Quantifying Gentrification in East Austin

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It's difficult to discuss East Austin these days without mentioning gentrification. Meuller, Pedernales Lofts, and the Saltillo District all offer anecdotal evidence of East Austin's shifting demographics. Whether this new influx of prosperity is good or bad depends on who you are talking to. The same goes for defining the term gentrification. Wiki defines gentrification as a process in which low-cost, physically deteriorated neighborhoods experience physical renovation and an increase in property values, along with an influx of wealthier residents who typically displace the prior residents (http://en.wikipedia.org/wiki/Gentrification). While Wiki's definition may be considered balanced, most definitions emphasize either the positive (i.e. increase in prosperity) or the negative (i.e. displacement of the poor) aspects of gentrification. Rather than qualifying gentrification and then offering anecdotal evidence to support a particular position, CAPCOG is proposing that we strive to quantify gentrification.

Are East Austin residents moving to more depressed neighborhoods in our region? Are wealthy residents moving into East Austin? Are these new residents displacing, or simply replacing, long-time residents? Depending on your perspective, the implications of these questions and how they are answered will define a community's understanding and response to gentrification. Current efforts to answer these questions are often based on anecdotal or incomplete source data. Developing a methodology to quantify gentrification will allow communities to:

- Identify gentrification trends within their own community
- Better understand the demographic, social, and economic impacts of gentrification
- Measure the effectiveness of policies to deal with gentrification

Utilizing historic and current consumer/residential databases, individual resident locations can be mapped from year to year. This data can then be assimilated to a common geographic unit (e.g. zip code, census tract, etc.) and analyzed for migratory trends. For example, this analysis could tell you which residents have recently moved from East Austin and where they have moved. Conversely, this same analysis would tell you which residents have moved into East Austin and from where they moved. Couple these trends with widely available socio-economic datasets and you suddenly have a clearer picture of migration patterns in our region.

There are several consumer/residential source databases available. Utility, Internal Revenue Service, and telephone numbers databases are candidates. These databases offer a historic and comprehensive record of residential patterns. Unfortunately, there are many legal and privacy concerns associated with these datasets. A more likely candidate are commercially available consumer databases, such as:

- Axiom (http://www.acxiom.com/)
- US Data Corporation (http://www.usdatacorp.net)
- InfoUSA (http://www.infousa.com/)

While these datasets are expensive, they don’t come with the legal and privacy concerns associated with the other datasets. Once you’ve identified (and paid for) your source data, the following methodology should help you to quantify gentrification.

**Step #1** Define the study area (i.e. the neighborhood where gentrification may be taking place).

**Step #2** Geocode (i.e. utilize the address to assign a location) a consumer/resident database for at least two periods in time (e.g. 2000 and 2007) for the region in which the study area is located. These records are referred to as the *regional database*. 

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Step #3  From the regional database, select only those geocoded records located in the study area and create a second, subset of records for each period (e.g. 2000 and 2007). These records are referred to as the study area database.

Step #4  Using a unique identifier (e.g. the customer/resident name), compare the 2000 and 2007 study area databases and identify those records that are not present in both years. Those records that exist in the 2000 study area database, but are not in the 2007 study area database are categorized as residents that have moved out of the study area. Similarly, those records that exist in the 2007 study area database but are not in the 2000 study area database are categorized as residents that have moved into the study area.

Step #5  Again, using the unique identifier, compare the residents that have moved out of the study area to the 2007 regional database to identify where they moved. Similarly, compare the residents that have moved into the study area to the 2000 regional database to identify where they moved from.

Step #6  Assimilate the results up to a common geographic unit and overlay on relevant socio-economic datasets. At this point, you should have an image of local migratory trends that quantifies the extent to which the study area is gentrifying.

This methodology relies on some assumptions that require further study. First, residents moving from the study area to a more depressed neighborhood are believed to be reacting to a local condition (e.g. a rise in rent that is directly attributable to increasing property values in the study area) rather than a global condition (e.g. a rise in the cost of gasoline that reduces the amount of income spent on housing).

Second, this methodology assumes there is a causal link between the residents moving into the study area and the residents moving out. It is possible that the new residents are simply replacing the old residents, and not displacing them.

Third, this methodology assumes that the number of residents with a change in their unique identifier (e.g. customer/resident name) is statistically insignificant. For example, if an East Austin resident were to change their name between the base year and the current year, you would not be able to match their base year record with the current year. This would result in that resident being incorrectly categorized as moving out of the study area and region.

Finally, this methodology assumes the source data is a historic, comprehensive, and accurate record of residential patterns. The quality of the source data will ultimately determine the quality of your analysis.

The result of this analysis will produce a series of maps that begin to quantify the amount of gentrification in the study area. The first map on the next page illustrates the number of residents that have moved from the study area and where they have moved within the region.
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The next map illustrates the number of residents that have moved into the study area from the region. When overlaid on median HH income data, this hypothetical example suggests a pattern of gentrification. Residents are...
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leaving the study area to similarly depressed neighborhoods in the region. New residents are moving into the study area from wealthier neighborhoods. A closer look at the change in property values within the study area could validate this analysis.

Complimenting anecdotal evidence with quantifiable data of gentrification would be a constructive next step for planning efforts in East Austin. It’s difficult to capture the speed at which changes are occurring relying solely on standard data sets used for most planning initiatives, such as the Census, appraisal roles, and real estate transactions. Quantifying gentrification on an annual basis using residential data would provide a more complete picture of the problem and allow city officials, non-profit organizations, and community groups to measure the effectiveness of policies and programs over time. In addition to quantifying urban gentrification in East Austin or anywhere else, this methodology has the potential to quantify rural gentrification (i.e. suburbanization), as well as more general migration patterns.

Given the rapid changes occurring in East Austin and other places around the Capital Area, knowing as much as we can about gentrification’s effect on communities would benefit us all.