

Gentrification Analysis of Minneapolis & St. Paul

2000 – 2014 | PRELIMINARY RESULTS

CURA Housing Forum 11.18.16

Center for Urban and
Regional Affairs (CURA)

UNIVERSITY OF MINNESOTA
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Methods

Quantitative:

Census data, 2000, 2010, ACS data 2010-2014

Tract boundaries normalized to 2010 boundaries using *GeoLytics*

Census tracts as unit of analysis

Utilization of three different indices of gentrification

Qualitative:

Interviews with public officials / neighborhood leaders / residents

Rental Housing Affordability in Minneapolis Neighborhoods

Change in Rental Affordability by Race/Ethnicity 2000 and 2014

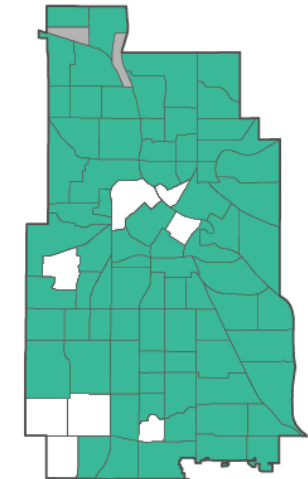
very affordable
The typical renting household can afford to rent **50% or more** of the units in the neighborhood

Neighborhood with no housing

2000
Median Rent: \$809
(\$575 in 2000 dollars)

Median Renter Income:
Affordable Threshold:

White Not Hispanic or Latino



\$39,390 (\$28,000 in 2000 dollars)
\$985 (\$700 in 2000 dollars)

Source: Author calculations, 2000 Census, 2010-2014 ACS, 2000 IPUMS, 2010-2014 IPUMS

All bolded values adjusted to 2014 dollars

Incomes for households

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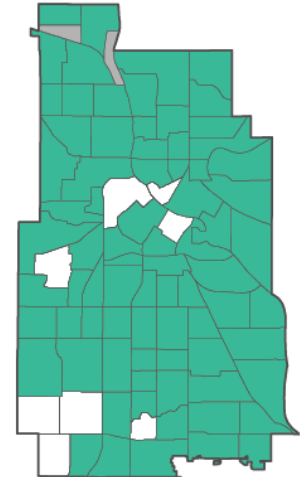
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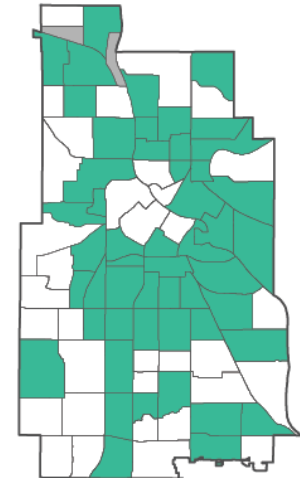
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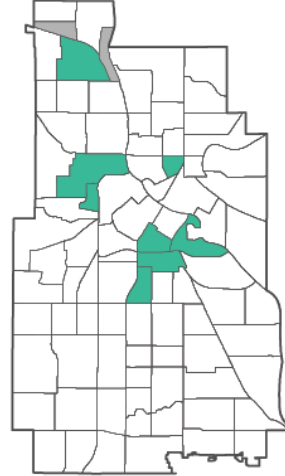


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Neighborhood with no housing

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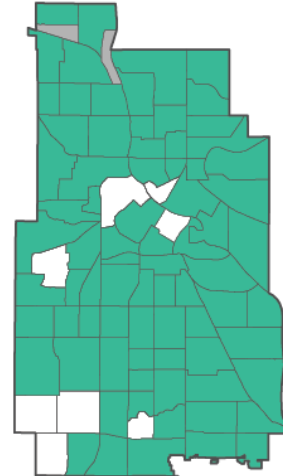
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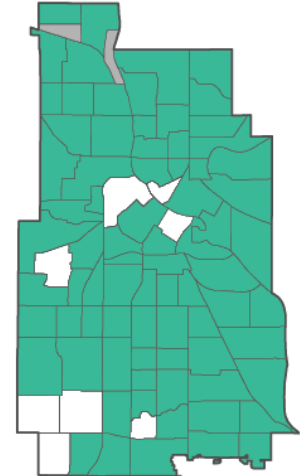
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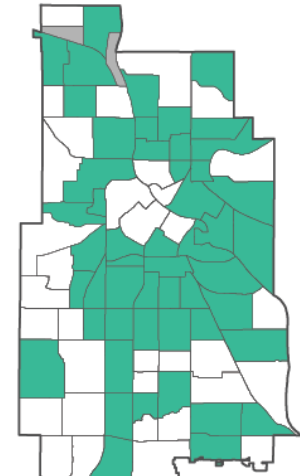


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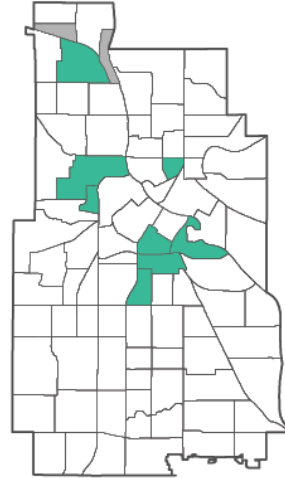


