

# Has Falling Crime Invited Gentrification?

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## Internal Census Data

The research in this paper was conducted while the authors were Special Sworn Status researchers of the U.S. Census Bureau at the New York Census Research Data Center.

Any opinions and conclusions expressed herein are those of the authors and do not necessarily represent the views of the U.S. Census Bureau.

All results have been reviewed to ensure that no confidential information is disclosed.

	U.S. DEPARTMENT OF COMMERC From this address. Commerce and Statistics Meninish U.S. CENSUS BUNEZ DUT answers are protected by law.
Use a blue or black pen.  Start here  The Census must count every person living in the United States on April 1, 2010.  Before you answer Question 1, count the people living in this house, apartment, or mobile home using our guidelines.  - Count all people, including babies, who live and sleep here most of the time.  The Census Bureau also conducts counts in institutions and other places, so:  - Do not count anyone living away either at college or in the Ammed Forces.	5. Please provide information for each person living here. Start with a person living here who owns or rents this house, apartment, or mob home. If the owner or rents lives somewhere else, start with any ad living here. This will be Person 1.  What is Person 1's name? Print name below.  Last Name  6. What is Person 1's sex? Mark     ONG box    Male   Fernale  7. What is Person 1's sex? Mark     ONG box    Please report bables as age 0 when the chief is less than 1 year old. Please report bables as age 0 when the chief is less than 1 year old. Please non Aparl 1, 2010 (April) Day Year of birth?
<ul> <li>Do not count anyone in a nursing home, jail, prison, detention facility, etc., on April 1, 2010.</li> <li>Leave these people off your form, even if they will return to live here after they leave college, the nursing home, the military, ail, etc. Otherwise, they may be counted twice.</li> </ul>	→ NOTE: Please answer 80'TH Question 8 about Hispanic origin and Question 9 aSout race. For this census, Hispanic origins are not rac 8. Is Person to Hispanic, Latino, or Spanish origin?
The Census must also include people without a permanent place to stay, so:  It someone who has no permanent place to stay is staying here or April 1, 2010, count that person. Otherwise, he or sire may be missed in the cersus.  1. How many people were Eving or staying in this house, apartment, or mobile home on April 1, 2010?  Number of people =	No, noticel Hispanio, Latino, or Spanish origin Yesa Plevican, Mexican Arm., Chicano Yesa, Pueno Ricao Yesa, Cuban Yesa, Cuban Yesa, another Hispanio, Latino, or Spanish origin—Petrargin for exa Agenteun, Chimbies, Chemican Ricargam Sakechen, Spanied, and so on gr
2. Were there any <u>additional</u> poople staying have April 1, 2016 that you did not include in dispession 1? Mark I, all that apply.    Children, such as newborn bables of shaller children   Relatives, such as adult children country, or in-laws   Nonrelatives, such as nooringside of inverin baby atters   People sating here temperative,   No additional people   3. Is this house, apartment, or mobile home — Mark I/ ONE box.    Owned by you or someone in this household with a mortgage or loan? Include home equity loans.   Owned by you or someone in this household tree and dear (without a mortgage or loan?     Pentere?   Occupied without payment of rent?     What is your telephone number? We may call if we don't understand an answer.   Area Code + Number	Write   Black, Afloan Am., or Negro   American Indian or Asaka Native — Part name of anotad or principal rate   Asian Indian   Japanese   Native Hawaiilan     Asian Indian   Japanese   Quarrarian or Chamorro     Filipino   Verhamese   Samoan     Cher Asian — Part name for example. Privat   Landar, Tisu. Parksten (Cambodan, and so on. 7     Some other race — Print cace. 7     Some other race — Print cace. 7     10. Does Person 1 sometimes live or stay somewhere else?     No   Yes — Mark   Ji alf Phat apply.     In college housing   For child oustody   In the military   In glat or prison
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## **Has Falling Crime Invited Gentrification?**

- 1. Motivation
- 2. Data
- 3. Question 1: Move to Central City
- 4. Question 2: Move to Low-Income, Central City Neighborhood
- 5. Question 3: Neighborhood Choice
- 6. Conclusions

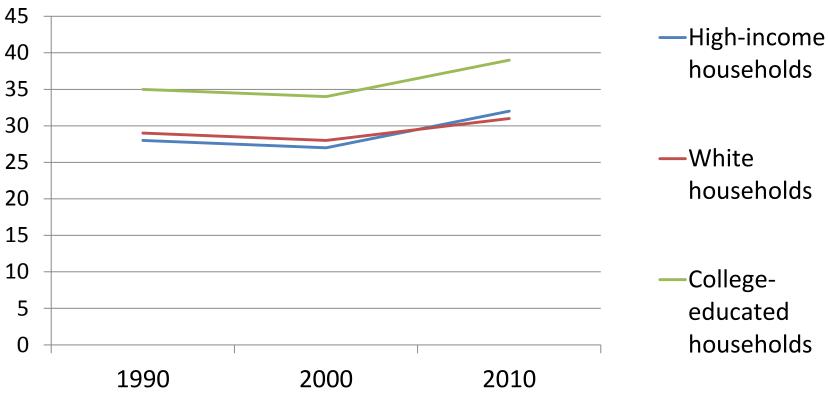


## Large reductions in violent crime in U.S. cities

#### Violent crime per 1,000 population Homicides per 100,000 population → Violent crime per 1,000 population → Murders per 100,000 population

