



GENTRIFICATION: FRAMING OUR PERCEPTIONS

BY RACHEL BOGARDUS DREW

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A large, stylized graphic of a city skyline silhouette. The word "GENTRIFICATION" is written vertically in large, bold, white letters, forming the tallest building in the skyline. Other words are scattered throughout the silhouette in various sizes and orientations, including: "LOW-INCOME", "HOUSING", "CHANGE", "FAMILY", "NEIGHBORHOOD", "CULTURE", "ECONOMY", "IDENTITY", "POTENTIAL", "SOCIAL", "RESIDENTS", "SCHOOLS", "UPGRADE", "INVESTMENTS", "STABILITY", "DISPLACEMENT", "URBAN", "OPPORTUNITY", "DATA", "LOCATION", "TURNOVER", "TIME", "REGION", "NEEDS", "POLICY", "WORK", "RESEARCH", "PUBLIC", "BENEFITS", "ANALYSIS", "INTERSECTIONS", "DIVERSITY", "AFFORDABLE", "STUDIES", "SOLUTION", "STRATEGY", "HOUSEHOLDS", "CONDITION", "COMMUNITIES", "PLANNING", "IMPACT", "FACE", "PROCESS", "STRUCTURE", "INSTITUTIONS", "CAUSES", "OF", "GENTRIFICATION".

OCTOBER 2018

A Letter from Our President



Gentrification is a decidedly charged topic, and understandably so. Whereas neighborhood change may bring long-overdue investment that improves quality of life for all, it can also be extremely disruptive, causing involuntary and voluntary displacement of longtime community residents and institutions. And very often, communities of color are most impacted by rising housing costs and displacement.

Despite the widespread use of the term, gentrification does not have a consistent or clear definition in the community development field, and this, in turn, can make effective policy responses difficult to develop. At Enterprise, we recognize the urgent need to better define and measure gentrification to understand different neighborhood change trends and inform future policies that effectively respond to long-standing residents' needs.

The lack of consensus on what gentrification is has produced different conclusions about where it occurs and what outcomes – displacement, community instability, changes to crime, etc. – are associated with the change. In *Gentrification: Framing Our Perceptions* we review several gentrification studies, each with their own diverse sets of criteria – average income, change in resident demographics, upgrades to housing stock, etc. – to designate places as gentrified or not. In most approaches, the term “gentrification” has been used to describe all identified areas, regardless of how they were identified, further diluting its meaning. As researchers and practitioners, we understand that neighborhoods transform in various ways. It is our responsibility to assess the implications of that change and recognize that one term is not always appropriate to classify them all.

This work is a first step in a larger effort by Enterprise’s Policy Development and Research team to better understand gentrification and its implications for policy. The first analysis of its kind, this work will examine how different measures of gentrification compare over time and across geographic locations. Future reports will also review the intersections of gentrification and education policy – specifically, how each impact the other, and with what results. It’s possible to invest strategically in all communities so that low-income families do not have to choose between affordable housing and the other factors that contribute to a high quality of life.

Enterprise is committed to increasing opportunity for people who have low and moderate incomes through affordable housing in diverse, thriving communities. Preserving and creating affordable housing in good neighborhoods — and investing in neighborhoods where affordable housing already exists — is crucial to providing families with the resources and tools they need to succeed. We know that neighborhoods are always changing. Through this work, Enterprise seeks to ensure that this change will be positive for low-income households.

A handwritten signature in black ink that reads "Laurel Blatchford". The signature is fluid and cursive.

Laurel Blatchford

President

Enterprise Community Partners

Acknowledgements

About the Author

Rachel Bogardus Drew is a senior research analyst with the Policy Development & Research (PD&R) team at Enterprise. She conducts quantitative analyses and studies of important policy issues around affordable housing, housing and community development, housing finance, homeownership, and housing supply and demand concerns. Her work focuses on preservation of small and medium-sized multifamily properties, intersections of housing and education policy, and trends in households and housing market dynamics. Rachel was formerly a research associate and post-doctoral fellow at the Joint Center for Housing Studies at Harvard University, where she managed and co-wrote the “State of the Nation’s Housing” report for six years. She has a bachelor’s degree in economics from Dartmouth College and a doctorate in public policy from the University of Massachusetts. Her doctoral dissertation studied the role of socially constructed messages about homeownership and its benefits on the tenure preferences of renter households. She is based in the Enterprise Community Partners’ Boston office. Find her on Twitter at @RachelBDrew.

