

# DISPLACEMENT OR SUCCESSION? Residential Mobility in Gentrifying Neighborhoods

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This article examines the extent to which gentrification in U.S. neighborhoods is associated with displacement by comparing mobility and displacement in gentrifying neighborhoods with mobility and displacement in similar neighborhoods that did not undergo gentrification. The results suggest that displacement and higher mobility play minor if any roles as forces of change in gentrifying neighborhoods. Demographic change in gentrifying neighborhoods appears to be a consequence of lower rates of intraneighborhood mobility and the relative affluence of in-movers.

*Keywords:* gentrification; neighborhood change; displacement; housing mobility

## CONCERN ABOUT DISPLACEMENT

Gentrification, the process by which decline and disinvestments in inner-city neighborhoods are reversed, has emerged as one of the most controversial issues in the urban United States today. By attracting middle-class residents and spurring investment, gentrification has the potential to revitalize depressed central city neighborhoods. After decades of disinvestment, middle-class exodus, and declining tax bases, some view this as a welcome development.

The threat of displacement, however, whereby current residents are forced to move because they can no longer afford to reside in the gentrifying neighborhoods has become such a concern that some are reflexively opposed to gentrification. Indeed, the fear of displacement has been one of the motivating forces behind community activists organizing against gentrification. Moreover, some scholars look askance at gentrification on the assumption that it harms the indigenous residents by displacing them (Hartman 1979; Smith 1996).

When we look for empirical evidence of displacement, the process by which neighborhoods putatively undergo gentrification, the evidence is much less definitive. Although displacement has become synonymous with gentrification in the way that White flight has become synonymous with racial transition, unlike the latter type of neighborhood change (see Crowder 2000), there is relatively little in the way of persuasive empirical evidence that suggests this is indeed how gentrifying neighborhoods change.

This study aims to shed light on the process of neighborhood change in gentrifying neighborhoods. More specifically, it will test whether displacement is the driving force behind demographic change in gentrifying neighborhoods.

### **BACKGROUND AND THEORETICAL FRAMEWORK**

As an unanticipated phenomenon that contradicted the prevailing wisdom on urban decline, much of the early scholarly work on gentrification focused on theorizing about the origins, causes, and meaning of gentrification in the postindustrial urban United States. Scholars first sought to document whether the phenomenon of inner-city reversal or rebirth was actually occurring and, if so, to what extent (Baldassare 1982; Clay 1979; James 1977; Lipton 1977; National Urban Coalition 1978; Sumka 1979). These studies were consistent in showing that although small in the overall scheme of metropolitan changes, gentrification was indeed a reality in many communities in older central cities during the 1970s. Having documented gentrification's existence, attention turned to theorizing about its origins and meanings for cities. Theorists debated about the importance of changing demographics, changing tastes, and the "rent gap" that made inner-city investing profitable. What emerged from this debate was recognition of the importance of changing demographics, tastes, and professional services clustering in the cities to provide the gentrifiers, and a history of disinvestment that created ripe opportunities for reinvestment in certain neighborhoods as preconditions for gentrification (Beauregard 1986; Hamnett 1991; Ley 1980; Rose 1984; Smith 1979).

Along with theorizing about the causes of gentrification, concern about displacement emerged contemporaneously. Anecdotal reports of displacement and the demographic changes that were obviously taking place in gentrifying neighborhoods led many to believe that displacement was a widespread phenomenon and the engine behind demographic change in gentrifying neighborhoods (Hartman 1979).

When social scientists attempted to empirically quantify displacement in gentrifying neighborhoods, however, their findings typically failed to find evidence of widespread displacement (Sumka 1979). The first wave of displacement studies generally used two types of methods to measure displacement due to gentrification. One was a succession methodology that examines how the characteristics of in-movers differ from those of out-movers (Henig 1980; Spain, Reid, and Long 1980). The other common approach was to retrospectively ask people why they moved from their former residence (Grier and Grier 1978; Newman and Owen 1982; Lee and Hodge 1984).

Succession studies can only help to define the upper bound of displacement, however; they cannot be used to determine whether housing or neighborhood transitions occurred through the induced departure of low-income households or through normal housing turnover and succession, because they do not consider other reasons why households might move besides displacement. Succession studies can, thus, verify that the process of gentrification is underway but, without additional information, cannot demonstrate its impact on displacement.

Displacement studies based on asking respondents why they moved generally define the displaced as those who are forced to move for reasons that are beyond the household's control and related to conditions in the dwelling or the surrounding neighborhood (Grier and Grier 1978). The biggest problem with studies that focus on retrospective motives for moving is that they typically fail to identify the location of the respondent's former residence. Consequently, it is impossible to determine how much, if any, of the displacement observed is due to gentrification as opposed to other environmental factors. Lee and Hodge (1984) also attempted to focus on displacement that could be attributed to gentrification by comparing metropolitan versus nonmetropolitan, northeastern/midwestern versus the rest of the country, and central city versus suburban displacement rates. They hypothesized that gentrification would be highest in central cities in the Northeast/Midwest, and consequently, displacement would be greatest there also. To test their hypothesis, they used data from the American Housing Survey.

While Freeman and Braconi's (2004) and Vigdor's (2002) results challenge some common conceptions about the neighborhood dynamics behind gentrification their results can hardly be viewed as the final word on displacement. For the most part, their hypotheses were not borne out. As a percentage of all movers, the overall displacement rate was 3.31%. The highest rate they observed was 8.9% in Kansas City, and the lowest, 1%, was in suburban Cincinnati. Yet because their definition of displacement includes forces not plausibly linked to gentrification, such as abandonment and mortgage default, one can't be certain if a narrower definition of displacement would have

proved their hypothesis correct. Moreover, their level of geographic aggregation may have been far too great to detect disturbances occurring at a very localized level.

Aside from failing to quantify displacement due to gentrification in a convincing fashion, these early displacement studies also failed to shed much light on what happened to the putative displacees. Did they stay in the neighborhood? Critical questions such as this remained unanswered despite the efforts of early gentrification scholars.

Schill and Nathan (1983) attempted to address these questions by focusing on gentrifying neighborhoods and the individuals moving out of them by using a narrow definition of displacement that could be directly attributable to gentrification. The principal drawback to Schill and Nathan's method was that no baseline displacement rate could be estimated. Consequently, one cannot compare displacement rates in gentrifying and nongentrifying areas. Moreover, there is no measure of the relative mobility of households in different types of neighborhoods, so a higher percentage of moves from gentrifying areas may be displacements, whereas the aggregate number of displacements from those neighborhoods may be the same or lower. To determine whether gentrification causes an increased number of poor households to be displaced, there must be a basis of comparison to other neighborhoods in which gentrification is not occurring.

