

The process of gentrification, whereby high-income households migrate into low-income neighborhoods, has significantly altered the American urban landscape over the past forty years. Nowhere is this change more evident than in New York City. One need only stroll through the East Village, the Lower East Side, or numerous other neighborhoods throughout Manhattan to see the effects of gentrification in full force: the construction of towering glass luxury high-rises adjacent to 70-year-old row houses, upscale boutiques opening in the place of family-run convenience stores, and streets filled with newer, younger transplants to the neighborhood. These changes are highly visible to residents and raise questions about what happens to a neighborhood undergoing gentrification beyond the transformation of the built environment. How does gentrification re-make the social landscape? Does gentrification force low-income residents from their homes and communities? Ultimately, is gentrification merely a code word for the displacement of poverty?

Gentrification and Homelessness

In a neighborhood undergoing gentrification, affluent and educated in-movers bring with them new housing investment, cultural and retail services (such as restaurants, cafes, galleries, and other businesses that cater to higher-income clientele), and improvements in infrastructure. Both higher rents and housing values, however, accompany these changes.¹ The influx of well-heeled new residents alters not only the physical makeup of a neighborhood but the social fabric as well. For people already living in these gentrifying communities, the possibility of being priced out of their homes becomes a very real concern. Rapidly rising rents push even modest accommodations out of reach for low-income renters, while rising home values increase property taxes that become burdensome to low-income homeowners. Though several studies suggest that low-income residents are not experiencing massive displacement because of gentrification but actually benefit from the influx of capital to the area, they neglect those individuals and families who are already “precariously housed”—who face eviction or reside doubled up with friends or relatives—and live on the brink of homelessness.² These families have the highest risk of being flushed out of their homes and communities and forced onto the streets and into shelters by the rising tide of gentrification.

In 2006, the Institute for Children and Poverty examined the relationship between gentrification and homelessness in

four neighborhoods in Upper Manhattan and one in Brooklyn. That study found that gentrification was well underway in all five neighborhoods and linked neighborhood change to a spike in homeless families applying for shelter in those areas.³ In an extension of that inquiry, this report turns to three more communities in Brooklyn and Queens—

East New York, Canarsie, and Far Rockaway—to examine the relationship between neighborhood change and the displacement of the very poor from their homes and communities (see Figure 1). Areas in central Brooklyn and Queens have had some of the highest incidences of family homelessness in New York City over the

last decade; a trend that gentrification may exacerbate.⁴ To investigate this relationship, this report will examine the leading indicators of gentrification—income, educational attainment, housing value, rent, and racial change—in each neighborhood using the 1990 Census and 2006 American Community Survey data.⁵ In addition to evaluating gentrification in each neighborhood along those indicators, this report will also probe the relationship between school closings and

**IS GENTRIFICATION
MERELY A CODE
WORD FOR THE
DISPLACEMENT
OF POVERTY ?**

Figure 1
MAP OF THREE EXAMINED COMMUNITIES



Source: Adapted from data available through the New York City Department of City Planning.

neighborhood change in order to address the impact of gentrification on the educational system in those neighborhoods.

Changes in Earned Income

A rise in average household income in a community is one of the primary indicators of gentrification. As a neighborhood undergoes a period of reinvestment and revitalization, higher-income households are attracted to the area. Table 1 presents the change in median household income over a sixteen-year period in East New York, Canarsie, and Far Rockaway. After adjusting for inflation, only Far Rockaway experienced a growth in real income since 1990. Canarsie saw no significant shift in median household incomes, while East New York saw a 14% decrease in real income between 1990 and 2006. Though these trends indicate that these neighborhoods are not attracting high-income households, change in income alone is not sufficient to identify a gentrifying area and often follows shifts in educational attainment and housing values. That these communities have not seen their median household incomes climb in recent years signals that they may be at the very beginning of the gentrification process.

