A Closer Look at Neighborhood Change

Executive Summary

Prepared by Data You Can Use, Inc.
Milwaukee WI

In conjunction with the Urban Institute’s
National Neighborhood Indicators Partnership
Cross-site Study

With support from the Community Development Alliance

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Background Purpose and Process of the Study
This study is part of a larger national effort titled, Turning the Corner: Monitoring Neighborhood Change for Action, a project guided by the Urban Institute’s National Neighborhood Indicators Partnership (NNIP) and the Funder’ Network Federal Reserve-Philanthropy Initiative. Launched in January 2016, the project pilots a research model that monitors neighborhood change, drives informed government action, and supports displacement prevention and inclusive revitalization.
Local teams in Buffalo, Detroit, Milwaukee, Phoenix and the Twin Cities conducted independent research to understand neighborhood change and displacement risk in their communities. The Urban Institute, funded by the Kresge Foundation, will be synthesizing lessons across the five cities. Locally, the research was conducted by Data You Can Use, the Milwaukee partner in the NNIP. It was supported, both financially and in-kind, by the Community Development Alliance, a collaborative effort of the City of Milwaukee Department of City Development, the Greater Milwaukee Foundation, the Greater Milwaukee Committee, LISC-Milwaukee, Northwestern Mutual Foundation and the Zilber Family Foundation.

The work was aimed at elevating the conversation about neighborhood change and gentrification and includes background research on the topic, learnings from other efforts in Milwaukee, shared learnings from the partner cities, interviews with businesses and residents, focus groups with residents and ongoing feedback from partners.

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Challenges to Informed Discussion

The conversation around neighborhood change is challenging for a number of reasons. They include the fact that change is constant and a characteristic of cities, the complexity of the concept, the lack of agreement about “appropriate” indicators, the challenge of comparability, accounting for residential mobility and unbundling gentrification from displacement, the reluctance to consider indicators of class, the challenge of recognizing stages of gentrification and understanding that the definition depends on both the timing and perspective of the observer.

The research points out, for example, that:
- Most of what we know about gentrification comes from studies about change in San Francisco and New York—cities that are generally, and empirically, not considered comparable to Milwaukee.
- Seven recent and reputable studies identified key indicators but none of the studies agree on each of the indicators.
- Mobility and migration are generally higher among the same populations that are most at risk for displacement so methods to account for that should be considered in documenting effects of neighborhood change.
- Neighborhood change may be hyper-local level. Change is not readily apparent at the City, ZIP, neighborhood or even census tract level. It may be “house by house and block by block.”
- Change reflected in data does not always align with the change perceived by residents and business owners.

Related Milwaukee Efforts

Despite the challenges associated with measuring change, in Milwaukee, efforts to promote equitable development and avoid displacement often associated with gentrification are front and center. This report looks at related local efforts including MKE United, LISC-Milwaukee, the Department of City Development’s Transit Oriented Development Study, and A Place in the Neighborhood, Milwaukee’s Anti-Displacement Plan.

Further insights into understanding neighborhood change were garnered from a focused look at two Milwaukee neighborhoods associated with the fear of gentrification and displacement: the Brewers Hill neighborhood on the North side of downtown and the Walker’s Point neighborhood on the South side of downtown. In both cases, Data You Can Use:
- provided historical context and a description of the neighborhoods.
- summarized and presented the quantitative data collected by the
  - The Department of City Development’s Transit Oriented Design study
  - MKE United in its Downtown study
  - The City’s Anti-Displacement Study
- prepared a neighborhood “data portrait” for each neighborhood summarizing key census data points most often requested by neighborhood organizations.
- conducted and summarized individual interviews with long-time residents, investors, policy makers and business-owners.
• conducted and synthesized focus groups in collaboration with the neighborhood organization in each area
• explored two key indicators of gentrification at the micro (census block) level (change in race and education levels)
• analyzed two key indicators of displacement (changes in housing-burden for renters and homeowners) at the census block level in these neighborhoods

Changes in Population, Education and Housing Burden
In brief, the analysis confirms that, at the block group level, there is a different kind of neighborhood change occurring in Walker’s Point and Brewers Hill compared to the city as a whole, and that these two areas are very different from each other in their stages of change. Between 2000 and 2015, Milwaukee as a whole experienced a decline in the percent of the population that is White (from 50.6% to 46.9%) while the White population in Brewers Hill increased from 29.5% to 61.3%. In Walker’s Point, the percent of the population that is White decreased from 60% to 47.2% during this same period. For Brewers Hill, the rate of change was greater between 2000 and 2010 while in Walker’s Point the change is more dramatic between 2010 and 2015.

Changes in educational attainment in these two neighborhoods also show patterns very different from the city overall. Between 2000 and 2015, the percent of the population with a bachelor’s degree or higher increased slowly across the city from 18.3% to 23.3%. In Brewers Hill, over this same period, the percent grew from 26.7% to 50%, while in Walker’s Point it increased from 10.2% to 23.2%.

