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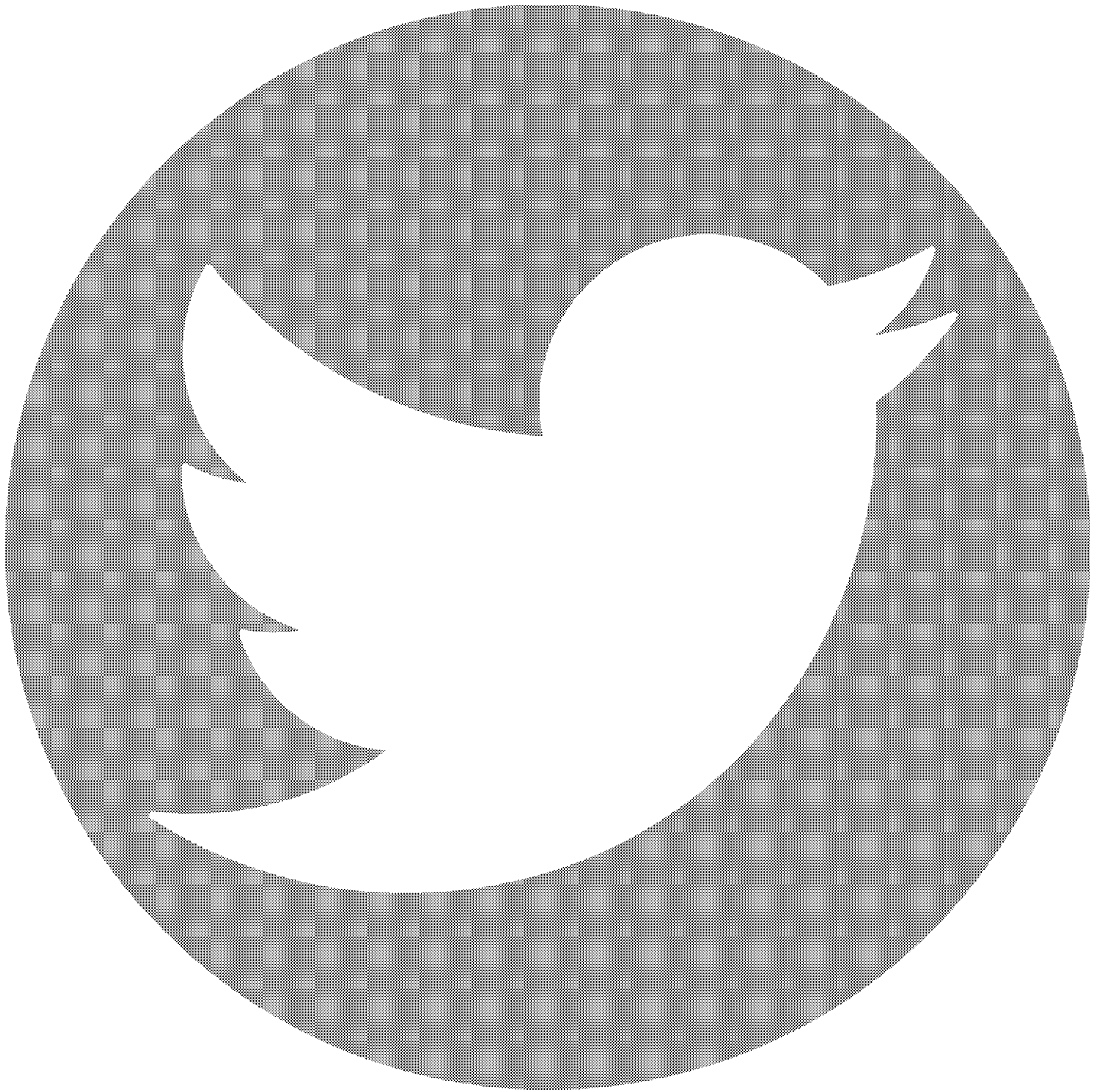
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