
By Stephanie Pollack, Barry Bluestone, and Chase Billingham

More than 3,000 transit-rich neighborhoods (TRNs) in U.S. metropolitan areas have fixed-guideway transit stations providing rail service and hundreds more such neighborhoods could be created over the next decade if current plans for new rail transit systems and stations are realized. Americans are increasingly using transit systems and showing more interest in living in transit-rich neighborhoods. For neighborhood and equity advocates from Atlanta to Seattle and Boston to Minneapolis, however, this good news is tempered by a growing concern about gentrification and displacement. Will current neighborhood residents, many of them low income and/or people of color, benefit from planned transit stations? Or will they be displaced by wealthier and less diverse residents lured not only by transit but also by the other amenities that come with transit-induced neighborhood revitalization?
Planners and policymakers would appear to face a Hobson’s choice if transit investment and expansion inevitably lead to gentrification and displacement: either make the transit investment and accept loss of neighborhood diversity as collateral damage, or avoid transit expansion projects serving diverse, lower-income neighborhoods and leave those residents with poor public transit or none at all.

This article is based on research that was designed to address this dilemma. We wanted to understand whether gentrification and displacement are actually occurring in transit-rich neighborhoods. To the extent that undesirable patterns of neighborhood change were found, we also wanted to understand the underlying mechanisms in order to propose policy tools that could be used to shape equitable neighborhood change in both old and new TRNs.

Our research found that transit investment frequently changes the surrounding neighborhood. While patterns of neighborhood change vary, the most predominant pattern saw incomes, housing values, and rents rise and vehicle ownership become more common. And in some of the newly transit-rich neighborhoods, the research reveals how a new transit station can set in motion a cycle of unintended consequences in which core transit users—such as renters and low-income households—are priced out of the neighborhood in favor of higher-income, car-owning residents who are less likely to use public transit for commuting. We believe that the risk that transit investment could catalyze undesirable neighborhood change is substantial enough that it needs to be managed whenever transit investments or improvements are being planned. We therefore present a tool kit of policy tools for shaping equitable neighborhood change in TRNs, tools that are increasingly available and in use across the country.

Why Diversity Matters: Transit and Neighborhood Diversity
Concerns about gentrification and displacement associated with transit have traditionally been framed as issues of equity: will neighborhood change in TRNs adversely affect people of color and lower-income residents? These equity concerns emanate from the fact that transit-rich neighborhoods, and the larger metropolitan areas in which they are located, are extraordinarily diverse and home to a disproportionate share of lower-income households and people of color.

In 2010, there were 36 transit systems in the United States providing what transportation planners call fixed-guideway (rail instead of bus) transit, with an additional such system scheduled to open in 2011. These 37 regional transit systems serve a total of 41 Metropolitan Statistical Areas (MSAs) as defined by the U.S. Census. Using 2000 Census data, we calculate that nearly half of all Americans and more than two-thirds of all U.S. workers live in those 41 transit-served metros, as do over half of all blacks, 60 percent of all Hispanics, and 70 percent of all immigrants in the United States. In addition, slightly more than half of all U.S. rental housing is located in transit-served metro areas.

People of color, low-income households, and renters share two related characteristics that may explain their concentration in transit-served metropolitan areas. First, in a country where more than 95 percent of all households own at least one car, these three groups are disproportionately likely to live in households without vehicles. In addition, people of color, low-income households, and renters are all more likely to rely on transit and use it on a regular basis than the average American. These three groups represent the majority of what we refer to as core transit riders, those most heavily dependent on transit and most likely to use transit regularly.

Even as they work to attract a broader range of riders, transit systems need to maintain their core ridership to ensure that total ridership continues to grow. Transit planners frequently speak of the need for transit-oriented development to support ridership, but what transit stations need is transit-oriented neighbors who will regularly use the system. There is a symbiotic relationship between diverse neighborhoods and successful transit: transit systems benefit from and depend on the racial and economic diversity of the neighborhoods that they serve, just as low-income households and people of color depend on and benefit from living in neighborhoods served by transit.
Neighborhood Change and Transit: What We Know

Neighborhoods change over time, in ways that both benefit and harm those who have been living there. Researchers, policymakers, and advocates have long been concerned about patterns of neighborhood change that reduce the racial and/or economic diversity of neighborhoods. Prior studies can help us understand how the presence of new or improved transit can change the surrounding neighborhood.

