

Gentrification in Philadelphia

Key Words:

Abstract

Introduction

This paper seeks to understand neighborhood change in Philadelphia. Neighborhoods are changing in Philadelphia, and many are gentrifying. Gentrification, “the invasion by relatively affluent households into marginal neighborhoods, with the concomitant rehabilitation of housing and the displacement of previous residents” (Beauregard 1990), has happened in cities around the United States and has been happening in Philadelphia for many years now. The “previous residents” noted by Beauregard are typically lower-income, meaning that gentrification puts a large financial burden (moving) on populations that are already financially-strained. There are policy measures that could mitigate this displacement, like tax abatements for long-term residents, if implemented correctly. Being able to predict which neighborhoods are likely to gentrify could help implement these programs in ample time so that the people who needed them could take advantage of them. Also, understanding which neighborhoods are most experiencing gentrification could aid in this as well.

Gentrification in Philadelphia

Although Philadelphia is the poorest of the ten largest cities in the United States [CITE - Census], 52.4% of housing units are owner-occupied (see Table 1, below). Additionally, almost 40% of all owner-occupied units in Philadelphia do not have a mortgage, which could mean that many of those homeowners are only paying monthly utility payments, making their housing very affordable. For someone living on a fixed income (social security payments, for instance) only having to pay for utilities monthly is no small thing: it could mean the difference between being able to stay in your house versus being forced to move. Affordable housing is a luxury in many parts of the United States and Philadelphia should be taking steps to preserve this relatively large stock of affordable housing through tax abatement programs to protect long-term homeowners from rising property taxes.

Table 1: Housing Characteristics, Philadelphia vs

Total Housing Units	671,125
Occupied housing units	86.8% (582,594)
Vacant Housing Units	13.2%
Homeowner Vacancy Rate	2.5
Rental Vacancy Rate	7.3
Owner-occupied	52.4% (305,214)
Renter-occupied	47.6%
Householder moved into unit 1979 and earlier	12%
Householder moved into unit 1980-1989	7.5%
Householder moved into unit 1990-1999	13%
Householder moved into unit 2000-2009	29.2%
Householder moved into unit 2010-2014	33%
Householder moved into unit 2015 or later	5.5%
Median value	\$147,300
Owner-occupied units with a mortgage	60.1% (183,436)
Owner-occupied units without a mortgage	39.9% (121,778)

Source: American Community Survey 2016 5-year Estimates

[I will compare Philly to the US and then the largest cities on the above variables]

