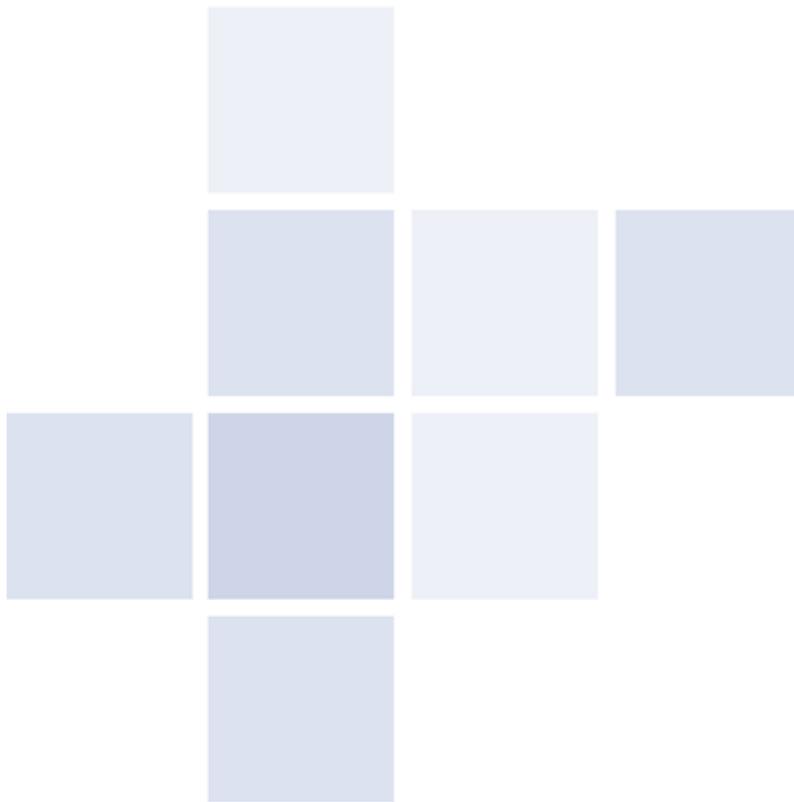




Executive Summary: American Neighborhood Change in the 21st Century

April 2019



Selected Findings on America's 50 Largest Regions

- **The most common form of American neighborhood change, by far, is poverty concentration.** About 36.5 million residents live in a tract that has undergone low-income concentration since 2000.
- **At the metropolitan level, low-income residents are invariably exposed to neighborhood decline more than gentrification.** As of 2016, there was no metropolitan region in the nation where a low-income person was more likely to live in an economically expanding neighborhood than an economically declining neighborhood.
- **Low-income displacement is the predominant trend in a limited set of central cities, primarily located on the eastern and western coasts.** Los Angeles and Washington, D.C. have the most widespread displacement.
- **On net, far fewer low-income residents are affected by displacement than concentration.** Since 2000, the low-income population of economically expanding areas has fallen by 464,000, while the low-income population of economically declining areas has grown 5,369,000.
- **White flight corresponds strongly with neighborhood change.** Between 2000 and 2016, the white population of economically expanding areas grew by 44 percent. In declining areas, white population fell by 22 percent over the same span.
- **Nonwhite residents are far more likely to live in economically declining areas.** In 2016, nearly 35 percent of black residents lived in economically declining areas, while 9 percent lived in economically expanding areas.

Executive Summary

What is the greatest threat facing American cities as they evolve? Is it gentrification, and the accompanying displacement of low-income families? Is it the growth of poverty and segregation, which mires residents in expanding seas of decline? Are cities booming with development, driving poor families to the margins? Or does the urban landscape show the scars of disinvestment?

This question has torn apart scholars and frustrated countless policymakers. In the second half of the 20th century, a relative consensus existed: poverty moved to urban interior, while wealth moved to the suburban periphery. But conditions have changed and that consensus has failed.

Evidence of this confused state of affairs is everywhere. Many local and state governments have continued the fight against urban disinvestment, seeking neighborhood revitalization with public funding. Cities are willing to spend generously to kickstart growth. When Amazon held its nationwide competition for a second headquarters, Arlington, Virginia's winning bid included more than \$570 million in incentives. To support the massive Hudson Yards development on Manhattan, New York City contributed \$2.2 billion in tax increment financing.

But in philanthropic and activist circles, economic development and anti-poverty efforts have often taken a back seat to concerns over gentrification. These decisions are also backed by comparatively vast sums of money. When the Local Initiatives Support Corporation decided to fight gentrification in the traditionally segregated Anacostia neighborhood of D.C., it kicked in \$50 million to the effort. When the Ford Foundation grew concerned about gentrification in Detroit, it partnered with private firms to marshal \$27.5 million in housing funding.

If policymakers, philanthropists, and scholars are misperceiving the problems of cities, much of this money is wasted. Or worse than wasted: resisting development in a poor neighborhood that is not actually gentrifying, or promoting growth in an area that already has significant displacement, can cause actual harm to residents. In other words, American cities need more than competing narratives about neighborhood change: they need a firm sense of how and where cities are evolving. *American Neighborhood Change in the 21st Century* aims to provide such a picture.