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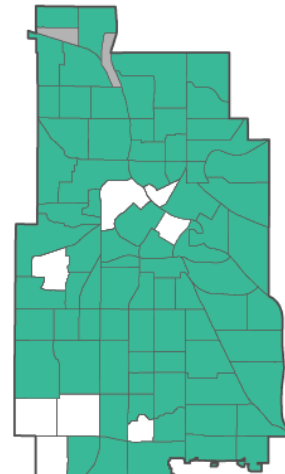
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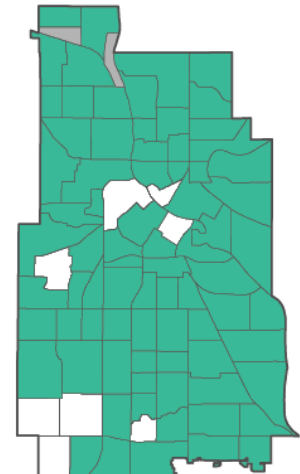
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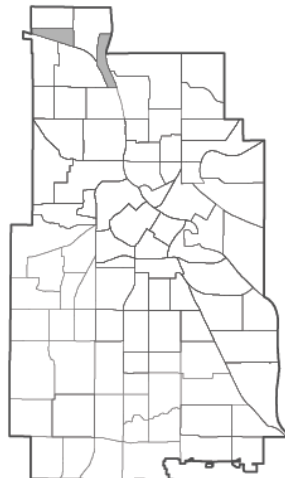
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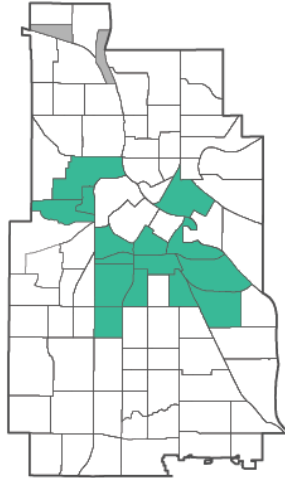
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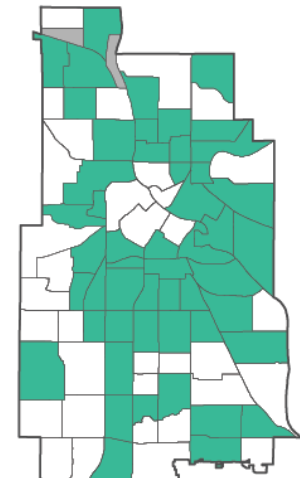


Median Renter Income:
Affordable threshold:

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\$30,491
\$762



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Source: Author calculations, 2000 Census, 2010-2014 ACS, 2000 IPUMS, 2010-2014 IPUMS