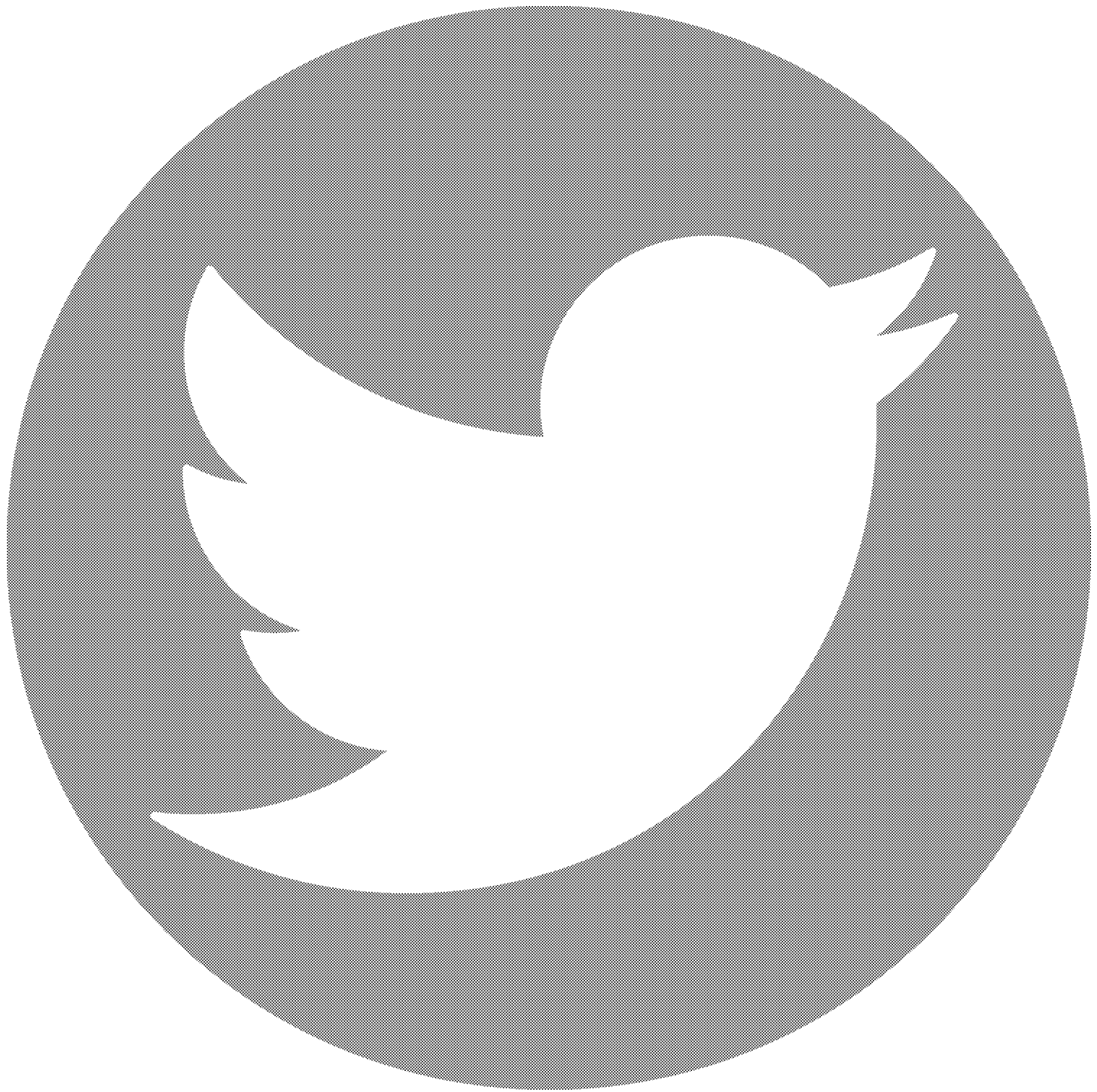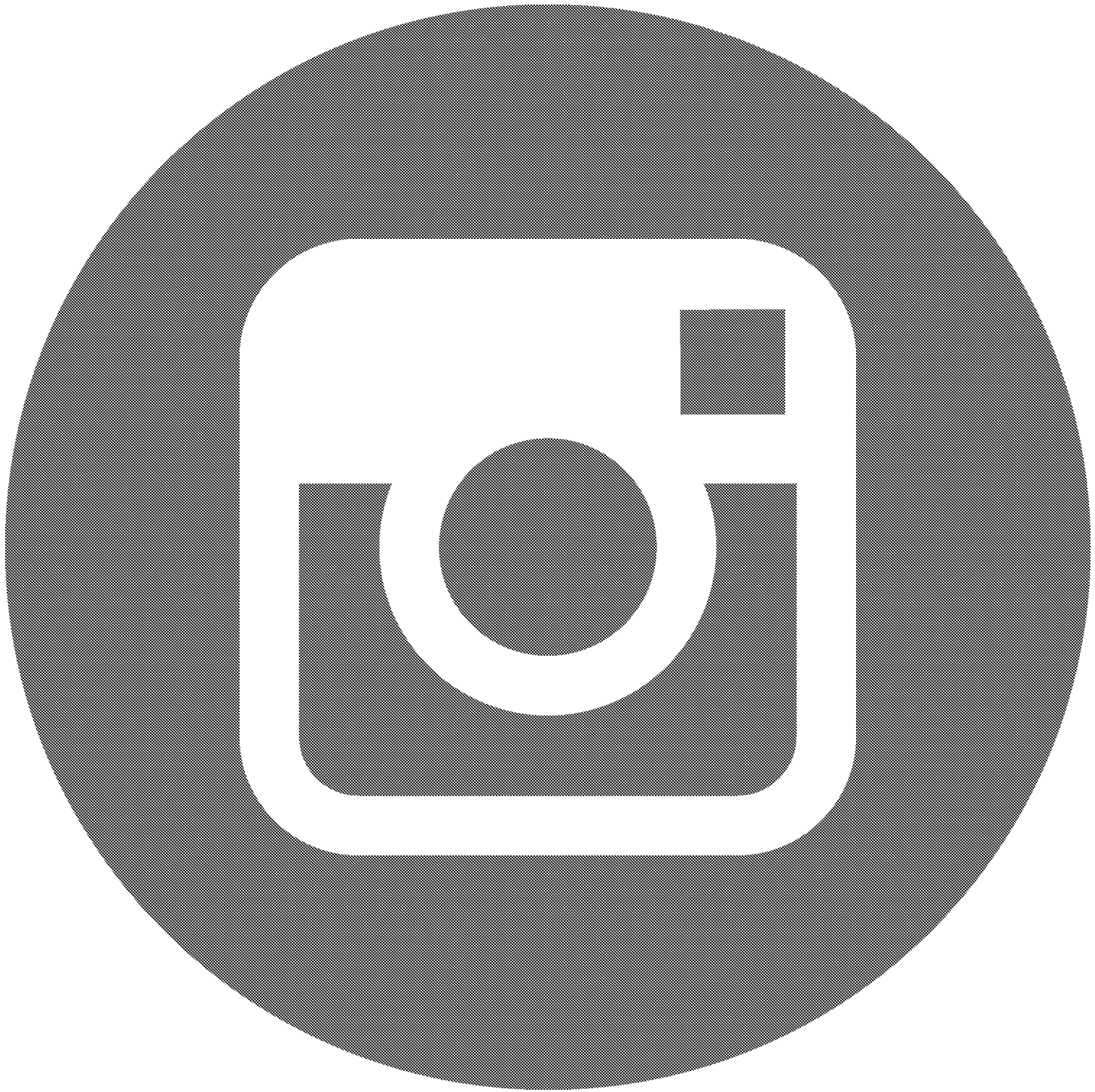
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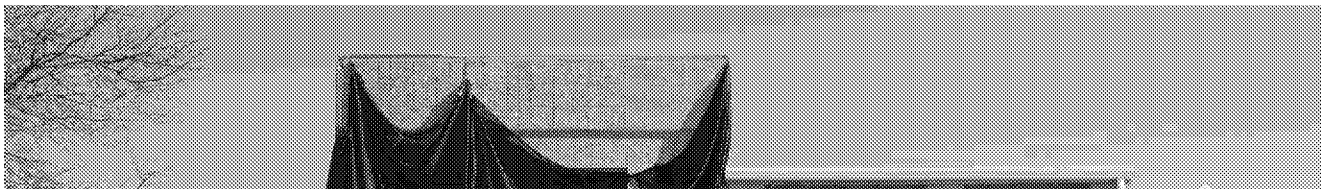
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Gentrification in America Report