This methodological flaw in the Schill and Nathan (1983) study is typical of the first wave of displacement studies. Missing from most of the earlier analyses was some type of counterfactual that would inform us how much displacement would have occurred absent gentrification. A common wisdom nevertheless emerged that gentrification affected preexisting residents primarily by displacing them.

Two recent studies on gentrification and displacement in the United States, however, cast suspicion upon the common wisdom. These studies found that poor households and those without college degrees who resided in gentrifying neighborhoods were less likely to move than similar households residing elsewhere (Freeman and Braconi 2004; Vigdor 2002).

These studies were limited to Boston and New York City, which are in some ways atypical American cities. Moreover, both of these studies used geographic entities that are much larger than what is typically thought of as a neighborhood. Freeman and Braconi used subborough areas in New York City, which comprised an average of 131,000 persons in 1999. Likewise, the zones Vigdor used as proxies for neighborhoods had between 100,000 and 200,000 residents. Quantitative studies typically use much smaller levels of geography, such as a census tract with about 4,000 people, to define a neighborhood. Although the larger geographic areas used in the Freeman and

Braconi and Vigdor studies were informative, the results would be more convincing if smaller level of geographies were used.

Finally, criticisms can be raised about the counterfactuals Freeman and Braconi (2004) and Vigdor (2002) used in their studies. By comparing mobility rates in gentrifying neighborhoods to other neighborhoods, these studies certainly were an improvement over previous studies, which typically included no baseline or comparison group. Nonetheless, it is questionable that all other neighborhoods are the appropriate "control" group. More appropriate would be neighborhoods that were similar to gentrifying neighborhoods except for undergoing gentrification. These neighborhoods come closer to being controls in the sense that they are similar to the gentrifying neighborhoods but did not receive the "treatment" that in this case is gentrification.

This research corrects for these limitations in the following ways: A national sample is used, thus extending the external validity of the results; census tracts, which come much closer to approximating what is typically thought of as a neighborhood, are the geographic entities used; mobility in gentrifying neighborhoods is compared to mobility in potentially gentrifying neighborhoods that did not gentrify (hereafter referred to as *nongentrifying*); and some analysis of the destination neighborhoods of movers in gentrifying neighborhoods is provided. The next section explains the methods used to accomplish these improvements.

## METHODOLOGY

Data for this study are drawn from the geocoded version of the Panel Study of Income Dynamics (PSID). The geocodes were used to link the PSID to tract and metropolitan level data from the decennial census. The PSID is a longitudinal survey of a representative sample of U.S. individuals and the families with which they reside (Hill 1992). The PSID has been following the same individuals and their families since 1968. The geocoded version of the PSID is an especially powerful tool for examining how households respond to gentrification. The PSID collects a plethora of social and economic information, and by following the same households throughout time, one can observe how their status changes in relation to the characteristics of the neighborhood, including gentrification. Moreover, we can observe what happens to preexisting residents who move out of gentrifying neighborhoods. The 1986-1999 sample years will be included in the analysis. The PSID only began collecting important housing information in 1986, hence the rationale for beginning the analysis in 1986. Each respondent will be matched with the

census geographies and data for the corresponding years. Census data and geographies for 1980 will be assigned to the 1986-1989 PSID sample years, and census data and geographies for 1990 will be assigned to the 1990-1998 PSID sample years.

The geocoded version of the PSID allows researchers to link each respondent in the sample to the specific census tract or other census geographies that they reside in. The decennial census is the most comprehensive source of neighborhood-level data. As shown below, this data can be used to identify gentrifying neighborhoods or tracts.

#### UNIT OF ANALYSIS

The unit of analysis will be individuals who are identified as household heads in the PSID sample. The key independent variables will be residence in a gentrifying neighborhood. The sample will be limited to household heads to preclude counting moves or changes in economic status by members of the same household more than once. Because gentrification is by definition an urban phenomenon, the analysis is further limited to households residing in metropolitan areas.

#### ANALYTIC STRATEGY

To make use of the longitudinal nature of the PSID, the data will be structured in a "person-year" format in which each observation represents the characteristics of an individual and that individual's environment in a specific year. Each household head in the PSID will thus contribute  $x$  number of records to the analysis data set with  $x$  representing the number of years they are household heads. Individual-level covariates are allowed to vary throughout time. A discrete time logistic regression model will be used to model how the likelihood of moving or being displaced is affected by residence in a gentrifying neighborhood. Using the discrete time approach allows the influence of length of time in residence to be modeled explicitly. The regression model allows other potentially confounding factors, described below, to be held constant.

Residential mobility and displacement, respectively, represent the dependent variables of interest in the multivariate analyses. Displacement will be proxied for using two measures. The first measure uses all types of residential mobility as a proxy for displacement. The rationale behind this approach is that to the extent we can model residential mobility in general using the life-cycle theory of residential mobility, any surfeit of mobility in gentrifying neighborhoods as compared to other neighborhoods can be

attributed to gentrification-induced displacement. Residential mobility between time  $t$  and time  $t + 1$  will therefore be the dependent variable here.

The second proxy will consider as displaced all those respondents in the PSID sample who give as their reason for moving in the previous year that they wanted to consume less space, wanted to pay less rent, or moved in response to outside events including being evicted, health reasons, divorce, joining the armed services, or other involuntary reasons. Although this category includes some responses that might not be considered displacement, the PSID categorization of responses precludes separating them out. This measure will overstate the extent of displacement due to gentrification, because this type of displacement is usually conceptualized as households moving because they were evicted or because their housing costs became prohibitive due to rising housing costs in their neighborhood. Nevertheless, this definition will reveal an upper bound on the extent to which displacement appears to be caused by gentrification. Thus, all household heads who moved between time  $t$  and time  $t + 1$  for the reasons described above will be considered displaced.

#### MEASURING GENTRIFICATION

The key independent variable of interest is residence in a gentrifying neighborhood. It is the impact of such residence on displacement and residential mobility that this research seeks to measure. The measurement of gentrification, however, has been subject to debate. *The Encyclopedia of Housing* (Smith 1998, 198) defines gentrification 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.” Hammel and Wyly (1996, 250) define gentrification as “the replacement of low-income, inner-city working class residents by middle- or upper-class households, either through the market for existing housing or demolition to make way for new upscale housing construction.” The U.S. Department of Housing and Urban Development defined gentrification as the process by which a neighborhood occupied by lower-income households undergoes revitalization or reinvestment through the arrival of upper-income households” (U.S. Department of Housing and Urban Development 1979, 4).