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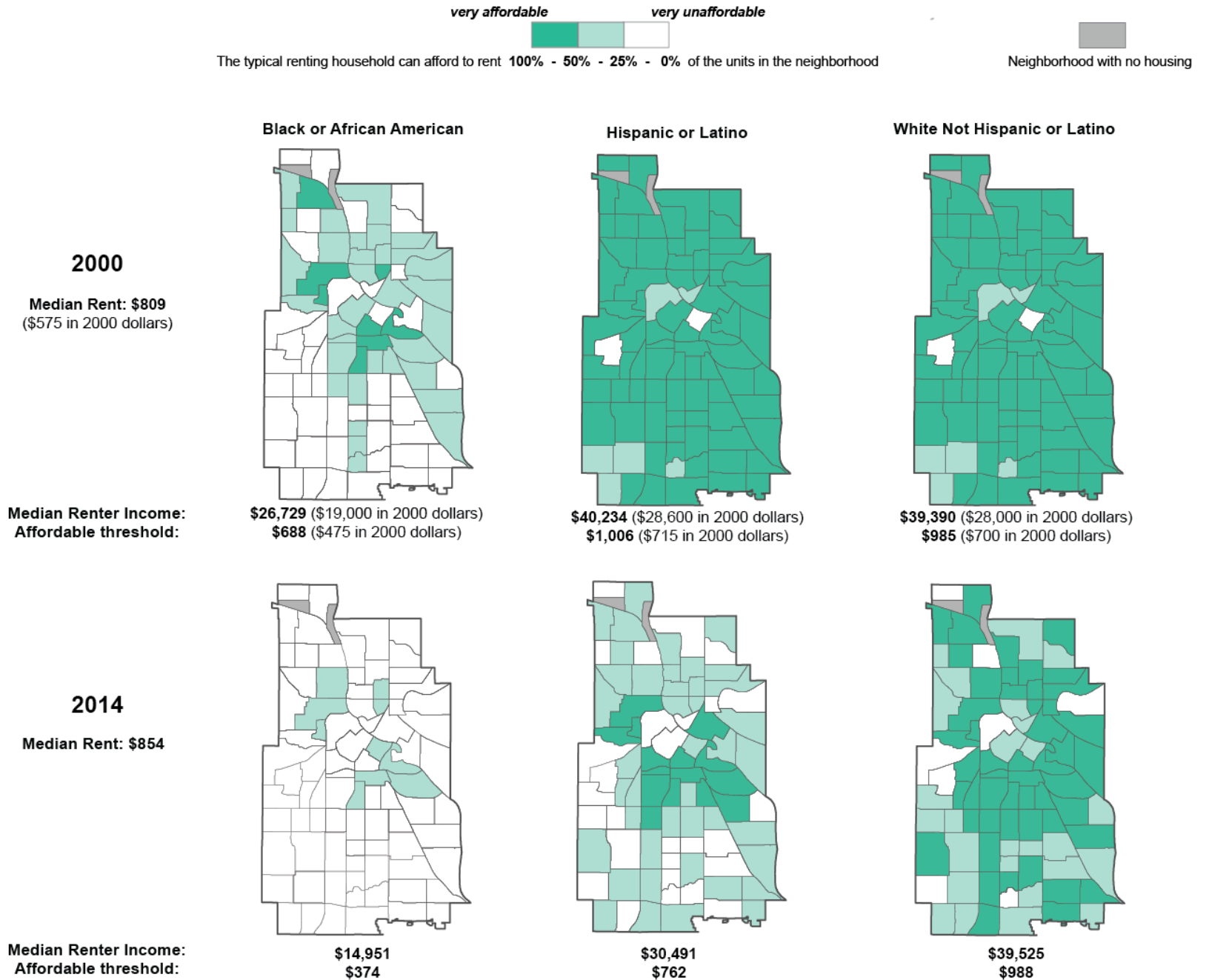
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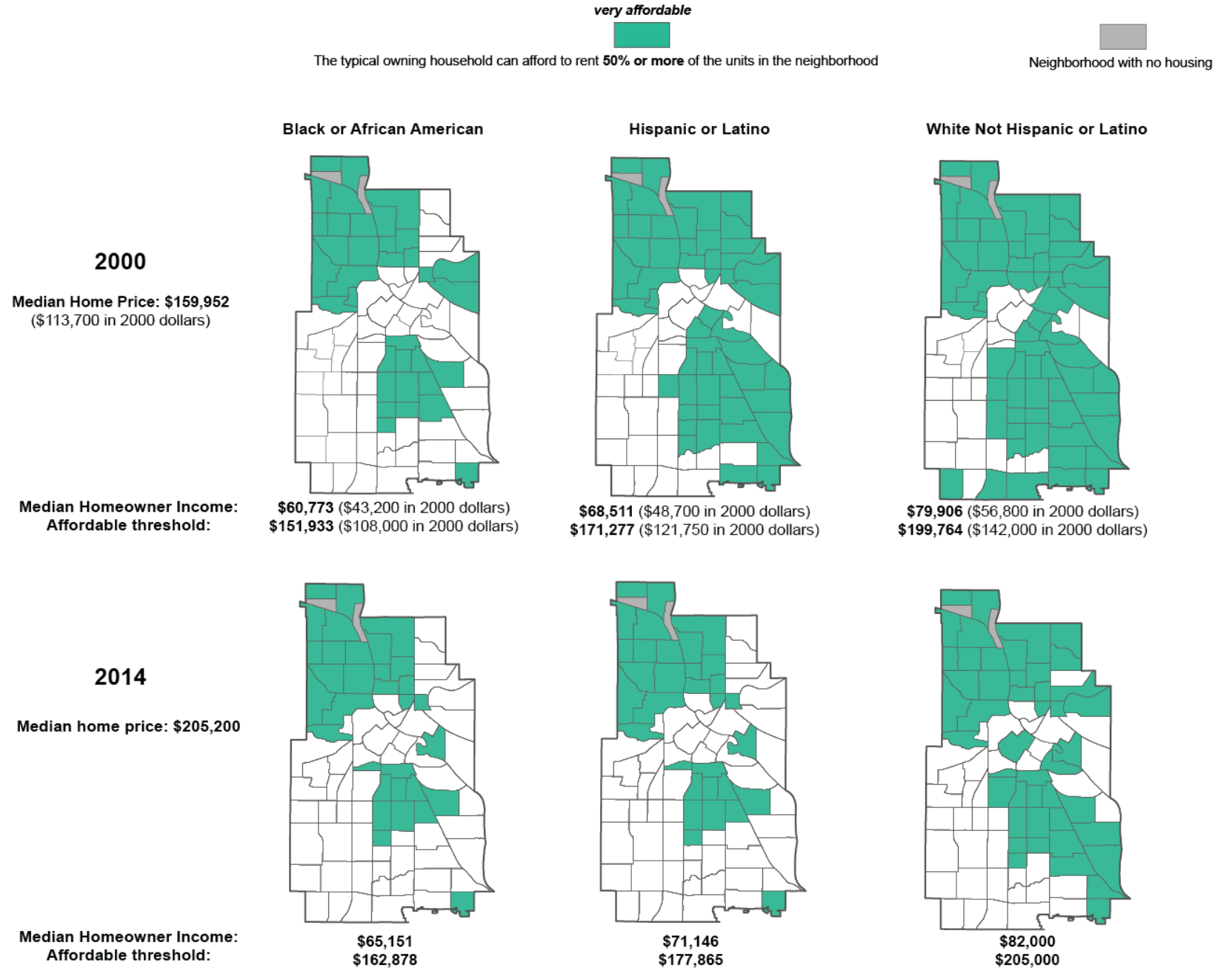
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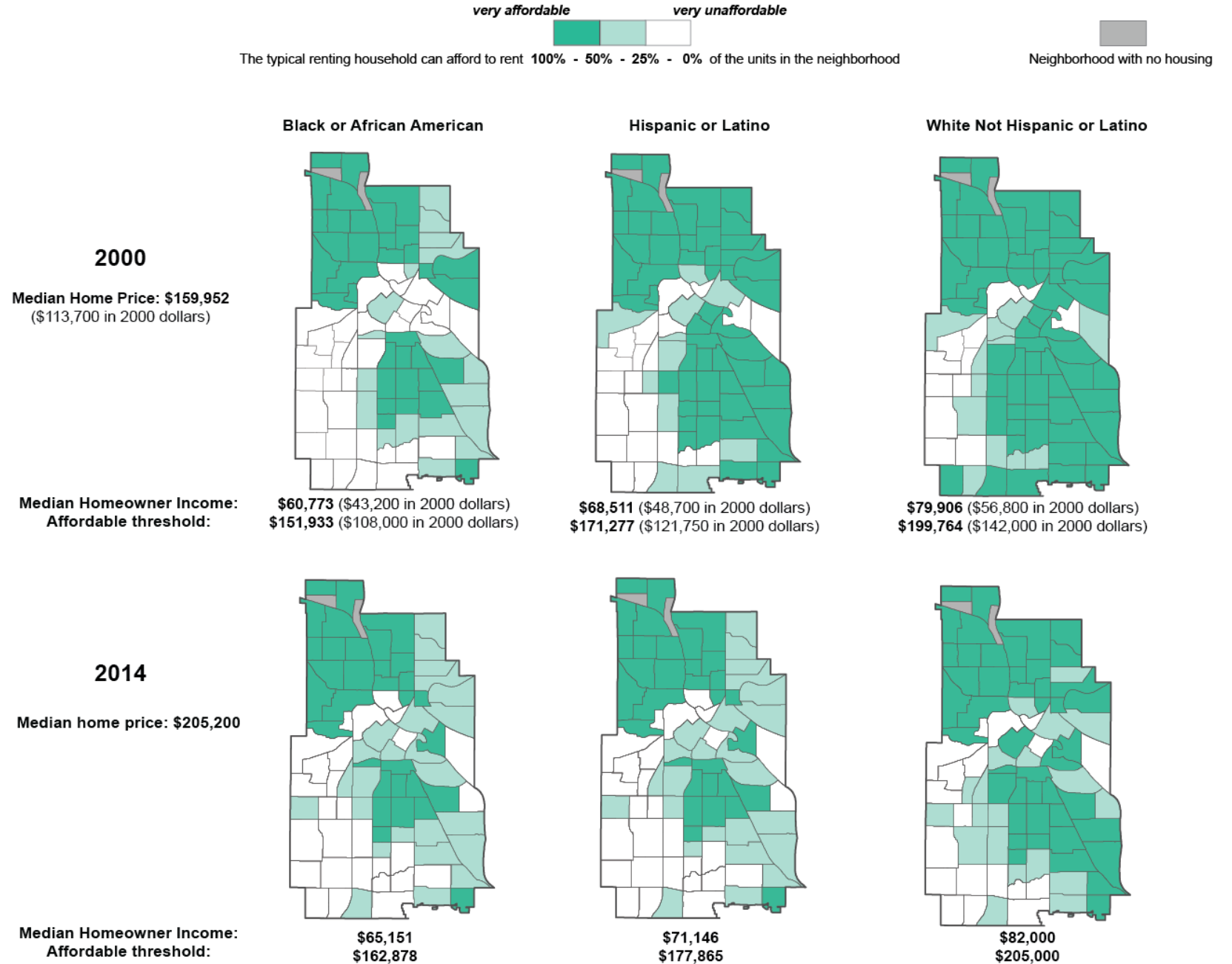
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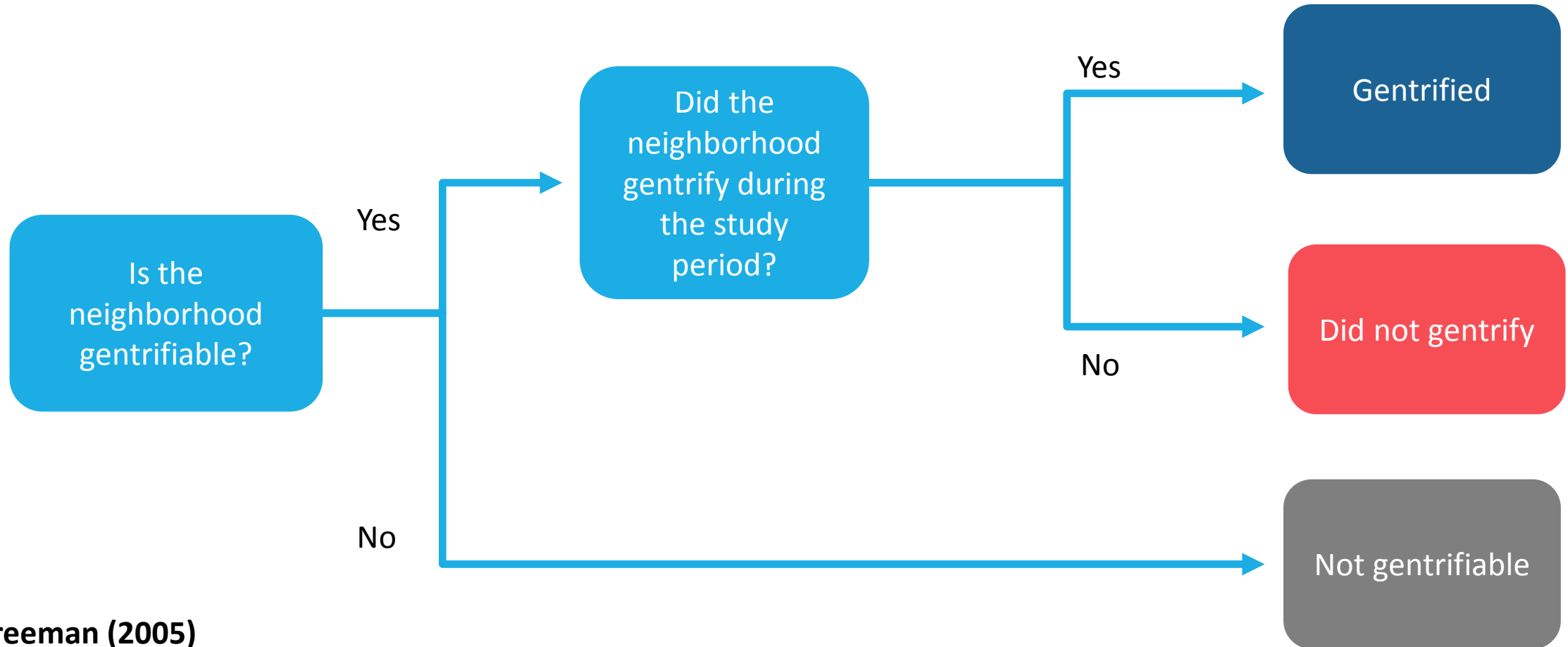
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Identification Model of Gentrifying Neighborhoods