About the Policy Development & Research Team

PD&R provides thought leadership and data-backed recommendations to influence housing and community development policy, addressing both emerging policy issues and long-term needs. Read reports and policy briefs by the team (bit.ly/PDR_Reports) and follow us on Twitter @E_HousingPolicy.

About Enterprise Community Partners

Enterprise is a proven and powerful nonprofit that improves communities and people’s lives by making well-designed homes affordable. We bring together the nationwide know-how, partners, policy leadership and investments to multiply the impact of local affordable housing development. Over 35 years, Enterprise has created 529,000 homes, invested \$36 billion and touched millions of lives. Join us at www.EnterpriseCommunity.org.



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Executive Summary

While most urban scholars agree on a generic definition of gentrification – the change that occurs when a traditionally low-income neighborhood experiences an influx of new, higher-income residents – there is little consensus on how to identify and measure it. Different variables, thresholds, and qualifying criteria appear throughout the academic literature, sowing confusion about where, when, and how often gentrification takes place. Most approaches to studying gentrification also set it as a binary condition, even though the process of neighborhood turnover is gradual and often incomplete. Finally, inconsistent views about where gentrification occurs lead to different findings about its impacts on communities, including rising housing costs, displacement of existing residents, changes in crime rates, and effects on school quality.

The lack of precision in measuring gentrification is relevant to housing policy, as different neighborhoods often have different needs requiring different policy prescriptions. Lumping a diverse set of communities together under the banner of gentrification, however, mutes those differences and may lead to ineffective or even counterproductive reactions to changing neighborhood conditions. Besides the obvious inefficiency of a one-size-fits-all view of gentrification, this approach also has significant implications for advancing racial equity and economic prosperity in gentrifying areas.

Existing measures of gentrification, while necessary for studying neighborhood dynamics, are also limited by the geography, time frame, and variables contained in available datasets. Neighborhood level statistics may not always capture on-the-ground conditions, and an area that is not designated as gentrified can still experience some of the same outcomes as one that rises to the chosen standard. Nor is gentrification the only problem faced by low-income communities; indeed, most never experience upgrading from new residents, but instead remain mired in disinvestment and a lack of opportunity.

This paper is the first in a series that looks at gentrification and its implications for policymaking. It reviews some recent studies of gentrification, with emphasis on how different scholars identify and quantify where and when it occurs. By detailing the variations and limitations of these approaches, this paper highlights the importance of measurement to framing our perceptions about gentrification and its consequences. Subsequent papers will demonstrate the extent of overlap between different measures, and the intersections of gentrification and education policy decisions.

The objective of this research is to shift the conversation on gentrification and inject some much-needed nuance into our collective understanding about how and why neighborhoods change. Only with greater clarity can we identify the real consequences of gentrification in low-income communities and develop effective responses to ensure suitable and affordable housing remains available to all residents.

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This paper highlights the importance of measurement to framing our perceptions about gentrification and its consequences.

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Introduction

Gentrification is a common topic in urban planning and policy discourse, despite being a complex and enigmatic process. Coined by British sociologist Ruth Glass in 1964 to describe the movement of upper-class “gentry” into formerly working-class neighborhoods in post-war London, the term has become short-hand for a wide range of changes and challenges confronting low-income neighborhoods that are upgraded through external investment. Indeed, the frequency and familiarity of its usage suggests a consensus among researchers, scholars, practitioners, and laypeople about what gentrification is. When it comes to pinpointing exactly where gentrification occurs, however, very little agreement exists on how to identify this type of neighborhood change.

This paper summarizes several ways that academic researchers have recently operationalized definitions of gentrification for measurement and analysis. While not comprehensive, this review demonstrates the range of data and methods used to study gentrification and its effects on communities and residents. Differences in the variables and criteria used in these measures can lead to very different findings on trends and outcomes observed in gentrified versus non-gentrified neighborhoods, so understanding how they vary is a necessary first step. It then discusses what remains unknown about gentrification, and the implications of this work for policymaking. It concludes with a description of a forthcoming analysis of different measures of gentrification that will quantify the degree of inconsistency across measures, location and time.

Variations in the methodologies and criteria used to measure neighborhood transformations can lead to inconsistencies across studies of gentrification and its

effects. For some researchers, changes in the costs and condition of the housing stock in response to demand from high-income households alone can designate a neighborhood as gentrifying.¹ Other analyses focus on shifts in the mobility rates and socio-economic characteristics of residents as indicators of gentrification.² Still others look more holistically at changes in the social and cultural markers of a community that suggest a remaking of the neighborhood by gentrification.³ Along with these myriad conceptions are differences in the data and variables used to separate gentrified from non-gentrified neighborhoods, which can lead to very different conclusions about where gentrification occurs, as well as the outcomes with which it is associated.