Although there is no one consensual definition of gentrification, certain dimensions appear consistently among the different definitions. First, consider the types of neighborhoods with the potential to be gentrified. Characteristics of such neighborhoods would include (1) central city neighborhoods (2) populated by low-income households that have previously experienced

(3) disinvestment. Next, consider the actual process of gentrification. The definitions listed above point to an (4) influx of the relatively affluent or gentry, and (5) an increase in investment. Accordingly, this research will attempt to capture these five dimensions in operationalizing gentrification. The first three represent disadvantaged neighborhoods that are the pool of potentially gentrifying neighborhoods, whereas the last two refer to the process of gentrification. Because gentrification is a dynamic process, it is necessary to compare changes in tract characteristics throughout time to determine which ones appear to be gentrifying. Comparisons will be made for the intercensal periods 1980-1990 and 1990-2000. Although one could argue for including suburban neighborhoods, the definitions above and the literature clearly suggest that gentrification is primarily a central city phenomenon, hence the decision to exclude suburban neighborhoods.

Several of the dimensions described in definitions of gentrification have a relative component to them. For example, the notion that low-income households originally populated gentrifying neighborhoods begs the question of incomes lower than what? Lower relative to the rest of the country? Lower relative to that central city? Most analysts would agree that the metropolitan area comes closest to approximating the organic regions that we would consider housing or labor markets. Consequently, the metropolitan area within which a particular neighborhood is embedded will serve as the reference area.

Census tracts identified as part of central cities by the U.S. Department of Housing and Urban Development were used to designate central city neighborhoods.<sup>1</sup> To capture the dimension of low-income households, neighborhoods with median incomes at or less than the median in their respective metropolitan areas will be included. Disinvestment is a perhaps more difficult concept to measure using census data, because the census collects no information on investment activity. One can try to proxy for disinvestments by considering how much of the housing stock is of recent vintage. Neighborhoods where a substantial portion of the housing stock was built in recent years would not seem to be prime candidates for gentrification. Following this logic, we compare the proportion of housing built within the past 20 years to the metropolitan-wide average. Those neighborhoods with the proportion of their housing stock built within the past 20 years falling below the median for their respective metropolitan areas are considered candidates for gentrification. The median is an admittedly arbitrary threshold for both of these indicators. But the definitions of gentrification described above suggest that potentially gentrifying neighborhoods are those in the lower end of the socioeconomic distribution. To check the robustness of the results, the 30th and 40th percentile, respectively, were also used. The 30th percentile, however, produced too few tracts that could be matched to the PSID sample. The



40th percentile threshold results are illustrated along with the results for the median defined gentrifying neighborhoods. Additional specifications of gentrification were attempted as described in the sensitivity analysis section below.

Next, consider the process of gentrification. One of the dimensions of this process is an influx of the “gentry” or relatively affluent households. Besides income, however, the notion of gentrification has more of a connotation of class. For the purposes of this study, education is perhaps a better marker of class than income. Income fluctuates throughout time, whereas among adults educational attainment levels are relatively stable. Moreover, young artists and professionals who have relatively low incomes often pioneer gentrification. A measure of gentrification relying on income might overlook neighborhoods experiencing an influx of highly educated but poorly paid professionals, whereas a measure based on education would be less likely to miss this type of change. Using education as opposed to income also helps to distinguish between incumbent upgrading among current residents as opposed to gentrification fueled by outsiders (Clay 1979). Consequently, to capture the implied change in class associated with gentrification, changes in educational attainment are considered.

There has been, however, a societal-wide increase in educational attainment (U.S. Census Bureau 2003). Therefore, an increase in educational attainment at the neighborhood level might simply reflect the universal trend in increased educational attainment. What we are interested in is an increase in educational attainment at least equal to the overall trend. The increase in educational attainment in intercensal years is therefore contrasted to the increase in educational attainment in the respective metropolitan areas. A neighborhood must have an increase in educational attainment, measured as the percentage of those 25 years and older with at least four years of college, greater than or equal to the average increase in educational attainment in the neighborhood’s respective metropolitan area.

The final criterion used to distinguish gentrifying from other neighborhoods is reinvestment. As mentioned earlier, the decennial census has no information on investment, but housing prices can be used to proxy for investments. An increase in housing prices in a neighborhood will therefore be considered as the final criterion for gentrification. Thus, a neighborhood must meet the following criteria to be considered gentrifying:

1. Be located in the central city at the beginning of the intercensal period.
2. Have a median income less than the median (40th percentile) for that metropolitan area at the beginning of the intercensal period.

3. Have a proportion of housing built within the past 20 years lower than the proportion found at the median (40th percentile) for the respective metropolitan area.
4. Have a percentage increase in educational attainment greater than the median increase in educational attainment for that metropolitan area.
5. Have an increase in real housing prices during the intercensal period.

Neighborhoods meeting the first three criteria can be thought of as potentially gentrifying. Those that meet the first three criteria but not the last two are termed nongentrifying. Finally, neighborhoods meeting all five criteria will be considered gentrifying. We therefore have two definitions of gentrification hereafter referred to as *median defined* and *40th percentile defined*.

At this point, it is worthwhile to consider whether the neighborhoods identified using the above criteria would typically be thought of as gentrifying. Table 1 shows how the gentrifying and nongentrifying neighborhoods changed between 1980 and 1990, and Table 2 shows how these neighborhoods changed between 1990 and 2000.<sup>2</sup> Both of these tables are based on categorizations of potentially gentrifying neighborhoods using the median. Categorizations using the 40th percentile are available from the author upon request.

Comparisons made here are between gentrifying neighborhoods and nongentrifying neighborhoods. Across both decades, housing prices clearly increased more steeply in the neighborhoods classified as gentrifying, especially owner-occupied housing. Likewise, levels of educational attainment grew more steeply in those neighborhoods classified as gentrifying. This should come as no surprise, because these two dimensions were used to define gentrifying neighborhoods. The poverty rate also declined more quickly in neighborhoods classified as gentrifying, consistent with what might be expected in neighborhoods on the upswing. Both neighborhoods classified as gentrifying and nongentrifying experienced declines in the proportion White in their neighborhoods, but the declines were greater in nongentrifying neighborhoods. Again, to the extent that the gentry are more likely to be White, this pattern is consistent with what might be expected in gentrifying neighborhoods. When we turn to median household income (family income in 1980), the results are less consistent with what might be expected. Between 1980 and 1990, household income increased more rapidly in gentrifying neighborhoods, but the pattern was reversed between 1990 and 2000. This could be because household sizes were becoming smaller in gentrifying neighborhoods between 1990 and 2000, and/or educated but relatively poor pioneers were responsible for much of the gentrification in the 1990s. Overall, however, the pattern of neighborhood change depicted

**TABLE 1: Characteristics of Neighborhoods, 1980-1990 Median**

	Gentrifying Tracts		Nongentrifying Tracts		All Other Urban Tracts	
	1980	1990	1980	1990	1980	1990
Housing price	\$52,676	\$119,841	\$52,154	\$77,096	\$69,888	\$108,803
Home ownership rate (%)	50	46.5	49.8	43.6	63	58.5
College graduate (%)	11.7	18.1	15.1	15.7	17.5	22.1
Median household income	\$28,366	\$38,873	\$27,208	\$32,731	\$50,750	\$43,984
Poverty rate (%)	15.8	15.1	16.1	17.8	12.1	12.5
White (%)	69.2	63.7	68.1	61.1	77.2	73.4
Rent	\$411	\$502	\$356	\$198	\$567	\$358
N	2,336		3,338		34,716	

NOTE: Dollar figures are adjusted for inflation.