Freeman (2005)

Working Definition of Gentrification

1. Populated by low-income households
 2. Neighborhood has previously experienced disinvestment
 3. Influx of relatively affluent gentry
 4. Increase in investment
 5. Evidence of displacement
-
- The diagram uses blue curly braces to group the five points. A large brace on the right side groups points 1 and 2, with the label **Gentrifiability** to its right. A second brace on the right side groups points 3, 4, and 5, with the label **Gentrification** to its right.

Many Forms of Displacement

Marcuse (1985)

Last-Resident Displacement

- A low-income household is “involuntarily” displaced from a housing unit that they would otherwise have been able to afford.

Chain Displacement

- Multiple low-income households can be displaced from the same housing units over time at different stages of neighborhood change.

Exclusionary Displacement

- Rising housing costs prevent new low-income residents from moving in.

Cultural Displacement/Displacement Pressure

- When family, friends, local businesses are forced to leave and rents rise. This puts pressure on the family to leave as well.

Measuring Displacement

- Very difficult to measure
- Some studies have used individual longitudinal data to try to measure displacement, but there are issues:
 - Can only measure last-resident displacement
 - Very difficult to distinguish between “voluntary” and “involuntary” moves
- Difficult to track transient low-income populations
- Likely to be differences between responders and non-responders
- Our analysis will use qualitative methods to understand small scale patterns of neighborhood change, but will not allow us to make larger scale quantitative claims about physical displacement.