These discrepancies can have significant implications for housing policy. Different types of communities require different types of public interventions, so understanding how gentrification changes neighborhoods is necessary to craft efficient policy measures. Moreover, with limited resources available, policymakers must carefully allocate funding and tools to areas with the greatest and clearest needs. Inconsistent or misleading findings about the causes and consequences of gentrification, therefore, may lead to ineffective or even counter-productive policy responses. At the same time, research about gentrification can influence public perceptions about the neighborhoods and people most impacted by it, including the racial and economic conditions of both existing and new residents. For example, early studies suggested that gentrification leads to displacement of low-income minorities from affordable but disadvantaged neighborhoods.⁴ More recent research, however, reveals mixed findings on whether existing residents

1. Hammel and Wyly, 1996; Freeman, 2005; Keels et al., 2013.

2. Bostic & Martin, 2003; Ellen & Ding, 2016.

3. Kennedy & Leonard, 2001.

4. Marcuse, 1986; LeGates & Hartman, 1986.

are displaced and/or harmed by the in-migration of higher income households, as well as on the racial composition of both new and existing residents.⁵ In this case, the definitions and measures used in these studies initially framed but later altered some of our collective understanding of the issue.

While defining gentrification is necessary for analyzing its trends and effects, these measures suggest a process of neighborhood change that may not align with conditions on the ground. For instance, most research views gentrification as a binary process – an area is either gentrified or not – that occurs within a set time frame prescribed by data availability. Yet gentrification is rarely so linear or consistent across neighborhoods and can develop gradually at an unpredictable pace. How fast a neighborhood changes also impacts whether it is acknowledged as gentrified, with more rapid and obvious changes catching more attention than places that evolve slowly. Nor is gentrification necessarily a complete process of turnover within a neighborhood, as the extent of housing stock upgrades and residential displacement also varies greatly from place to place. Finally, the effect of even small neighborhood changes on residents and communities can be significant, even if they do not rise to the definition of gentrification.

Caught up in the debates over gentrification and how to define it, researchers can lose sight of the trees for the forest. While useful for academic purposes, looking at information in the aggregate and tracking changes across subsets of the population obscures how neighborhoods and residents actually change over time. Some changes can bring profound consequences for people and households, potentially shaping not just where they live, but their financial conditions, where they go to school and work, the make-up of their social networks, and their access to resources like transit and health care. Restricting how we measure this change to a few variables thus risks simplifying a complex and enigmatic process.

Despite these drawbacks, existing measures of gentrification are still worth examining in the context of their findings. For better or worse, these conceptions of what gentrification is and where it occurs provide the basis for much of our current understanding about how neighborhoods change. Consumers of this information thus need to be aware of its limitations when discussing and responding to the effects of gentrification on neighborhoods. Current methods of identifying gentrification can also serve as a starting point for improving them.

“ The debate about the measuring of gentrification is really only important when it comes to the statistical models that a lot of academics use... If I use different measures, inevitably I will come up with different outcomes in terms of which neighborhoods have gentrification... [but] the lived experience of gentrification is real, and it doesn't vary with regard to the measures that we choose.⁶

—Stacey Sutton, sociologist, in a recent TEDx Talk

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5. Freeman, 2005; Bostic & Martin, 2003.

6. Sutton, 2014.

Recent Studies of Gentrification

A brief review of recently published academic literature reveals considerable variation in how gentrification is defined, its trends over time and space, and its associated effects on neighborhoods and their residents. It turns out that what we think we know about gentrification is highly subjective and dependent on how it is measured. This review also shows how even small differences in measuring gentrification can lead to big differences in identifying where and when it occurs. Given the many ramifications of gentrification, this lack of consistency can have significant consequences for residents, communities, and entire metro areas.

Identifying Gentrified Neighborhoods

Table 1 summarizes a set of recent studies on gentrification and describes how each identifies and quantifies neighborhood changes. To simplify the comparison, the studies listed all use Decennial Census tract-level data and restrict their analysis to neighborhoods in cities or urban areas. They also all employ a two-step process for identifying gentrified tracts; first, a set of characteristics defines neighborhoods that have the potential to gentrify, based on the conditions of the area in the starting year of analysis. From this group, additional criteria are then used to distinguish areas that changed in ways consistent with the study's conception of gentrification. Even with these similarities in place, however, there is still a wide range of variables and benchmarks used to identify gentrified neighborhoods. The tract income threshold for a potentially gentrifiable neighborhood, for example, is set as low as the bottom quintile and as high as the median income for the metro area. Delimiters for observed

gentrified areas also range from single income measures to combinations of nine different tract criteria. The result is wide variation in the number, location, and types of neighborhoods defined as gentrified across these studies.