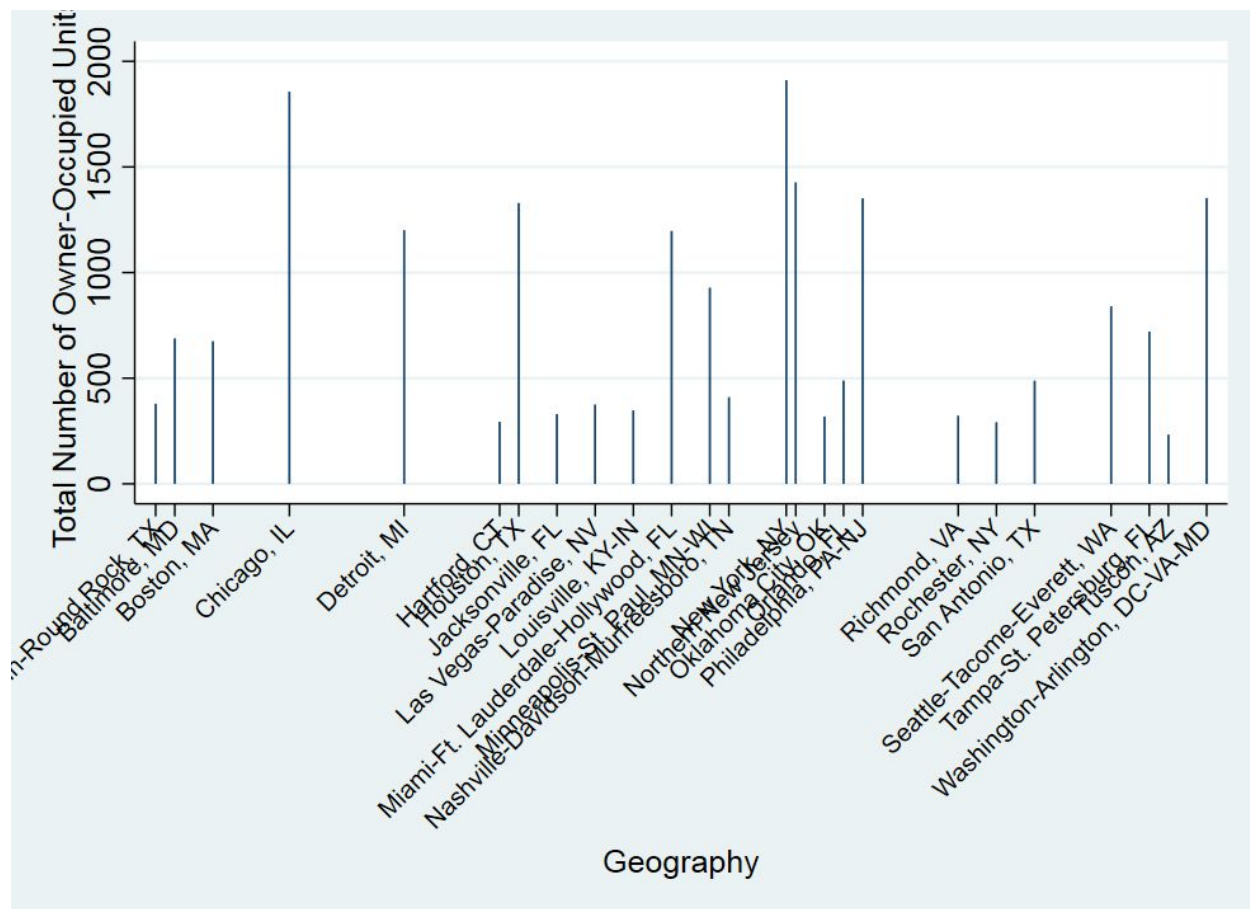


Figure 1: Total Number of Owner-Occupied Units in the Largest Metro Areas in the US

[The above graph is with AHS data - I tried to graph percentages but I needed to get total population (not just a sample - AHS is a sample) and the geography is weird - I would still like to do this for the 5 largest major metro areas but that will take some more time]