On the selected indicators of displacement, the neighborhoods again vary from the city and from each other. Overall, the city has seen an increase in the percentage of renters who are housing-burdened: that is, paying over 30% of their household income on rent or a mortgage. For renters across the city, the percent of housing-burdened residents increased from 40.9% in 2000 to 57.2% in 2015. In Walker’s Point, the increase was much steeper, going from 34.1% to 67.7%. Brewers Hill, on the other hand, remained relatively flat, going only from 43.7% to 45.4%.

The risk of displacement for homeowners shows a different story. While city-wide the percent of homeowners who are housing-burdened increased from 24.9% in 2000 to 38.9% in 2015, the increase in Brewers Hill was much less, going from 24.7% to 29.5%. Walker’s Point, on the other hand saw a decrease in homeowners who were housing-burdened, going from 45.8% to 20.5%.
Looking Ahead

While the selected indicators show reason to follow in looking for evidence or future projections of neighborhood change, the qualitative analysis is likely more significant in pointing out other things that might be included in the discussion of neighborhood change in the future. These include:

- A more serious look at additional indicators of class (particularly occupation and wealth)
- A look at the impact of historic legacy
- A more serious consideration of indicators of diversity
- Inclusion of analysis of protective factors that influence the response to and rate of change.

The report points out that:

- Indicators based solely on race oversimplify. While race, income and class and clearly intertwined, treating race as a monolith, ignores the fact that people of color may be part of the gentrification movement and that occupations associated with gentrification may not be indicated by income. Both residents and business owners of Brewers Hill and Walker’s Point pointed to examples of middle-class Black and Latino families making housing choices based on housing stock, and proximity to downtown and family members.

- A legacy of racial segregation impacts the rate and type of change that can occur in a neighborhood. As we attempt to understand neighborhood change, we need to incorporate an
understanding of economic necessity, restrictive housing covenants, discriminatory real estate and lending practices and overt racism.

- We need to broaden our conception of diversity to include both the composition and the evenness of the racial and ethnic groups. In a hyper-segregated city, neighborhoods that are all Black, or all Latino are no more diverse than neighborhoods that are all white.

- Change itself is often a reason for fear. The “fear of gentrification” when unpacked is often about the fear of change and the lack of involvement in affecting the change. The fear can be due to the failure to involve the right people at the right time. More authentic engagement of the population affected by the change and a focus on protective factors could be beneficial.

A Focus on Protective Factors:
Through the interviews and focus groups, the research identified several “protective factors” that might mitigate both the fear and reality of displacement. These include:

- informed conversations including shared knowledge and understanding of terms and real and perceived opportunities and threats.
- active neighborhood organizations that provide a forum for goal setting, planning, engagement and debate. Those that include the interests of both business and residents were preferred.
- responsive political representatives who interact with business, residents and organizations and represent the interests of the neighborhood were identified as critical.
- the presence of neighborhood schools where neighbors have the opportunity to come together around the well-being of their children and break down barriers that divide them
- a diversity of housing options providing a balance. The focus should not be on low income housing but the balance.

Last Words
Perhaps the most insightful comment from hundreds of hours of interviews came from an elderly gentleman who has worked in Walker’s Point for nearly 40 years. “The nature of the city,” he said, “is to reinvent.”

Milwaukee has the opportunity to continue to reinvent. Informed by data and with an understanding of history, the wisdom of those with lived experience, and thoughtful partners, Milwaukee can do so in a way that monitor neighborhood change, drives informed government action and supports the prevention of displacement and the promotion of inclusive revitalization.

Recommendations
Because this study was intended to stimulate action, below are some final recommendations to help direct future efforts to observe and track neighborhood change.

WATCH for change beyond simple migration. Regularly monitor and assess changes in education, racial balance, class, wealth, occupation, and housing burden. Factor in historical legacy.

GET the right comparable for drawing comparisons or conclusions about neighborhood change in Milwaukee. Waiting for or responding to changes as they occurred in larger markets may obscure more subtle changes as they occur in a city like Milwaukee.
LOOK at the hyper-local level. Change is likely to be masked at the City, ZIP, and even neighborhood and tract level. It may be most obvious block by block, or even house by house.

ASK the experts – the people in the neighborhood. Provide opportunities for authentic engagement and support indigenous organizations as they provide a forum for informed conversation.

SEPARATE the concepts of gentrification and displacement and distinguish between types of growth and development.

VALUE demographic changes that increase diversity, meaning a mix of people represented across multiple groups. Rather than solutions focused solely on increasing low-income housing include strategies that aim for a mix of housing across the neighborhood.

ADDRESS “the fear” of gentrification by elevating the debate and engaging the right people at the right time.

BUILD protective factors that prevent displacement. Most commonly, persuasively, and passionately suggested by this report are the need to:

- **Include** deliberate strategies to include the voice and authentic participation of residents in the decision-making process. Honor the wisdom of residents.
- **Increase** attention to the importance of access to quality schools in neighborhood development. In Milwaukee, most children are not attending schools in their neighborhoods and most schools do not attract neighborhood residents. Development strategies that ignore schools risk building neighborhoods without children and neighborhoods without business.
- **Invest** in the capacity of neighborhood organizations that promote indigenous leadership development. Integrating business interests and resident interests under the same organization was recommended.
- **Acknowledge** the role of strong ties to city government and the importance of responsive elected officials in assuring appropriate development.
Thank You

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