**TABLE 2: Characteristics of Neighborhoods, 1990-2000 Median**

	Gentrifying Tracts		Nongentrifying Tracts		All Other Urban Tracts	
	1990	2000	1990	2000	1990	2000
Housing price	\$74,823	\$113,253	\$75,135	\$96,004	\$123,661	\$159,819
Home ownership rate (%)	41.3	46.2	39.4	43.1	61.8	66.6
College graduate (%)	12.1	19.3	14.5	15.4	23.6	27.6
Median household income	\$34,413	\$30,419	\$27,279	\$28,300	\$48,923	\$50,534
Poverty rate (%)	25.1	23.1	24.2	25.7	9.6	10.4
White (%)	54.7	48.9	48.2	40.0	78.2	71.3
Median rent	\$489	\$450	\$526	\$444	\$703	\$620
N	2,808		6,201		28,237	

NOTE: Dollar figures are adjusted for inflation.

in Tables 1 and 2 is consistent with what might be expected in gentrifying neighborhoods.

The central question posed here is how gentrification affects the displacement/mobility of preexisting residents. This of course implies a counterfactual, that is, how would preexisting residents have fared if their neighborhoods did not undergo gentrification? Thus, two comparisons are made: to nongentrifying neighborhoods and to all other urban neighborhoods. The key comparison is between gentrifying neighborhoods and nongentrifying neighborhoods. This comparison will tell us if displacement/mobility is higher in gentrifying neighborhoods, as would be expected to the extent that gentrification causes displacement. Nongentrifying neighborhoods include those neighborhoods that were located in the central city at the beginning of the intercensal period, had a median income less than the median (40th percentile) for that metropolitan area at the beginning of the intercensal period, and had a proportion of housing built within the past 20 years lower than the proportion found at the median (40th percentile) for the respective metropolitan area. Thus, the independent variable measuring residence in a gentrifying neighborhood will be captured by three categories: (1) preexisting household heads in gentrifying neighborhoods, (2) household heads in nongentrifying neighborhoods, and (3) household heads in all other metropolitan neighborhoods.

Despite the correlational validity demonstrated by illustrating how neighborhoods classified as gentrifying changed, the measure described above is unlikely to perfectly capture the phenomenon of gentrification. In recognition of this likely shortcoming, I also use the rate of rental inflation as an independent variable. Rental inflation, perhaps even more than increases in property values, is the causal mechanism often pointed to as responsible for displacement in gentrifying neighborhoods. After all, homeowners are somewhat protected against increases in housing prices. In contrast, as a neighborhood gentrifies, landlords will be able to command a higher rent for their units and will raise prices accordingly. Renters whose income may or may not be rising concomitantly with rental increases may be especially vulnerable to displacement under these circumstances.

Rental inflation will be measured as the percentage increase in rental prices between 1980 and 1990 for all the years 1986-1989 and the increase in rental prices between 1990 and 2000 for all the years 1990-1997. Rental prices will be measured using data from the 1980, 1990, and 2000 censuses.

To discern the impact of gentrification on displacement, a key assumption that must be met is that the households in gentrifying neighborhoods are similar to households elsewhere. Because households select the neighborhoods they reside in, characteristics associated with their choosing gentrifying

neighborhoods might also affect how they respond to gentrification. Nevertheless, a first step toward understanding how gentrification might affect pre-existing households is to observe whether gentrification is correlated with outcomes such as displacement. Moreover, by controlling for other factors associated with these outcomes, our confidence in the observed relationship between gentrification and these outcomes will be enhanced. Outlined below are the theoretical underpinnings and conceptualization of the factors to be held constant while discerning the relationship between gentrification and each of the respective aforementioned outcomes.

The literature on residential mobility suggests that households move when there is a discrepancy between their current housing needs and their current housing unit. Life cycle factors are the prime catalysts of these discrepancies and hence should be controlled for (Rossi 1980; Speare 1974). Life cycle factors refer to major life events, such as taking a new job, getting married, or having a child, which are likely to trigger a change in one's housing needs and necessitate moving. An individual's age, gender, marital status, and parental status will serve as proxies for the life cycle and will be included as control variables in the analysis.

In addition to life cycle factors, housing conditions are also likely to influence the likelihood of someone moving. The availability of other housing opportunities should influence the likelihood of someone moving. The vacancy rate in the metropolitan area is therefore included as a measure of other housing opportunities. Moreover, homeowners are less likely to move because of the higher transactions costs (i.e., finding a buyer) that homeowners face. In addition, homeowners are likely to face less displacement pressure from gentrification. Residents of subsidized housing are also less likely to face such displacement pressure. Consequently, whether someone is a homeowner or a recipient of subsidized housing is included as a control in the multivariate analyses.<sup>2</sup> The final housing condition held constant will be whether a household is crowded, which is defined using the convention of having more than one person per room.

The longer one lives somewhere, the stronger that person's ties are likely to be to the surrounding area and the less likely he or she is to move. The length of time a household head has been residing at his or her current residence is therefore included as a predictor of residential mobility.

Employment opportunities are also a prime motivator of residential mobility. Someone having difficulty securing employment might be expected to be more likely to move. To account for this, the amount of time the household head was unemployed in the previous week is included in the analysis.

Prior research on residential mobility has also shown income and household size to be related to the likelihood of moving (Fielding 1994). House-

hold size and income are therefore also controlled for in the analysis. Additional controls included in the analysis are race/ethnicity, region of the country, and the year of the move.

#### **DISADVANTAGED HOUSEHOLDS AND GENTRIFICATION**

Certain households are more likely than others to be affected by the changes wrought by gentrification. For example, poor renter households would seem to be especially vulnerable to potential displacement from gentrification, for it is the poor who may be least able to afford concomitant increases in housing costs. Likewise, renters would probably be more susceptible to displacement pressure, because they have much less control over their unit than owners. This discussion suggests that an effort be made to discern whether gentrification affects especially vulnerable households differently from other households. Whether a household is a poor renter is the measure of vulnerability that will be taken into account here. To determine if gentrification affects poor renters differently from other households, interaction terms between the independent variables representing residence in a gentrifying neighborhood or the level of rental inflation in the respondent's neighborhood and an indicator of whether a household is a poor renter are included in the models. A positive and statistically significant interaction term would indicate that gentrification had a greater impact, meaning that poor renter households were more likely to be displaced or move than other households in gentrifying neighborhoods (Jaccard 2001). Table 3 illustrates the means of the variable used in the analysis.