Columbia Heights in Washington, D.C., is one of the fastest-growing neighborhoods in the country. (David Kidd)

By Mike Maciag | February 2015

Dramatic changes are playing out across parts of urban America, making many neighborhoods hardly recognizable from a relatively short time ago. A new class of more affluent residents is moving into once underinvested and predominately-poor communities. Development has followed, typically accompanied by sharp increases in housing prices that can displace a neighborhood's longtime residents. It's a scenario known as gentrification, and one that presents a growing dilemma for policymakers.

To assess the extent to which gentrification has reshaped urban communities, *Governing* analyzed Census tract data for the nation's 50 largest cities. Main findings from the neighborhoods examined include:

- Gentrification greatly accelerated in several cities. Nearly 20 percent of neighborhoods with lower incomes and home values have experienced gentrification since 2000, compared to only 9 percent during the 1990s.
- Gentrification still remains rare nationally, with only 8 percent of all neighborhoods reviewed experiencing gentrification since the 2000 Census.
- Compared to lower-income areas that failed to gentrify, gentrifying Census tracts recorded increases in the non-Hispanic white population and declines in the poverty rate.

Researchers define gentrification differently. For this report, an initial test determined a tract was eligible to gentrify if its median household income and median home value were both in the bottom 40th percentile of all tracts within a metro area at the beginning of the decade. To assess gentrification, growth rates were computed for eligible tracts' inflation-adjusted median home values and percentage of adults with bachelors' degrees. Gentrified tracts recorded increases in the top third percentile for both measures when compared to all others in a metro area. (Read complete methodology)

Where Gentrification Is Occurring

A select group of cities experienced extensive gentrification in recent years. Perhaps nowhere were changes more visible than in Portland, where 58 percent of eligible tracts gentrified – more than any other city reviewed.

Comparing 2000 data to the most recent Census estimates suggests at least half of lower-income neighborhoods also gentrified in Minneapolis, Seattle and Washington, D.C. In terms of raw totals, the highest number of tracts (128) gentrified in New York.

The following table shows cities' gentrification rates and tract counts for the period since the 2000 Census:

City	Share of Eligible Tracts Gentrifying	Gentrified Tracts	Did Not Gentrify	Not Eligible to Gentrify	Total Tracts
Portland, OR	58.1%	36	26	80	142
Washington, DC	51.9%	54	50	75	179
Minneapolis, MN	50.6%	39	38	39	116
Seattle, WA	50%	7	7	118	132
Atlanta, GA	46.2%	30	35	62	127
Virginia Beach, VA	46.2%	6	7	86	99
Denver, CO	42.1%	24	33	87	144
Austin, TX	39.7%	25	38	119	182
Sacramento, CA	30%	15	35	54	104
New York, NY	29.8%	128	301	1723	2152
Oakland, CA	29.3%	24	58	31	113
Philadelphia, PA	28.7%	84	209	90	383
Albuquerque, NM	28.1%	9	23	95	127
San Diego, CA	27.5%	22	58	202	282
Baltimore, MD	23.2%	39	129	32	200
Long Beach, CA	22.4%	11	38	62	111
Fort Worth, TX	21.5%	17	62	71	150
Omaha, NE	21.4%	12	44	75	131
Nashville, TN	21.1%	12	45	96	153
Boston, MA	21.1%	12	45	122	179
San Francisco, CA	18.8%	3	13	180	196
Houston, TX	18.4%	35	155	271	461
Colorado Springs, CO	17.6%	6	28	61	95
Chicago, IL	16.8%	54	268	473	795
Jacksonville, FL	16.2%	11	57	95	163
Charlotte, NC	15.8%	9	48	137	194
Los Angeles, CA	15.1%	51	287	661	999
Phoenix, AZ	14.2%	20	121	214	355