The reliance on Decennial Census tract-level data in these studies adds further complications to analyzing and understanding gentrification. Until recently, this data was the only comprehensive source available for detailed small-area characteristics, observable with constant geographic boundaries over long periods of time. Yet these boundaries and timeframes do not always correspond to the actual places and paces of gentrification. Census tracts, which generally cover areas with between 1,000 and 8,000 people, may not align with neighborhood boundaries as understood by residents themselves. Nor does gentrification have obvious starting and stopping points that fit within decennial schedules. Finally, the metrics reported by Census surveys may not capture smaller changes that nonetheless have big impacts on neighborhoods, especially if these occur across tract boundaries. Analyses based on these data, therefore, will not necessarily reflect actual conditions on the ground, and could underreport gentrification occurring gradually, over small areas, and in non-quantifiable ways.

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7. Other studies have looked at gentrification trends in suburban and rural areas; see Charles, 2011; Markley, 2018; Ghose, 2004; Nelson et al., 2010
 8. The American Community Survey, which replaced the Decennial Census small-area statistics starting in 2010, collects and releases some data about resident and neighborhood characteristics annually, though data for lower levels of geography are generally only available as multi-year averages that can mute rapidly changing conditions.
 9. Barton, 2016.

Table 1: Examples of Popular Gentrification Measures using Decennial Census Tract-Level Data

Study (Authors and year)	Geography and Timeframe	Potential Criteria (observed in starting year)	Gentrifying Criteria (observed as change between starting and ending year)
Ellen & Ding (2016)	All metro areas, 1980-2010	Central city tracts with average family income below the 40th percentile of average family income among all tracts in metro area	At least a 10-percentage-point increase in the tract-to-metro ratio of 1) average family income, 2) share of white residents, 3) share of college-educated residents, or 4) median rent
Martin (n.d.)	Top 52 metro areas (by population in 1970), 1970-2010	Two options: Central city tracts with average family income below 80% (or 50%) of the median of average family income among all tracts in metro area	Change in tract average family income greater than (or at least 50% greater than) the median change in average family income among all tracts in metro area
Freeman (2005)	Metro areas, 1980-2000	Central city tracts with median income and share of housing built in prior 20 years below the median (or 40th percentile) among all tracts in metro area	Above metro-area percent increase in college-educated residents and increase in real housing prices
Bostic & Martin (2003)	Top 50 metro areas (by central city population in 1970), 1970-2000	Tract median income below 50% of metro area median income	Average of tract rank within metro area on nine metrics (adapted from Wyly & Hammel, 1999): 1) percent change in tract median income; 2) change in share of tract population ages 30-44; 3) tract homeownership rate, 4) share of residents with college degrees, 5) share with some college education, 6) poverty rate, 7) white non-family share of households, 8) black share of population, and 9) share of residents in managerial and administrative occupations in end year of analysis
Ellen & O'Regan (2008)	All 226 metro areas (as of 1970), 1970-2000	Central city tracts with average household income below 70% of metro area average household income	At least a 10-percentage-point increase in the tract-to-metro ratio of average household income
McKinnish et al (2010)	Sample of urban tracts in 64 large (population of 500,000 or more) metro areas, 1990-2000	Tract average family income below 20th percentile of all tracts nationally	Increase in tract average family income of \$10,000 or more

To mitigate some of these drawbacks, a handful of recent gentrification studies incorporate other data sources to complement Census measures. Many of these use qualitative data, such as participant interviews, field surveys, and in-person observations, to capture changes in neighborhood conditions not observable with large-scale databases. Perhaps the best known and widest-reaching of these studies are by Wyly and Hammel¹¹ who used documents and field-work, including block-by-block visual surveys of neighborhoods with recent investment activity, to identify gentrifying areas in up to 23 cities. These labor-intensive and specialized analyses, however, naturally limit both the geographic applicability and generalizability of the findings from such studies, making them less useful for assessing broader trends in gentrification.