A New Way of Measuring Neighborhood Change

Concentrated poverty, endemic gentrification, or explosive growth—when it comes to the troubles of metropolitan America, there's a story for everyone. Confusing matters further, wealthy and culturally prominent cities—places like New York, Washington, D.C., and San Francisco—are treated as stand-ins for the whole of America, even while vast southern and Midwestern metropolises take a very different trajectory. Changes in high-visibility neighborhoods in the core of

metropolitan region dominate popular perceptions of how cities are evolving, but those same areas account for a fraction of total population.

In order to provide a universal perspective that avoids these and other distorting effects, and in order to produce comprehensive findings that include cities and suburbs of all stripes, *American Neighborhood Change in the 21st Century* deploys a new method for classifying neighborhood change. Its objective is to conduct an unbiased survey of neighborhood change, from 2000 to 2016. The report focuses on four distinct categories of change – overall growth, low-income displacement, low-income concentration, and abandonment – and classifies neighborhoods by the kind of change they have experienced. These categories are universal, designed to function similarly across the full diversity of community and neighborhood types in America. The report classifies every census tract in the nation, while focusing on the 50 largest metropolitan areas. The ultimate goal is to permit inter- and intra-regional comparisons of neighborhood change, and to determine which places and which groups are most strongly impacted.

Key findings include:

- **About one third of census tracts in the 50 largest metropolitan areas have experienced strong change since 2000. In 2016, those neighborhoods included approximately 53 million residents. Table 1, below, shows which types of neighborhood change are affecting these residents.**
- **Rapid neighborhood change – both economic growth and decline – is much more common in central cities than in suburban communities. Among the top 50 largest metropolitan areas, an average of 44 percent of central city residents live in a neighborhood experiencing strong change, compared to 25 percent of suburban residents.**
- **Despite this, because the suburban population is larger overall, the majority of people living in a neighborhood that has experienced strong change – about 60 percent – reside in a suburb.**
- **By far the most common form of neighborhood change is economic decline resulting in poverty concentration. About 36.5 million residents live in a tract that has undergone poverty concentration since 2000.**

- **Poverty concentration is overwhelmingly a suburban problem. In the top 50 metros alone, about 24.4 million Americans live in a census tract that has undergone poverty concentration. This represents 67 percent of all people experiencing poverty concentration in those regions.**
- **On net, in the 50 largest metros, approximately 464,000 low-income people have left from economically growing neighborhoods since 2000.**
- **On net, in the 50 largest metros, approximately 5,369,000 low-income people have been concentrated into economically declining neighborhoods since 2000.**
- **As of 2016, there was no metropolitan region in the nation where a low-income person was more likely to live in an economically expanding neighborhood than an economically declining neighborhood.**
- **As of 2016, the only central cities in which a low-income person was more likely to live in an economically expanding neighborhood than an economically declining neighborhood were Anaheim, Long Beach, Los Angeles, New York City, Portland, Providence, San Diego, San Francisco, Seattle, Norfolk, and Washington, D.C.**
- **Among central cities, Washington, D.C. has the most severe low-income displacement, with over 35 percent of its low-income population living in economically expanding areas and the low-income population of those areas declining by over 25 percent since 2000.**
- **Neighborhood change is usually accompanied by rapid racial transition, particularly white flight. Across the top 50 largest metropolitan areas, the white population of economically expanding areas grew by 44 percent between 2000 and 2016. In economically declining areas, the white population fell by 22 percent over the same span.**
- **Nonwhite residents are far more likely to live in economically declining areas. For instance, nearly 35 percent of the black population of the top 50 metros lived in an economically declining areas in 2016, compared to 9 percent who lived in an economically expanding area. In most**

metropolitan areas, the nonwhite population of economically declining areas has continued to grow, even while the white population has fallen.

As an essential component, this report also includes individual regional reports and detailed maps for each of the top 50 metropolitan areas, which break down neighborhood change by demographic subgroup and by individual census tracts. In addition, this report includes a nationwide interactive map, at the tract level, of neighborhood population change between 2000 and 2016. It provides the data from each tract used to produce the report's conclusion, and depicts the two most common forms of neighborhood change: displacement and poverty concentration. These can be accessed online at the Institute on Metropolitan Opportunity [website](#).

While cities vary widely, poverty concentration remains the dominant concern in most American regions. Moreover, there should be a much greater emphasis on suburban areas. Suburbs are sometimes treated as stable and constant, but data shows they are not. Just like the central cities they envelop, America's suburbs are changing fast. They too experience poverty, displacement, and abandonment.

Far too often, neighborhood change is analyzed through a microscope. Dramatic shifts in one small area receive breathless attention, while changes are ignored in the remaining 90 percent of places, or even 99 percent of places. This report hopes to draw attention back to neighborhoods that are sometimes overlooked in politics and by policymakers. Neighborhoods are not independent silos; they are part of a continuous urban fabric that stretches across vast regions, in which dozens of areas wax and wane together. Only in this broader perspective can the problems and challenges of neighborhood change be understood as they are: interconnected and impossible to solve in isolation.

Chart 1: 2016 Population of Neighborhoods Experiencing Strong Change (50 Largest Metros)