Loss of Affordability is Exclusionary Displacement

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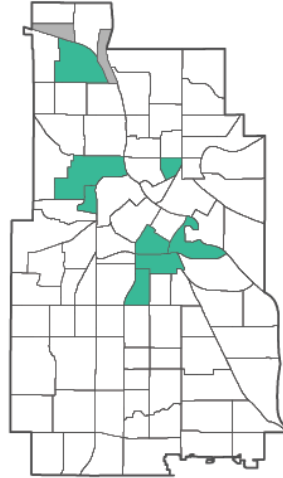


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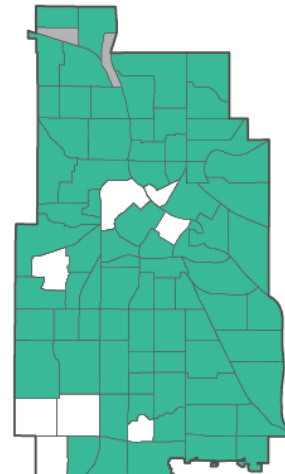
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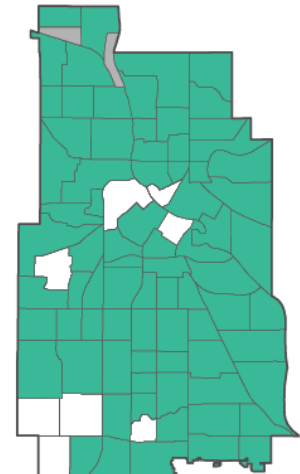
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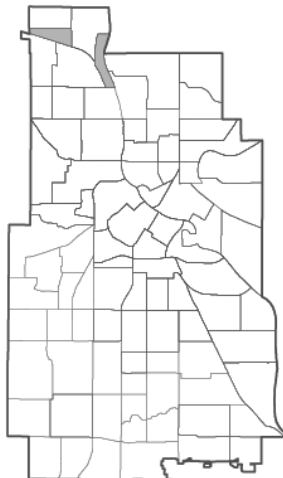
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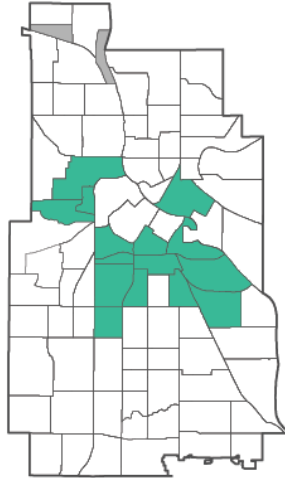
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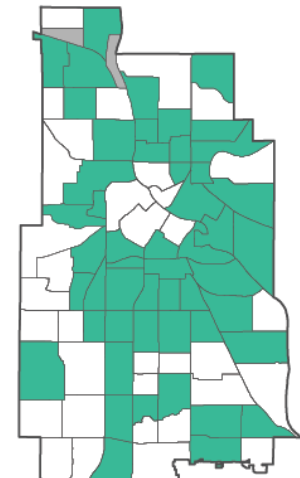


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Quantitative Analysis

- For robustness, using three well-known gentrification indices
 - [Freeman \(2005\)](#) – NYC, NY
 - [Ding et. al \(2015\)](#) – Philadelphia, PA
 - [Bates \(2013\)](#) – Portland, OR
- Scale
 - Regional vs. City reference geography

City	Region
<ul style="list-style-type: none">• Neighborhoods that are defined as gentrifiable tend to match intuition about low-income neighborhoods• Generally more conservative	<ul style="list-style-type: none">• Captures effects of upgrading in middle-class neighborhoods as well• Captures roll that urban restructuring plays in process of gentrification.

Freeman | NYC 1990 – 2000

Gentrifiability

Metric	Operationalization
Urban	Central city neighborhood
Low-Income	Tract median HH Inc < MSA median
Experiencing Disinvestment	Tract share of housing built in last 20 years < MSA Median

Gentrification

Metric	Operationalization
Increase in “gentry”	Tract percentage point change in the share of adults with college degree > Regional change
Increase in Investment	Any real increase in tract home values

Ding | Philadelphia 2000 – 2013

Gentrifiable

Metric	Operationalization
Low-Income	Tract median HH Inc < City median

Gentrification

Metric	Operationalization
Influx of gentry	Tract percentage point change in the share of adults with college degree > City change
Increase in Housing Values	Tract Med Rent OR Tract Med Val % Increase > Citywide Median

Bates | Portland, OR 2000 – 2010

Vulnerable Population

3 /4 Conditions True in 2000

Metric	Operationalization
High % Renter	Tract % renter > City
High % People of Color	Tract % POC > City
Low % w/ College Degree	Tract % w/ Bachelors < City
Low Income	Tract % Poverty > City

Housing Market Changes

Type	Operationalization
Adjacent	Bottom 60% med value in 2010, low appreciation, touches high value tracts
Accelerating	Bottom 60% med value in 2010, High appreciation between 2000 and 2010.
Appreciated	Bottom 60% of med val in 1990. Top 40% in 2010

Demographic Changes

Any 3 /4 Conditions True OR BOTH White/College

Metric	Operationalization
Increase in Homeowners	Tract PP Δ share homeowners > City Change
Increase in White Pop	Tract PP Δ share white > City Change
Increase in College Degrees	Tract PP Δ share coll. deg. > City Change
Increase in Med HH Inc.	Tract % Δ > City Change

Bates Typology

Neighborhood Type	Vulnerable Population?	Demographic Change?	Housing Market Type
Susceptible	Yes	No	Adjacent
Early: Type 1	Yes	No	Accelerating
Early: Type 2	Yes	Yes	Adjacent
Dynamic	Yes	Yes	Accelerating
Late	Yes	Yes	Appreciated
Continued Loss	No	Has % white and % with BA increasing	Appreciated

Demographic Changes MPLS & 7C Metro

	Minneapolis					Region			
	2000	2010 - 2014	Abs. Change	% Change		2000	2010 - 2014	Abs. Change	% Change
Total Pop	382,618	394,424	11,806	3.1	Total Pop	2,642,054	2,920,637	278,583	10.5
% White	62.5	61.0	-1.5	-2.4	% White	83.2	75.2	-8.0	-9.6
% Bach	37.4	47.0	9.6	25.7	% Bach	34.8	41.3	6.4	18.5
% Own	51.4	48.6	-2.7	-5.3	% Own	71.4	68.8	-2.6	-3.6
% Pov	16.9	22.6	5.7	33.7	% Pov	6.9	11.1	4.1	59.8
Med Inc	\$53,421	\$50,767	-\$2,654	-5.0	Med Inc	\$77,207	\$67,777	-\$9,430	-12.2
Med Value	\$159,952	\$205,200	\$45,248	28.3	Med Value	\$196,313	\$214,644	\$18,331	9.3
Med Rent	\$809	\$854	\$45	5.6	Med Rent	\$919	\$924	\$5	0.5