Table 1

Median Household Income (by neighborhood and year)			
Neighborhood	1990	2006	Change
East New York	\$32,652	\$28,067	-14%
Canarsie	\$59,963	\$59,116	-1%
Far Rockaway	\$41,587	\$43,571	+5%
New York City	\$51,471	\$59,281	+15%

Source: U.S. Census Bureau, Census 1999 and 2006 American Community Survey. All values in 2006 dollars.

Increased Educational Attainment

Often, the first gentrifiers of a neighborhood are younger artists and professionals whose incomes may not reflect their social and human capital. However, these newest in-movers often have higher levels of education than the current residents of a neighborhood. As such, an increase in the level of education of residents in a community is an indicator of gentrification. Table 2 presents the percentage of the population of each neighborhood who hold college degrees or higher, as well as the percent change between 1990 and 2006. All three communities saw a significant growth in the number of residents with higher education. East New York experienced a 71% increase of residents with a college degree or higher, though this subpopulation remains small, at just 12% of residents in 2006. The percentage of residents in Far Rockaway who hold post-secondary degrees increased 73% since 1990, and constitutes 26% of residents in 2006. Finally, the proportion of Canarsie's residents with higher education grew by 56% to make up 28% of residents in 2006. The increase in educational attainment in these three neighborhoods has far outpaced that of the broader

New York City metropolitan area, which has seen its educated subpopulation grow by 39% over the last sixteen years. If a change in education level is indeed an indicator of gentrification, it appears as if all three neighborhoods currently experience this process.

Table 2

Population with College and Advanced Degrees (by neighborhood and year)			
Neighborhood	1990	2006	Change
East New York	7%	12%	+71%
Canarsie	18%	28%	+56%
Far Rockaway	15%	26%	+73%
New York City	23%	32%	+39%

Source: U.S. Census Bureau, 1990 Census and 2006 American Community Survey.

Rising Rental Costs

Change in rental price is another primary indicator of gentrification. As landlords encounter new residents who are willing to pay a higher market rate for housing than current residents, rental prices may increase rapidly.⁶ After adjusting for inflation, in both East New York and Far Rockaway, rental prices have risen in the last sixteen years: in 1990, rent in East New York averaged \$776 per month (in 2006 dollars), while rent in Far Rockaway was \$683 (in 2006 dollars). By 2006, the median gross rent in East New York was \$864, while in Far Rockaway rent averaged \$813. Canarsie saw a modest increase in rental prices, up 8% since 1990 (see Table 3).

Although all three neighborhoods witnessed a rise in rental prices over the last sixteen years, two of those communities—Far Rockaway and Canarsie—also saw median household incomes remain relatively stable. These two neighborhoods experienced only a slight increase in their income-to-rent ratios since 1990, and housing remains affordable for those earning the median household income.⁷ The residents of East New York, whose rents have also increased, have experienced a decline in real income, however. The average annual rent for a housing unit in East New York was \$10,368 in 2006, while the median household income was merely \$28,067. A household earning that income would devote almost 37% of its income to rent. By contrast, in 1990, residents paid less than 27% of their income toward rent. This represents a 37% increase in rent burden for the residents of East New York over the sixteen-year period. The U.S. Department of Housing and Urban Development (HUD) defines housing as affordable when the renters or owners pay no more than 30% of their income toward housing. Considering that more than three-quarters of East New Yorkers are renters, this sharp increase in rental prices affects almost everyone in the community. Those in East New York who earn less than the area median income likely pay an even higher percentage of their income

toward rent, which places them in the position of becoming “precariously housed” and perhaps homeless.

Table 3

Median Gross Rents (by neighborhood and year)			
Neighborhood	1990	2006	Change
East New York	\$776	\$864	+11%
Canarsie	\$917	\$987	+8%
Far Rockaway	\$683	\$813	+19%
New York City	\$818	\$945	+16%

Source: U.S. Census Bureau, 1990 Census and 2006 American Community Survey. All values are in 2006 dollars.

