

TESTIMONY OF LANCE FREEMAN

TO

The National Commission on Fair Housing and Equal Opportunity

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Gentrification is defined as “the process by which central urban neighborhoods that have undergone disinvestments and economic decline experience a reversal, reinvestment, and the in-migration of a relatively well-off, middle- and upper middle-class population (Smith 1998, 198). Using this definition it is easy to imagine several scenarios under which gentrification could impact ethnic and racial residential patterns.

Given the over representation of minorities amongst the urban poor and likewise over representation of whites amongst gentrifiers, it is often the case that gentrification entails white gentrifiers moving into predominantly black and Latino inner-city neighborhoods.

At the neighborhood level the arrival of gentrifiers leads to some immediate increase in neighborhood diversity as more affluent typically white households come to share space with the long term low income often minority residents. Over time, the neighborhood could become less diverse if the affluent households come to replace all of the low income households. The net result in the long term would be no change in diversity as the neighborhood simply traded one form of neighborhood homogeneity—relatively poor—for another—relatively affluent. Under an alternative scenario the low income population, while perhaps decreasing after the arrival of gentrifiers, stabilizes or decreases at a very slow pace. The long term result here would be an increase in socioeconomic diversity. One could also imagine a relatively diverse neighborhood becoming less so with the onset of gentrification. If gentrifiers were drawn to relatively low income neighborhoods that were already diverse, one might expect this diversity to decrease with the onset of gentrification. Anecdotally, one can think of neighborhoods such as Manhattan’s Upper West Side that appear to be becoming less diverse over time.

If gentrification resulted in only the affluent residing in the neighborhood this might decrease levels of socioeconomic diversity.

Several studies by myself and others (Freeman and Braconi 2004; Freeman 2005; Vigdor 2002; McKinnish, Walsh and White 2008) suggests residential turnover in gentrifying neighborhoods is not any greater than that found elsewhere. This suggests there is a period of time when people of different classes and race mix. Indeed this is what the evidence suggests. Using national data for all metropolitan tracts I calculated measures of neighborhood diversity for education, income and race, respectively. I contrasted gentrifying neighborhoods with other neighborhoods using measures of gentrification developed by myself (Freeman 2005) and Wyly and Hammel (2005) respectively. Figure 1 shows diversity measured using an entropy index in terms of education with higher numbers meaning more diversity. The two comparisons to focus on are the red in contrast to the yellow line and the green in contrast to the light blue line. The red line represents neighborhoods identified as gentrifying by Wyly and Hammel (2005) and the yellow line a set of comparison neighborhoods. The blue line represents neighborhoods identified as gentrifying using an alternative definition and the light blue