Source: Author calculations, 2000 Census, 2010 – 2014 American Community Survey

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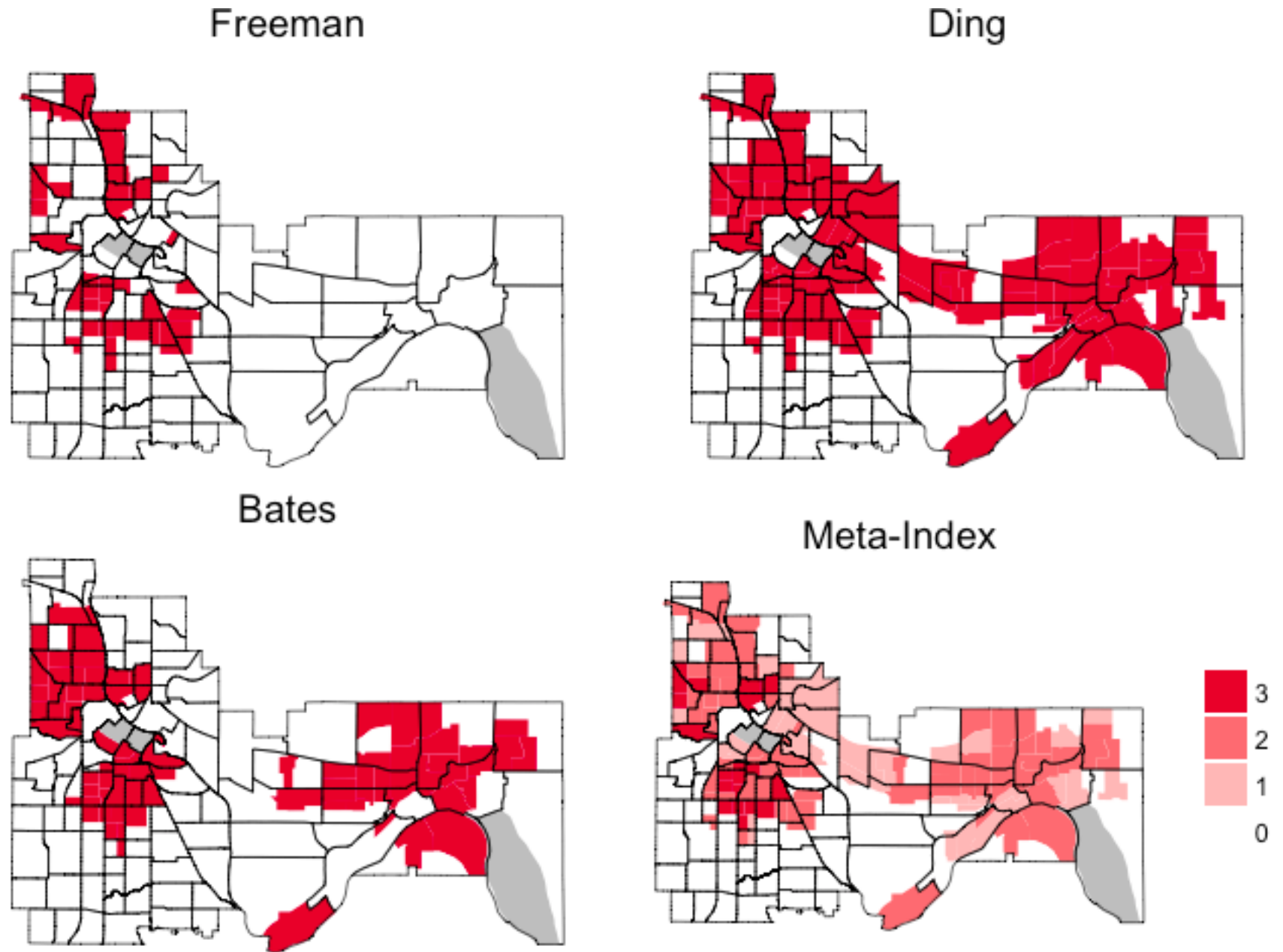
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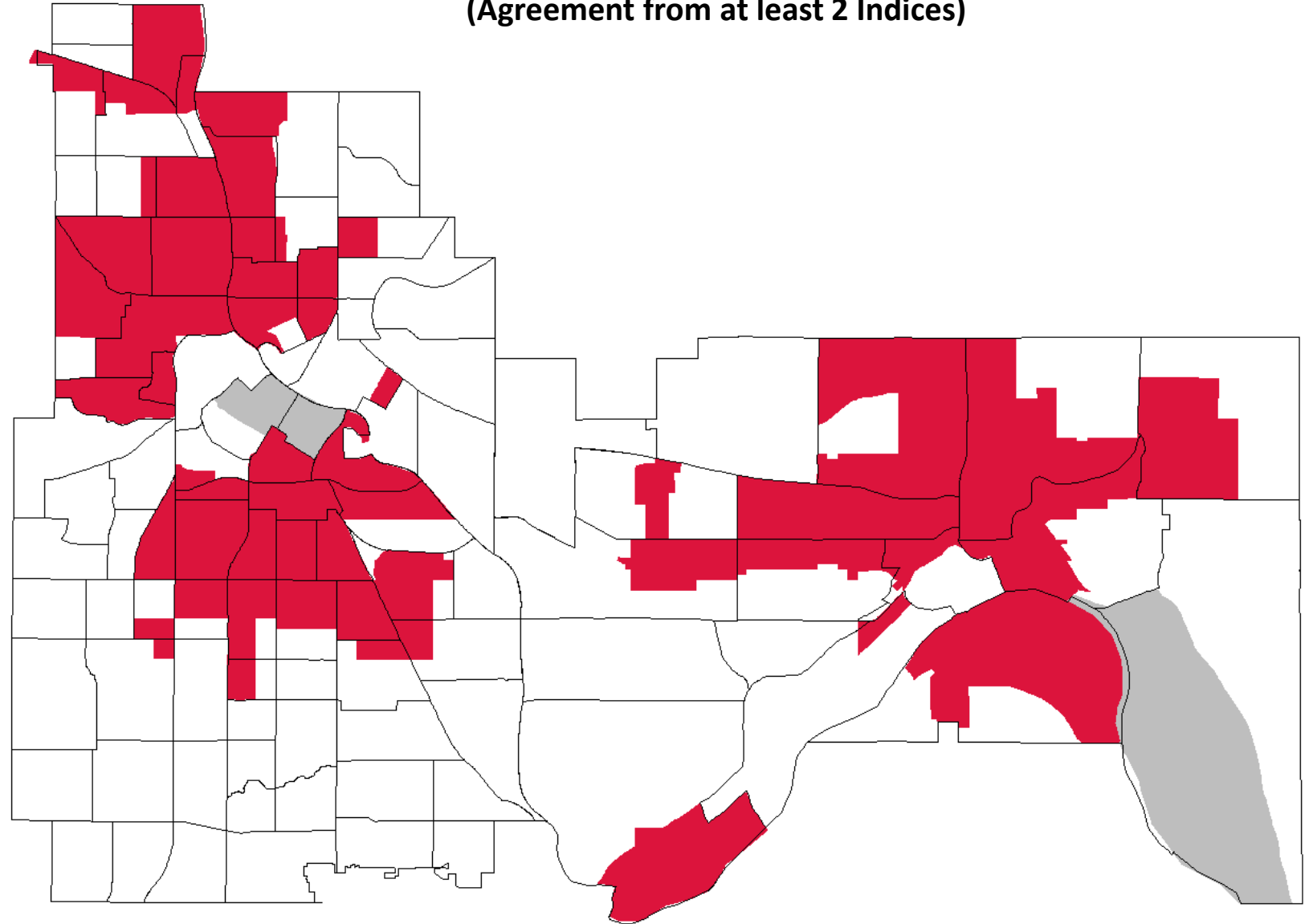
Comparison of Gentrifiability Measurements in 2000