Housing Values through the Roof

The pull of comparatively low housing values in older neighborhoods also drives gentrification.⁸ As an older neighborhood rejuvenates and more high-income households move in, housing values rise. Table 4 presents the change in housing value between 1990 and 2006. As with other indicators, all three communities saw a rise in housing values, though East New York had the largest increase over the sixteen-year period with home values rising 137%. Housing values in Canarsie and Far Rockaway rose roughly the same amount and increased 64% and 96%, respectively.

Again, this substantial rise in housing value presents challenges for residents of East New York whose incomes have not risen with housing values. While many homeowners may have benefitted from this sharp increase in the value of their homes, a rise in housing values leads to higher property taxes that can place a progressively larger burden on low-income residents as the neighborhood gentrifies. As a result, some families may find themselves priced out of their communities.

Table 4

Median Housing Values (by neighborhood and year)			
Neighborhood	1990	2006	Change
East New York	\$182,903	\$434,100	+137%
Canarsie	\$298,823	\$489,600	+64%
Far Rockaway	\$236,880	\$465,300	+96%
New York City	\$336,705	\$496,400	+47%

Source: U.S. Census Bureau, 1990 Census and 2006 American Community Survey. All values in 2006 dollars.

A Shifting Racial and Ethnic Landscape

Change in the racial composition of a neighborhood frequently, though not necessarily, accompanies the gentrification process. Often, high-income households of one ethnic or racial background move into lower-income neighborhoods populated by another group. When scholars first recognized the dynamic

of gentrification in the United States during the 1960s and 1970s, affluent and educated white households moved into disinvested neighborhoods in urban centers. In more recent years, middle-class Black households have become a gentrifying force as well by moving into both lower-income minority and white communities. Table 5 presents the percent change in racial composition for East New York, Canarsie, and Far Rockaway between 1990 and 2006.

The racial composition of Canarsie has undergone the most significant shift of these three neighborhoods; once an overwhelmingly white community, Canarsie is now a majority Black neighborhood. In 1990, merely 20% of the population was Black. Today, almost two-thirds of Canarsie’s residents are Black and represent a 204% increase in just sixteen years. Meanwhile, Canarsie’s white population has been halved, down from 70% of the population in 1990 to 31% in 2006. The movement of educated Black households into a majority white community represents a reversal of the conventional racial narrative in the gentrification process.

East New York has also undergone a smaller, but significant shift in racial composition. Since 1990, this neighborhood’s small Asian population has doubled, from 3% in 1990 to 6% in 2006. East New York’s white population, on the other hand, has declined by 46%. However, Blacks and Hispanics remain the largest racial groups, at 46% and 39% of the population, respectively.

Finally, the racial composition of Far Rockaway has remained stable throughout this sixteen-year period, with a slight decrease in the size of Asian population. Whites remain the largest racial group, making up 40% of the population, followed by Blacks at 38%, Hispanics at 18%, and Asians at 2% (see Figure 2).

