

## Spatial Context: The Geography of Mixed-Income Neighborhoods

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Over the last 30 years, income and wealth gaps in the United States have widened dramatically. Incomes of the top 1 percent of households are now 40 times that of the bottom 90 percent, and the average black/African-American<sup>1</sup> household has only six cents of wealth for every dollar of wealth in the typical white household. The growing distance between the wealthy and disadvantaged has spatial implications as well, exacerbating the residential segregation of households by income in the nation’s major metropolitan areas.<sup>2</sup>

The widening gap between rich and poor households—and between rich and poor neighborhoods—has implications for individual economic mobility as well as for the economic vitality of regions. In addition, the costs of segregation fall disproportionately on black/African-American and Hispanic/Latinx households, widening racial inequalities even further.<sup>3</sup>

While segregation is the product of many interacting factors, housing policy has played an important role in creating these economic and racial disparities.<sup>4</sup> High-poverty, racially concentrated neighborhoods did not “naturally” emerge—they were the product of a constellation of policy decisions at both the federal and local levels, including racial discrimination in the siting of public housing, redlining, and exclusionary zoning practices (including restrictive covenants, many which remain in place to this day).<sup>5</sup> Since the 1990s, policymakers have grappled with place-based solutions to the negative consequences of concentrated poverty, and cultivating stable, mixed-income communities is now an explicit goal of U.S. federal low-income housing policy.

As a result, “mixed-income” generally is discussed in the context of efforts to intentionally redevelop the most distressed public housing projects and undo the legacy of

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<sup>1</sup> Editor’s note: All references in this essay to black/African-American, white, or Asian populations refer to non-Hispanic/Latinx individuals unless otherwise noted.

<sup>2</sup> Sean F. Reardon, Lindsay Fox, and Joseph Townsend, “Neighborhood Income Composition by Household Race and Income, 1990-2009,” *Annals of the American Academy of Political and Social Science* 660, no. 1 (2015): 94, doi: 10.1177/0002716215576104.

<sup>3</sup> Gregory Acs, et al., *The Cost of Segregation: National Trends and the Case of Chicago, 1990-2010* (Washington, DC: Urban Institute, 2017), 41-42.

<sup>4</sup> Racial and socioeconomic segregation patterns emerge from a complex interplay of many factors: racial disparities in income and wealth; racial differences in residential preferences, conditional on income; socioeconomic differences in residential preferences, conditional on race; the structure of the housing market; and patterns of racial prejudice and discrimination (Reardon, Fox, and Townsend, “Neighborhood Income Composition by Household Race and Income, 1990-2009”).

<sup>5</sup> Richard Rothstein, *The Color of Law* (New York, NY: Liveright, 2017).

racially concentrated poverty. However, these efforts represent only a small slice of neighborhoods across the country. While federal policies and investments—such as housing subsidies and the [Affirmatively Furthering Fair Housing](#) rule—can be important tools to bolster integration, a strategy that relies solely on policies at the federal level ignores important opportunities to use local policy levers, such as inclusionary zoning and incentives for building below-market-rate housing, to help produce more mixed-income neighborhoods. To take better advantage of these opportunities, we need a better understanding of the broader set of demographic, economic, and policy dynamics that create “naturally occurring” mixed-income neighborhoods.

In this essay, we present an analysis of the nation’s 100 largest metropolitan areas to help paint a broader picture of mixed-income neighborhoods. Rather than focusing solely on neighborhoods that were the target of mixed-income redevelopment, we seek to reveal metropolitan patterns in the location and composition of economically integrated neighborhoods. Understanding where mixed-income communities exist, and what they look like, offers a chance to think of broader policy implications and lessons that apply outside the narrow context of public housing, and engage a wider set of stakeholders in strategies to promote more integrated patterns of development.

### ***Defining Mixed-Income Communities***

No single definition of a mixed-income neighborhood—or how to measure it—has emerged in the research or policy work on this issue. To date, research has focused more on measuring segregation and inequality than on integration and equality.<sup>67</sup> Indeed, most studies

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<sup>6</sup> Robert J. Sampson, Robert D. Mare, and Kristin L. Perkins, “Achieving the Middle Ground in an Age of Concentrated Extremes: Mixed Middle-Income Neighborhoods and Emerging Adulthood,” *Annals of the American Academy of Political and Social Science* 660, no.1 (2015),doi:10.1177/0002716215576117; Reardon, Fox, and Townsend, “Neighborhood Income Composition by Household Race and Income, 1990-2009”.

<sup>7</sup> There are several approaches for measuring segregation, including the Gini, Theil, dissimilarity, isolation, generalized entropy, and exposure indices. Sampson, Mare, and Perkins (2015) use a variation on Douglas Massey’s (2001) Index of Concentration at the Extremes (ICE) to identify mixed-income neighborhoods in Chicago. Other researchers have used the share of households in different parts of the income distribution defined by multiples of area median income (Brophy & Smith 1997); and the latter with an overlay of whether any single group dominates (Turner & Fenderson, 2006). In addition, several authors have looked at characteristics of *housing* in defining mixed-income communities, particularly in the context of subsidized housing, including Brophy and Smith (1997) and Vale et al. (2014).