Oklahoma City, OK	13.2%	9	59	128	196
Raleigh, NC	13%	3	20	59	82
Kansas City, MO	12.8%	10	68	70	148
Miami, FL	12.8%	5	34	58	97
Indianapolis, IN	12.2%	12	86	109	207
Columbus, OH	12.2%	11	79	117	207
Milwaukee, WI	12.1%	16	116	77	209
Mesa, AZ	12.1%	4	29	77	110
San Antonio, TX	11.7%	14	106	165	285
Fresno, CA	11.4%	5	39	69	113

While it has become much more prevalent, gentrification remains a phenomenon largely confined to select regions, not yet making its way into most urban areas. In the majority of cities reviewed, less than one-fifth of poorer, lower priced neighborhoods experienced gentrification. If all city neighborhoods are considered -- including wealthier areas not eligible to gentrify -- less than one of every ten tracts gentrified. Cities like Detroit, El Paso and Las Vegas experienced practically no gentrification at all.

How Gentrification Accelerated

The initial seeds of gentrification date back several decades in some communities. In fact, a British sociologist first coined the term "gentrification" in 1963.

Gentrification particularly accelerated, though, in recent years as growing numbers of Americans opted to pursue urban lifestyles. The gentrification rate, or share of eligible lower-income tracts experiencing gentrification, was 20 percent for the period following the 2000 Census, more than double the rate of the 1990s. Rates increased in 39 of the 50 cities reviewed.

Rate of Eligible Tracts Gentrifying in 50 Largest U.S. Cities

Since 2000	20.0%
1990-2000	8.6%

Some cities experienced rapid gentrification after decades of little or no economic growth. In the District of Columbia, for example, 54 neighborhoods were found to have gentrified since 2000. Back in the 1990s, just five neighborhoods had gentrified in a decade when the city was dubbed the nation's "murder capital."

Other neighborhoods began their transition decades ago. In San Francisco, for instance, few tracts were eligible to gentrify by 2000 as much of the city's housing stock had already increased in price.

It's important to note that Census Bureau estimates provide only snapshots of different times. So, depending on when a neighborhood gentrified, it may or may not be reflected in data over a 10-year period.

Characteristics of Gentrifying Neighborhoods

Distinct differences emerge between neighborhoods that gentrified and those that haven't. Neighborhoods gentrifying since 2000 recorded population increases and became whiter, with the share of non-Hispanic white residents increasing an average of 4.3 percentage points. Meanwhile, lower-income neighborhoods that failed to gentrify experienced slight population losses and saw the concentration of minorities increase. They have also

experienced different economic fates: Average poverty rates climbed nearly 7 percent in already lower-income tracts that didn't gentrify, while dropping slightly in gentrifying neighborhoods.

Neighborhood Type	Tract Count	Total Population Change	White Non-Hispanic Share of Population Percentage-Point Change	Poverty Rate Percentage-Point Change
Gentrifying Tracts	948	6.5%	+4.3	-0.7
Gentrification-Eligible Tracts Not Gentrifying	3,802	-2.4%	-5.0	+6.7
All Tracts (includes ineligible tracts)	11,829	+9.7%	-4.5	+3.6

NOTE: *Figures represent average changes for each group. Results shown for all tracts in the 50 largest cities with at least 500 residents.*

City Gentrification Maps and Data

|				
Albuquerque	Columbus	Kansas City	Nashville	San Antonio
Arlington	Dallas	Las Vegas	New York	San Diego
Atlanta	Denver	Long Beach	Oakland	San Francisco
Austin	Detroit	Los Angeles	Oklahoma City	San Jose
Baltimore	El Paso	Louisville	Omaha	Seattle
Boston	Fort Worth	Memphis	Philadelphia	Tucson
Charlotte	Fresno	Mesa	Phoenix	Tulsa
Chicago	Houston	Miami	Portland	Virginia Beach
Cleveland	Indianapolis	Milwaukee	Raleigh	Washington, DC
Colorado Springs	Jacksonville	Minneapolis	Sacramento	Wichita

Profiles of Select Cities

Minneapolis: After experiencing little change during the 1990s, 39 Minneapolis neighborhoods gentrified over the past decade.

