing assistants. This [graphic](#) shows the gap between living wages and actual real time wages in Arlington. Residents earning 30% AMI and below must rely on a combination of earned income, public benefits, and community supports to survive.

Even a slight rise in income can cause a disproportionate loss or reduction in critically needed benefits for health care, food, child care, transportation, or housing. The potential loss of the benefits means the worker faces putting their family in a worse financial position if they take a promotion or better-paying job. This is called the [benefits cliff](#), and it is especially hard to climb out of in a high-cost area like Arlington. Some potential steps for plausible pathways to quality jobs are:

- ❖ Encouraging businesses and County and School contracts to make voluntary living wage commitments
- ❖ Replacing shift work with full time, consistent schedules and health care benefits
- ❖ Creating opportunities for union or other apprenticeships in major development projects
- ❖ Investing public and business resources in realistic training and certification programs with hiring commitments and support for transportation and childcare
- ❖ Encouraging project labor agreements and/or labor peace agreements in County and School contracting, as appropriate

Affordable Child Care Supply. 78% of Arlington's children under five live in a household where all parents work. The cost of child care here is twice the state average and among the highest in the nation. A family with an infant and a four-year old can expect to spend on average \$45,220 per year for licensed childcare. For a family with two children making under 30% AMI (\$49,170), virtually their entire pre-tax income would be needed just to pay for the child care they need to work.

Supply for affordable child care is severely limited. **Arlington has only 641 full day affordable child care slots for 3,650 children below 60% AMI (half of whom are below 30% AMI).** There are another 689 partial day affordable slots. Most notably, there are affordable slots available to only 11% of eligible 0-2 year-olds. These shortages are due in

large part to lack of affordable rental spaces for providers and insufficient public funding for subsidies.

The County has re-energized its work on strategies to increase child care affordability as originally laid out in the 2018 Child Care Initiative Action Plan. This is critical to mitigating the displacement of our lowest income neighbors. The Virginia Pre-School Initiative has 448 affordable slots for 4-year-olds in the schools, though only 10% of them cover the full working day. Other publicly funded programs covering the full working day are the Virginia State Child Care Subsidy program, Head Start and Early Head Start. In 2024, Arlington began working with the state's National Capital Ready Region to bring additional publicly funded Mixed-Delivery child care opportunities to Arlington.

In 2023, the Arlington County Board awarded \$4.5M for childcare facility capital investments that prioritized affordability. The FY 26 budget set aside \$300,000 for a local childcare subsidy to address the waiting list for state subsidies. Other strategies include:

- ❖ Combining all state early childhood care and education funding and treating all the funds as a block grant allowing each Ready Region to strategically deploy those dollars in service of their Region's needs
- ❖ Collaboration between Arlington County and Schools to offer wrap around care for VPI to allow for full day coverage
- ❖ Creating a local fund to pay the first month of subsidy up front to participating providers
- ❖ Using local funds to cover copays over 7% of income for families between 20-40% AMI
- ❖ Offering lower rent or in-kind space for child care
- ❖ Providing bonus density, modifications, or exclusions of related density in exchange for designating first floor space for child care use
- ❖ Incentivizing child care facilities in commercial space or committed affordable housing

Conclusion

Tackling these issues requires the combined efforts of local government, businesses, and community organizations in all three areas identified in this paper. Our economic viability requires that we deal with these issues sooner rather than later, as our growth depends on workers in these essential jobs. But this urgency is about more than just our economy. Our commitment to solve these issues is also a reflection of our Arlington values. We pride ourselves as a community that values its inclusiveness and cultural and ethnic diversity. Without proactive work to stem the displacement of our low-income neighbors, we'll see both our values and our growth compromised. Cross-sector collaboration with measurable outcomes provides a great opportunity for Arlington to be a model for an inclusive economy and community.

Sources:

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