While the terms gentrification and displacement are frequently used interchangeably, recent research highlights the importance of distinguishing between these two related patterns of neighborhood change.

Gentrification is a pattern of neighborhood change in which a previously low-income neighborhood experiences reinvestment and revitalization, accompanied by increasing home values and/or rents. Gentrification, while frequently controversial, can be either good or bad for a neighborhood, depending on who benefits from the reinvestment and revitalization.

Gentrification may or may not be associated with displacement, a pattern of change in which current residents are involuntarily forced to move out because they cannot afford to stay in the gentrified neighborhood. Recent studies indicate that displacement may not be the sole mechanism driving change in gentrifying neighborhoods. The demographic composition of gentrifying neighborhoods can be altered through a process of succession or replacement driven by accelerated turnover of the housing stock. This housing turnover is marked both by unequal retention of existing residents (with wealthier and/or better-educated residents more likely to remain) and in-migration of wealthier, better-educated residents. This pattern of change, while differing from the traditional model of involuntary displacement, nevertheless raises serious equity concerns as the result is much the same: the resulting neighborhood is more expensive and populated by higher-income residents.

Few studies have been done on gentrification in TRNs and those report varying results: in some cases new transit is put in place with little neighborhood change, while other TRNs experience extensive gentrification. When this literature is supplemented with studies of changing travel behavior in specific transit-oriented development projects in those neighborhoods, however, important insights emerge. Certain demographic groups—including core transit riders who traditionally use transit, and also potential riders who may choose to use transit—are attracted to well-planned TRNs in a self-selection process that may contribute to the process of replacement recently observed in gentrifying neighborhoods. Understanding neighborhood change in TRNs therefore
People of color, low-income households, and renters are all more likely to rely on transit and use it on a regular basis than the average American.

requires a detailed understanding of both who lived in those neighborhoods before the transit system was built and who lives there afterward.

**Neighborhood Change and Transit: What We Learned**

To understand patterns of neighborhood change in newly transit-rich neighborhoods better, we analyzed socioeconomic changes in 42 neighborhoods in 12 metropolitan areas that were first served by rail transit between 1990 and 2000. Because prior research on gentrification and TRNs had looked at only a few characteristics, we explore a broad range of population, housing, and transportation characteristics. For each of the 42 neighborhoods analyzed, we studied changes between 1990 and 2000 in population, racial and ethnic composition, and in-migration; the number of housing units, tenure, housing value, and rent; household income; and the use of public transit for commuting purposes and automobile ownership. We then compared the neighborhood level changes with those in each neighborhood’s corresponding metropolitan area to see if patterns of neighborhood change in the TRNs differed from corresponding changes in the region.

As in prior studies, we found that patterns of neighborhood change varied across the transit-rich neighborhoods we investigated. Many of the TRNs changed in ways that were roughly similar to the underlying pattern of change in their larger metro areas. We focused, however, on those TRNs where changes were more pronounced than those in the surrounding metropolitan areas. In these neighborhoods, a predominant pattern of neighborhood change could be discerned: with the addition of transit, housing stock became more expensive, neighborhood incomes higher, and vehicle ownership more common. We found evidence of gentrification in the majority of newly transit-served neighborhoods, if gentrification is defined as a pattern of neighborhood change marked by rising housing costs and incomes.

Our research also provides support for the hypothesis that neighborhoods with a large number of renters are more susceptible to gentrification.\(^8\) Indeed, when we specifically looked at the neighborhoods where the new stations were light rail—neighborhoods that, in our study, were more likely to be dominated pre-transit by low-income, renter households than those in the heavy rail and commuter rail neighborhoods—almost every aspect of neighborhood change was magnified: rents rose faster and owner-occupied units became more prevalent.