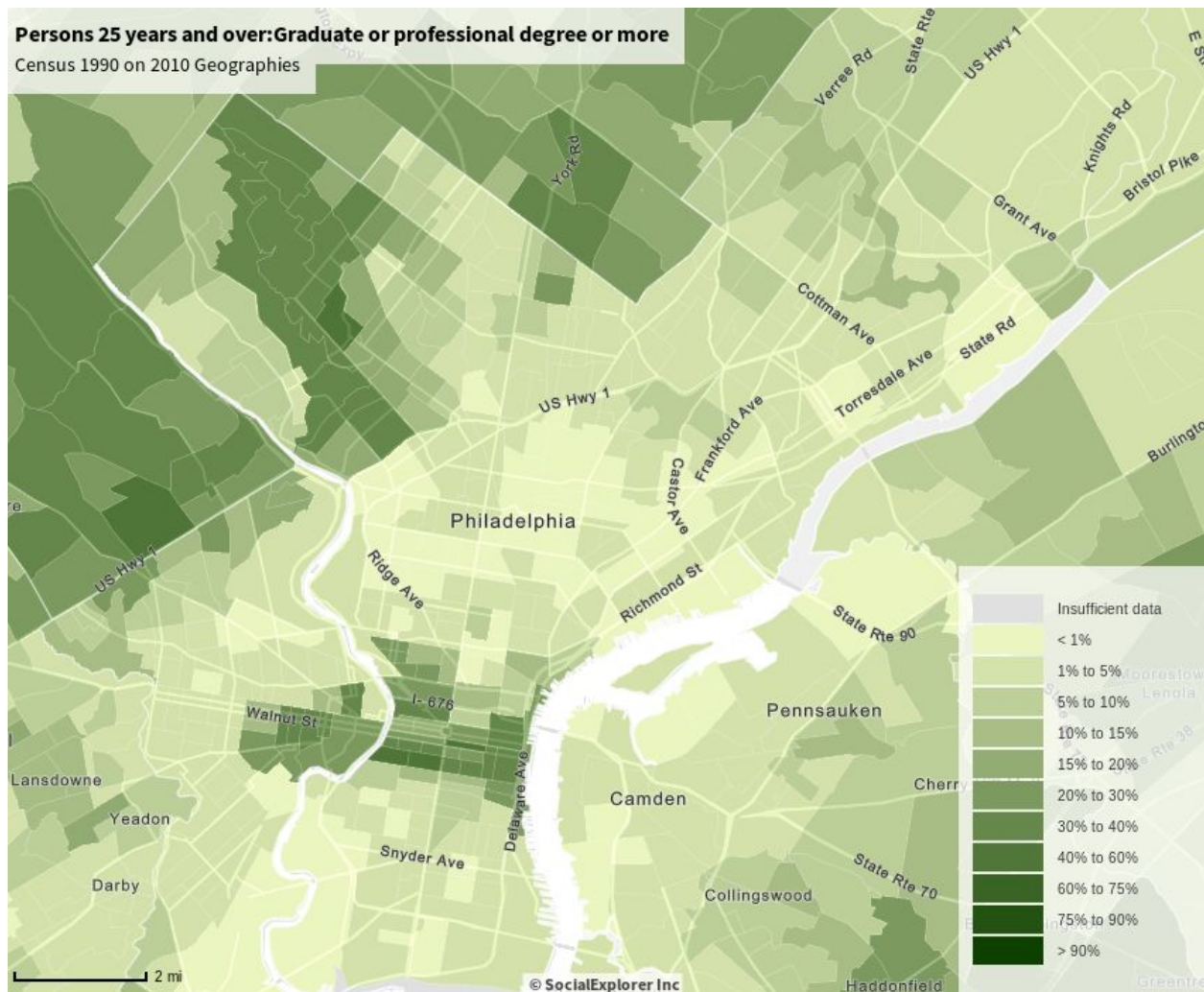


Figure 2: Percent of Population with Graduate/Professional Degrees in 1990 in Philadelphia (1990 Census Data through Social Explorer)