#### **HYPOTHESES TO BE TESTED**

1. Preexisting residents of gentrifying neighborhoods are more likely to move/be displaced when residing in gentrifying neighborhoods, all things being equal.
2. Poor renters residing in gentrifying neighborhoods are more likely to move/be displaced when residing in gentrifying neighborhoods, all things being equal.

To summarize, the analytic strategy used here is to compare rates of displacement/mobility between household heads in gentrifying neighborhoods and household heads residing in neighborhoods that were otherwise similar at the beginning of the decade but did not gentrify. To complement this, the relationship between rental inflation and displacement/mobility is also discerned. Finally, for all the displacement/mobility analyses, attempts are made to discern if poor renters are especially vulnerable to displacement or mobility.

**TABLE 3: Descriptive Statistics**

<i>Variable</i>	<i>Frequency</i>
Moved	11.7%
Displaced	1.3%
Gentrifying neighborhood (median definition)	6.5%
Nonpotentially gentrifying neighborhood (median definition)	43.4%
Gentrifying Neighborhood (40th percentile definition)	3.9%
Nonpotentially gentrifying neighborhood (40th percentile definition)	46.7%
Poor	19.2%
No college	51.4%
Renter	23.7%
Transitory income	\$60,695
Permanent income	\$43,865
Years in residence	7.6
Black	11.6%
Other	0.5%
Latino	1.6%
Age 25-34	29.8%
Age 35-44	25.9%
Age 45-54	17.7%
Age 55-64	14.8%
Older than 65	17.6%
Female	28.3%
Married	59.3%
Divorced, separated, or widowed	26.5%
Has children	38.1%
Family size	2.6
Weeks unemployed last year	0.8
Immigrant	1.6%
Unit is crowded	2.3%
Resides in subsidized unit	3.7%
Vacancy rate 2nd quintile	25.5%
Vacancy rate 3rd quintile	13.1%
Vacancy rate 4th quintile	19.5%
South	29.8%
Midwest	28.7%
West	18.9%
Year between 1990 and 1997	69.4%
Sample size	45,108 person years <sup>a</sup>

a. *Person years* means that each record in the data represents 1 year for a particular individual. An individual may contribute more than 1 year to the data.

## RESULTS

Table 4 illustrates the bivariate relationships between gentrification and displacement/mobility. The relationships here and in subsequent tables are

**TABLE 4: Bivariate Relationship Between Mobility and Gentrification/Rental Inflation**

	<i>40 Percentile Threshold</i>	<i>Median Threshold</i>	<i>Rental Inflation</i>
Moved in Past Year as Dependent Variable			
Gentrifying neighborhood	0.73	0.90	
Other neighborhood	1.31**	0.91	1.69***
Displaced as dependent variable	1.46	0.79	
	1.63	0.88	1.59***

\*\* $p < .05$ . \*\*\* $p < .001$ .

expressed as odds ratios. Values greater than 1 indicate a positive relationship between the independent or control variable and displacement and mobility whereas values of less than 1 indicate a negative relationship. The second and third columns of Table 4 suggest gentrification as defined by the criteria on p. 10 is not related to displacement/mobility. Rental inflation, however, is. Whether these bivariate relationships will persist when statistical controls are added is addressed in Table 5.

The results of the statistical models described above are presented in two ways in Tables 5 and 6, below. The top rows illustrate the relationship between the independent and control variables and displacement/mobility. The bottom rows of Tables 5 and 6 provide the predicted probabilities of a household moving or being displaced in a gentrifying neighborhood and a nongentrifying neighborhood. These predicted probabilities are calculated by setting the independent and control variables to their respective mean values or, in the case of categorical variables, their proportions in the sample. The interaction terms that tested whether poor renters were especially susceptible to displacement/mobility proved to be insignificant and hence were dropped from the final models, but are illustrated in abbreviated form in Table A1 (in the appendix). The lack of significant interaction terms would seem to suggest that poor renters were not more susceptible to displacement. The counterintuitiveness of this result, however, makes one hesitant to rule out the possibility that poor renters are indeed more susceptible to displacement but that these models were not able to detect such an effect.

The multivariate analyses with measures of gentrification as the independent variable are presented in Table 5. The second and third columns of Table 5 show the results of modeling the likelihood of moving. These results are not suggestive of a relationship between mobility and gentrification. Both



**TABLE 5: Relationship Between Gentrification and Mobility/Displacement**

	<i>Moved</i>		<i>Displaced</i>	
	<i>Median</i>	<i>40th Percentile</i>	<i>Median</i>	<i>40th Percentile</i>
Gentrifying neighborhood <sup>a</sup>	0.96	0.80	1.62***	1.90***
Other neighborhood <sup>a</sup>	0.87	0.89	2.28*	2.66**
Poor	0.93	0.93	1.23	1.21
Renter	1.90***	1.90***	3.65***	3.63***
Resides in assisted housing	0.79	0.79	0.63*	0.65
Transitory income	0.99	0.99	1.01**	1.01**
Years in residence	1.01	1.01	0.98***	0.98***
Black	0.83	0.84	1.08	1.06
Other	0.61*	0.62*	D	D
Latino	1.20*	1.21*	1.60	1.59
Age 25-34	0.69	0.69	0.83	0.81
Age 35-44	0.65**	0.64**	0.77	0.74*
Age 45-54	0.40***	0.39***	0.21***	0.21***
Age 55-64	0.37***	0.36***	0.41**	0.42**
Older than 65	0.35***	0.35***	0.41**	0.40**
Female	0.82**	0.82**	0.80	0.81
Married	0.99	0.99	0.42***	0.42***
Divorced, separated, or widowed	0.94	0.94	0.76	0.76
Has children	1.08	1.08	0.67	0.68
Family size	0.84***	0.84***	1.14*	1.14*
Permanent income	1.01***	1.01***	0.99***	0.99***
Weeks unemployed last year	1.01	1.01	1.02***	1.02***
Immigrant	0.92	0.91	0.78	0.78
High school graduate	0.89	0.88	1.08	1.09
Some college	0.92	0.91	0.80	0.80
College graduate	0.90	0.88**	0.66	0.66
Unit is crowded	1.52	1.54	1.48	1.47
Vacancy rate 2nd quintile	1.17	1.17	1.40*	1.18
Vacancy rate 3rd quintile	1.34***	1.34**	1.17	1.79**
Vacancy rate 4th quintile	1.69***	1.69**	1.79***	1.60
South	1.55***	1.55***	1.01	.98
Midwest	1.20*	1.20*	1.12	1.12
West	1.04	1.04	2.14***	2.15***
Year between 1990 and 1997	0.16***	0.16***	0.82	0.78*
<i>F</i> statistic	1,335.55***	1,403.45***	764.97***	867.88***
<i>N</i>	31,547			
	<i>Probability of Moving</i>		<i>Probability of Being Displaced</i>	
Gentrifying neighborhood	0.14	0.10	0.013**	0.014**
Nongentrifying neighborhood	0.14	0.13	0.009**	0.009**

