

Demographic trends in the Charlottesville region during the 2020s and beyond

The State of the Community

February 2025

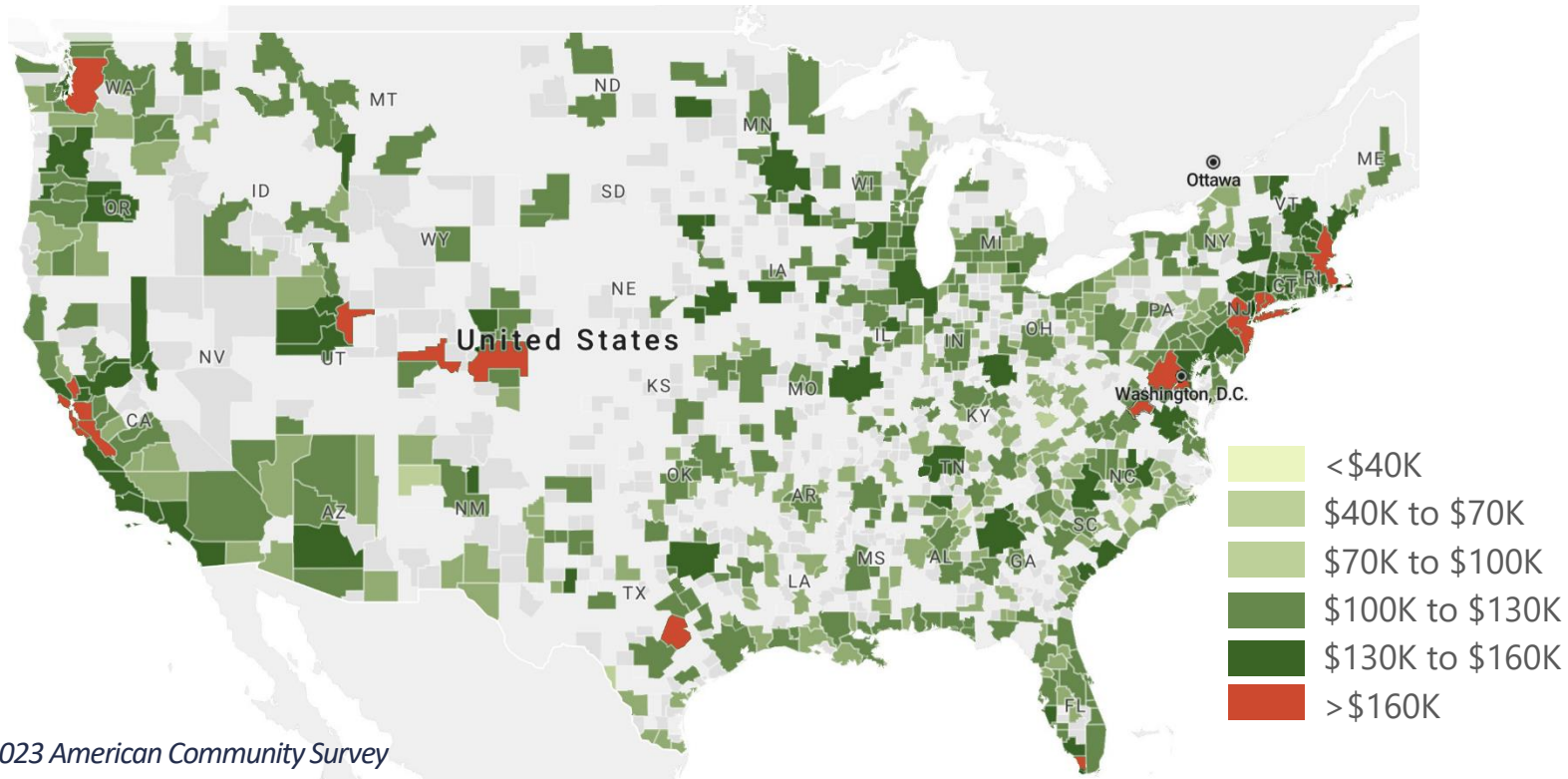
Hamilton Lombard, University of Virginia

