



Exploring Changes in Low-Income Neighborhoods in the 1990s

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Views of Neighborhood Change During the 1990s

- In the 1990s, Boston had a face lift. Gentrification arrived and proceeded at full steam in places like South Boston and Dorchester, where decades of poverty and economic stagnation had created landscapes of blighted homes and minimal commercial development (Venkatesh 2007).
- Gentrification since the late 1990s has transformed New York City, pushing into neighborhoods that had been devastated for decades (Newman and Wyly 2005).
- In poor neighborhoods once given up on, from the South Bronx to East Oakland, a social revival of sorts is evident (Walsh 1996).



Key Questions

- Did low-income, urban neighborhoods in fact experience widespread gains during the 1990s?
- How different were the 1990s? Were low-income, central city neighborhoods more likely to experience a gain in income during the 1990s than during the 1970s and 1980s?
- If so, why? What happened in cities and metropolitan areas during the 1990s that helps to explain any differences?



Study Approach

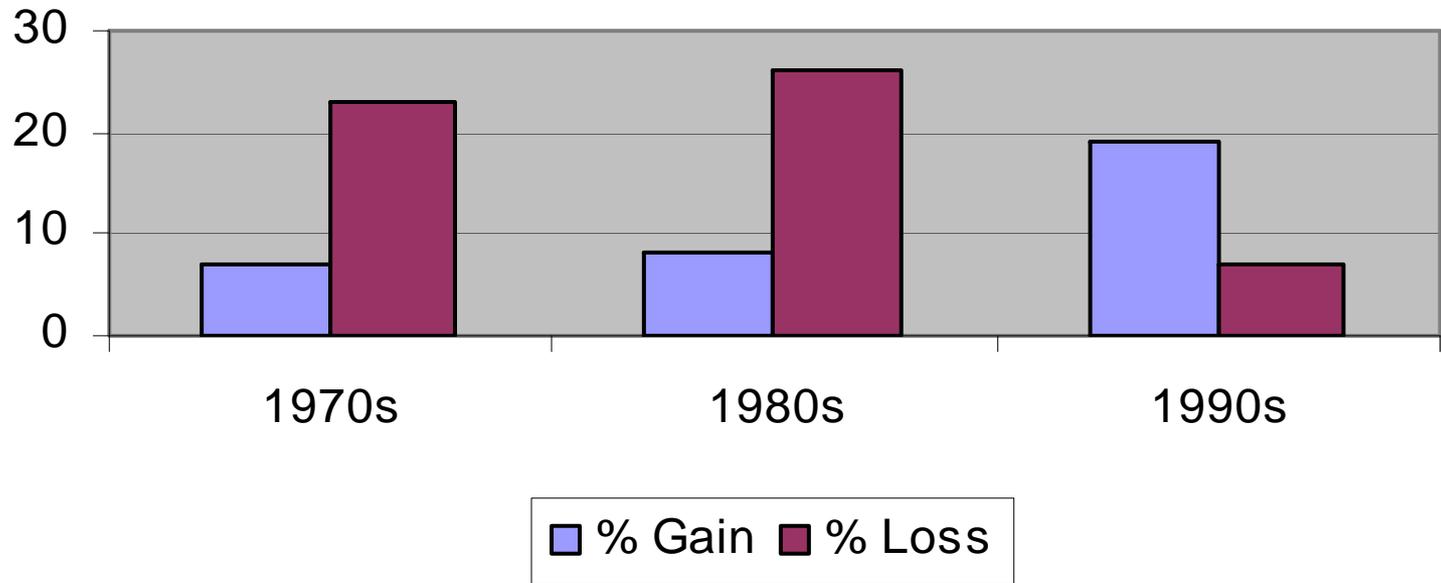
- Neighborhood Change Database: national sample of constant boundary, census tracts (neighborhoods) in 1970, 1980, 1990, and 2000
 - 38,500 census tracts in 226 metropolitan areas
- Focus on low-income, central city tracts
 - tracts with a mean income that is less than 70% of mean income in metropolitan area.
- Follow tracts over decade to see how their 'relative income' changes
 - Analyze which tracts are most likely to experience gains in income

Extent of Economic Change in Low-Income City Neighborhoods

- During the 1990s, about one fifth of low-income urban neighborhoods experienced large gains in income; a much smaller share experienced large losses.



Share of Low-Income City Tracts Experiencing Large Losses and Gains in Relative Income, by Decade



Other Facts about Neighborhood Changes During 90s

- This shift in fortunes did NOT hold true for higher-income urban neighborhoods.
- In fact, among low-income neighborhoods, the VERY lowest income were the most likely to gain.
- This shift in fortunes held true in all four regions of the country.



In which MSAs and Cities Were Gains Largest?

- Test if neighborhood gains are associated with:
 - Greater reductions in area poverty due to shifts in low-wage labor market policies?
 - More extensive investments in place-based housing?
 - Greater reductions in city crime rates?
 - Larger increases in immigration?



What did we learn?

- Low-income neighborhoods were more likely to gain in 90s in metro areas where
 - Poverty fell the most
 - City crime declined the most
 - Immigration increased the most
- Very low-income neighborhoods were more likely to gain in metro areas where
 - More LIHTC units were built



Implications for Urban Policy?

- Suggestive evidence that reductions in crime and investments in LIHTC may play a role in low-income neighborhood gains.
- But...
 - What about moderate income neighborhoods?
 - What about the people?