NOTE: D = dropped due to multicollinearity.  
a. The reference category here is nongentrifying neighborhoods.  
\**p* < .01. \*\**p* < .05. \*\*\**p* < .001.

the 40th percentile and median defined gentrifying neighborhoods have negative, albeit statistically insignificant, relationships with gentrification. The predicted probabilities illustrate the likelihood of a household moving if residing in gentrifying or nongentrifying neighborhoods. The predicted probabilities are not higher in the gentrifying neighborhoods. Thus, both the odds ratios and predicted probabilities are inconsistent with gentrification being associated with displacement.

The fourth and fifth columns show the results of modeling the likelihood of being displaced. Here, there are positive and statistically significant relationships between residing in a gentrifying neighborhood and displacement. It should also be noted that when compared to nongentrifying neighborhoods, displacement rates are higher in other neighborhoods as well. Apparently, it is in the nongentrifying neighborhoods where the threat of displacement is lowest.

To get a better sense of the substantive meaning of the relationship between displacement and gentrification, consider the predicted probabilities for displacement for those living in gentrifying neighborhoods and those living in nongentrifying neighborhoods. The bottom rows of Table 5 show that the probability of being displaced ranges from 0.9% to 1.4%. The predictions suggest that the incremental increase in the probability of displacement as a result of gentrification is small, perhaps in part because displacement is a relatively rare occurrence regardless of what type of neighborhood one resides in. The probability of being displaced in a gentrifying neighborhood is about 0.5% higher than in a nongentrifying neighborhood. It should also be recalled that this definition of displacement includes moves for health reasons, divorce, joining the armed services, or other involuntary reasons and thus probably overstates the amount of gentrification-induced displacement.

Overall, the models suggest at most a modest link between gentrification and displacement. The relationship between mobility and gentrification is not statistically significant. Although displacement was significantly related to gentrification, the substantive size of this relationship is very small, as indicated by the predicted probabilities. Finally, poor renters do not appear to be especially susceptible to displacement or elevated rates of mobility. Taken together, the results would not seem to imply that displacement is the primary mechanism through which gentrifying neighborhoods undergo socioeconomic change. Nevertheless, it is true that gentrification was related to displacement in this analysis, contrary to the findings of Vigdor (2002) and Freeman and Braconi (2004).

The other control variables in the models of residential mobility perform according to theoretical predictions for the most part. Age is an important

**TABLE 6: Relationship Between Rental Inflation and Displacement and Mobility**

	<i>Probability of Moving</i>	<i>Probability of Being Displaced</i>
Rental inflation	1.06*	1.40***
<i>Predicted Probabilities</i>		
Lowest rental inflation third	0.14	0.013
Medium rental inflation	0.14	0.015
High rental inflation	0.15**	0.018**

\* $p < .01$ . \*\* $p < .05$ . \*\*\* $p < .001$ .

predictor of whether someone moves, as are family size, being a renter, gender, and permanent income. Besides gentrification, other geographic factors were important determinants of mobility, with the vacancy rate associated with higher rates of mobility and residents outside the Northeast being more mobile.

The model using displacement as a dependent variable closely parallels the residential mobility model. The key difference is that *length of residence*, *marital status*, and *weeks unemployed* last year did matter, whereas *gender* and *other race* did not matter.

#### RENTAL INFLATION AS THE INDEPENDENT VARIABLE

Thus far, the link between gentrification and displacement appears to be modest. The evidence does not consistently show that higher rates of mobility and displacement rates, although positively linked to gentrification, are only modestly greater in gentrifying neighborhoods. Perhaps when a more direct measure of the causal mechanism behind displacement is implemented, the smoking gun will surface.

Table 6 shows the relationship between rental inflation and residential mobility. For the sake of brevity, only the independent variables are presented. As was the case with the models using gentrification as independent variables, the interaction terms that tested whether poor renters were especially susceptible to displacement proved to be insignificant and hence were dropped from the final models, but they are illustrated in Table A1 in the appendix.

The higher odds ratio suggests that the effects of rental inflation are consistent with the notion that escalating rents increase displacement. For both

mobility and displacement, the odds ratios are significant and greater than 1. Substantively, however, the incremental increases in displacement rates associated with rental inflation are rather small. Consider the probability of being displaced for someone residing in a neighborhood with a rate of rental inflation of 8%, which corresponds to the 33rd percentile of rental inflation—0.013%. This increases to 0.018% for someone residing in a neighborhood that experienced rental inflation at the 99th percentile.

Taken together, the results suggest that although rental inflation is related to displacement in gentrifying neighborhoods, the magnitude of the relationship is rather modest.

#### SENSITIVITY ANALYSES

Because of the lack of a consensual operationalization of gentrification and the admitted arbitrariness of the definitions used here, additional specifications of gentrification were attempted to discern how sensitive the results were to these alternative specifications. For the sake of brevity, only the general patterns are discussed here, but the full results are available from the author upon request. As was mentioned earlier, interaction terms testing whether poor renters were especially susceptible to displacement proved unfruitful. Because rental inflation did have a modest relationship to mobility and displacement, rental inflation was substituted for housing price inflation in the definition of gentrification described on pages 9 and 10. This alternative definition, however, resulted in substantively similar results as those reported above. Another alternative specification attempted was to restrict gentrifying neighborhoods only to those in which there was a relative increase in housing prices, measured as an increase in a neighborhood greater than or equal to the increase in housing prices in the surrounding metropolitan area. This approach, however, yielded substantively similar results. The analyses reported above were also estimated separately for the 1980s and 1990s respectively. These decade-specific estimates were substantively similar, except that evidence of gentrification being associated with lower mobility was found in the 1990s.<sup>3</sup> To assess whether the relationship between displacement/mobility and rental inflation is more aptly captured through a nonlinear specification, rental inflation was specified in a nonlinear fashion as a series of three and five dummy variables, respectively. Under these specifications each dummy variable represented a third quintile of the rental inflation distribution, respectively. These nonlinear specifications, however, did not reveal a consistent statistically significant relationship between rental inflation and displacement/mobility.