The variation in data sets, methods, and time periods across most prior research on gentrification necessarily inhibits comparisons between individual studies, further complicating efforts to clarify both trends in and effects from gentrification. What few comparative analyses exist, however, reveal some of the extent of variation in how gentrification is identified and measured. A recent study by Martin,¹² for example, used two different measures of gentrification to examine trends by region and decade between 1970 and 2010. His analysis found that in three of the four regions, the direction of changes in gentrification were largely similar between the two approaches, though in the South the patterns were inverted over time (i.e. showing increases in a decade by one measure and decreases by the other). The study also notes that the relative change across regions was very sensitive to the measure used, with one showing the Northeast had most gentrification in the 1980s and 2000s, while by the other measure the South was

the most gentrified region in three of the four decades studied. Moreover, while Martin's analysis found that more gentrification occurred nationally in the 1990s than in the 2000s, a different study¹³ came to the opposite conclusion.

A study by Barton¹⁴ also identified discrepancies among measures of gentrification in his comparison of two well-known academic approaches¹⁵ to reporting in *The New York Times* on areas of New York City that were gentrifying between 1980 and 2009. He found considerable disagreement between the three on the number and consistency of neighborhoods deemed gentrified, with overlaps of only 18-51 percent among the sources across the two decades of analysis. Moreover, *The New York Times* reported most often on areas in and closer to Manhattan, while the academic studies identified gentrified areas across the five boroughs. Barton concludes that the emphasis in *The New York Times* on the more news-worthy areas experiencing gentrification could lead to disproportionately more policy interventions and private investment in these communities, to the exclusion of neighborhoods that are gentrifying under the radar of popular opinion.

Lastly, a study by Loukaitou-Sideris et al¹⁶ assesses differences between their qualitative methods of identifying gentrification around transit stations in Los Angeles with metrics from Census tract-level statistics and other secondary data sources. They found the two approaches were consistent when applied to areas that had either completed the gentrification process or had not yet begun to exhibit neighborhood turnover. In two other areas studied, however, their qualitative and quantitative methods produced more mixed results, with the former suggesting these neighborhoods were in the

10. See, e.g. Loukaitou-Sideris et al. (2017), Zuk et al. (2015), Papachristos et al. (2011), Kahn (2007), and Barton (2016).

11. Hammel & Wyly, 1996; Wyly & Hammel, 1998; 1999.

12. Martin, n.d.

13. Ellen & Ding, 2016.

14. Barton, 2016.

15. Bostic & Martin, 2003; Freeman, 2005.

16. Loukaitou-Sideris et al., 2017.

early stages of gentrification, which the latter was not yet able to discern through observations of changes in house prices, household income, construction, or affordability.

Effects of Gentrification

Beyond simply identifying where and when gentrification occurs, most recent studies also look at changes in neighborhood and resident conditions that are assumed to be the consequence of this type of neighborhood change.¹⁷ These effects include everything from mortgage lending, increases in black homeownership rates, and the location of retail and commercial business.¹⁸ Perhaps the most analyzed impact, however, is the frequency and extent of low-income household displacement associated with gentrification.¹⁹ The theorized process for this outcome assumes that when a low-income neighborhood becomes desirable to higher-income households, landlords will charge higher rents for their properties, rendering them unaffordable to existing residents. Upgrading the housing stock in gentrified areas compounds this effect, as older units are renovated or replaced by new construction with features and amenities for which higher-income households are willing to pay more. Even if some housing is kept affordable and available to exiting residents by nature of its condition or through policy interventions, low-income households may lose their local networks and institutions, and feel socially isolated among their new neighbors. These households are thus prompted to move, either in search of more affordable housing or replacements for their former communities.

Research on displacement from gentrification attempts to verify this hypothesis, and to document the detrimental effects on low-income households from losing their

housing and communities. The results, however, have been mixed as to whether and how much this displacement actually occurs. Analyses have pinned the magnitude of this effect at anywhere from a few hundred to tens of thousands of households displaced annually per city due to gentrification.²⁰ A handful of studies that compared mobility rates of low-income households from gentrified and non-gentrified neighborhoods also found little difference between the two groups, and even some evidence suggesting less movement among households from gentrified areas.²¹ Contraindications from other analyses challenge these findings, though still suggest the extent of displacement of low-income households from gentrification to be relatively low.²² Finally, research on the characteristics of movers in and out of gentrifying tracts found that households moving into such areas were likely to be higher income and have higher levels of education, but also more likely to be immigrants and no more or less likely to be black versus white (though less likely to be Hispanic).²³

Another set of research looks at the relationship between gentrification and crime rates, finding somewhat more consistent effects though still some variation in the timing and magnitude of the change in crimes committed. For example, some analyses suggest that the arrival of higher-income households in a low-income area initially increases social stratification and breaks down established social structures within the neighborhood, which invite higher crime rates in the early stages of gentrification. As new residents achieve a critical mass in the area, however, the combination of their greater civic involvement, increased investments in security measures, and the return to residential stability reduces criminal activity in the long run.²⁴