Key drivers of the city's transformation are fairly typical of other gentrifying cities. Kjersti Monson, the city's director of long-range planning, cited the role of infrastructure investments, particularly light rail, the parks system and new sports stadiums downtown. The timing of these investments, she said, coupled with recent national trends in valuing urbanity, set the table for the city's demographic shift.

"There has been a huge renaissance downtown," Monson said, "and it has brought a lot of wealth, empty nesters and investors." Young professionals seeking urban amenities also are attracted to the area's affordability.

Minneapolis Gentrification Map: 2000 Census - Present
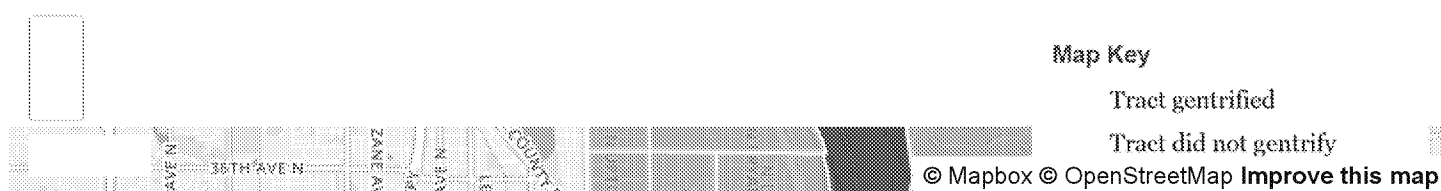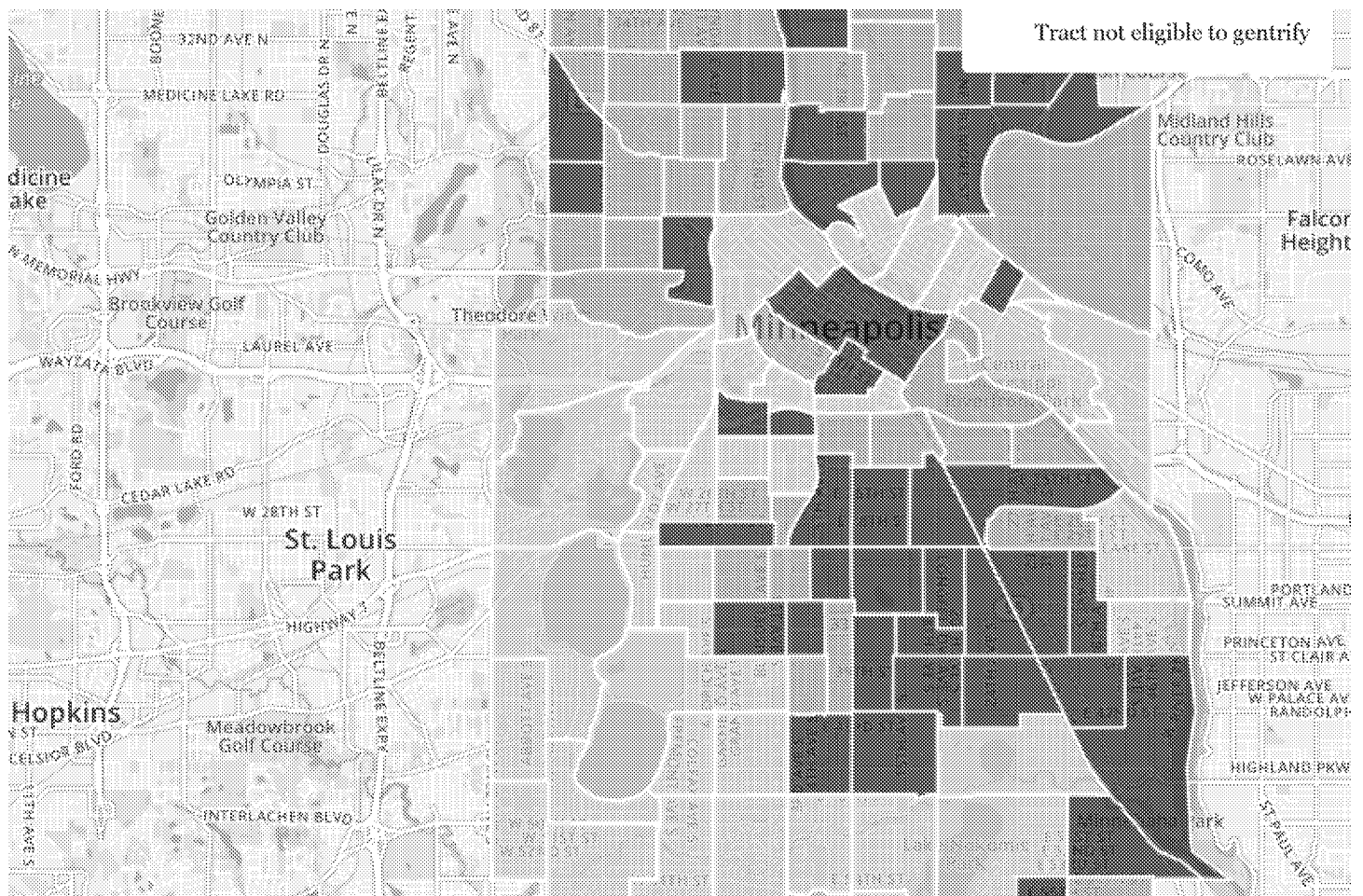
Map Key