Source: Author calculations, 2000 Census (Normalized to 2010 boundaries using Geolytics Neighborhood Change Database)

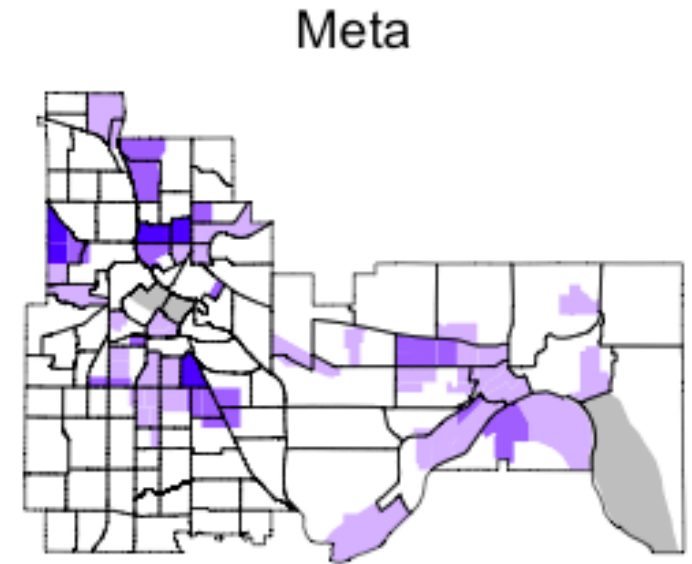
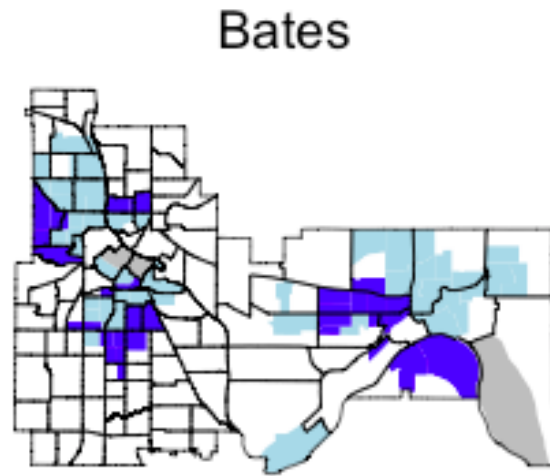
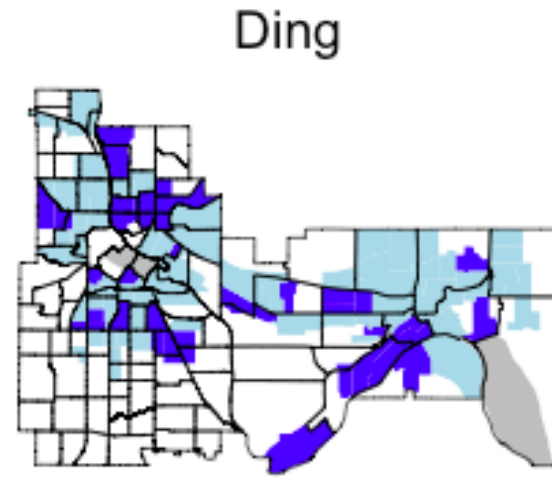
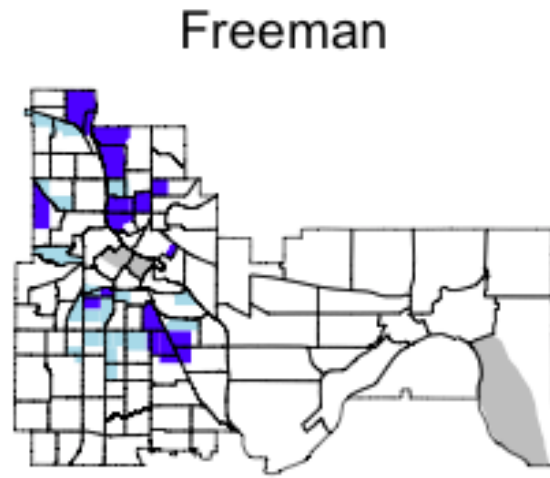
Gentrifiability Summary 2000

**Gentrifiable Census Tracts in 2000
(Agreement from at least 2 Indices)**



Source: Author calculations, 2000 Census (Normalized to 2010 boundaries using Geolytics Neighborhood Change Database)