17. See Zuk et al. (2015) and Atkinson (2004) for more thorough reviews of this literature.

18. Wyly & Hammel, 1998; Bostic & Martin, 2003; Zukin et al., 2009.

19. Atkinson, 2004.

20. Kennedy & Leonard, 2001; Atkinson, 2004.

21. Vigdor, 2001; Freeman & Braconi, 2004.

22. Freeman, 2005; Newman & Wyly, 2006.

23. McKinnish et al., 2010.

24. Kirk & Laub, 2010; Lee, 2010; Papachristos et al., 2011; Kreager et al., 2011; Boggess & Hipp, 2016.

Lastly, studies on changes in schools and educational outcomes are relevant for understanding the next-generation effects of gentrification. Here, again, the impact of neighborhood change is unclear, with some areas showing improvements in school performance, while others experience no effect.²⁵ One study²⁶ of test scores among students in Chicago found no discernable difference between students in gentrified and non-gentrified low-income neighborhoods, indicating that the arrival of higher-income households does not noticeably impact educational outcomes. Part of this finding is due to smaller observed changes in student socio-economic characteristics relative to the surrounding neighborhood, suggesting either that gentrifiers tend to be childless households, or that their children attend schools outside the gentrified neighborhood. Moreover, this divergence can have negative consequences for local schools, in the form of reduced populations and funding from fewer attending families in the area.

Even when middle-class families do enroll in schools in low-income neighborhoods, the results can be mixed; one case study²⁷ of two urban schools in a large northeastern city finds that parents who use their resources and knowledge toward acquiring collective benefits for low-income schools are more effective in raising the quality of the school, which boosts the educational outcomes for all students. At the other end of the spectrum, however, are middle-class parents motivated by securing benefits for their own children first, and for the school as a secondary interest, whose schools did not realize the same level of improvement. Moreover, these individually-oriented parents were more likely to work to change the school to attract other families like them, to the exclusion and alienation of existing low-income families.



25. Kennedy & Leonard, 2001; Posey-Maddox et al., 2014.

26. Keels et al., 2013.

27. Cucchiara & Horvat, 2009.

Limitations and Unanswered Questions

The literature review above reveals that many of our assumptions about gentrification and its effects on communities are subjective and dependent on where, when, and how it is studied. Yet even beyond the mixed findings from academic literature, there remains much about gentrification that has not been conclusively assessed. Data limitations restrict the ability of researchers to capture both causes and effects of gentrification at geographic levels and time intervals suitable for comprehensive analysis. Unfortunately, much of what we don't know about gentrification is crucial to understanding its potential impacts, and what policy responses are appropriate under which conditions.

How Common is Gentrification?

Given the number of articles, studies, and conversations occurring around gentrification, one might think it is a widespread phenomenon taking place in low-income neighborhoods across the country. While precise estimates depend on the measures and data used to quantify gentrification, most studies agree that only a small fraction of low-income neighborhoods experience this type of upgrading, while the rest remain saddled with high poverty, disinvestment, and neglect. One analysis based on a broader definition of gentrification found that just 20 percent of all potentially gentrifiable tracts in the 50 largest cities in 2000 had gentrified by 2010, representing only 8 percent of all tracts in these cities and just 1.3 percent of all tracts nationwide.²⁸ Indeed, some of the cities with the most tracts eligible for gentrification (i.e., the most low-income neighborhoods), such as Cleveland and Detroit, were among those with the smallest shares that gentrified. Meanwhile, more than half of gentrified tracts were clustered in eight of the 50 cities, suggesting more of an isolated than national trend.

Another study focused on the poorest neighborhoods - those within 10 miles of central business districts in 1970 that had 30 percent or higher poverty rates - found that less than 10 percent had experienced enough change by 2010 to reduce their poverty rates to below the national average.²⁹ At the same time, more than two-thirds of the tracts either stayed the same or increased their poverty rates. Moreover, the number of tracts falling into the high-poverty category increased three-fold during the 40-year period, suggesting many more tracts falling into disrepair than actively gentrifying.

Thus, despite the disproportionate amount of national attention and discussion about gentrification and its effects on low-income neighborhoods, this form of neighborhood change occurs infrequently and is concentrated in a handful of large cities. In most low-income communities, chronic disinvestment and neglect remain the chief concerns, presenting a very different set of challenges for residents, communities, and policymakers to address. Moreover, the negative impacts of concentrated poverty and lack of opportunity in low-income neighborhoods are well known, while the effects of gentrification are far less understood.



