

# Middle Income Neighborhoods

## National Trends

### St. Louis Neighborhoods

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# Two Models for Housing and Community Development Policy

- Medical Model (Treatment of Disease): Focus on high cost of housing, displacement by gentrification, concentrated poverty
- Public Health Model (Disease Prevention): Focus on healthy neighborhoods, community reinvestment, leveraging community assets

# What are Middle Income Neighborhoods

- Urban neighborhoods with a traditional housing pattern, whereas, houses are typically small in size
- A well-functioning housing market (neither too hot or too cold)
- Strong urban amenities (often under appreciated)
- Neighborhoods mostly intact; occasionally inconsistent
- Middle income defined by the per capita income of the residents; residents earn 80-120% of the regional per capita income for the year (Based in a recent University of Illinois Chicago study)

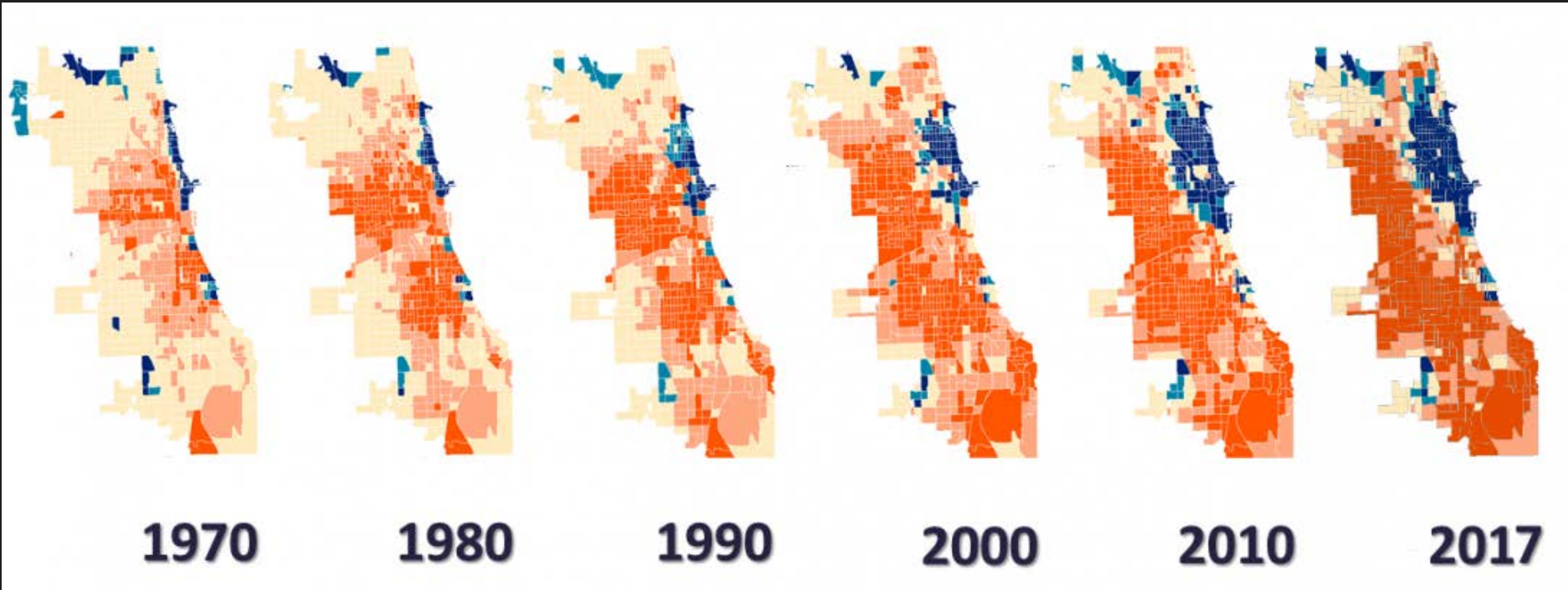
# Middle Income Neighborhoods: Why They Matter