hamilton.lombard@virginia.edu



Weldon Cooper Center
for Public Service

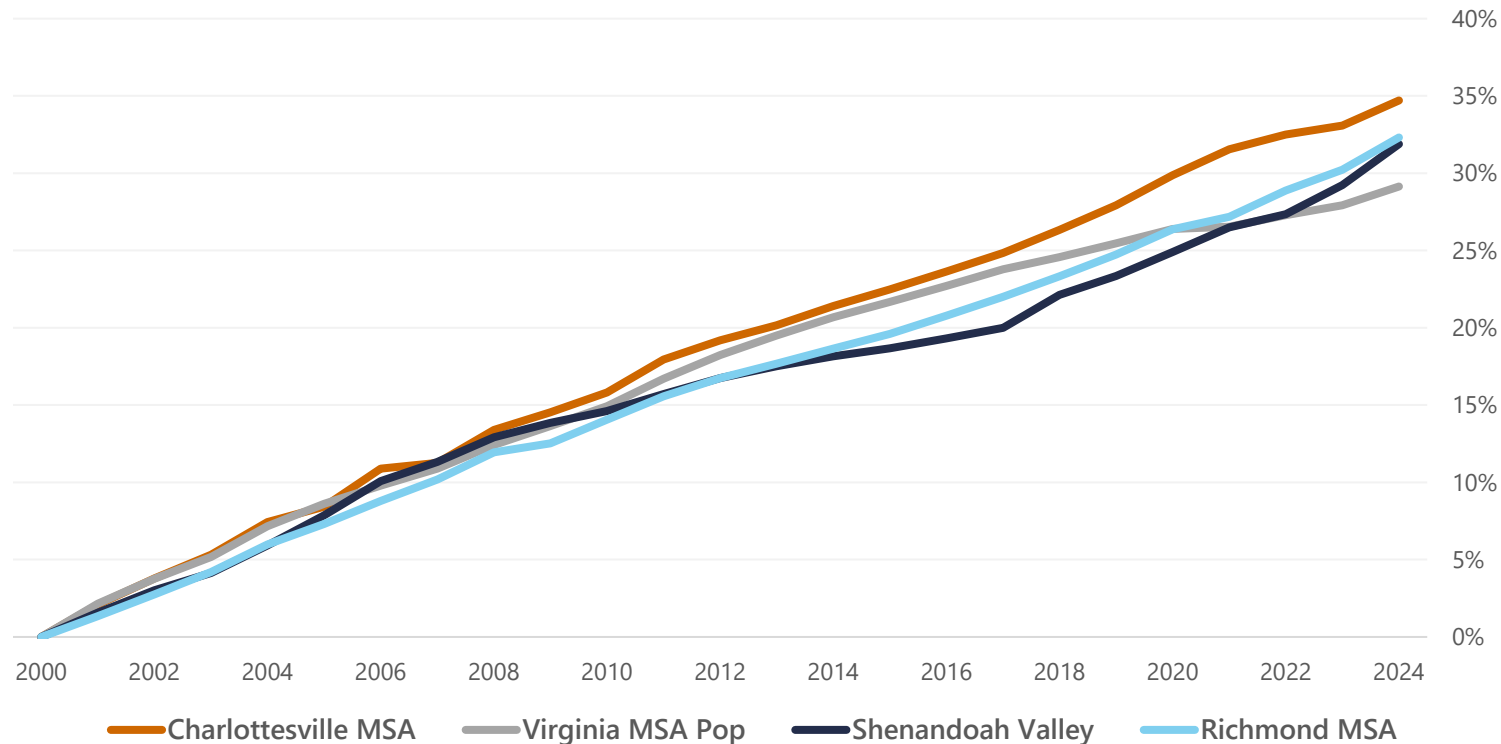
By many measures, Charlottesville is different from other college towns



Average family income (in 2023 inflation-adjusted dollars)

- The Charlottesville MSA has the highest average family income among U.S. metro areas with fewer than 2.5 million residents.
- The Charlottesville MSA has the country's the third highest share (56%) of adults with a bachelor's degree.
- Outside Florida, the Charlottesville MSA has the highest share (31%) of residents reporting investments as an income source.