Our research did not, however, find that a new transit station automatically leads to fundamental change in a neighborhood’s racial composition. Perhaps, as other recent studies of gentrification have found, the relatively higher retention of higher-income black and Hispanic households and/or the in-migration of racially mixed, higher-income residents results in a wealthier neighborhood but one with a racial composition similar to that of the pre-transit neighborhood.\(^9\)

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**Figure 1. Median Gross Rent**

![Median Gross Rent](image1)

**Figure 2. Motor Vehicle Ownership**

![Motor Vehicle Ownership](image2)
Gentrification can be a positive form of neighborhood change but can also have adverse consequences. Our analysis found evidence of at least two gentrification-related concerns. Even if no displacement can be proven to occur in TRNs, rapidly increasing rents mean that those renter households that choose to remain and take advantage of the new transit will experience higher housing cost burdens. Figure 1 illustrates that in the 42 TRNs we analyzed, 74 percent of them saw a greater change in the median gross rents found in the station area than in the larger MSA. In addition, neighborhood revitalization sometimes attracts not only higher-income residents but also car-owning residents. Figure 2 illustrates that 71 percent of TRNs saw a greater change in motor vehicle ownership in the station area than in the larger MSA. In some of the neighborhoods studied, the new transit station seems to have set in motion a cycle of unintended consequences that reduced neighborhood residency by those groups most likely to use transit in favor of groups more likely to drive. Utilization of public transit for commuting in this problematic subset of newly transit-served neighborhoods actually rose more slowly (or, in some cases, declined faster) than in the corresponding metropolitan area as a whole.

Whether by displacement or replacement, or a combination of the two, in some transit-rich neighborhoods the pattern of change is working against the goal of attracting transit-oriented neighbors: the most likely potential transit riders are being crowded out by car owners less likely to be regular users of transit. This cycle, illustrated above, raises concerns about equity, because core transit riders are predominantly people of color and/or low income, and about the success of new transit investments in attracting desired levels of ridership.

A Tool Kit for Equitable Neighborhood Change in Transit-Rich Neighborhoods

Our research reveals that transit investment can sometimes lead to undesirable forms of neighborhood change. Understanding the mechanisms behind such neighborhood change can, however, allow policymakers, planners, and advocates to implement policies and programs designed to produce more equitable patterns of neighborhood change. Here we summarize a new web-based Policy Tool Kit for Equitable Transit-Rich Neighborhoods, which describes three types of policy tools, as illustrated in Figure 3.
Planning Tools
Because neighborhood change can happen quickly, particularly in neighborhoods dominated by rental housing, policymakers need to get ahead of potential problems by using coordinated and community-responsive planning tools that begin at the same time as transit planning, explicitly consider the risks of gentrification, and include everyone with a stake in the neighborhood’s future.

Housing Market Tools
Because one of the most noticeable and damaging signs of transit-induced gentrification is rapidly rising rents and housing values, policies that address housing are critical. The Toolkit focuses on three categories of housing market tools:

- Funding for land and property acquisition;
- Preservation of existing affordable rental housing; and
- Affordable housing production.

Transportation Management Tools
Rising incomes in some gentrifying TRNs may be accompanied by an increase in wealthier households that are more likely to own and use private vehicles, and less likely to use transit for commuting than lower-income households. Policy tools can be used to shape travel behavior by residents of transit-rich neighborhoods, promoting walking, biking, and transit use and discouraging driving. One critical strategy for achieving these objectives is ensuring that TRNs are designed to be transit and pedestrian friendly. Other transportation management tools should also be adopted, particularly those that will:

- Attract core and potential transit riders to transit-rich neighborhoods;
- Support zero-vehicle households; and
- Reduce the availability of parking.

New transit brings with it rising rents and home values, particularly when light rail is located in previously lower-income neighborhoods dominated by rental housing. While neighborhood incomes also increase, the income of individual households will not necessarily change. A new transit station may also set in motion a cycle of unintended consequences that reduces neighborhood residency by those groups most likely to use transit in favor of groups more likely to drive. Whether by displacement or replacement, or a combination of the two, in some transit-rich neighborhoods the pattern of change is working against the goal of attracting transit-oriented neighbors. This cycle raises concerns both about equity and about the success of new transit investments in attracting desired levels of ridership. Understanding the mechanisms of neighborhood change, however, allows policymakers and others to make use of policy tools such as those described above to produce more equitable patterns of neighborhood change.