- Provide good housing and neighborhood environments
- Housing and social fabric is relatively intact
- Middle income neighborhoods are critical to the fiscal health of cities because of stable property taxes
- Traditionally house the majority of city residents
- Usually more diverse than high or low income neighborhoods
- Usually has amenities such as parks, access to transit, local retail

# Chicago: UIC Study Findings

- Nathalie P. Voorhees Center for Neighborhood and Community Improvement at the University of Illinois at Chicago compiled maps that document Chicago's shrinking middle class over the past five decades
- Half of Chicago neighborhoods were middle income in 1970 and now just 16 percent of the City's 797 census tracts are considered middle income
- Janet Smith, Center Director stated, "Chicago has long been defined by its stubborn racial segregation, but income segregation is "more extreme now" than in the past"

# Chicago: A UIC Study



Very high income   High income   Middle income   Low income  
Very low income

# Trends

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- Analyzed largest U.S. Cities, 1970-2017 and St. Louis
- Data confirmed a steady decline in middle-income neighborhoods in the largest US cities
- Cities are becoming both poorer and richer while middle-income neighborhoods are shrinking at an average rate of at least 50% every half century

# Large U.S. Cities

NYC	# of NYC Census Tracts		
	Low Income	Middle Income	High Income
1970	760	992	330
1980	1106	216	252
1990	1308	577	243
2000	1424	452	253
2010	1262	501	293
2017	1359	411	292

Houston	# of Houston Census Tracts		
	Low Income	Middle Income	High Income
1970	130	230	213
1980	170	138	101
1990	215	117	119
2000	310	136	127
2010	305	80	131
2017	340	91	142

Philadelphia	# of Philadelphia Census Tracts		
	Low Income	Middle Income	High Income
1970	143	163	51
1980	146	138	45
1990	227	93	41
2000	251	86	35
2010	264	74	39
2017	262	71	43

San Diego	# of San Diego Census Tracts		
	Low Income	Middle Income	High Income
1970	86	352	188
1980	86	140	92
1990	123	129	102
2000	120	83	121
2010	106	83	120
2017	99	88	128