Tract gentrified

Tract did not gentrify

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NOTE: *Data shown correspond to current tract boundaries, which may have changed from prior Census years. Figures are calculations from 2009-2013 American Community Survey estimates.*

Portland: Northeast Portland is home to some of the city's oldest neighborhoods. Once characterized by an abundance of affordable housing and several predominantly African-American neighborhoods, it is today one of the hottest parts of one of the hottest cities for young professionals.

Other parts of the city experienced similar revitalization. In all, 58 percent of Portland's lower-priced neighborhoods gentrified since 2000, the highest rate of any city reviewed. An initial wave started back in the early 1990s, and young professionals continue to flock to the city today. "Portland, in some ways, was at the forefront of the return to urban living," said Lisa Bates, director of the Center for Urban Studies at Portland State University.

The city contends with significant pressures in maintaining housing affordability and neighborhood diversity in the face of gentrification. Bates said many former residents of Northeast Portland were displaced over the years, eventually moving to outlying communities on the city's east side. "There is a lot of conversation here looking at other cities," she said, "and saying that we don't just want to be a playground for wealthy people."

Portland Gentrification Map: 2000 Census - Present

Map Key
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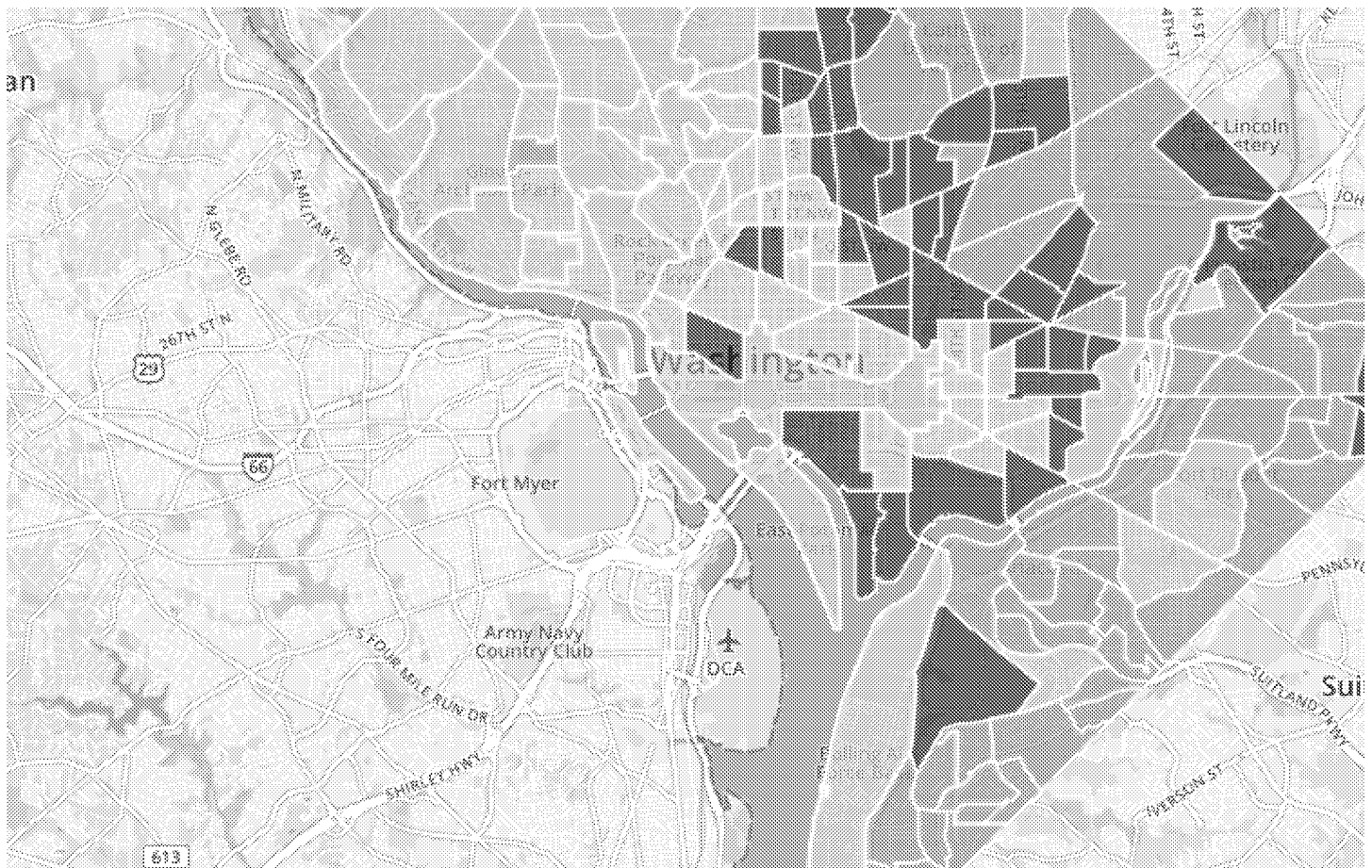
NOTE: Data shown correspond to current tract boundaries, which may have changed from prior Census years. Figures are calculations from 2009-2013 American Community Survey estimates.

Washington, D.C.: The District is home to some of the county's fastest-gentrifying communities. Neighborhoods gentrifying in recent years include Columbia Heights, NoMa, Navy Yard, Petworth and Southwest. For an in-depth look at changes to the Columbia Heights neighborhood, see our story in the February issue.

Washington, D.C., Gentrification Map: 2000 Census - Present

NOTE: Data shown correspond to current tract boundaries, which may have changed from prior Census years. Figures are calculations from 2009-2013 American Community Survey estimates.

Data Sources

For current demographic data, the Census Bureau's most recent 2009-2013 American Community Survey estimates were used. Historical data was obtained from the US2010 project of the Russell Sage Foundation and Brown University, which includes estimates for tracts whose boundaries have changed over time. See the methodology for more information.

Report Contact

Mike Maciag, Data Editor

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See neighborhood maps and gentrification data for Washington, D.C.

Gentrification Report Methodology

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