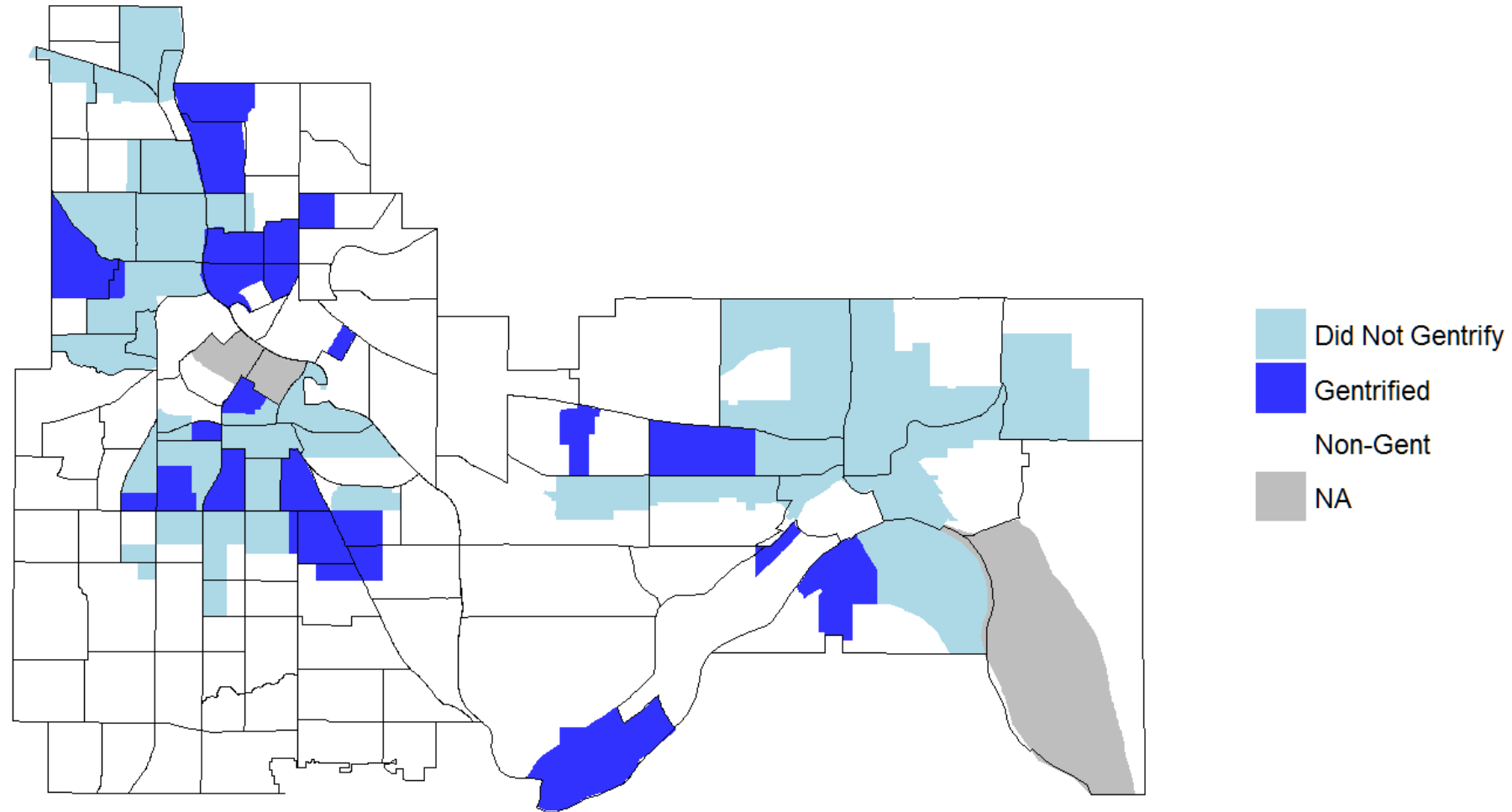
Comparison of Gentrification Measurements 2000 - 2014



Source: Author calculations, 2000 Census (Normalized to 2010 boundaries using Geolytics Neighborhood Change Database), 2010 - 2014 American Community Survey

Gentrification Summary 2000 - 2014

Gentrification 2000 - 2014 (Agreement from at least 2 Indices)



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Why Current Trends May Continue

- Secular decreases in crime and improvements in environmental quality in central cities
- Changing preferences of young, highly-educated workers
- More high-wage jobs moving to central cities
- Increasing commute times from suburbs to central cities
- The “shrinking city” problem puts price pressure on lower-income neighborhoods as more middle and higher income households get priced out of previously affordable neighborhoods.

Qualitative Analysis Methodology

Main Objective: Assess whether or not our quantitative indices of gentrification match resident perceptions

Step 1: Compare our initial interviews with public officials and non-profit neighborhood leaders with what our quantitative analysis identified as gentrifiable neighborhoods.

Step 2: Identify 5 cluster neighborhoods that will be the sites that we will conduct a deeper set of residential interviews

- Willard-Hay & Harrison Neighborhood (Minneapolis)
- Sheridan, St. Anthony West, St. Anthony East, and Logan Park (Minneapolis)
- Philips West, Philips East, Powderhorn Park, Corcoran, Central and Bryant (Minneapolis)
- Hamline-Midway (St. Paul)
- Frogtown/Thomas Dale (St. Paul)

Step 3: Create a list of residents to interview based on recommendations made by our community partners for the purpose of conducting a minimum of 50 interviews (10 in each neighborhood cluster) focusing on the following demographic populations:

- Long term residents (10+ years)
- Homeowners
- Renters
- Business Owners

Qualitative Analysis Initial Findings

Our initial Interviews with public officials and non-profit neighborhood leaders included:

- 8 - Minneapolis Public Officials
- 4 - Saint Paul Public Officials
- 11 - Minneapolis Neighborhood Leaders
- 3 - Saint Paul Neighborhood Leaders

Major Points of Emphasis:

1. Some officials and neighborhood leaders find that reinvestment is the goal in creating a thriving 21st-Century metropolis, which might include the inevitable consequences associated with displacement/gentrification.
2. Some residents and activists elevate concerns about involuntary displacement, especially when communities of color find that reinvestments do not directly benefit them or are not designed with their best interests of historic communities in mind.
3. These initial interviews also highlighted the ways that local residents were defining involuntary displacement as cultural and social, which challenges the ways that we are understanding how neighborhood change is being experienced.
4. There is a lack of understanding or common language around the word gentrification and while there are some common identifiers such as rising rents and increased white residents participants definition vary.

Qualitative Analysis Timeline

December 2016 – Begin qualitative interviews with local residents

April 2017 – Present initial findings of qualitative analysis at the 47th Annual Urban Affairs Conference April 19-22, 2017 at the Hyatt Regency Minneapolis Hotel

July 2017 – Complete first full draft of Gentrification Report

Thank You