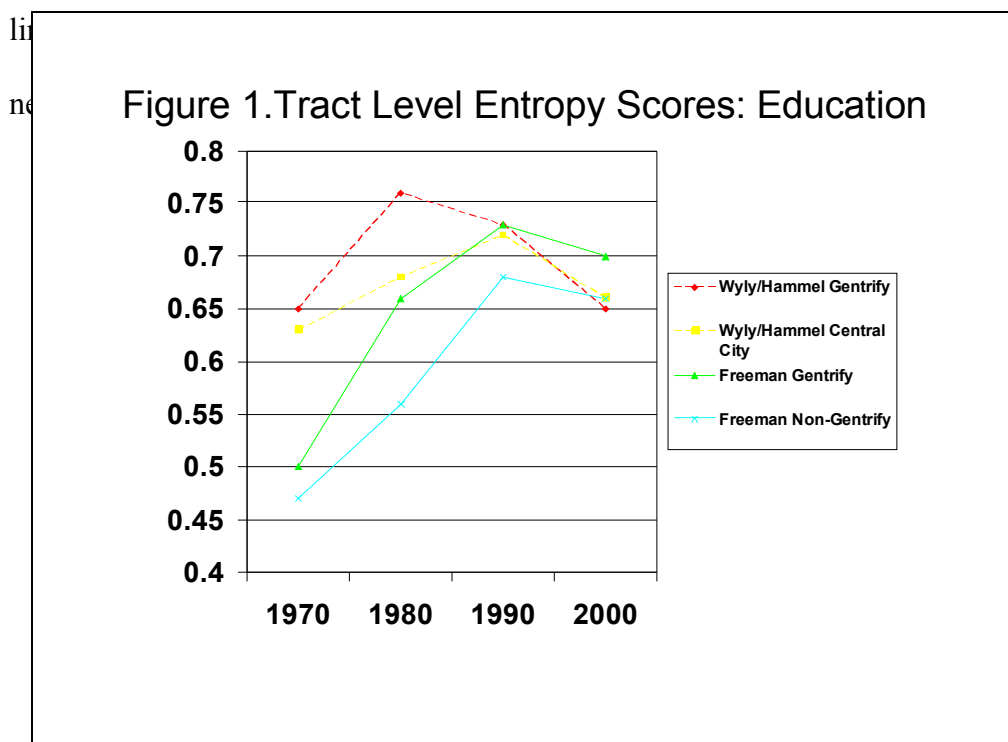


Figure 2. Tract Level Entropy Scores: Income

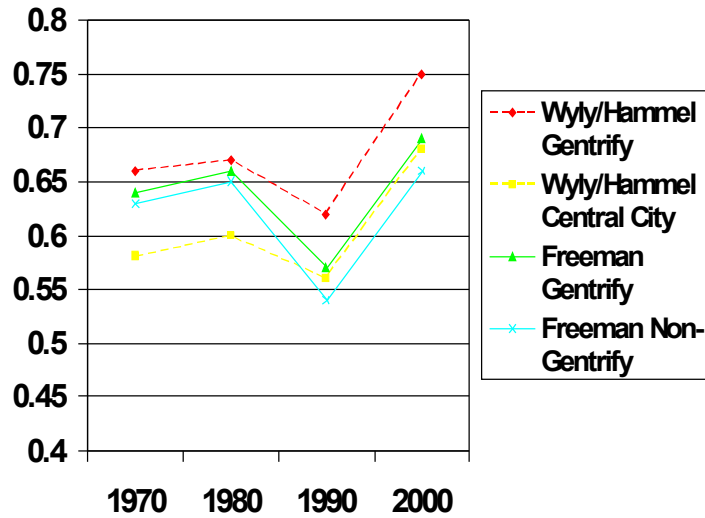
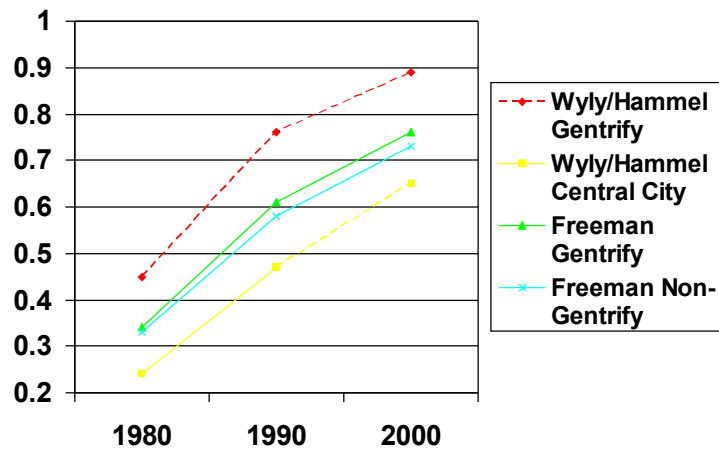


Figure 2 measures neighborhood income diversity and tells a similar story. The gentrifying neighborhoods were more diverse than other neighborhoods. Looking at racial diversification specifically, where we limit the analysis to 1980 and later because of changes in the way the US Census Bureau classified race, we see in figure 3 that across the two sets of comparisons gentrifying neighborhoods were the more diverse.