Table 5

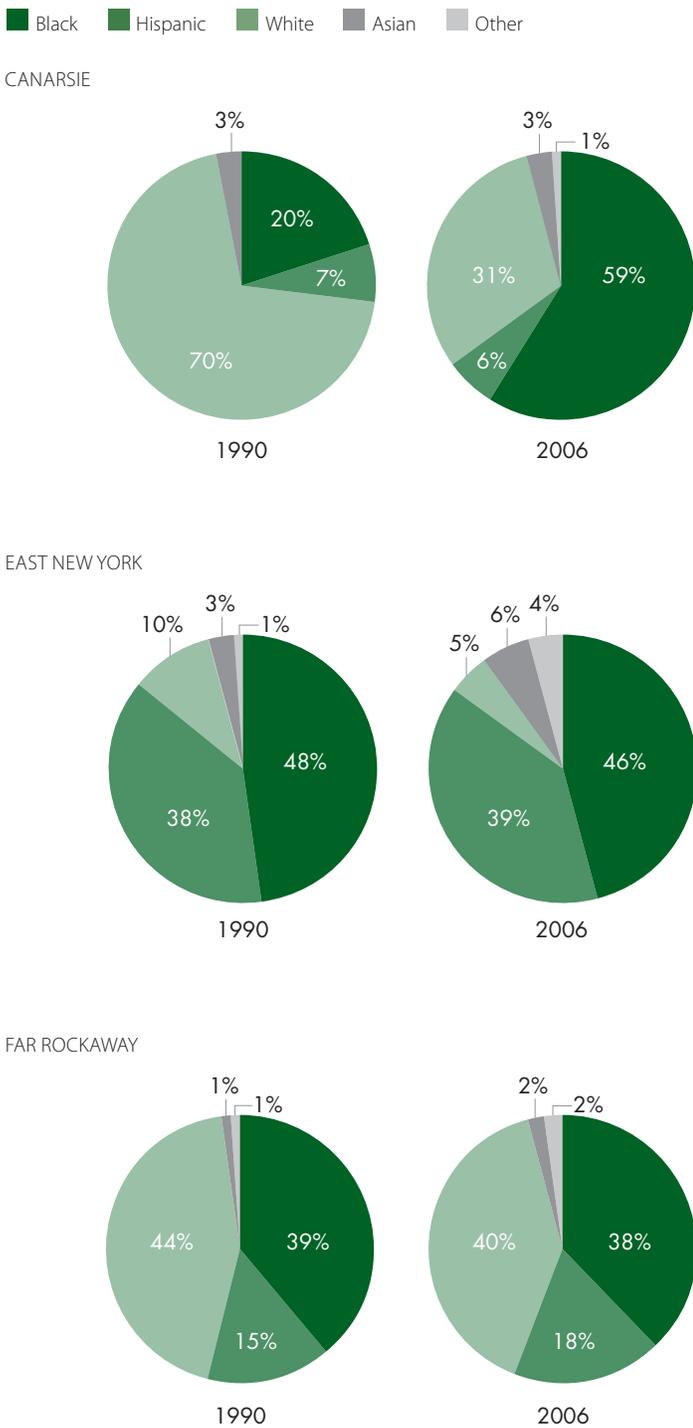
Percent Change in Racial Composition (1990 and 2006)				
Neighborhood	White	Black	Hispanic	Asian
East New York	-46%	-5%	0%	+94%
Canarsie	-56%	+204%	-14%	-18%
Far Rockaway	-10%	-4%	+7%	+19%
New York City	+2%	0%	+12%	+73%

Source: U.S. Census Bureau, 1990 Census and 2006 American Community Survey.

School Reform and Student Displacement

The influence of school quality on housing choice is a well-known relationship, as many parents will pay a premium to live in neighborhoods with the best schools. Low-income and disinvested neighborhoods frequently maintain low-performing schools in dilapidated school facilities that have high

Figure 2
RACIAL COMPOSITION IN THREE NEIGHBORHOODS
 (1990 and 2006)



Source: U.S. Census Bureau, 1990 Census and 2006 American Community Survey.

student mobility rates, high teacher-to-student ratios, and high teacher turnover rates.⁹ Such institutions do not generally attract in-movers. In 2002, the New York City Department of Education implemented an ambitious initiative dubbed “Children First” in an effort to reform the city’s schools, which were graduating, on average, only half of their students.¹⁰

An integral component of this reform, the New School Initiative, closes the lowest performing institutions and replaces them with smaller, more specialized schools to prepare students for work or further studies. This initiative implicates all three neighborhoods surveyed here; large, underperforming public schools in these communities are “phasing out,” a process that admits no new students for the freshman class, permits the remaining students to graduate, and allows the school to close thereafter.

