Inquiry Proposal Form Name: Elizabeth Stevenson

1. **What**
   1. Proposed Title: Examining Socioeconomic Variables in Certain Post-Industrial Cities with New Markets and Historic Tax Credit Investment

* 1. Research Question: What are the socioeconomic impacts of Historic Tax Credit investment and New Markets Tax Credit investment in post-industrial cities with significant population decline?
  2. The anticipated study design is: Quantitative
  3. Indicate which of these content categories is the best fit for your

work: Social Science

* 1. Intended writing style with justification: I plan on using APA style because my research topic falls under the Social Science category, and all Social Sciences align with APA style.

1. **Why**
   1. Describe your curiosity with your topic. What led you to this topic?

I became interested in community investment and its impacts after researching similar topics during AP Seminar. Over the course of last year, I wrote about topics surrounding poverty, education, income inequalities, and other social issues. For my Performance Task Two paper and presentation, I examined the issue of gentrification in relation to race and socioeconomic status of community residents, which caused me to become more interested in community investment as a whole. I discovered the Historic Tax Credit and New Markets Tax Credit incentives, and I began wondering how this government subsidised investment into historic buildings and low-income communities impacted the residents of the neighborhoods that received this investment.

* 1. What is the **purpose** for working on this project?

During this study, I intend to determine whether there are impacts of Historic and New Markets Tax Credit investments on community residents themselves, and whether the combination of these incentives have different impacts. Specifically, I plan to draw conclusions about the correlation between Historic and New Markets Tax Credit investment and poverty rates, income levels, home values, rent values, job characteristics by industry, and educational attainment.

* 1. Describe the **value** of your research.

State and federal governments must conduct cost/benefit analyses in order to determine whether Historic and New Markets Tax Credit Tax Credit incentives should exist within their jurisdictions. There is debate whether these investments are worthwhile, and my study would assist in providing rationale for these governments.

D. What is the **gap** discovered in your preliminary research?

When conducting preliminary research, I determined that many studies have concluded that Historic and New Markets Tax Credit incentives have drawn investment into communities. Additionally, certain articles discuss the general impact of the investment at the community level. For example, a 2012 article defending the state Historic Tax Credit in Missouri illustrated that as a result of Historic Tax Credit incentives, $46.3 million in investment has been deployed into Missouri communities, and these projects created approximately 1,325 jobs (Shores, 2012). Although Shores describes that the investment caused by HTC incentives created a number of jobs, the specific impact of these investments on existing community residents had not been discussed. Additionally, jobs by industry were not examined, so it is difficult to determine the level of impact on community residents using this information. Moreover, a 2009 study conducted in Louisville, Kentucky by John I. Gilderbloom , Matthew J. Hanka and Joshua D. Ambrosius examined the impacts of historic preservation on job creation and property values. The authors determined that historic preservation and investment facilitated the creation of new jobs and an increase in property values (Gilderbloom et al., 2009). However, similar to Shores’ study, the impact on community residents was not determined as property values and job creation are not indicative of changes experienced by the residents themselves. In terms of New Markets Tax Credit research, few studies have been conducted as the NMTC incentive is relatively new, and existing studies have not made conclusions about long-term impacts of this investment. For example, a study conducted by Matthew Freedman examined the impacts of NMTC investment on housing and resident characteristics; however, Freedman’s research was only able to examine the initial effects of NMTC investment due to the infancy of the program at the time of his study (Freedman, 2012).

Although the majority of existing research does not examine the effects of HTC investment on community residents, a number of select studies have researched these impacts in relation to historic preservation. For example, a study completed in New York City examined the impacts of historic designation on neighborhood concentration with regard to socioeconomic status and race of community residents, and the authors concluded that although racial concentration is not significantly affected, the socioeconomic status of residents considerably improved after the designation of the neighborhood as a historic district (Ellen and McCabe, 2016). Although McCabe and Ellen address the community residents themselves, the study is not focused on historic investment. Instead, the research is centered around the designation of an area as a historic district, which may lead to a number of ancillary improvements that may or may not include investment into historic buildings. Additionally, studies like McCabe and Ellen’s are focused on one specific city, and without further research, these findings cannot be applied to a broader population as the impacts in New York City may be significantly different from impacts observed in cities such as Cleveland, Ohio or Detroit, Michigan, which are post-industrial cities with significant population loss since 1950. Although the majority of HTC and NMTC studies do not analyze the impacts of these investments on residents, one study conducted by Kelly Kinahan in 2016 examined the impacts of HTC investments on racial, socioeconomic, and housing characteristics on five “legacy cities” (Baltimore, Cleveland, Philadelphia, Richmond, and St. Louis). Kinahan concluded that there was no significant difference in changes between these variables; however, she suggests that future research examines multiple types of investment subsidies (such as both HTC and NMTC) and distinguishes between the levels of investment by dollar amount (Kinahan, 2016). Therefore, there is a gap in the existing research base surrounding the socioeconomic impacts on residents of communities considering HTC and NMTC investments and the level of investment.