\* Excludes Chicago, analyzed in UIC Study



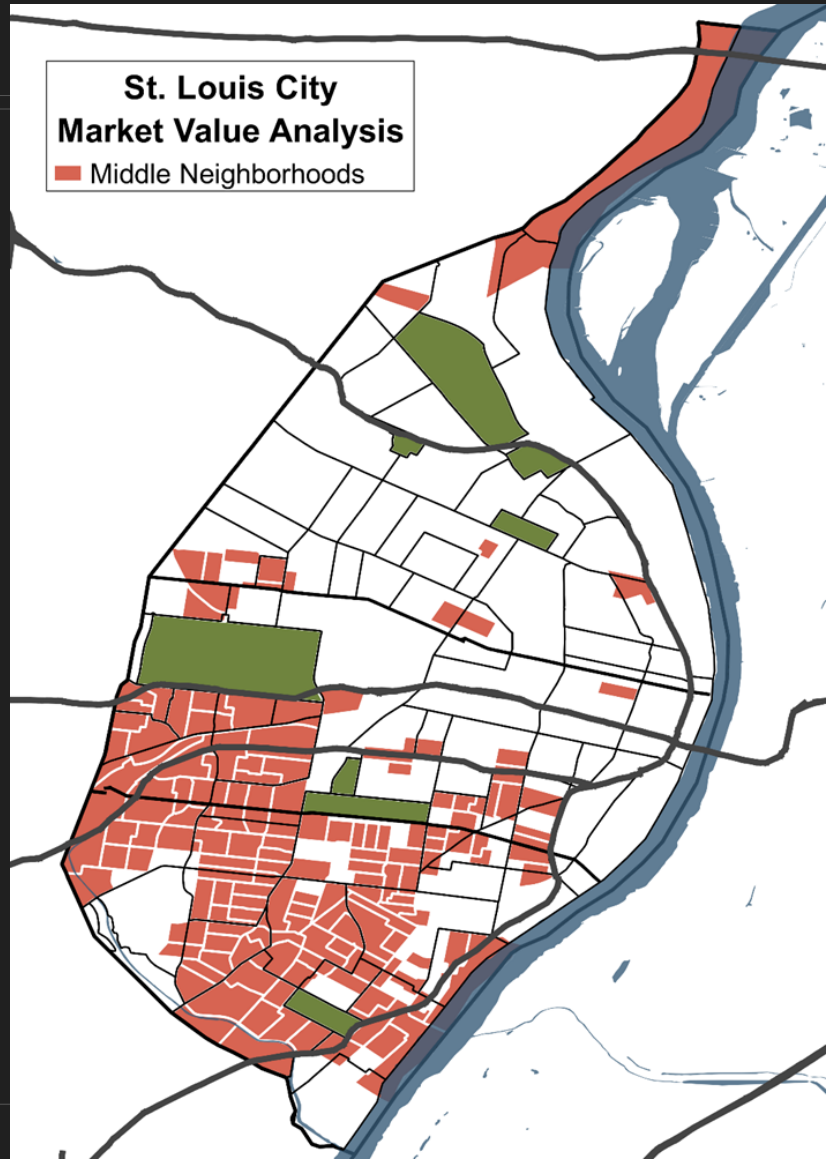
# St. Louis

- Very similar trends to top U.S. cities
- St. Louis lost 48% of middle income neighborhoods between 1970-2017
- Sharp increase in low income neighborhoods since 1970
- Slight decrease in high income neighborhoods if compared to 1970, however, a steep increase since 1980 and 1990

	# of STL City Census Tracts		
	Low Income	Middle Income	High Income
1970	37	48	21
1980	67	39	7
1990	73	34	7
2000	79	28	6
2010	64	27	15
2017	62	25	19

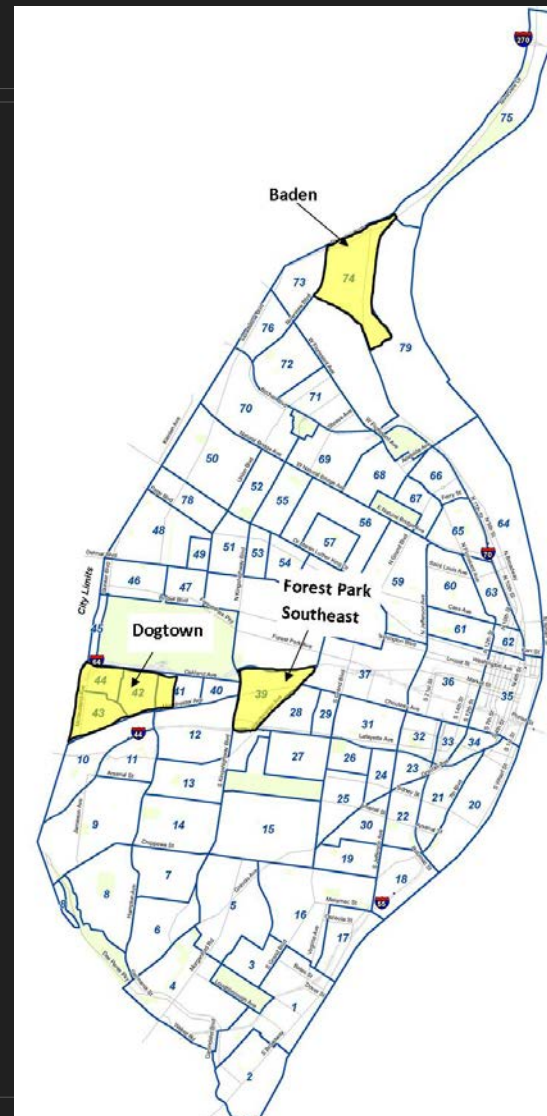
**St. Louis City  
Market Value Analysis**