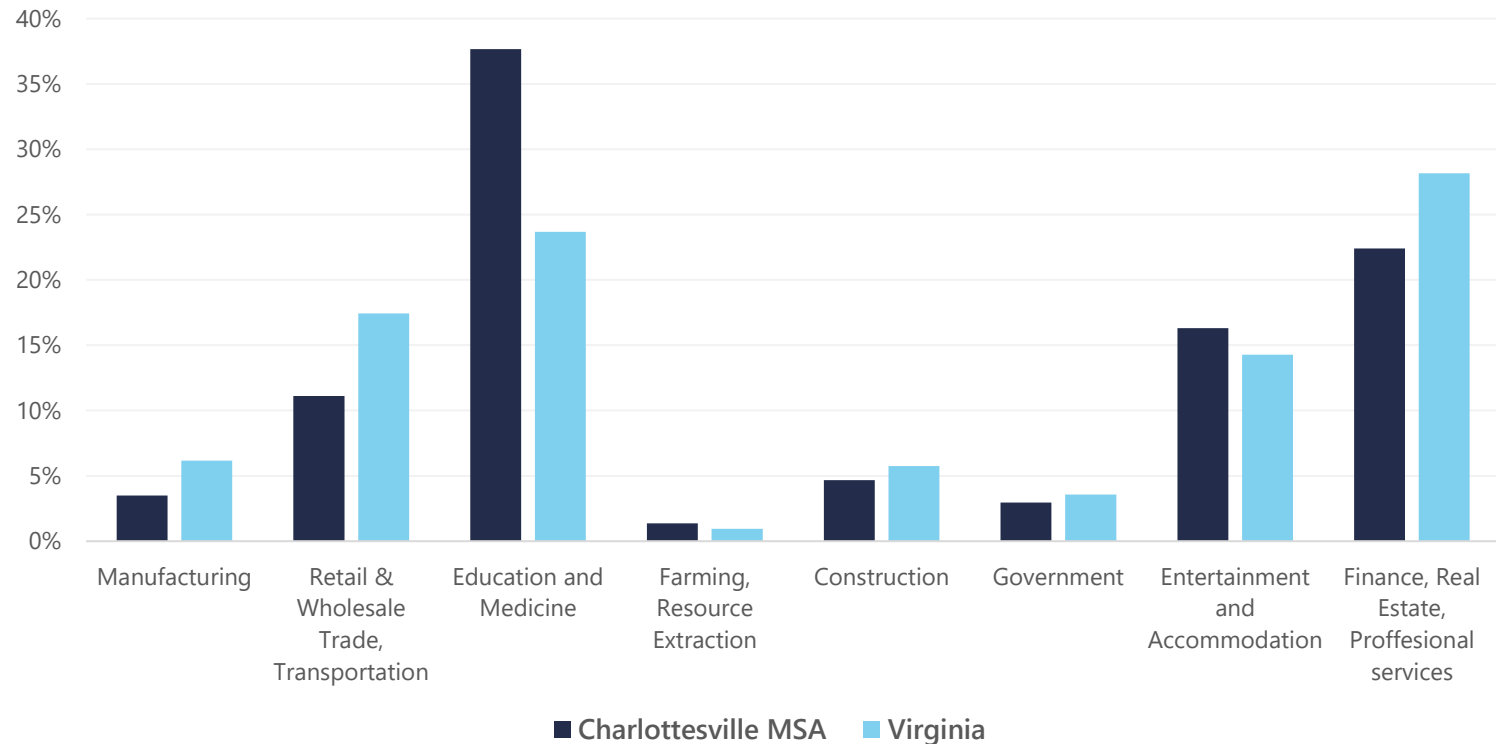
The Charlottesville region's population has steadily grown in recent decades.



Cumulative population change, 2000 to 2024

- Proximity to the Northeast has caused growth in Charlottesville, the Valley and the Richmond MSA to outpace the rest of Virginia.
- Growth in the Charlottesville region has been steady but not exceptionally fast.
- The Charlottesville region grew by nearly 50,000 during the last two decades and should plan for at least the equivalent growth over the next two decades.