Although this inquiry is merely exploratory, closings in all three neighborhoods seem to indicate an association between gentrification, school reform, and student displacement. These school closings link to gentrification in two ways: new residents may exert pressure to rehabilitate failing neighborhood institutions or the government may attempt to attract newcomers to an area by reforming its schools.¹¹ In the Williamsburg and Greenpoint communities of Brooklyn, neighborhoods that have undergone extensive gentrification in recent years, newer residents often clash with existing school bureaucracies over school reform.¹² In East New York, two schools, Franklin K. Lane High School and EBC/East New York High School for the Public Safety and Law, will phase out by 2011. In their places stand three smaller schools that opened in September 2008. In Canarsie, both South Shore High School and Canarsie High School are phasing out, again replaced by four smaller, specialized schools. Finally, two small schools opened this fall in the place of Far Rockaway High School, which is set to phase out by 2011.

While this type of school reform is generally viewed positively, there are certain drawbacks: the schools being phased out are among the largest in each community district and many students who would have attended these institutions will be crowded into other schools in the district as the capacity of the new small schools, by design, does not equal that of the institutions they are replacing. As Table 6 shows, thousands of students face the possibility of being displaced. The children of East New York and Canarsie may be the hardest hit by recent school closings, as an estimated 2,150 students in East New York and 2,400 students in Canarsie will be forced to find different schools. In Far Rockaway, more than 100 students who might have attended Far Rockaway High School will need to go elsewhere for their education. Displaced students will travel farther to and from school each day and risk being further alienated from their changing communities. While the institutions that are currently “phasing out” have underserved their students according to the New York State Department of Education’s School Report Cards, the schools that have opened in their places represent an improvement for only a small segment of the school-aged population. In other words, gentrification not only transforms the social and economic infrastructure of poor neighborhoods, but may also displace the existing school system.

Table 6

School Restructuring in Three Neighborhoods									
Neighborhood	Closing Institution	Grades Served	Student Enrollment 2006–2007	Year to Close	Opening Institution	Grades Served	Year to Open	Student Enrollment 2008–2009	Projected Student Enrollment 2011–2012*
East New York	HS 645 EBC/East New York High School for Public Safety and Law	9–12	518	2011	HS 646 Aspirations Diploma Plus High School	9–12	Fall 2008	155	250
	HS 420 Franklin K Lane High School	9–12	2716	2011	HS 618 Academy of Innovation Technology	9–12	Fall 2008	98	392
					HS 639 Brooklyn Lab School	9–12	Fall 2008	106	450
Canarsie	HS 500 Canarsie High School	9–12	2736	2011	HS 642 Urban Action Academy	9–12	Fall 2008	108	432
					HS 617 High School for Innovation in Advertising and Media	9–12	Fall 2008	79	316
					HS 633 High School for Medical Professions	9–12	Fall 2008	116	464
	HS 515 South Shore High School	9–12	1673	2010	HS 637 Academy for Conservation and the Environment	9–12	Fall 2008	58	232
	n/a	n/a	n/a	n/a	HS 635 Olympus Academy	9–12	Fall 2008	146	584
Far Rockaway	HS 465 Far Rockaway High School	9–12	945	2011	MSHS 309 Academy of Medical Technology: A College Board School	6–12	Fall 2008	115	403
					HS 302 Queens High School for Information Research and Technology	9–12	Fall 2008	59	438
Total			8,588						3,961

Source: New York City Department of Education.

*Projected enrollment assumes equivalent enrollment and retention rates for all grades.

