Mobility of Affluent Neighborhoods in U.S. Cities

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Introduction

Residents of metropolitan areas are geographically sorted by key dimensions, including economic characteristics. Interest in economic segregation has centered on poor neighborhoods, with special attention to those chronically poor, because these deteriorating environments add to the deprivation experienced by poor households. In order to paint a clearer picture of social inequality, however, we must understand the life-course of neighborhoods across the full economic spectrum, from poor to affluent. Some researchers suggest disparities between the poor and affluent are more strongly driven by the concentrated advantage of the affluent rather than the concentrated disadvantage of the poor (Brooks-Gunn, Duncan et al. 1993). In this project, I investigate the rates and patterns of mobility for affluent, middle income, and poor neighborhoods in U.S. cities using decennial census data from 1970 to 2000. This paper will enhance our understanding about the economic mobility of affluent neighborhoods compared to other neighborhood types and identify trends in the pattern of neighborhood mobility, thereby offering insight on a relatively understudied dimension of social stratification.

Background

The well-documented rise in income inequality may have lead to increased levels of residential segregation by income (Sassen 1991; Massey & Eggers 1993; Massey & Fischer 2003). The growing spread of the income distribution, especially at the top, may have further segregated affluent households from those with middle or lower incomes. Starting in the early 1970's, income inequality began to rise. The bottom of the income distribution fell from the middle between 1970 and 1980, while the top of the distribution diverged from the remainder between 1980 and 1990 (Danziger & Gottschalk 1993, 1995). The most disadvantaged faced increasing economic hardship, and the most advantaged faced increased benefits.

The affluent, or those at the top of the income distribution, can isolate themselves and protect their resources through such means as private security and self governance (Briggs 2005). This affluent isolation deprives those left behind from beneficial resources, such as financial, social, and human capital that may have been available in their formerly heterogeneous communities (Massey 1996). Furthermore, geographic isolation can contribute to additional income inequality as new businesses and income opportunities follow the movements of their more affluent workers and consumers (Wilson 1987; Massey & Eggers 1990; Coulton et al. 1996). Once in a state of privilege, the affluent are subject to cumulative advantage, a process whereby it becomes easier to magnify one's advantage over time. The affluent can pool their resources to maintain safe and private neighborhoods with high quality schools for their children. These processes serve as powerful vehicles of social inequality (DiPrete & Eirich 2006). This study seeks to understand the mobility behavior of affluent neighborhoods compared to other neighborhood types, as well as variations of mobility patterns within and across cities over time.

This paper is part of a larger project on trends in neighborhood income inequality, economic residential segregation, and sources of metropolitan variation in these trends. Here, I address the

latter of these topics by focusing on the following questions: 1) What is the pattern of neighborhood mobility for U.S. cities over time? 2) How does the pattern differ across cities and how do individual cities compare to all cities over time? 3) How does the pattern vary by city size, region, or industry? 4) How does this mobility pattern change when using different temporal and spatial standards for defining neighborhood states?

Data and Analytic Approach
Data. I use the Neighborhood Change Data Base (NCDB) to investigate rates and patterns of mobility among affluent and non-affluent neighborhoods. These data contain three decades of long form U.S. decennial census data, from 1970 to 2000 (GeoLytics, Inc. 2003). A unique feature of these data is that census tracts can be normalized to the year 2000 boundaries, allowing for consistent comparisons of tracts over time. I designate census tracts, the smallest geographic unit available in the NCDB, to approximate neighborhoods. This analysis is based on a comparison of affluent, non-affluent/non-poor, and poor neighborhoods in all U.S. Primary Metropolitan Statistical Areas (PMSAs)[1] from 1970 to 2000 (n= 23,030). [2]

Defining Neighborhood Types
Neighborhoods are categorized into one of three economic groups determined by the average income of households residing within the tract. I test a variety of definitions for affluent, middle income, and poor neighborhoods. There are no conventional definitions of affluent neighborhoods (St. John 2002; Massey & Fischer 2003); however, I am most interested in neighborhoods at the top of the income distribution compared to those in the middle and the bottom. I explore two means to categorize neighborhoods into three economic groups that are determined by dividing the neighborhood income distribution by percentile groups. The first categorization treats the top 10 percent of the neighborhood income distribution as affluent, the bottom 10 percent of neighborhoods as poor, and the remaining 80 percent of neighborhoods as non-affluent/non-poor,[3] or middle income. The second categorization treats the top 20 percent of neighborhoods along the income distribution as affluent, the bottom 20 percent as poor, and the remaining 60 percent as middle income. This designation will contribute a new perspective distinguishing the affluent from the non-affluent.