28. Maciag, 2015.

29. Cortright & Mahmoudi, 2014.

Where is Gentrification Occurring Now?

One of the most pressing unknowns about gentrification includes where it currently takes place. Generally, gentrification is observed only after it is well underway and the economic forces driving changes in housing costs, retail turnover, and residential mobility have already taken root. The ability to identify areas in the early stages of gentrification, however, would let stakeholders determine and develop appropriate responses, either to support its positive effects on neighborhoods or to mitigate potentially negative consequences for existing communities.

The challenge of recognizing gentrification in real time stems from the dearth of accurate and current information on changes occurring at the neighborhood level. Most measures of gentrification, as noted above, rely on large publicly available data sets to assess where incomes, housing costs, and residential mobility are changing over time. Yet the necessarily backward-looking nature of these analyses prevents researchers from catching instances of gentrification as they occur. At best, these data can only narrow the options for places that have the potential to gentrify based on their current characteristics, such as low household incomes or recent disinvestment. Available current information on neighborhood conditions, meanwhile, is generally anecdotal and highly susceptible to misinterpretation.

Some researchers³⁰ are working to address these issues, using newly available data and technology resources to develop early warning systems for gentrification. By tracking metrics commonly associated with the onset of gentrification – e.g., the emergence of new retail establishments, upticks in construction and renovations, and rising housing costs – these efforts aim to give residents, business owners, community leaders and policy makers a head start on addressing the challenges and opportunities that come with neighborhood change. Yet,

even when clear signs of neighborhood upgrading are available, gentrification may not always be the cause; revitalization of a neighborhood by existing residents can also lead to changes in housing quality and costs that mimic the onset of gentrification, but without the same negative consequences for housing affordability and community character.

Is Gentrification Bad for Low-Income Households?

While gentrification can be hard to identify empirically, it can still have significant impacts on low-income communities where and when it does occur. Yet whether these changes are net negative or positive for a neighborhood is also highly dependent on many factors, including the starting condition of the neighborhood, the needs of existing residents, and the way the gentrification is defined. In blighted neighborhoods with high vacancy rates, for example, an influx of new, wealthier residents is likely to be a good thing, bringing much needed capital and investment but not necessarily causing widespread displacement. In stable, well-populated communities, meanwhile, affordability pressures on existing residents are likely to be greater given the lack of already-vacant housing units available to new residents. Different forms of gentrification may thus require different responses from policymakers.



30. Maciag, 2015.

Nor are higher housing costs and displacement risks the only ways gentrification can harm low-income residents. Households that stay in gentrified neighborhoods may suffer from the degradation of their community networks and institutions as new entities move in and replace existing churches, schools, and local businesses. Changes in the racial composition of gentrified neighborhoods can compound feelings of social isolation and stratification between existing and new residents. Social and cultural norms accepted by long-term residents may be derided by newcomers, who can leverage their economic and political resources to discourage behaviors deemed undesirable.

To counter the negative associations with gentrification, some commenters³¹ suggest substituting other words to describe the upgrading of low-income communities, such as revitalization and reinvestment. Yet these are not synonyms for gentrification, which refers specifically the effects of higher-income households moving into low-income areas. Distressed areas can evolve without substantial in-migration of higher-income households, through the native efforts of residents capitalizing on local resources to improve their communities.³² Large-scale public or commercial investments that do not include housing development (e.g., stadiums, government buildings, parks) can also affect change on a neighborhood without residential turnover. Conflating these other forms of neighborhood change with gentrification, therefore, can further muddy the waters around its impacts on low-income communities.



31. "In Praise of Gentrification", *The Economist*, June 21, 2018.

32. Reece, 2004.

Policy Implications of Gentrification Research

Clearly, much remains unknown or unclear about gentrification and its effects on low-income neighborhoods, which makes policy prescriptions for addressing – or anticipating – these changes difficult to identify. Community leaders and policymakers, under pressure to respond to potential impacts from gentrification, must first understand why and how neighborhoods are changing to determine the best solutions and allocations of scarce resources. At the same time, state and local governments should look at housing markets broadly and ensure adequate and affordable housing opportunities are available in all neighborhoods. The following core principals can guide these efforts.

Respond to Local Concerns with Local Solutions

With gentrification occurring in different ways in different places, a one-size-fits-all strategy risks misappropriating resources in areas that do not require as much assistance, while other areas are left without needed supports. For example, restrictions or regulations that inhibit new housing development may encourage preservation of historic structures and community character, but will also discourage investment in blighted neighborhoods. Moreover, with fewer new units coming on line, demand for existing housing will rise and add to affordability concerns, rather than alleviate them.