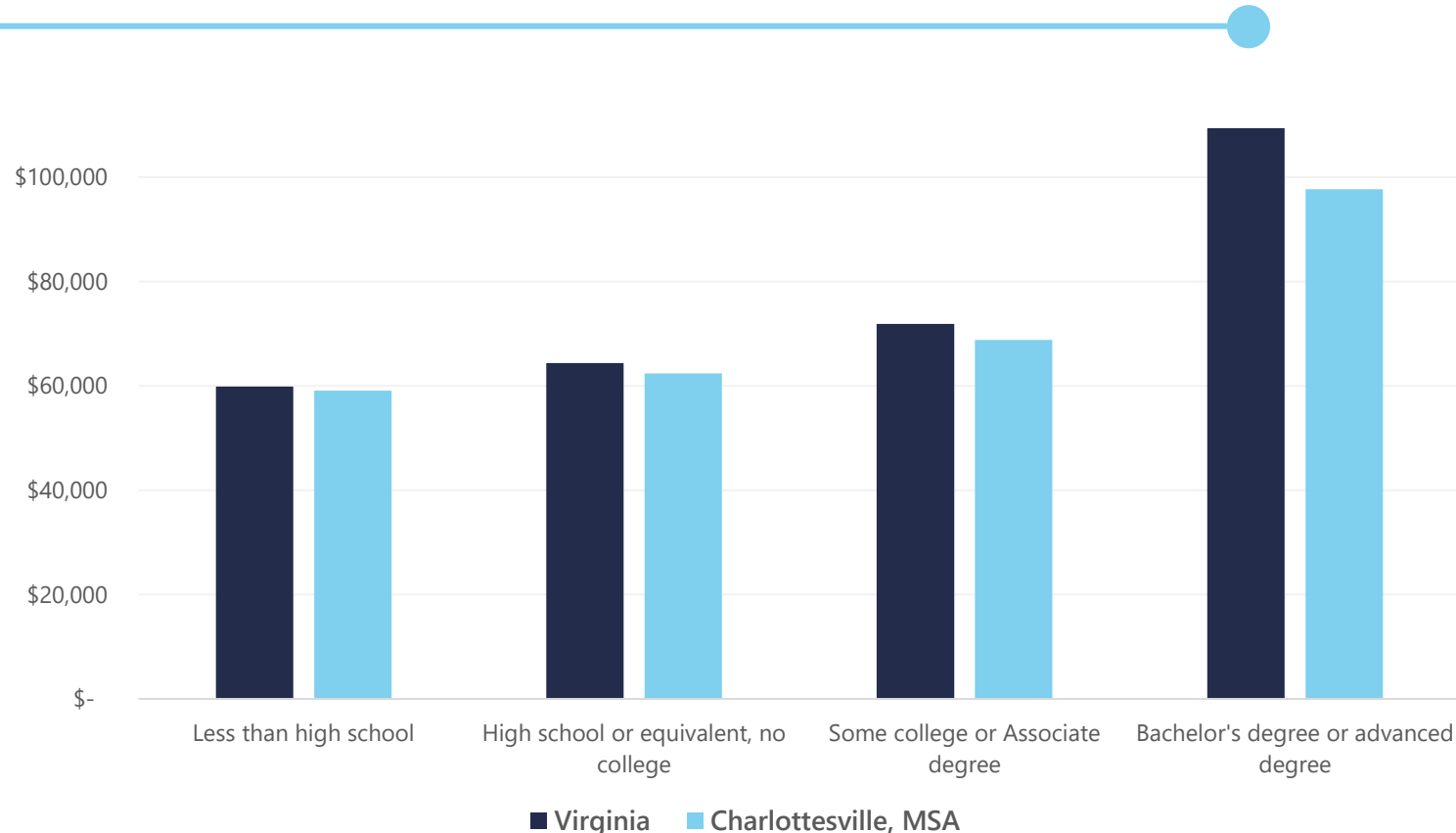
The Charlottesville MSA's economy is more diversified than many college towns



2023 workforce distribution, *Census QWI*

- UVA and Dartmouth are the only US News top 50 ranked universities with medical schools in metro areas with fewer than 250K residents.
- Before 2017, tourism helped fuel employment growth in Arts, Entertainment, and Recreation, and Accommodation and Agriculture.
- The share of residents working remotely is among the highest in the country.