Figure 3. Tract Level Entropy Scores: Race



Finally if we consider blacks and the poor, respectively, the two groups most likely to spatially isolated spatially we see that in many gentrifying neighborhood their presence erodes only gradually if at all. Figure 4 shows how the black population changed in gentrifying neighborhoods between 1980 and 2000.

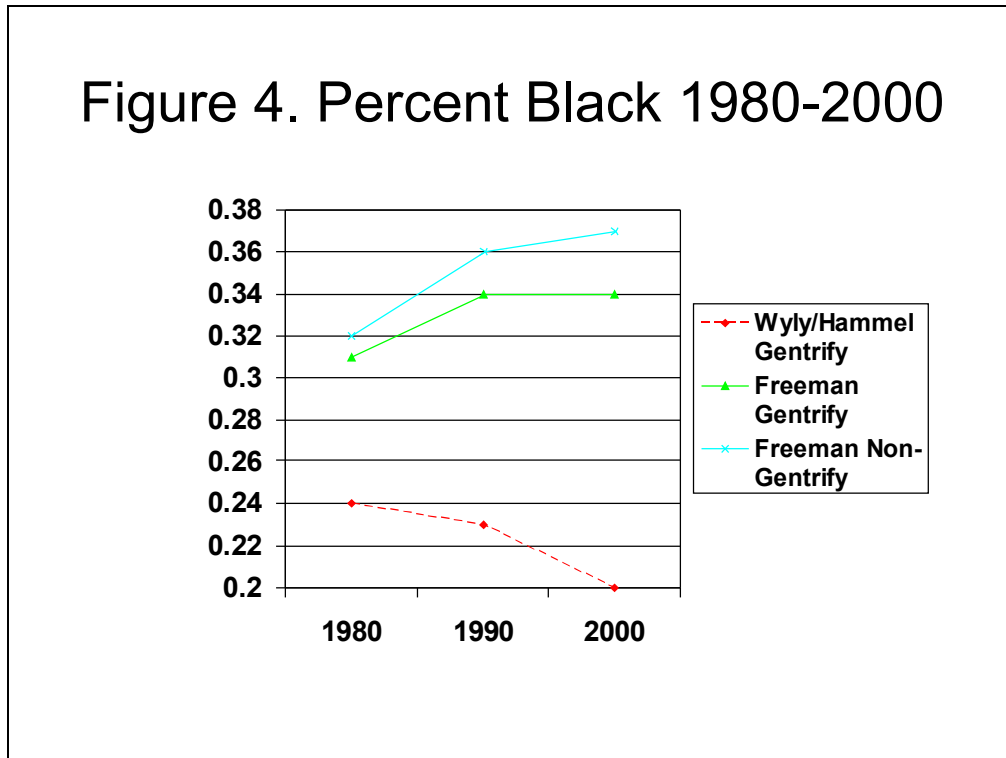
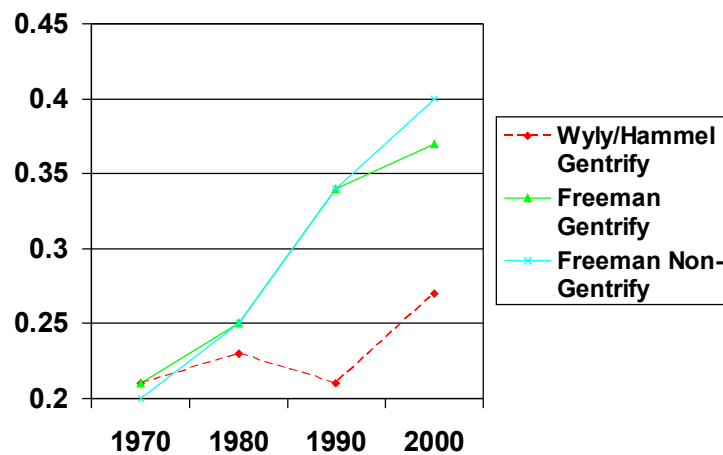


Figure 5 shows the change in the poverty rate across gentrifying neighborhoods from 1970-2000. The changes here are not that dramatic and indeed the poverty rate actually rose during part of the study period.