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Endnotes

2 While not all areas within transit-served metros have equally good access to transit, data presented in the full report also demonstrates that people of color are disproportionately concentrated in the principle cities of these metros (where transit service tends to be the strongest) and cites other studies which point to high concentrations of people of color in the specific neighborhoods in which transit stations are located.


6 Chapple (2009).

7 Freeman (2005); McKinnish, Walsh, and White (2008).
Recent U.S. Census Bureau projections indicate that by the middle of this century, non-Hispanic whites will cease to be a majority of the American population. In this article we document how for America’s youngest residents, the future is already here. America’s rapidly changing racial and ethnic composition has important implications for intergroup relations, ethnic identities, and electoral politics.²

Growing Racial and Ethnic Diversity among America’s Children

Roughly one-third of the U.S. population today belongs to a racial or ethnic minority group.³ The rates are higher for the youth population (see Figure 1). In 2008, minorities represented 40 percent of the population among 15- and 19-year-olds and 47 percent of children under age 5. The growth of America’s minorities, coupled with recent declines in the white population, has placed young people in the vanguard of America’s new diversity. Between 2000 and 2008, the number of minority children grew by 4.8 million (15.5 percent). Hispanics accounted for 3.9 million, or more than 80 percent of the increase. The number of young people in other minority groups (primarily Asian) also grew by 985,000 (18.2 percent). In contrast, the population of black young people declined (-0.9 percent) over the same period. Demographic changes in the white population also have been large. The number of young whites increased by only 54,000, or roughly 1 percent, during the 1990s. Since 2000, non-Hispanic white children and youth declined absolutely by 2.6 million (5.3 percent). As a result, the proportion of the young population that was non-Hispanic white declined from 61 to 57 percent between 2000 and 2008.

Figure 1. U.S. Population by Race/Ethnicity, 2008

Note: Child Population: 82,640,086 (43% minority), Adult Population: 221,419,638 (31% minority)
Minority Births Up, White Births Down

Fertility has played an important role in these shifting patterns of racial change. In 1990, non-Hispanic whites accounted for nearly two-thirds of all births; blacks accounted for 17 percent; followed by Hispanics at approximately 15 percent. By 2008, non-Hispanic whites accounted for roughly half of all births, while Hispanics contributed 26 percent, and blacks were about 16 percent.

The cumulative impact of changes in the number of women of childbearing age has been considerable. By 2008, there were 5.6 million (19 percent) fewer non-Hispanic white women of prime childbearing age than there were in 1990. In contrast, there were 4.5 million (40 percent) more minority women in their prime childbearing years.

Fertility rates are also important. Hispanic women will have on average 2.99 children over their reproductive lives. Early childbearing also characterizes the Hispanic population; 44 percent of their childbearing occurs by age 25. In contrast, non-Hispanic white women have on average 1.87 children. They also tend to have them later with only about 30 percent of their children born by age 25. African American women also have their children earlier, but recent black fertility declines from 2.5 children per woman in 1990 to 2.13 in 2007 contributed to the reduction in young black people. The groups that compose most of our “other” minority category (Asians and Native Americans) also have relatively low total fertility (2.04 and 1.86, respectively), so recent youth gains in these groups are due to the rising numbers of women of childbearing age (mostly due to Asian immigration) rather than to high fertility rates.

Hispanics Fuel Much of Minority Youth Growth

From a demographic standpoint, Hispanics are driving rapid increases in racial diversity among America's children. In fact, 82 percent of the growth in the minority child population between 2000 and 2008 was due to Hispanic births. The initial impetus for these recent Hispanic child gains was immigration—between 2000 and 2008, 4.3 million Hispanics immigrated to the United States, supplementing the 7.7 million who arrived during the 1990s. Most new immigrants are young adults in their reproductive prime. This influx coupled with the large Hispanic population already in the United States produced the surge in Hispanic births.

