# Gentrification Report Methodology

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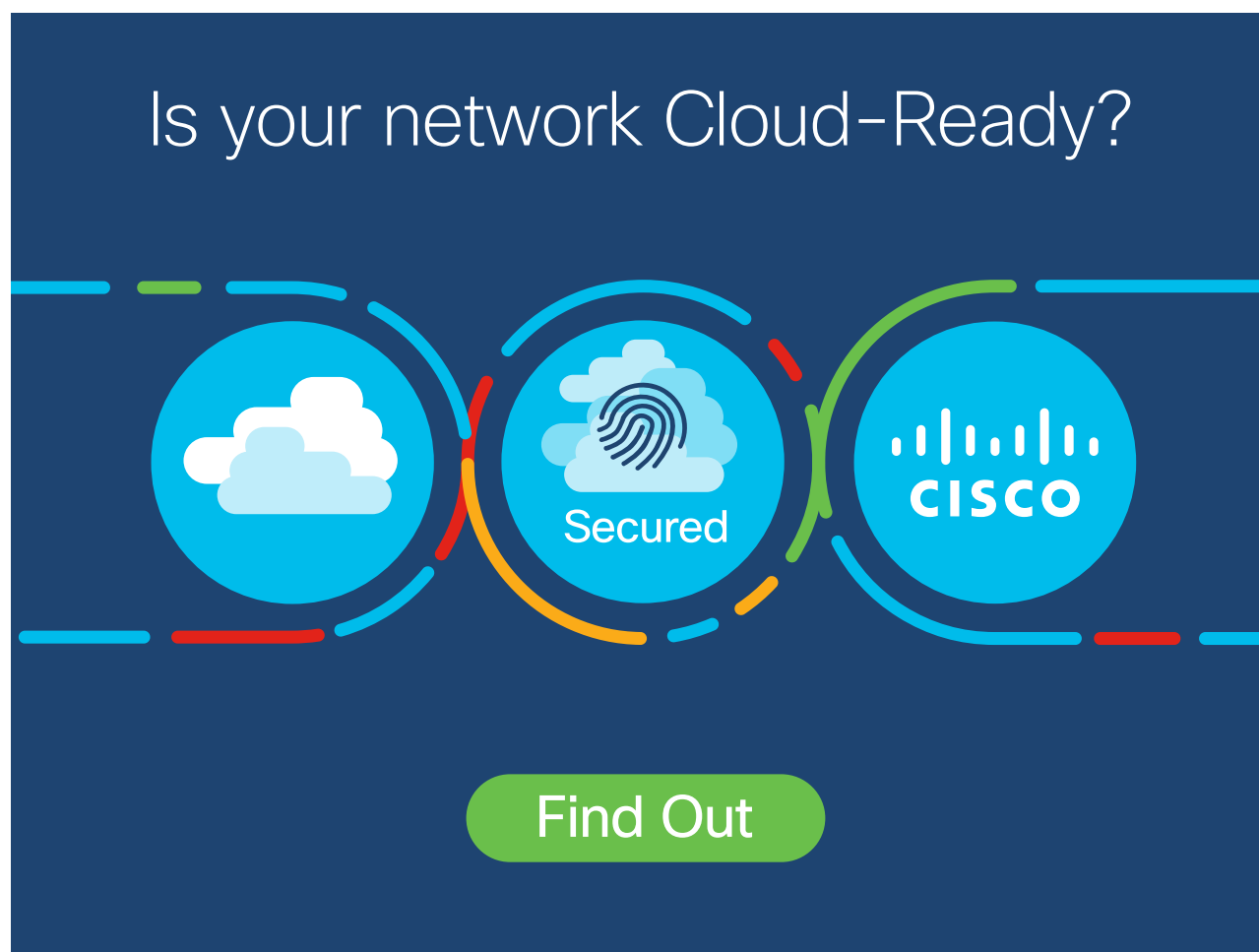
Michael Maciag  |  January 31, 2015

Just what constitutes gentrification has long been the subject of debate. In general, though, most view it as the arrival of a more affluent class of residents into a poorer neighborhood, often resulting in displacement.

For its national report on gentrification, *Governing* compiled Census data for the nation's 50 most populous cities at the Census-tract level. Tracts vary in size, but roughly correspond to neighborhood boundaries.

Two tests mirroring prior research on the subject determined whether a tract gentrified over a given time period. The first test found that a tract was eligible to gentrify if it met the following criteria:

1. The tract had a population of at least 500 residents at the beginning and end of a decade and was located within a central city.
2. The tract's median household income was in the bottom 40th percentile when compared to all tracts within its metro area at the beginning of the decade.
3. The tract's median home value was in the bottom 40th percentile when compared to all tracts within its metro area at the beginning of the decade.

This initial test identified a group of lower-income neighborhoods with below average home values in each city. A significant number of tracts in some areas met these requirements, typically those in cities surrounded by much wealthier suburban neighborhoods. In other cities, far fewer tracts were considered eligible to gentrify.



For a second test, gentrification-eligible tracts were determined to have gentrified over a time period if they met the following criteria:

1. An increase in a tract's educational attainment, as measured by the percentage of residents age 25 and over holding bachelor's degrees, was in the top third percentile of all tracts within a metro area.
2. A tract's median home value increased when adjusted for inflation.
3. The percentage increase in a tract's inflation-adjusted median home value was in the top third percentile of all tracts within a metro area.

Census tracts with missing data for any one of these measures were excluded and considered not eligible to gentrify.

This definition of gentrification is similar to a methodology outlined by Columbia University professor Lance Freeman in a [2005 paper](#), one of the most cited studies on the subject.

Some research examining gentrification has instead focused primarily on changes in household income. However, many of the first residents to "gentrify" a neighborhood are often artisans or young professionals who might not earn much more than their new neighbors. Such changes to a community are not reflected in income levels. For this reason, *Governing* instead measured changes in educational attainment, which strongly correlates with income.

The racial makeup of a neighborhood was not a condition for gentrification to occur. Gentrifying Census tracts were, though, found to experience increases in the concentration of non-Hispanic white residents.

## Data Sources:

For current demographic data, the Census Bureau's most recent 2009-2013 American Community Survey estimates were used. Historical data was obtained from the US2010 project of the Russell Sage Foundation and Brown University, which includes estimates for tracts whose boundaries have changed over time.

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