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Measuring the Seeds of Neighborhood Gentrification

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- Cities experience constant change. Many changes need to be managed carefully because they can have serious consequences for city residents.

- For many decades suburban sprawl and white-flight have caused falling property values, lower rents, lower tax receipts, lower quality public services, and sharp declines in the quality of life in many city neighborhoods. Despite these obstacles, many long-time city residents (often minorities, low-income families, and new immigrants) have worked hard to maintain a sense of community.

- In recent years many younger, white, well-educated, and higher-income residents are moving back into older city neighborhoods. The influx of new residents is revitalizing many older neighborhoods. This can improve the quality of life for all.

- But "gentrification" can happen when the influx of new residents leads to three types of serious problems in a neighborhood:[1]
  - Residential displacement: new residents with more money to spend push up home prices, rents, and property taxes. Long-time residents can be priced out of the neighborhood.
  - Economic displacement: locally-owned neighborhood businesses that provide important services to low-income residents can also be priced out of the neighborhood.
  - Cultural displacement: even when many long-time residents are not displaced, they can quickly lose the sense of community they built if the neighborhood is overwhelmed by an influx of newcomers.

- Minimizing the problems of displacement requires timely and precise data. Gentrification happens in stages, often one block at a time, and usually within a few years. If policy-makers wish to manage the process they need to measure gentrification during its early stages.

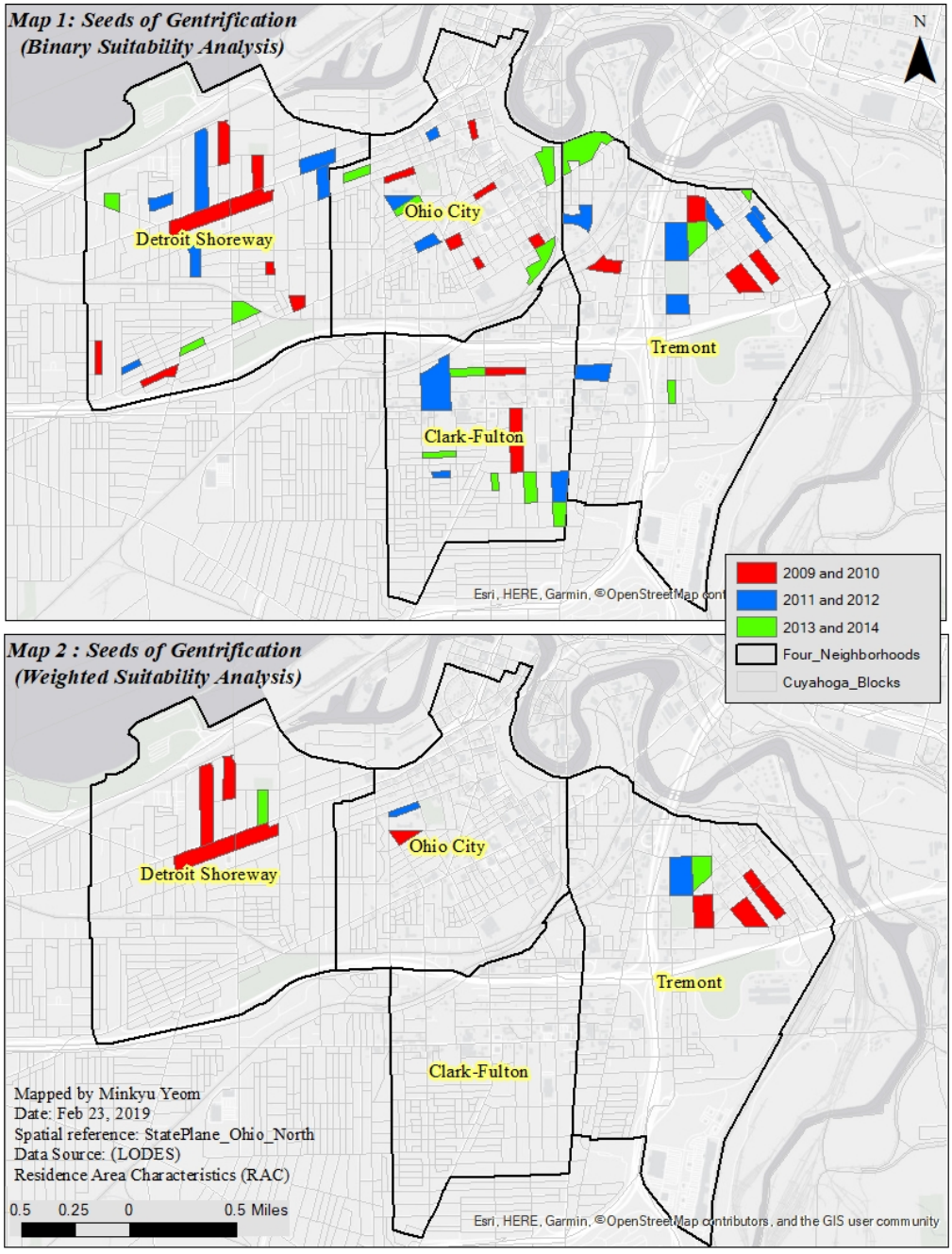
- New annual data about employed residents at the census-block-level (LODES) allows for better precision of measurement.[2] I propose an annual, block-level index of gentrification based on five measures about employed residents in each census block.

- The index identifies blocks that may be gentrifying by measuring five types of change:
  - MORE employed residents with higher incomes;
  - FEWER residents with lower incomes;
  - MORE total number of employed residents;
  - MORE employed residents with college degrees: and
  - MORE employed residents in knowledge-intensive sectors.

[1] For more see J. Rosie Tighe and Stephanie Ryberg-Webster (eds.) *Legacy Cities: Continuity and Change amid Decline and Revival* (Pittsburgh: University of Pittsburgh Press, 2019).
[2] U.S. Census Bureau, LEHD Origin-Destination Employment Statistics Data (2002-2015). Access at https://lehd.ces.census.gov/data/#lodes.

- Giving these measures different weights in an annual index may help policy-makers identify early stages in the process of gentrification. The maps below are an example.

- These four neighborhoods in Cleveland are experiencing some amount of gentrification. Map One is the broadest index of gentrification. It gives equal weight to all five measures for each year (i.e., "Binary Suitability Analysis"). Map Two uses a narrower index (i.e. "Weighted Suitability Analysis") that gives 76% weight to the first two measures. The difference between the two maps may indicate blocks where the "Seeds of Gentrification" have been planted. Policy makers may be able to slow the process by addressing specific issues one block at a time.[3]



[3] For more information on this analysis, contact the author at m.yeom@csuohio.edu .