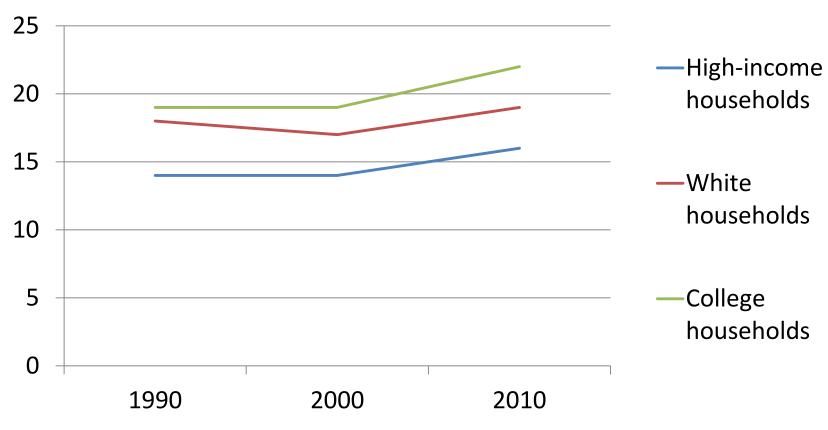


# Increase in share of moves to central city





## And in moves to low-income city neighborhoods





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  - Central city neighborhoods?
  - Low-income central city neighborhoods?



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- 'Gentrifier' households
  - High-income households
  - College-educated households
  - White households



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## Restricted Data: Decennial Census

- Household level data from 1990, 2000, and 2010 census
- Focus on Households who moved in past year
  - Characteristics: income; race/ethnicity; education; employment; age;
     marital status; presence of children; foreign-born; linguistic isolation
- Census tract location
- Sample
  - Over four million mover households
  - 244 Core-Based Statistical Areas (CBSAs)



# Measures/Definitions

- 'Gentrifier' households:
  - High-income (income higher than CBSA median)
  - College-educated
  - White
- Moves into central city:
  - Moves into largest principal city in CBSA
- Moves to low-income, central city neighborhood:
  - Moves to central city census tract with income below CBSA median



## Crime

- Violent crime per capita of largest principal city in CBSA (central city)
- FBI Uniform Crime Reports
- Lag by one, two, or three years to rule out reverse causality



# Central city characteristics

- Decennial Census and ACS public use
  - Share minority
  - Share foreign born
  - Share college or more
  - Share poverty
  - Share units built before 1940.
  - Share units built last 10 years
  - Population (equivalent to population density)
  - Median gross rent
  - Median value owner-occupied housing
  - Median household income
- Consistent geographic boundaries



## **Explaining Moves to Central City**

- Are mover households more likely to choose central city when violent crime in that city was lower over past three years?
- Control variables
  - Metropolitan area and Year Fixed Effects
  - Household and Central City Controls
- Estimate separately for three pairs of household types
  - High income vs low income
  - College vs non-college
  - White vs non-white



Results: High-income/College-educated more likely to choose central city neighborhoods when city crime lower

	All	Low- Income	High- Income	Non- College	College	Non- White	White
Log (Violent	0.04		0.000***	2 222	0.005***	0.04	0.011
Crime)	-0.01	(0.01)	-0.029***	- <b>0.002</b>	- <b>0.026</b> ***	-0.01	-0.011
Oha	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Obs.		2,530,000	1,624,400	2,974,400	1,180,100	1,276,500	, ,
R-sq.	0.183	0.182	0.177	0.194	0.191	0.165	0.18

Differences in crime coefficients between high- and low-income and between college and non-college are significant at the 5% level.



# Crime coefficient magnitudes

- Using high-income households as an example:
  - A 26% decline in central city crime from 1990 to 2010 (average for our sample) → 1 percentage point increase in share of CBSA movers choosing central city locations
  - A 43% decline in crime (average of 10 biggest CBSAs) → 1.6
     percentage point increase



## Results Robust to Alternative Models/Samples

- Inclusion of time-varying CBSA characteristics in addition to central city characteristics
- Alternative Samples
  - Sample of 100 largest CBSAs
  - Sample of 2000 and 2010 moves
  - Sample of movers from outside the CBSA
  - → Crime coefficients larger for all three sub-samples
  - → Crime coefficient become negative/significant for white households, though still not more negative than for non-white households



4. Move to Low-Income Central City Neighborhood

# Explaining Moves to Low-Income, Central City Neighborhoods

- Explore whether falling crime in central city is associated with greater probability of moving into:
  - Low-income central city neighborhoods
  - High-income central city neighborhoods
- And test if associations differ for
  - High-income vs. low-income households
  - College vs. non-college educated households
  - White vs. non-white households



## 4. Move to Low-Income Central City Neighborhood

## Results

- High-income and college households are more likely to move into both low-income and high-income central city neighborhoods when crime falls
- And their choices are substantively and significantly more sensitive to city crime reductions as compared to households with lower incomes and without a college education
- Little evidence that residential choices of white households are more sensitive to crime than non-white households



## 5. Neighborhood choice

## **Explaining Choice of Specific Neighborhoods**

- Link household moves to neighborhood-level crime data from one large CBSA in 2010
- Explore whether neighborhood crime (homicide rate)
  appears to affect the choices of 'gentrifier' households to
  move there more than others
- Estimate with conditional logit model



## 5. Neighborhood choice

## Results

- Households of all types are more likely to choose to move into a neighborhood when violent crime there is lower
- High-income, college-educated and white households are two to three times more sensitive to violent crime than other households



#### 6. Conclusions

# Falling Crime Appears to Change Mix of Households Opting for Low-Income, Central City Neighborhoods

- Evidence of link between lower crime and higher probability that high-income and college-educated households will move to both high- and low-income central city neighborhoods
- Evidence that these associations are *stronger* for high-income households and college-educated households than for others
- Weaker evidence of racial differences in sensitivity to crime
- Falling crime could thus contribute to change in mix of movers to urban neighborhoods
- Further work to bolster case that crime causes shifts