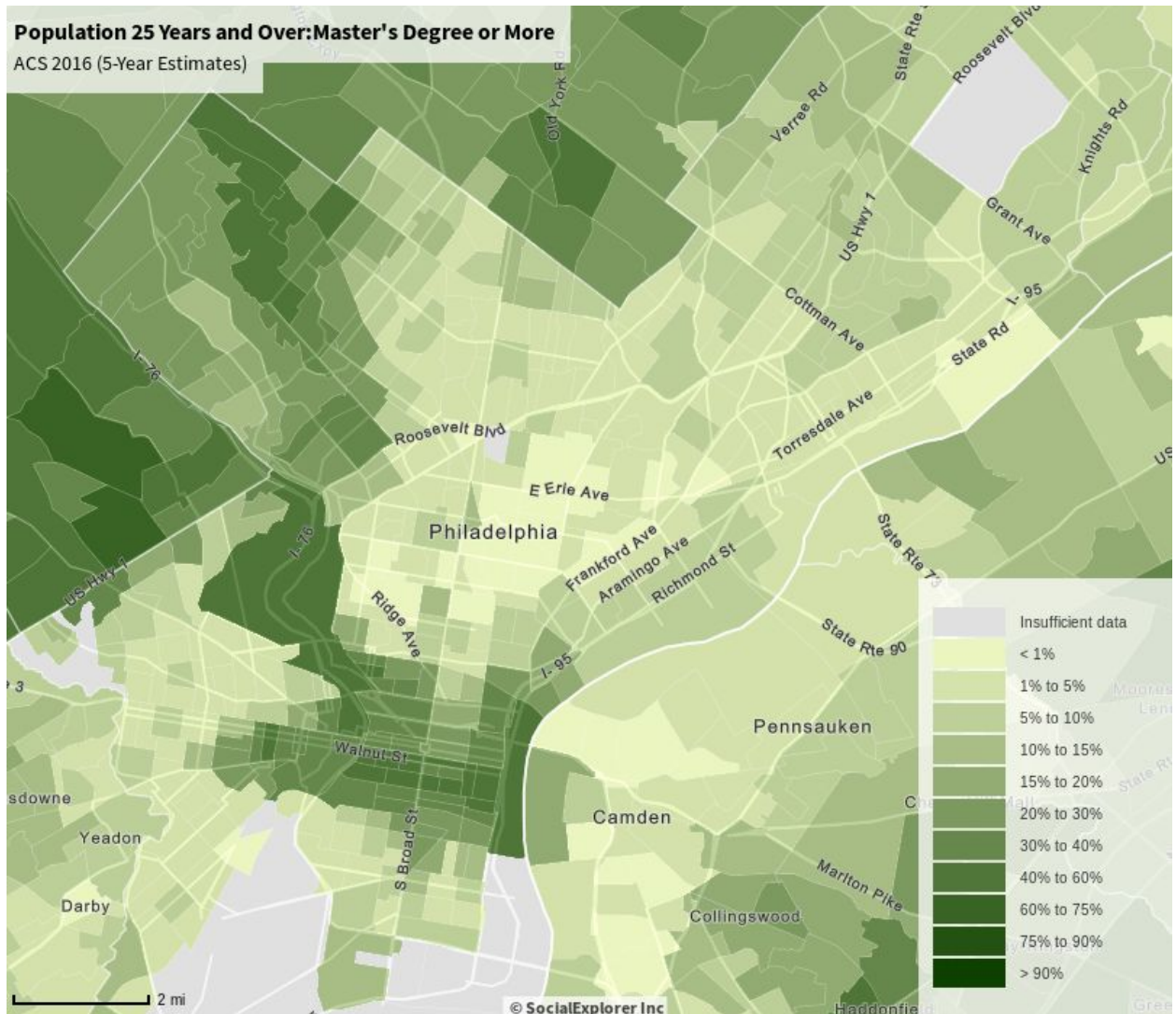


Figure 2: Percent of Population with Masters Degree or Higher, American Community Survey 2016 5-year estimates

Recent studies of gentrification in Philadelphia have focused on income, but a more precise measure of gentrification also includes education, especially post-college graduate or professional education. This paper expands on recent studies of gentrification in Philadelphia by looking at the change in educational attainment over time as an indicator of gentrification.

It should be noted that gentrification is not one single process: it looks different and has different outcomes in different places, as can be seen in different neighborhoods in Philadelphia (Beauregard 1990). For this reason, a city-wide definition of gentrification will always be

imprecise. This paper will consider three parts of Philadelphia in more detail: West Philadelphia, South Philadelphia, Fishtown/Kensington