### SUMMING UP THE RESULTS

The results presented here suggest that the relationship between gentrification and displacement is not especially robust. One strategy that sought to capture evidence of displacement through higher mobility rates did not reveal a link to gentrification. Both displacement as an outcome and rental inflation as an independent variable produced results that were more consistent with gentrification being linked to displacement. But here, the sizes of the relationships were very modest. It should also be remembered that displacement is a subset of all moves and that mobility was not found to be higher in gentrifying neighborhoods, implying that other types of moves might actually be lower in these neighborhoods. Taken together, these empirical results provide little evidence that displacement is the engine of neighborhood change in gentrifying neighborhoods. Yet Tables 1 and 2 showed that the neighborhoods defined here as gentrifying improving did indeed improve in socioeconomic status throughout time. Certainly, anecdotal evidence also describes gentrifying neighborhoods as becoming more upscale throughout time. What explains this apparent paradox?

### WHERE DO THEY MOVE?

Although gentrification does not appear to be associated with increased mobility or high levels of displacement, there are still other mechanisms through which neighborhoods can change their character and become more upscale. First, let us revisit the issue of mobility. The analyses presented above speak to the question of whether households move. They do not address the issue of where the households move. This could conceivably be an important component of whether a neighborhood changes. For example, a neighborhood where mobility is high but most of the movers remain in the neighborhood would appear to change less than a neighborhood with less mobility but where all of the movers move out of the neighborhood—especially if the in-movers are noticeably different in the latter case. To the extent that gentrification is associated with current residents no longer being able to afford housing in their current neighborhood, one would expect to find fewer intraneighborhood moves. Alternatively, to the extent that gentrification increases satisfaction with a neighborhood, current residents might be more likely to want to stay in their present neighborhood and hence less likely to move out of the neighborhood. We therefore have two competing forces: gentrification acting to decrease intraneighborhood mobility because of rising housing prices, and gentrification acting to increase intraneighborhood mobility because of increased residential satisfaction.

**TABLE 7: Intra-neighborhood Mobility by Neighborhood Type**

<i>Type of Neighborhood</i>	<i>Proportion Moving Outside of Neighborhood</i>		
	<i>Median</i>		
	<i>All (%)</i>	<i>Poor (%)</i>	<i>No College Attendance (%)</i>
Gentrifying neighborhoods	63.6	71.2	64.4
Nongentrifying neighborhoods	57.4*	67.1*	55.7*
All other neighborhoods	63.3	75.9	62.9
<i>Type of Neighborhood</i>	<i>40th Percentile</i>		
	<i>All (%)</i>	<i>Poor (%)</i>	<i>No College Attendance (%)</i>
	Gentrifying neighborhoods	74.7	77.5
Nongentrifying neighborhoods	57.1*	67.3*	55.4*
All other neighborhoods	70.3*	75.8	75.7*

\* $p < .01$ .

To gauge the impact of these forces, the rate of intra-neighborhood mobility, measured as the percentage of all moves in which the destination is the same census tract, was compared across gentrifying, nongentrifying, and all other urban neighborhoods. Intra-neighborhood mobility was estimated for all movers, those who did not attend college, and the poor, respectively. The estimates illustrated in Table 7 show that the rate of intra-neighborhood mobility was typically lower in gentrifying neighborhoods. Across all three groups, moves originating in gentrifying neighborhoods were more likely to end outside of the neighborhood when compared to the counterfactual nongentrifying neighborhoods. As Table 7 shows, the amount of intra-neighborhood mobility is not inconsequential, ranging between 25% and 45% of all moves. Altering this flow could have a substantial impact on the composition of a neighborhood. This result suggests that gentrification may inhibit intra-neighborhood mobility and contribute to demographic change in that way.

### WHO IS MOVING INTO GENTRIFYING NEIGHBORHOODS?

Much discussion on neighborhood change, whether regarding gentrification or racial change, has focused on people moving out, that is, displacement or White flight. But, as others have pointed out, neighborhoods are dynamic entities, and who moves in can be just as important as who moves out in determining neighborhood change (Gould Ellen 2000; Galster 1998). That raises

the question of whether a person's socioeconomic status is related to the likelihood of moving into a gentrifying neighborhood. A major concern regarding gentrifying neighborhoods is that these become neighborhoods that are no longer available to low-income households. It appears that disadvantaged households do not necessarily leave more quickly. But what of the option to move in? We turn our attention this question in this section.

To determine how gentrification affects who moves into a neighborhood, a series of bivariate multinomial regression models were estimated with educational attainment, income, race, and poverty status as the independent variables. These multinomial regression models have the type of neighborhood—gentrifying, nongentrifying, and all other metropolitan neighborhoods—as the dependent variable. These bivariate analyses compare the likelihood of moving into a gentrifying as opposed to a nongentrifying neighborhood along the dimensions described above. The key question here is whether socioeconomic status is associated with moving into gentrifying neighborhoods. Because we simply want to know how gentrification is related to the characteristics of in-movers, there is no need to control for other variables. To the extent that socioeconomic characteristics influence who moves into gentrifying neighborhoods, the independent variables in this series of regression models should be statistically significant.

Table 8 suggests that socioeconomic status does indeed influence who moves into gentrifying neighborhoods. The third row illustrates the relationship between various indicators of socioeconomic status and the likelihood of moving into a median-defined gentrifying neighborhood as opposed to a nongentrifying neighborhood. Odds ratios greater than 1 mean that someone with that characteristic is more likely to move into a gentrifying neighborhood, whereas an odds ratio of less than 1 means someone is less likely to move into a gentrifying neighborhood. Higher incomes and being White are associated with an increased likelihood of moving into such a neighborhood, whereas being Black is associated with a decreased likelihood. The pattern evinced in the sixth row is even stronger. Here, being a college graduate, being White, and having a higher income are associated with an increased likelihood of moving into a 40th-percentile-defined gentrifying neighborhood. Conversely, being poor, without any college education, and Black are negatively associated with moving into a median-defined gentrifying neighborhood.

These bivariate regressions show that in-movers to gentrifying neighborhoods are of higher socioeconomic status and more likely to be White, characteristics normally associated with the gentry. The dynamics of a neighborhood change in gentrifying neighborhoods should thus be viewed as a two-sided phenomenon. On one side is who moves out of the neighborhood,

**TABLE 8: Relationship Between Socioeconomic Characteristics and Moving into Neighborhoods**

<i>Likelihood of Moving into Neighborhood Compared to Nongentrifying Neighborhood</i>	<i>Median</i>					
	<i>Poor</i>	<i>College Graduate</i>	<i>No College</i>	<i>Income</i>	<i>White</i>	<i>Black</i>
Gentrifying neighborhood <sup>a</sup>	0.83	1.18	1.05	1.01***	1.93***	0.41***
Other neighborhood <sup>a</sup>	0.48***	1.93***	0.65***	1.01***	4.27***	0.19***
	<i>40th Percentile</i>					
Gentrifying neighborhood <sup>a</sup>	0.71***	1.45***	0.65**	1.01***	2.26***	0.37***
Other neighborhood <sup>a</sup>	0.38***	2.03***	0.93	1.01***	5.14***	0.16***

a. The reference category here is nongentrifying neighborhoods. The odds ratios provide the likelihood of moving into the type of neighborhood indicated in column 1 compared to moving into a nongentrifying neighborhood.