1. **How**
   1. Identify your proposed method or combination of methods.

I plan on using a correlational study as I will be determining the correlation between HTC and NMTC investment and socioeconomic variables.

* 1. Describe your planned research method(s).

Many studies have examined the impacts of a given variable on communities, and similar methods were used. For example, a 2011 study examines the impacts of Low Income Housing Tax Credits in the Miami-Dade County by comparing variables using data between the 1990 and 2000 censuses (Deng, 2011). I will take a similar approach, using census data from the 2008-2012 American Community Survey (ACS) and the 2013-2017 ACS in order to analyze changes between these time periods. I will begin with a list of all federal Historic Tax Credit projects completed from 2001 to 2018 and New Market Tax Credit projects completed from 2003 to 2016. I will then filter these projects to only include those completed in Cleveland, Ohio; Detroit, Michigan; Baltimore, Maryland; Pittsburgh, Pennsylvania; and St. Louis, Missouri. These cities were selected as they are major metropolitan cities that have experienced significant population decline in the post-industrial era. I defined these parameters by selecting cities with a population of over 600,000 in 1950 and have had a population decline of over 30 percent since that time. Then, I will filter the HTC and NMTC projects by date, specifically narrowing to the years between 2008 and 2012. Once the variable sample group is determined, I will extract the following data points for all census tracts in each city: median household income, percentage of people in poverty, median home values, median rental rates, number of jobs by industry, and the percentage of people at different educational attainment levels. I will also collect demographic information including census tract population to use in addition to median household income and poverty rates in order to filter down the census tracts. After the data has been collected (including demographic information per census tract), I will define the control group to include an adequate number of census tracts without investment that are comparable in terms of population size and other socioeconomic indicators (poverty rates and median family income). I will then analyze the data with consideration of the level of investment and type of investment (HTC, NMTC, neither or both).

* 1. What variable(s) are you measuring?

1. Median household income levels
   1. Continuous, quantitative, dependent, ratio
2. Percentage of people in poverty
   1. Continuous, quantitative, dependent, ratio
3. Median home values
   1. Continuous, quantitative, dependent, ratio
4. Median rental rate
   1. Continuous, quantitative, dependent, ratio
5. Number of jobs by industry
   1. Discrete, quantitative, dependent, ratio
6. Percentage of people at different educational attainment levels
   1. Continuous, quantitative, dependent, ratio
   2. What secondary data do you anticipate collecting?

I anticipate that I will also collect additional information about the specific investments in each census tract in the five cities. For example, I will collect data on the dollar amount of the total HTC and NMTC investments in each census tract, and whether tracts receive HTC only, NMTC only, or a combination of HTC and NMTC investment. I will also collect overall demographic data for each of the selected cities (Cleveland, Detroit, St. Louis, Baltimore, and Pittsburgh).

* 1. What equipment, materials or other resources will you need to conduct this study?

I will need to pay a subscription to PolicyMap, a data collecting and mapping tool, in order to compile data. This will cost approximately $100 for the subscription. I will also need to pay Novogradac and Company to geocode the addresses of HTC projects to their census tracts (NMTC projects are already defined by census tract), which will cost approximately $150.

1. **Bias**
   1. What biases do you have towards your research topic?

I may have a bias on the effects on community residents although in depth conclusions have not been made at this time. I predict that HTC and NMTC investment has had positive impacts on community residents in areas that the investment has been made. Additionally, many of my sources discuss the positive impact of historic preservation and investment in low-income communities, which indicates a degree of potential citation bias, and I have yet to find any negative articles surrounding HTC and NMTC investment.

* 1. How do you plan to monitor these biases throughout your research process?

I hope to address citation bias by including background information on negative impacts that were studied from general investment in low-income communities as this will present the possibility of negative impacts for HTC and NMTC investment as well. Additionally, I will ensure to collect and use data from a variety of census tracts that meet investment criteria, and I will use this data regardless of whether the results align with my assumptions or not.

1. **Ethics**
   1. What ethics documentation does your study require? Explain why these are required and others are not.
2. Parental Permission (from your own parents)
   1. Parental Permission documentation is required for my study as there will be tasks completed that do not fall under typical school standards. For example, I may be meeting and interacting with external advisors to gain insight into my topic and to obtain access to certain data needed for my study.
3. Assent - minor participants
   1. My study will not require assent documentation from minor participants as human participants are not being used.
4. Consent - adult participants
   1. Consent documentation for adult participants will not be required in my study as human participants are not being used.
5. Consent - parents of minor participants:
   1. Parental consent documentation for the parents of minor participants will not be required in my study as human participants are not being used.
6. IRB approval
   1. My study will not need IRB approval as human participants are not being used.

Word count: 1,911

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