The growing importance of births is reflected in the fact that nearly two-thirds of the entire Hispanic population gain in the last year came from natural increase—the difference between births and deaths—rather than immigration. Native-born

Figure 2. Population Change for Population Under Age 20 by Race/Hispanic Origin, 2000-2008

![Figure 2: Population Change for Population Under Age 20 by Race/Hispanic Origin, 2000-2008](image)

children accounted for at least 97 percent of all children under age 5 for each of the major minority groups considered here. Of course, a substantial share of Native-born minorities was born to foreign-born parents, some of whom are undocumented aliens. In 2008, only 39 percent of Hispanic children age 4 and younger had two native-born parents. An additional 17 percent had one native-born parent, and the remaining 44 percent had two foreign-born parents. The Pew Center estimates that 40 percent of native-born Hispanics under age 18 with at least one foreign-born parent has at least one undocumented parent. However, the oldest U.S.-born children of the Hispanic immigrant streams that arrived in large numbers in the 1980s and 1990s now are having children of their own. The proportion of Hispanic children with U.S.-born parents is expected to grow over the foreseeable future. In fact, the Pew Center estimates that the share of Hispanic youth who are the children of immigrants will soon peak.4

Geographic Distribution Remains Uneven

The new growth of minority children is spatially broad based (see Figure 2). The suburban and smaller metropolitan counties (comprising the “other metro counties” in Figure 2) are home to 44.6 million (54 percent) of the nation’s 82.6 million young people. Minority gains are most heavily concentrated in the suburbs and smaller metros. Currently, a significant majority of young people in suburban and smaller metropolitan counties are non-Hispanic white (63 percent). This is despite a decline in non-Hispanic white youth of more than one million (-3.7 percent) since 2000. In contrast, each minority population of children and youths grew rapidly here. The number of Hispanics has swelled by 2.1 million (37 percent) since 2000; this is the largest gain of any minority population in any area during this period.

In the large urban cores, where minority populations have traditionally clustered, 63 percent of the 25.2 million children and youth are minority. The population of minority children has grown by more than one million in these areas since 2000. Declines among blacks and whites have been largely offset by large Hispanic population gains.

Compared with metropolitan areas, minority children constitute a considerably smaller proportion of all nonmetropolitan children (26 percent versus 45 percent). Rural areas actually had 900,000 fewer young people in 2008 than 2000 because there were
one million (-10.3 percent) fewer non-Hispanic white youth in 2008 than in 2000. The population loss among young black people was nearly as large as whites in percentage terms (-8.3 percent). Significant gains in Hispanic young people (26.5 percent) were insufficient to offset overall population losses. As a result, the rural youth population declined by 6.5 percent after 2000.

National trends may mask geographic variation in America’s racial and ethnic makeup. Indeed, 504 counties now have a majority of minority young people (that is, majority-minority counties), and another 286 are “near” majority-minority with between 40 and 50 percent minority youth populations. Even in regions where minorities are not approaching majority status, there is growing diversity. To illustrate this, we calculate a diversity index, which indicates the probability that two randomly selected young people in a county will be of a different race or ethnicity (Hispanic origin or not). For example, a diversity index of .50 means that a young person residing in that county has roughly a 50 percent chance of random exposure to a young county resident who is different from themselves. Nearly all of the Southeast and Southwest have at least moderate levels of diversity, and that diversity extends to the large sprawling metropolitan regions of the Midwest and the East (see Figure 3). However, large areas of the country show little if any racial and ethnic diversity. This includes the vast agriculture heartland in the upper Midwest, with the exception of scattered counties in the Great Plains (Native American reservations and new Hispanic destinations with meat packing plants). Diversity is also modest in the Northeast in areas outside the coastal urban agglomeration.