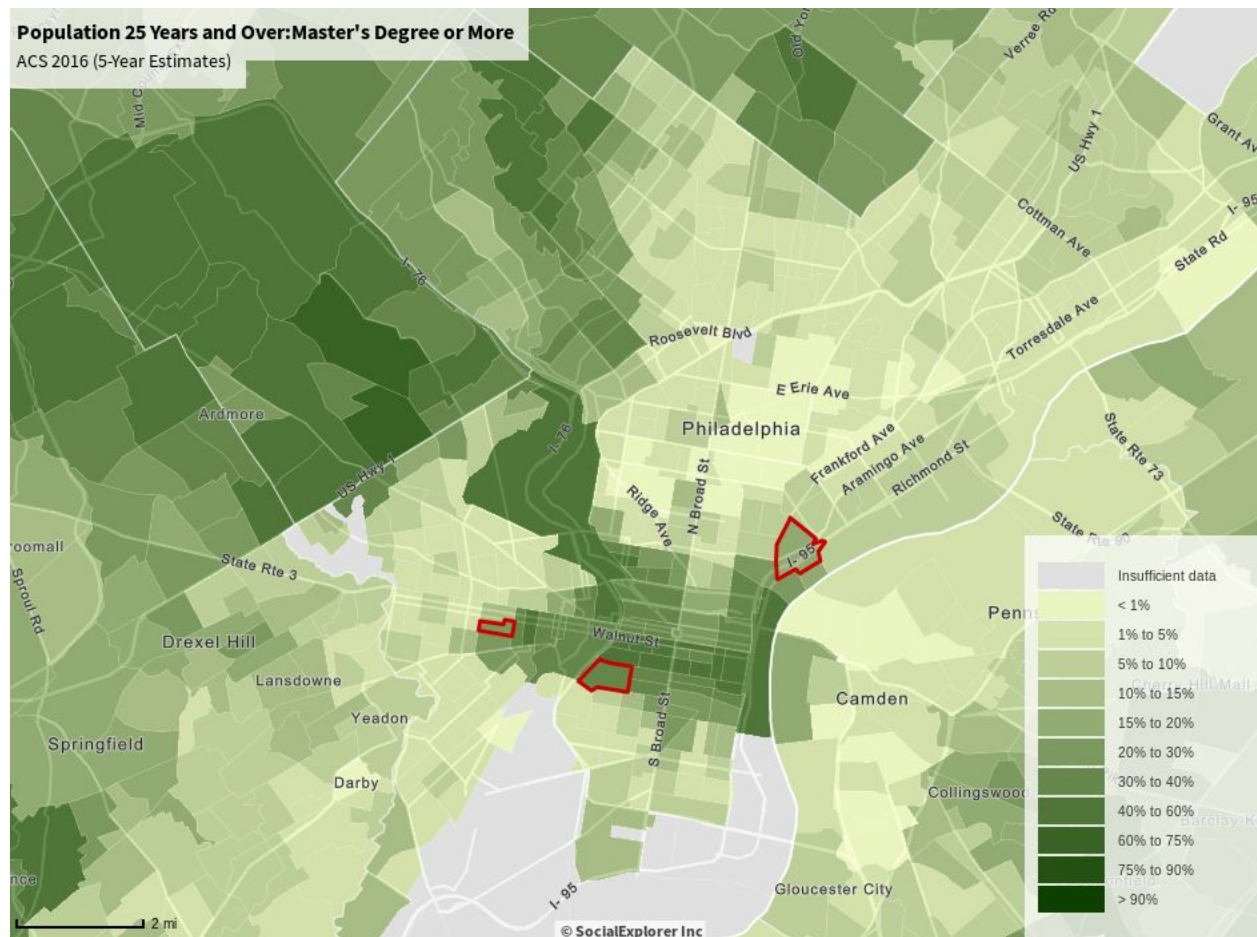


Figure X: Areas of Focus

The Actual Value Initiative (AVI)

Before 2013, Property taxes in Philadelphia were very low since there hadn't been a city-wide assessment in a number of decades [CITE!] In 2013, Philadelphia reassessed all properties in advance of the Actual Value Initiative (AVI), an updated property tax program initiated in 2014. This provides a natural experiment analyzed by Ding et al (2018)

Methodology

Where my data came from (US Census, American Community Survey)