## Figure 5. Poverty Rate 1970-2000



These research findings suggest gentrification is typically associated with more diversity not less. Although we cannot be certain that gentrification is causing the diversity rather than gentrifiers being attracted to more diverse neighborhoods, the evidence suggest socioeconomic diversity including racial diversity is an enduring feature of gentrifying neighborhoods.

Gentrifying neighborhoods would appear to have the potential to create enduring economically and racially diverse neighborhoods an elusive goal of much of housing policy. But gentrification also poses significant challenges that must be overcome if the goal is to create enduring diverse neighborhoods that provide opportunities to the poor.

First, gentrification increases housing prices making it difficult for poor households to access gentrifying neighborhoods. Although several studies suggest displacement is not always widespread and that residential turnover is not always higher in gentrifying neighborhoods than other places the evidence does show that poor and minority residents are less likely to move into gentrifying neighborhoods (Freeman and

Braconi 2004; Freeman 2005). This means that over time, however gradual, gentrifying neighborhoods will either lose their poor and often minority residents or poorer residents will be forced to pay undue portions of their income for housing. A study that I did with Frank Braconi found that in New York City poor renters paid 60% of their income for housing on average (Freeman and Braconi 2004).

Second, gentrification in poorer minority neighborhoods that had experienced significant disinvestment is often viewed as a double edged sword by long term residents. In my book *There Goes the Hood* I interviewed dozens of residents living in Clinton Hill and Harlem, two gentrifying neighborhoods in New York City. These residents appreciated some of the changes associated with gentrification. In formerly disinvested neighborhoods gentrification is often accompanied by new retail outlets, the refurbishing of housing and overall improvements in amenities and services. To quote a resident of Harlem “For example if [whites] weren’t here we would have still had those old supermarkets with their dried out vegetable and spoiled meat- Where in now we don’t have that.”

Alternatively, while people appreciated some of the improvements associated with gentrification they were very fearful of being pushed out of their neighborhood. This quote describes this feeling “...people who have been living in a building for years are being given 30 days notice to leave. I don’t begrudge a developer for making money, but 30 days notice, that’s not right. I know this 92 year old guy been living on 123rd street for years who is being forced to move.” Many residents also resented that they were being made to feel like outsiders in places where many had lived for decades. For example one Harlem resident said this about the improvement in neighborhood services “...just because, you

know, somebody comes in doesn't mean all of a sudden you step up your services. Services should of already been plentiful prior to.”

To address these concerns actions need to be taken to insure the voices and interests of long term poor residents are taken into consideration as well as poor households who might continue to move into gentrifying neighborhoods if the opportunities are available.

I would argue that effective and sustained community organizing and mobilizing is necessary to dampen the feelings of cynicism and alienation that many residents express toward the process of gentrification. This will amplify residents' voices, contribute to their sense of empowerment and complement bricks and mortar redevelopment strategies.

Mobilization and organization alone, however, are unlikely to be enough to confront the challenges that gentrification engenders. Not surprisingly, my research shows that many residents are leery of the inflationary effects gentrification can have on housing markets. To counter these threats, mechanisms must be put in place that tap the wealth created by gentrification for the benefit of indigenous and poorer residents who may wish to move to the neighborhood in the future. Inclusionary zoning by using new development in gentrifying neighborhoods to cross-subsidize affordable housing does tap the market to benefit disadvantaged residents. Tax Increment Financing that targets affordable housing also taps the wealth created by gentrification to benefit disadvantaged residents by using the increment in tax revenues resulting from gentrification for affordable housing. Affordable homeownership programs will provide a modicum of security and also help build wealth among homeowners.

Taken together, these policies offer a strategy for meeting the challenges and opportunities that gentrification presents, and does so in a way that that is cognizant of the political obstacles that redistributive policies often face.



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