**New England Data**

New England is less diverse than the rest of the nation. Non-Hispanic whites represent 81 percent of New England’s population compared with 66 percent of the U.S. total. New England’s youth population is more diverse than the adult population, a trend consistent with larger national trends. In 2008, 83.4 percent of the population over the age of 20 in New England was non-Hispanic white compared with 73.6 percent of those under 20. Hispanics accounted for 47 percent of the minority youth population in 2008 and 12 percent of the total youth population in the region. Blacks are the next largest minority at 6.6 percent of the total, followed by Asians (3.9 percent) and all others.

Consistent with national trends, the non-Hispanic white youth population diminished in New England between 2000 and 2008. The loss was 261,000 (-8.9 percent). The minority child population grew by 126,000 (15.8 percent). Hispanics accounted for 62 percent of the minority child gain: a smaller share than they accounted for at the national level. However, the minority youth gain was not sufficient to offset the non-Hispanic white loss. Thus, while the number of young people in the United States grew thanks to minority gains, in New England the youth population declined by 134,000 between 2000 and 2008.

Within New England, there is considerable variation in youth diversity. The proportion of minority children is greatest in Connecticut (34.4 percent) and lowest in Vermont (7.5 percent). Youth diversity has increased in each state between 2000 and 2008. Consistent with national trends, diversity is greatest in the urban cores of the region’s large metropolitan areas and in the suburban areas in close proximity.
to those cores (see Figure 4). The probability that two randomly selected young people will be from different racial/Hispanic origin groups is greatest in Suffolk County, Massachusetts. In contrast, the youth population is much less diverse in nonmetropolitan counties, particularly in northern New England.

In sum, demographic patterns among the youth population in New England are generally consistent with national trends, though both the extent of diversity and the rapidity of change are less. The overall effect of racial and Hispanic origin change has been to increase the diversity of New England’s young population. Without these minority youth gains, the region would have suffered even greater reductions in its youth population between 2000 and 2008.

Discussion and Conclusion

The influx of roughly one million immigrants annually—mostly from Latin America and Asia—has fueled debates about multiculturalism and social, economic, and cultural fragmentation. We argue here that the seeds of racial and ethnic multiculturalism are also being sown by recent fertility patterns, which is revealed in the rapidly growing racial and ethnic diversity among America’s children and youth.

Some 48.6 percent of the babies born last year were minority compared with 35 percent of the 40- to 45-year-olds and less than 20 percent of those 65 and older. This raises important questions about intergenerational support for social programs. For example, will America’s older, largely white population—through the ballot box and collective self-interest—support young people who are now much different culturally from themselves and their own children? Some evidence suggests that the presence of large fractions of elderly residents in a jurisdiction was associated with significantly less per-child educational spending, especially if the elderly and children were of different races. On the other hand, it is also likely that an increasing share of America’s seniors will have children and grandchildren who are in or are the products of interracial marriages, a fact that binds generations rather than separates them.

Race relations and cultural boundaries, both now and in the future, will be influenced by whether children are growing up in multiracial and multi-ethnic communities where opportunities for mutual understanding and acceptance are greater or instead living in isolation from one another. The post-2000 period ushered in a new pattern of accelerated spatial dispersion among minority children and youth. Yet, there are broad geographic regions that still provide few opportunities for daily interaction between young people with different racial and cultural backgrounds. Furthermore, our findings of increasing youth racial diversity at the county level do not necessary demonstrate that such diverse communities exist at the town or neighborhood level. The geographic landscape of race suggests the emergence of two Americas—an increasingly racially diverse one and a largely white one.

In a policy environment usually fixated on immigration, recognizing the rising importance of other demographic factors is no small achievement. Natural increase—especially fertility—will continue to reshape the racial and ethnic mix of the country, and this change will be reflected first among the nation’s youngest residents.

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Endnotes


7 It is unclear whether diversity and residential integration are increasing within counties (that is, across neighborhoods or cities and suburbs). Indeed, it may be that the growth of minorities in some counties is occurring in tandem with a new kind of racial balkanization at the sub-county level. See Daniel T. Lichter, Domenico Parisi, Michael C. Taquino, and Steven Michael Grice, “Residential Segregation in New Hispanic Destinations: Cities, Suburbs, and Rural Communities Compared,” Social Science Research 39, No. 2 (March 2010): 215–230.
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