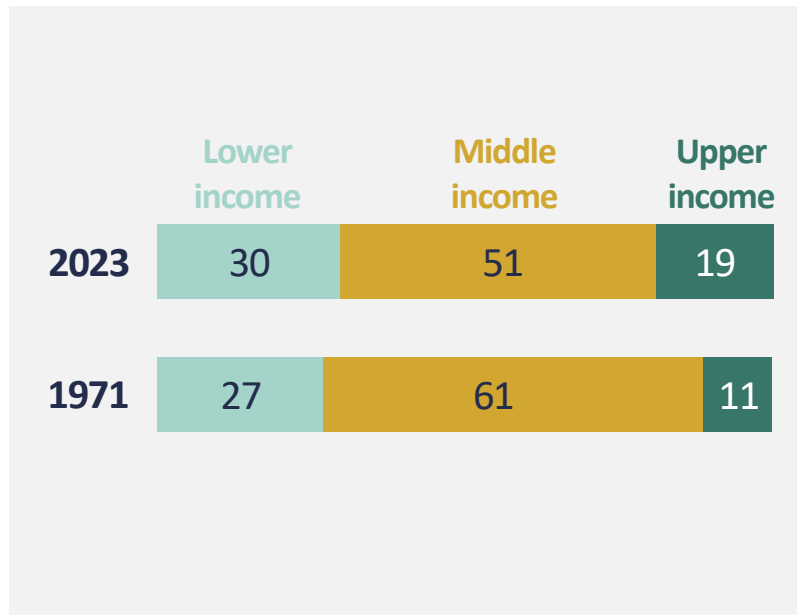
Workers in the Charlottesville region earn less than in Virginia as a whole



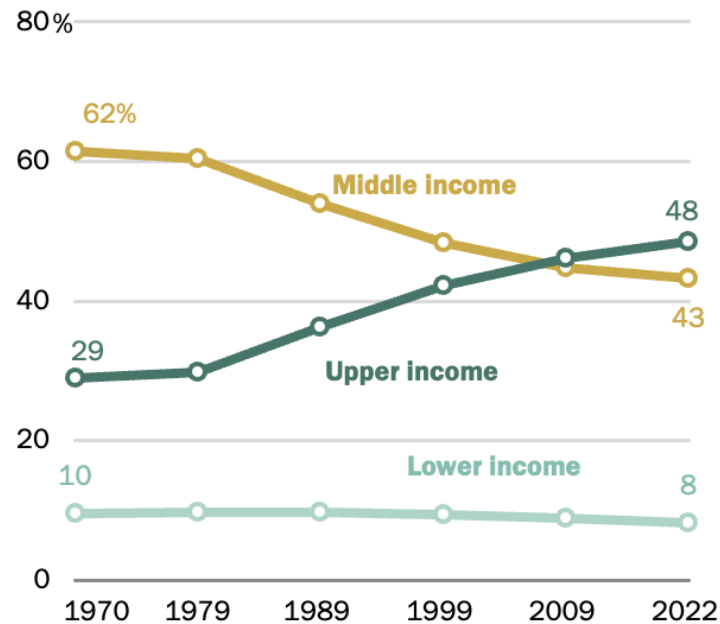
Median earnings by education

- Workers in the Charlottesville region earn more than in Virginia's other college towns but less than in Northern Virginia or Richmond.
- The region's large share of workers employed in relatively low paying industries, including Arts, Entertainment and Accommodation, as well as Education, helps suppress the region's earnings.