Results

West Philadelphia

Census Tract 86.01

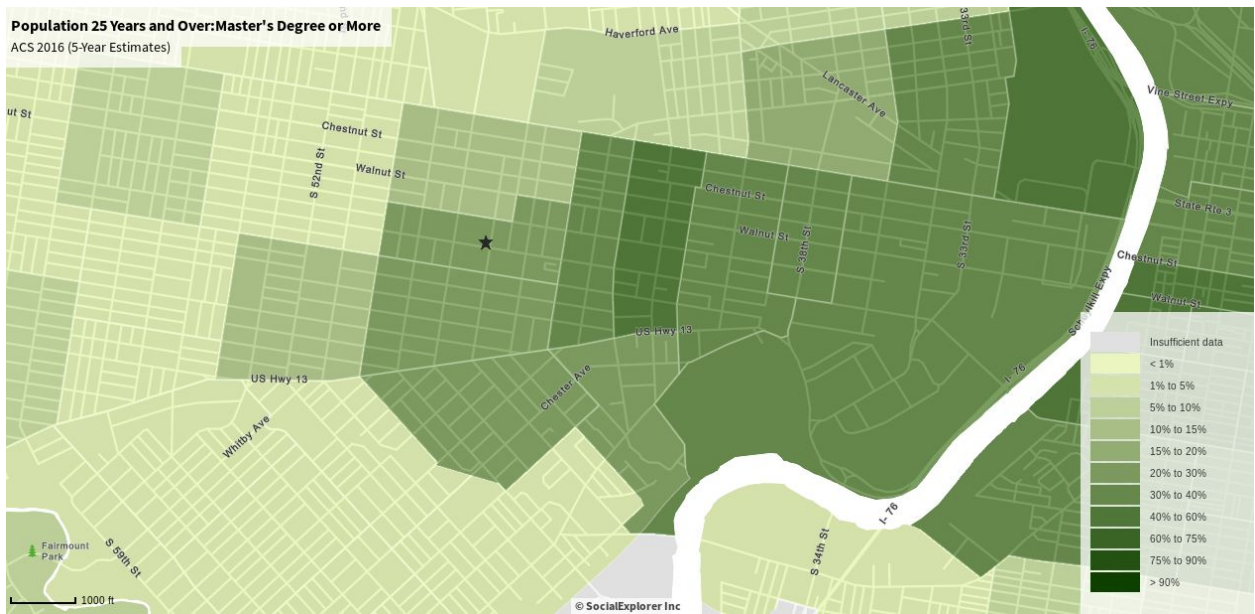


Figure X: Census Tract 86.01

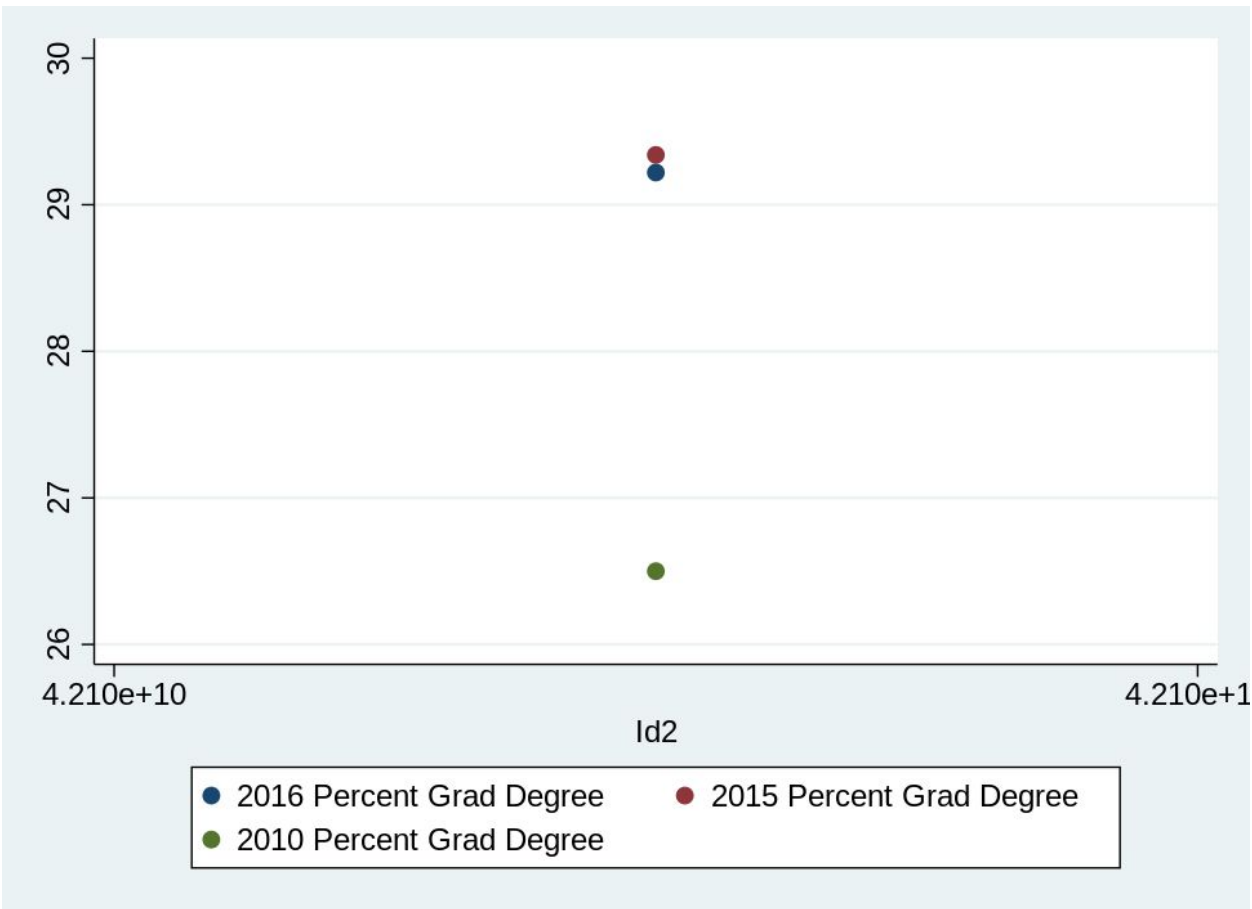


Figure X: Change in Percentage of Graduate Degrees in Census Tract 86.01, Philadelphia, PA, from 2010 to 2016 (ACS 5-year estimates)

Education change 2000-2016

Graph

Map

Census tracts:

Education change + income + house values

Graph

Map

Census tracts:

South Philadelphia

Fishtown/Kensington

Add in gentrification factor from Ding 2018

Discussion

References

Beauregard, R.A. Trajectories of Neighborhood Change: The Case of Gentrification. *Environment and Planning A*, 1990, volume 22, pages 855-874