Individualized efforts, while necessarily smaller-scale and piecemeal, can also operate at a level above just housing concerns to address other aspects of community change linked to gentrification. Commercial and retail investment, community safety and crime mitigation, cultural and educational opportunities, and transportation access can be dealt with alongside housing affordability, thereby increasing the efficacy of public interventions. Such holistic approaches leverage resources to meet a range of community needs and prevent potential conflicts from unevenly distributed development.

It is vital in this process to involve existing residents in the conversation about what their communities need, and to work with local groups to develop appropriate and effective solutions. Listening to low-income residents helps policymakers better understand conditions on the ground, and to direct resources to areas of greatest concern. Giving incentives and preference for local developers may also mitigate fears of mass in-migration from outsiders, while ensuring the proceeds from new housing stock stay in the community.

Proactively Address Housing and Community Needs

As noted above, most data and research on gentrification is backward looking, and only identifies areas undergoing change after the process is well underway. This not only limits the ability of policymakers to respond to challenges in a timely manner, but may also blunt the effectiveness of any intervention if local conditions have already changed irreparably. Proactive, rather than reactive, policymaking can mitigate this challenge and potentially head off problems before they occur.

On-the-ground research and community engagement again helps in this effort, allowing communities and policymakers to catch early signs of neighborhood change. It is important, however, that these signs be interpreted appropriately, and not assumed to be harbingers of an impending crisis. The arrival of one new coffee shop does not necessarily signal wholesale community turnover in need of preventative action. Instead, by monitoring local conditions, policymakers can more effectively manage the pace and progress of neighborhood change, and find opportunities to promote equitable and beneficial adjustments to the area.

Proactive policymaking also means developing tools that can be quickly implemented when needs arise, such as tax subsidies or grant programs to incentivize affordable housing preservation or development in changing

neighborhoods. While a degree of flexibility must be built-in to any such program to allow for a variety of uses in response to specific community needs, policymakers can structure and promote these in advance, thereby integrating certain policy priorities into the process from the beginning. Finally, a proactive approach addresses the conditions that precede gentrification, including the lack of middle-income housing in high-rent neighborhoods, which encourage some households to move into low-income areas in search of more affordable options.



Promote Affordability and Opportunity in All Communities

As policymakers address the effects of gentrification within local communities, they should not neglect the larger set of low-income neighborhoods that do not experience this type of external upgrading. The research is consistent that gentrification occurs in only a handful of areas in mostly large cities, while most low-income households remain mired in high-poverty and low-opportunity areas. The challenge for struggling areas is to maintain the affordability and stability of the housing stock, while improving residents' access to education, transit, health care, retail and employment options.

Increasing access to opportunity in non-gentrifying low-income neighborhoods can also mitigate some of the effects of gentrification occurring in other areas. Existing residents who leave gentrifying neighborhoods, whether displaced by rising housing costs or the absence of community networks and institutions on which they used to rely, will need affordable alternatives elsewhere. With a range of desirable neighborhoods available to them, they would still be able to benefit from local resources, and not have to substantially downgrade their living conditions in the process.

While simultaneously improving access to opportunity in low-income neighborhoods, policymakers should also work to increase housing affordability in areas that are already high-opportunity. The primary vehicle for helping low-income households access better neighborhoods are housing choice vouchers, which cover the difference between the market-rate rent in a non-low-income neighborhood, and what a low-income household can afford. Funding for housing choice vouchers comes from the federal or state government, but typically is sufficient to cover only a fraction of eligible households. Expanding vouchers to assist more low-income households would increase access to affordable housing opportunities in thriving neighborhoods.

Conclusion

This paper describes how different studies operationalize gentrification, and the complications these present. Without consistent measures to identify where gentrification occurs, research on its impacts will continue to offer inconclusive and contradicting results. Nor can these measures currently answer some of the most pressing questions about gentrification and its effect on neighborhoods and residents. This lack of concrete information about gentrification inhibits effective policy and community responses to this type of neighborhood change.

Yet despite their drawbacks, current measures of gentrification are still worth exploring. Examining how these approaches define neighborhood change provides a basis for improving our understanding about gentrification and its consequences. A first step is to compare different measures and analyze the extent of divergence in their findings about where and when gentrification occurs. Given that the bulk of recent research looks at changes in neighborhoods where gentrification is identified, these discrepancies potentially skew our perceptions of gentrification as a positive or negative force, and whether it merits policy interventions. Future research into these measures, therefore, would be helpful to clarifying what neighborhood change truly means to low-income communities.



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