■ Middle Neighborhoods



# St. Louis Examples

- Dogtown
- Forest Park Southeast
- Baden



# Dogtown – 1970-2015

<b>Dogtown</b>						
<b>Tracts 1268, 1042, 1045</b>						
	<b>1970</b>	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2010**</b>	<b>2015***</b>
<b>Population</b>	15,677	12,105	10,946	9,578	8,945	8,522
<b>Poverty Rate</b>	8.67%	10.25%	9.16%	10.15%	9.93%	11.15%
<b>Occupancy Rate</b>	96.63%	94.49%	91.30%	92.44%	88.38%	83.20%
<b>Per Capita Income*</b>	\$20,151.95	\$23,242.32	\$24,736.06	\$28,248.04	\$31,216.29	\$36,524.00
<b>Median Weighted Home Value*</b>	\$80,729.19	\$85,823.25	\$93,070.11	\$88,863.94	\$150,806.88	\$128,821.04
<b>Median Weighted Rent*</b>	\$528.69	\$503.09	\$573.78	\$555.07	\$672.89	\$712.18
<b>Percent Non-Hispanic White</b>	98.45%	96.00%	90.77%	84.15%	78.40%	82.16%

\* Adjusted for inflation

\*\* ACS 2006-2010 5-year data estimates (for select variables)

\*\*\* ACS 2011-2015 5-year data estimates

# Forest Park Southeast – 1970-2017

## Forest Park Southeast

Tracts 1181 and 1186

	1970	1980	1990	2000	2010**	2017***
<b>Population</b>	9,163	6,236	6,243	4,970	4,497	5,448
<b>Poverty Rate</b>	22.7%	33.3%	42.5%	36.0%	32.0%	26.9%
<b>Occupancy Rate</b>	88.2%	76.7%	74.9%	74.2%	72.6%	82.6%
<b>Per Capita Income*</b>	\$21,666	\$14,959	\$13,576	\$17,487	\$23,697	\$25,959
<b>Median Weighted Home Value*</b>	\$54,528	\$37,405	\$58,083	\$70,721	\$161,109	\$173,589
<b>Median Weighted Rent*</b>	\$392	\$332	\$454	\$477	\$693	\$692
<b>Percent Non-Hispanic White</b>	90.7%	46.3%	37.2%	23.6%	43.2%	43.4%

\* Adjusted for inflation

\*\* ACS 2008-2012 5-year data estimates (for select variables)

\*\*\* ACS 2013-2017 5-year data estimates

# Baden: 1970-2017

Census Tracts 1081, 1082, 1083

	1970	1980	1990	2000	2010**	2017***
Population	9,642	9,982	9,569	9,447	8,193	7,860
Poverty Rate	4.9%	9.3%	10.4%	19.9%	20.9%	20.4%
Occupancy Rate	97.9%	97.5%	91.2%	90.1%	82.7%	79.9%
Per Capita Income*	\$ 21,720	\$ 20,006	\$ 20,208	\$ 21,306	\$ 21,634	\$ 17,969
Owner-Occupied Home Value*	_****	\$ 82,471	\$ 83,128	\$ 79,019	\$ 93,674	\$ 66,652
% Units Owner Occupied	74.4%	72.5%	73.3%	69.0%	68.0%	56.20%
Average Gross Rent	\$ 612	\$ 602	\$ 632	\$ 588	\$ 653	\$ 717
% Black Pop	1.2%	47.3%	68.9%	90.0%	95.0%	93.6%
% White Pop	98.8%	52.1%	29.9%	8.2%	3.7%	3.8%

\* Adjusted for Inflation

\*\* ACS 2006-2010 5-year estimate

\*\*\* ACS 2013-2017 5-year estimate

\*\*\*\* Data Unavailable

# Question for Group Discussion

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These three neighborhoods are unique, what strategies can be used to stabilize or improve them?

# What Do We Do?

In developing your strategy you need to answer four questions:

1. What assets should be leveraged and how will this be done?
2. Who is the main market for future residents and how will the newly leveraged amenities appeal to them?
3. How can the neighborhood improve its image or brand?
4. How can we ensure these neighborhoods remain racially and economically diverse into the future