\*\*\* $p < .05$ . \*\* $p < .001$ .



the side that has garnered much of the attention in the literature on gentrification and displacement. The results presented here suggest that mobility out of gentrifying neighborhoods is not necessarily dramatically different from mobility out of other neighborhoods. Certainly, the results are inconsistent with the notion that high rates of displacement always accompany neighborhood gentrification. These results also echo those of Freeman and Braconi (2001), who found little evidence of displacement in gentrifying neighborhoods but did find in-movers to gentrifying neighborhoods to be of higher socioeconomic status than current residents. On the other side of the gentrification process are the in-movers. The so-called gentry have attracted attention in terms of describing who these people are. Overlooked perhaps is the extent to which changes in the characteristics of in-movers could be the more important force in determining the way that neighborhoods change.

That in-movers rather than out-movers are the driving force behind neighborhood change in gentrifying neighborhoods makes intuitive sense. People are likely to be more sensitive to neighborhood characteristics when choosing what neighborhood to move into rather than whether they should move at all. This is because moving is costly in terms of time, money, and the possible disruption of social ties and daily routines. Once people have made the decision to move, however, these costs take less prominence in the equation. The characteristics of the destination neighborhood are then likely to be relatively more important.

### **IMPLICATIONS FOR PLANNING AND POLICY**

Gentrification remains a hot-button topic sure to set off debates and controversy about how it affects neighborhoods and the people residing there. Certainly, many people recognize the possible benefits of gentrification: increased amenities, improved public services, and rehabilitated housing. As noted earlier, the fear of displacement has in the minds of many, however, come to dominate all other concerns regarding gentrification. Here, I consider the implications of these findings from both a theoretical perspective and a more pragmatic policy oriented perspective.

The results presented here indicate that the process of neighborhood change associated with gentrification and revitalization more broadly is related to displacement, albeit modestly. Who moves into the neighborhood appears to be more important in explaining neighborhood change in gentrifying neighborhoods. While this analysis did not find lower mobility rates in

gentrifying neighborhoods as Freeman and Braconi (2004) and Vigdor (2002) did, the results were consistent with earlier studies in illustrating that neighborhoods can gentrify without widespread displacement. To be sure, there are instances when the displacement of preexisting residents might aptly describe the dynamics of change in a gentrifying neighborhood. But when this process is viewed more broadly, it seems that the more typical engine of neighborhood change is the altering of the characteristics of in-movers and the lower rates of intraneighborhood mobility in gentrifying neighborhoods. Other types of neighborhood change, particularly the notorious White flight associated with White-to-Black transitions, might be more rapid and characterized by the rapid out-migration of preexisting residents once some tipping point is breached (Crowder 2000). Gentrification, however, is perhaps a more gradual process that, although displacing some, leaves its imprint mainly by changing who moves into a neighborhood. For students of neighborhood change, this is an important lesson to understand.

From a policy perspective, the implications are perhaps subtler. Gentrification brings with it increased investment and middle-class households to formerly forlorn neighborhoods. This could potentially enhance the tax base of many central cities and perhaps increase socioeconomic integration as well. After decades of disinvestment and middle-class flight, these benefits from the gentrification should not be overlooked. The chief drawback has been the inflation of housing prices in gentrifying neighborhoods. The results presented here might tempt one to conclude that the lack of widespread displacement means that concerns about the disappearance of affordable housing are overblown. But the fact that lower socioeconomic status households are no longer moving into these neighborhoods implies a diminishing of housing opportunities for some. Households that would have formerly been able to find housing in gentrifying neighborhoods must now search elsewhere. Whether suitable conditions are available elsewhere will depend on the conditions of the particular housing market. But to the extent that there is a shortage of affordable housing, it would seem to matter little if those being affected are households who have to move because prices are increasing or households find some options closed off because prices are increasing.

Moreover, although displacement may be relatively rare in gentrifying neighborhoods, it is perhaps such a traumatic experience to nonetheless engender widespread concern (Fullilove 2004). Consequently, the results presented here still speak to the need for planners and policy makers to anticipate the impacts that gentrification can have on housing affordability and to plan accordingly.

## APPENDIX

TABLE A1: Interaction Between Poor Renter and Gentrification

	<i>Moved</i>		<i>Displaced</i>	
	<i>Median</i>	<i>40th Percentile</i>	<i>Median</i>	<i>40th Percentile</i>
Gentrifying neighborhood	0.95	0.83	<b>1.36*</b>	1.69***
Other neighborhood	0.89	0.92	1.81	2.05**
Gentrifying neighborhood *				
poor renters	1.01	0.73	1.35	<b>1.28</b>
Other neighborhood * poor renter	<b>0.58*</b>	<b>0.585*</b>	1.83	2.64*
Poor renter	<b>1.58</b>	1.63*	<b>0.98</b>	<b>0.68</b>

NOTE: Boldface means the item is statistically significant.

\* $p < .01$ . \*\* $p < .05$ . \*\*\* $p < .001$ .

TABLE A2: Interaction Between Poor Renters and Rental Inflation

	<i>Probability of Moving</i>	<i>Probability of Being Displaced</i>
Rental inflation	1.12	1.48***
Rental inflation*poor renter	<b>0.55***</b>	<b>0.93</b>
Poor renter	<b>1.47***</b>	<b>2.16*</b>
Medium rental inflation	<b>1.24**</b>	<b>1.29</b>
High rental inflation	1.11	<b>0.79</b>
Medium rental inflation*Poor renter	<b>1.55*</b>	<b>0.46</b>
High rental inflation*Poor renter	0.85	<b>0.53</b>
Poor renter	1.06	1.79*

NOTE: Boldface means the item is statistically significant.

\* $p < .01$ . \*\* $p < .05$ . \*\*\* $p < .001$ .

## NOTES

1. Much thanks to Kurt G. Usowski of HUD for supplying these data.
2. There is evidence to suggest that substantial misreporting occurs when respondents of surveys like the PSID are asked about residing in subsidized housing (Shroder 2002). This misreporting appears to be most problematic when respondents are asked to identify the type of housing subsidy they receive rather than if they are receiving any housing subsidy at all. Because the focus here is not on a specific type of housing subsidy, instead examining whether they receive any subsidy at all, this misreporting error should not be fatal.

3. The reader should note that tracts are classified based on their characteristics at the beginning of each decade. Thus, tracts designated as gentrifying in the 1980-1990 period are necessarily considered gentrifying in the subsequent decade.

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