Gentrification and the Displacement of the Poor

At its core, gentrification is a process of neighborhood-wide class transformation; new, more educated residents encroach upon older, low-income communities and bring with them new investment and higher rents and housing prices that in turn attract ever more affluent in-movers. Shifts in almost all indicators—education, housing value, and racial composition—as well as more modest changes in rental prices suggest that, to varying degrees, East New York, Canarsie, and Far Rockaway are on the verge of gentrifying. Citywide school reform may indirectly exacerbate this trend by attracting newcomers and displacing local students. The residents of East New York appear to be at the highest risk of being displaced from their homes and communities; housing costs have soared over the last two decades in this community while households are becoming poorer, leaving East New Yorkers on increasingly unstable ground. It is no surprise, then, that East New York has one of the highest incidences of family homelessness in New York City.¹³ Recent data noted that, for homeless heads of household whose last residence was in Brooklyn, more than 30% were from the neighborhoods of East New York and Canarsie. Twelve percent of homeless heads of household from Queens last resided in Far Rockaway.¹⁴ As the forces of gentrification continue to push deeper into Brooklyn and Queens, more and more very-low-income and precariously housed families and children will be displaced from their residences, communities, and schools, and perhaps forced into shelter.

Endnotes

- Maureen Kennedy and Paul Leonard, "Dealing With Neighborhood Change: A Primer on Gentrification and Policy Choices," The Brookings Institution Center on Urban and Metropolitan Policy, April 2001.
- See Lance Freeman and Frank Braconi, "Gentrification and Displacement: New York City in the 1990s," *Journal of the American Planning Association* 70, no. 1 (2004): 39–52 and Jacob Vigdor, "Does Gentrification Harm the Poor?" (paper prepared for the Brookings-Wharton Conference on Urban Affairs, October 2001).
- The Institute for Children and Poverty, "The Cost of Good Intentions: Gentrification and Homelessness in Upper Manhattan," *The Institute for Children and Poverty*, March 2006.
- Nancy Smith et al., "Understanding Family Homelessness in New York City," *Vera Institute for Justice*, September 2005.
- Margery Turner and Christopher Snow, "Leading Indicators of Gentrification in DC Neighborhoods," *DC Policy Forum*, 14 June 2001.
- Neil Smith, *The New Urban Frontier: Gentrification and the Revanchist City*, (London and New York: Routledge), 1996.
- U.S. Department of Housing and Urban Development, "Affordable Housing." Available at <http://www.hud.gov/offices/cpd/affordablehousing/index.cfm>
- Kennedy and Leonard, "Dealing With Neighborhood Change."
- Connie Chung, "Using Public Schools as Community-Development Tools: Strategies for Community Based Developers," *Joint Center for Housing Studies of Harvard University*, October 2002.
- Tracy Huebner, Grace Corbett, and Kate Phillippo, "Rethinking High School: Inaugural Graduations at New York City's New High Schools," *West Ed* for the Bill and Melinda Gates Foundation, 2006.
- In Chicago, a contentious citywide educational reform program, Renaissance 2010, has concentrated on closing public schools and replacing them with small charter and magnet schools. Critics of the initiative argue that the plan uses school choice to appeal to middle-class families while displacing low-income students from neighborhood schools, thus furthering the gentrification of the city. In fact, until the plan was leaked to the public, Renaissance 2010 proposed closing 20 out of 22 public schools in the Midsouth area of Chicago, an historically Black and low-income community undergoing rapid redevelopment. Pauline Lipman and Nathan Haines, "From Accountability to Privatization and African American Exclusion: Chicago's 'Renaissance 2010,'" *Educational Policy* 21, no. 3 (2007).
- Eric Engquist, "Textbook Lesson in Gentrification," *Crain's Business New York*, 6 October 2007.
- Smith et al., "Understanding Family Homelessness in New York City."
- Institute for Children and Poverty, National Family Homeless Database.

The Institute for Children and Poverty (ICP) is an independent non-profit research organization based in New York City. ICP studies the impact of poverty on family and child well-being and generates research that will enhance public policies and programs affecting poor or homeless children and their families. Specifically, ICP examines the condition of extreme poverty in the United States and its effect on educational attainment, housing, employment, child welfare, domestic violence, and family wellness. Please visit our Web site for more information. www.icpny.org



*Finding ways to reduce
the impact of homelessness and
poverty on the lives of children*

INSTITUTE
FOR CHILDREN
& POVERTY