In recent decades, the U.S. economy has become increasingly centered around high income households



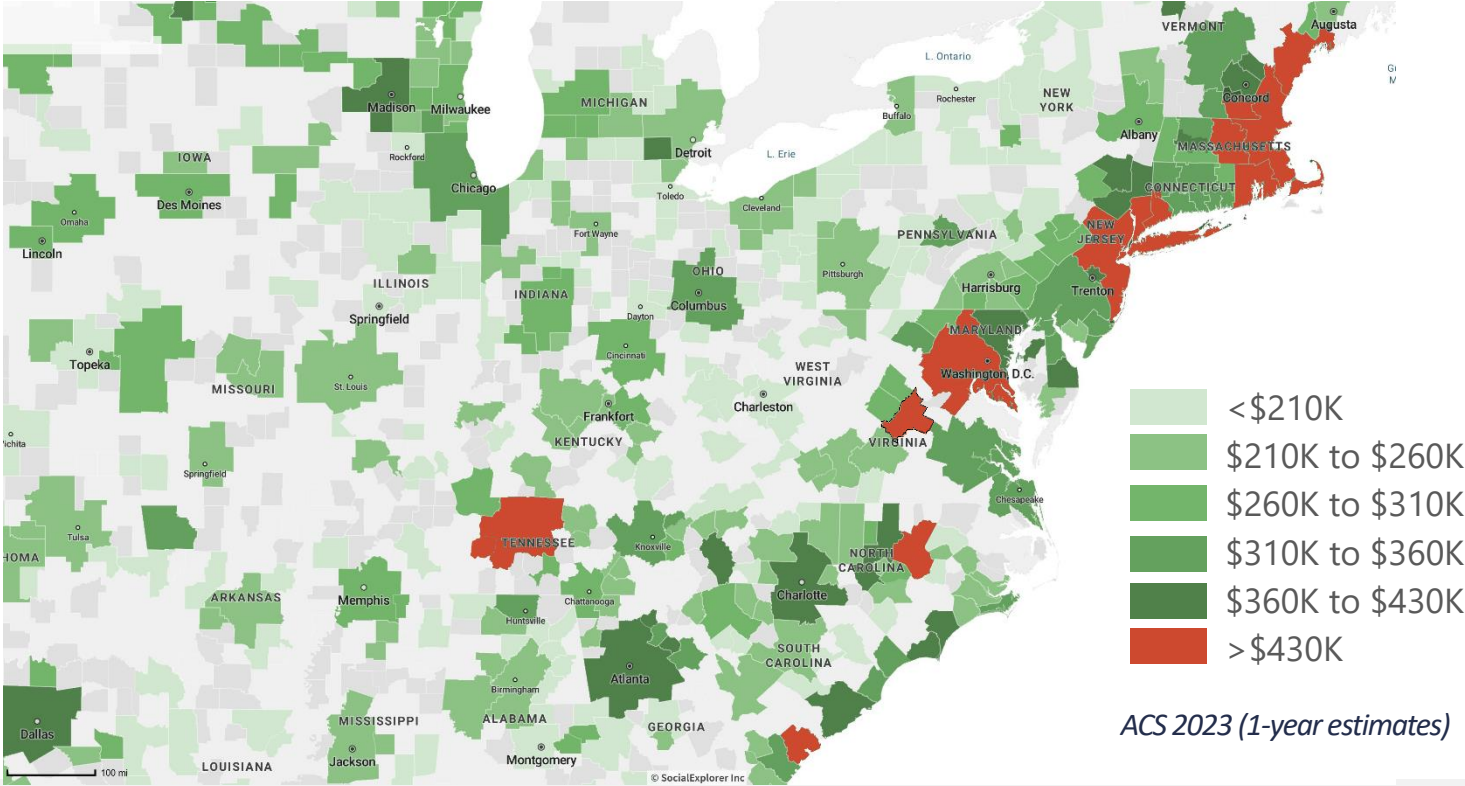
U.S. population distribution by income group.
(Upper income is income double the U.S. median income)



The percentage of total U.S. household income held by income groups

- Today, upper income households account for most of the U.S. and Charlottesville's income.
- Growth in the region's upper income households has far outpaced the U.S.
- As more households enter higher income brackets, the price of desirable, limited-supply items—like housing in Charlottesville—has soared in recent decades.

Charlottesville has become one of the most expensive metro areas in the Eastern U.S.