I also use conventional definitions of poor neighborhoods for this study, designating certain proportions of the population that are below the poverty line. Typically, researchers consider neighborhoods exceeding 20 percent of the population in poverty as poor, 30-40 percent as high poverty, and over 40 percent as very high poverty (Jargowsky 1997). I will also test the National Academy of Sciences (NAS) definition of poverty that is based on expenditures for basic needs (food, clothing, shelter, utilities, and other needs) that adjust as the standard of living rises, an

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[1] A PMSA is a major urban area within a consolidated metropolitan statistical area (CMSA). A PMSA is an urbanized county or set of counties with strong social and economic ties to neighboring communities. PMSAs are identified within areas of one million-plus populations. This analysis is based on 65 PMSAs.

[2] I exclude tracts in which >40% of the population in any year are residing in group quarters in order to discard those areas dominated by military bases, prisons, colleges, and other formal institutions (Massey & Denton 1987; Wagmiller 2007). I also focus on those tracts within PMSAs rather than rural areas because there will be more neighborhood heterogeneity in metropolitan areas.

[3] Past researchers have considered the remaining non-affluent and non-poor group as middle income (Massey & Eggers 1993; Danzieger & Gottschalk 1995; Keister 2000).

income threshold informed by relative poverty and adjusted to reflect family size and composition (Citro & Michaels 1995; Iceland 2003).

Analytic Approach. I construct transition matrices to identify affluent, middle income, and poor neighborhood change over time. This method has been used by other researchers to identify census tract changes in the racial composition of neighborhoods over time (Alba et al. 1995) and changes in the typologies of tract clusters over time (Morenoff & Tienda 1997). A transition matrix is similar to a mobility table in which neighborhoods categorized by economic traits at one time-point are mapped against their own economic characteristics in later years. The diagonals indicate neighborhood stability, while the remaining cells indicate change (i.e. upward or downward mobility). I will determine rates of neighborhood stability and mobility over time using these transition matrices. I will test if neighborhood mobility rates vary across U.S. cities by creating separate transition matrices for each city. I will also identify neighborhood mobility patterns (e.g. symmetry, quasi-perfect mobility) for cities using log-linear modeling. Mobility patterns may vary within cities over time and by different city characteristics, such as city size or geographic region.

In initial analyses[4], I find increases in neighborhood income inequality and a rising rate of affluent and poor neighborhood stability over time, suggesting an increasing rigidity of neighborhood stratification. I also investigate rates of chronic neighborhood states and find that 38 percent of U.S. city neighborhoods that were poor in 1970 remained chronically poor in 1980, 1990, and 2000. In contrast, 48 percent of neighborhoods that were affluent remained chronically affluent. For this project, I will investigate transition matrices for individual cities that differ in geography, size, and industry to observe variations in the trends of neighborhood income mobility.

In preliminary work, I have defined affluent, middle income, and poor neighborhoods within cities for each year such that the resulting transition matrices have standardized the marginals and control structural change. For example, there are always 10 percent of neighborhoods that are affluent, 10 percent poor, and 80 percent middle income. I plan to alter the specifications for defining these three neighborhood income groups to create different types of structural change. For example, I can assign neighborhood types for all years based on the 1970 percentile standards of the neighborhood income distribution within cities. In another specification, I can define these three neighborhood types across cities rather than within cities. I can also define affluent, middle income, and poor neighborhoods based on the standards for one city, like Detroit, and apply those to all cities. These varied specifications will introduce different forms of structural mobility and offer a better understanding of the sources of mobility for affluent, middle income, and poor neighborhoods in U.S. cities.

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[4] For these findings, affluent neighborhoods are defined as the top 10% of the local city neighborhood income distribution, poor neighborhoods are the bottom 10%, and middle income neighborhoods are the remaining 80% of neighborhoods.

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