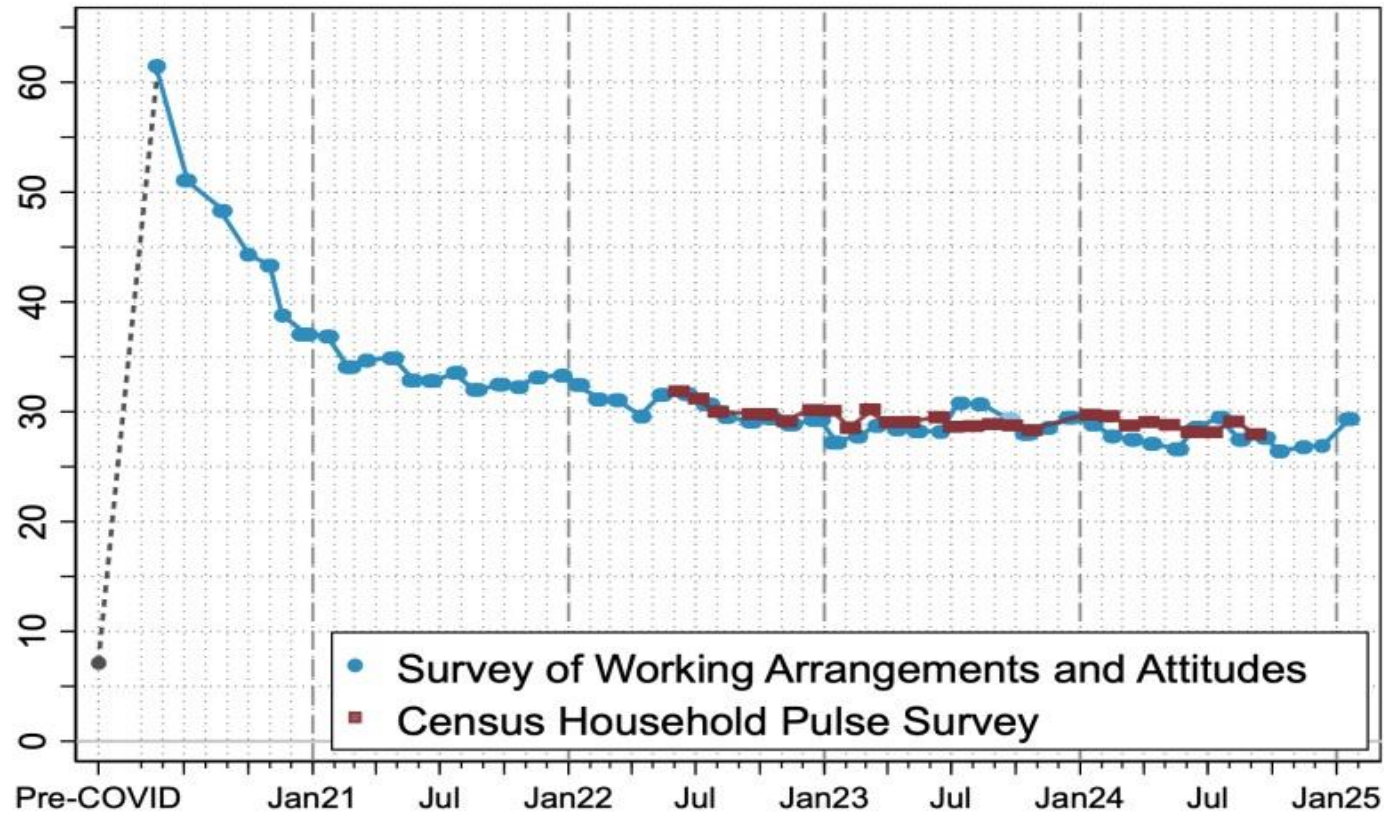
Median home value, 2023

- Since 2000, home prices have risen more in the Charlottesville region than any other Virginia MSA, except Washington, DC.

- Relative to income, housing in Charlottesville is more expensive than Northern Virginia.

- A growing share (over 2 in 5) of the region’s workers live outside the Charlottesville MSA.

Remote work remains prevalent, offering greater geographic flexibility to the workforce



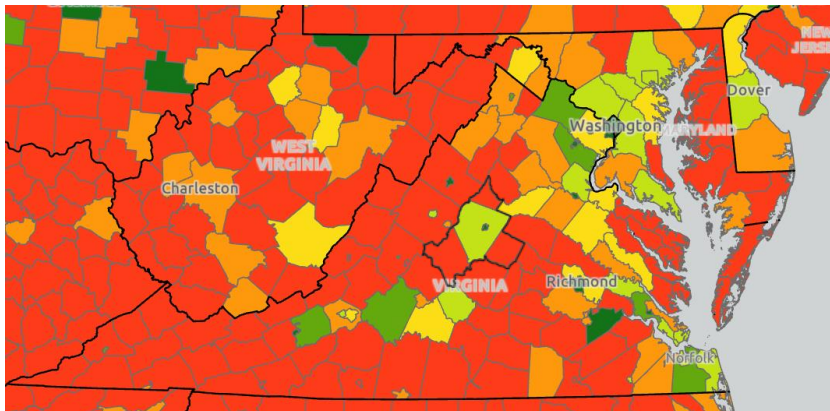
Percentage of all paid full days that were worked from home in the U.S.

- Despite return-to-office policies, the share of work done remotely has remained stable in recent years.
- After Albemarle and Charlottesville, Fairfax County is now the top place of work for Charlottesville MSA residents.
- As remote work persists, many of the region's workers no longer need to live near Charlottesville.

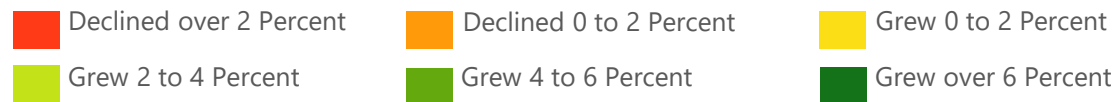
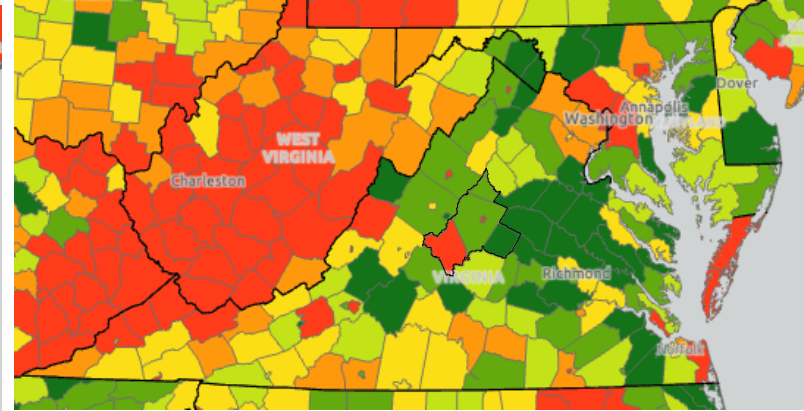
Recent migration trends have diverged from those seen in recent decades

- A strong job market, and the persistence of remote work have shifted young adult migration away from high cost metro areas.

Percent Change 2010 to 2013



Percent Change 2020 to 2023



- After growing during the 2010s, Albemarle and Charlottesville's population age 25 to 44 has shrunk since 2020.
- In 2023, small towns and rural counties became the top U.S. migration destinations for the first time in decades.

Change in population age 25 to 44, *Census Age Estimates*

Concluding Thoughts

- Remote work and fewer Americans entering the labor force will continue to give workers greater flexibility in where they choose to live and work. Our region will need to find better ways to attract and retain workers.
- Our proximity to Washington DC and the Northeast combined with the region's amenities will continue to help turn the Charlottesville area into an extension of the Washington DC suburbs.
- The region is set to add the equivalent of Charlottesville's current population over the next two decades. To meet this demand, our local governments, businesses and non-profits will need to plan for more growth and ensure new housing, infrastructure and facilities keep pace with growth.

Demographic trends in the Charlottesville region during the 2020s and beyond

The State of the Community

February 2025

Hamilton Lombard, University of Virginia

hamilton.lombard@virginia.edu



Weldon Cooper Center
for Public Service