Douglas S. Massey, “The Prodigal Paradigm Returns: Ecology Comes Back to Sociology,” in *Does it Take a Village? Community Effects on Children, Adolescents, and Families*, eds. Alan Booth and Ann Crouter (Mahwah, NJ: Lawrence Erlbaum Associates, 2001); Paul C. Brophy and Rhonda N. Smith, “Mixed-Income Housing: Factors for Success,” *Cityscape* 3, no. 2 (1997); Margery Austin Turner and Julie Fenderson, “Understanding Diverse Neighborhoods in an Era of Demographic Change,” (Washington, DC: Urban Institute, 2006); Lawrence Vale et al., “What Affordable Housing Should Afford: Housing for Resilient Cities,” *Cityscape* 16 no. 2 (2014).

leave the term “mixed-income community” intentionally vague, with the factors creating these places believed to be “the result of more organic economic and demographic dynamics.”<sup>8</sup>

For this analysis, we developed a measure of “mixed-income” for neighborhoods that captures two distinct ideas. First, mixed-income neighborhoods need to include households with incomes across the income spectrum—in other words, it is not enough to just have a mix of middle-class families earning between 80 and 120 percent of Area Median Income (AMI). Our measure seeks to distinguish between “middle-income” and “mixed-income” neighborhoods, in which the latter includes neighborhoods that have a broad representation of households at the lower, middle, *and* higher end of the income spectrum.

Given the large geographical differences in incomes across the United States, we used a relative measure of income specific to each region.<sup>9</sup> Using a regional rather than national threshold recognizes that, for example, a household earning \$50,000 in Milwaukee (where the AMI is \$58,000) occupies a very different place in that metro area’s income distribution than a household earning \$50,000 in San Francisco (where the AMI is \$118,000). For each of the 100 largest metropolitan areas in the United States, we divided households into three categories relative to AMI: Those below 80 percent AMI, those between 80 and 120 percent AMI, and those above 120 percent AMI.<sup>10</sup> We considered a neighborhood to be mixed-income if each of these groups makes up at least 20 percent but less than 50 percent of tract households. These parameters mean that each income group has a significant, but not dominant, presence in the neighborhood.

Second, our definition of “mixed-income” requires that the neighborhood has at least 10 percent of its population living below the federal poverty level. In our initial analysis, we identified a number of neighborhoods that exhibited what might be called “shallow” income mixing but were largely missing poor households (e.g., they had households in each of the three income groups, but households in the bottom tier were clustered near the 80<sup>th</sup> percentile). Core to the idea of “mixed income” is that it provides increased opportunities for poor families to access the resources often present in middle-class neighborhoods.<sup>11</sup> By requiring “mixed-income”

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<sup>8</sup> Mark L. Joseph and Miyoung Yoon, “Mixed-Income Developments” in *Wiley-Blackwell Encyclopedia of Urban and Regional Studies*, ed. Anthony Orum (Hoboken, NJ: Wiley-Blackwell, 2016): 2.

<sup>9</sup> Adopting regionally specific measures distinguishes our approach from other recent analyses, including Sampson, Mare, and Perkins, “Achieving the Middle Ground in an Age of Concentrated Extremes: Mixed Middle-Income Neighborhoods and Emerging Adulthood,” and Cortright (2018), which depend on national thresholds.

Joe Cortright, *Identifying America’s Most Diverse, Mixed Income Neighborhoods* (Portland, OR: City Observatory, 2018).

<sup>10</sup> We chose these income cutoffs because of their relevance in federal housing policy, particularly as it relates to eligibility for subsidy. The American Community Survey reports household income in 16 categories. We use those data to interpolate the share of households in each of our three income groups. Grouping by categories nearest the relevant income thresholds produced similar results.

<sup>11</sup> Mark L. Joseph, Robert J. Chaskin, and Henry S. Webber, “The Theoretical Basis for Addressing Poverty Through Mixed-Income Development,” *Urban Affairs Review* 42 no. 3 (2007) doi: 10.1177/1078087406294043; Sampson, Mare, and Perkins, “Achieving the Middle Ground in an Age of Concentrated Extremes: Mixed Middle-Income Neighborhoods and Emerging Adulthood”.

neighborhoods to have at least a 10 percent poverty rate, we are trying to identify those neighborhoods where poor households may benefit from the political and social capital that mixed-income neighborhoods are thought to provide.

In the analysis below, we present the data on mixed-income neighborhoods alongside data on “low-income” and “high-income” neighborhoods for comparison. We define “low-income” neighborhoods as those where at least half of the households have incomes below 80 percent of AMI. Conversely, “high-income” neighborhoods are those where the majority of the households have incomes above 120 percent of AMI. In this way, we hope to draw attention to the characteristics of mixed-income neighborhoods in contrast to those concentrated at either end of the income distribution.

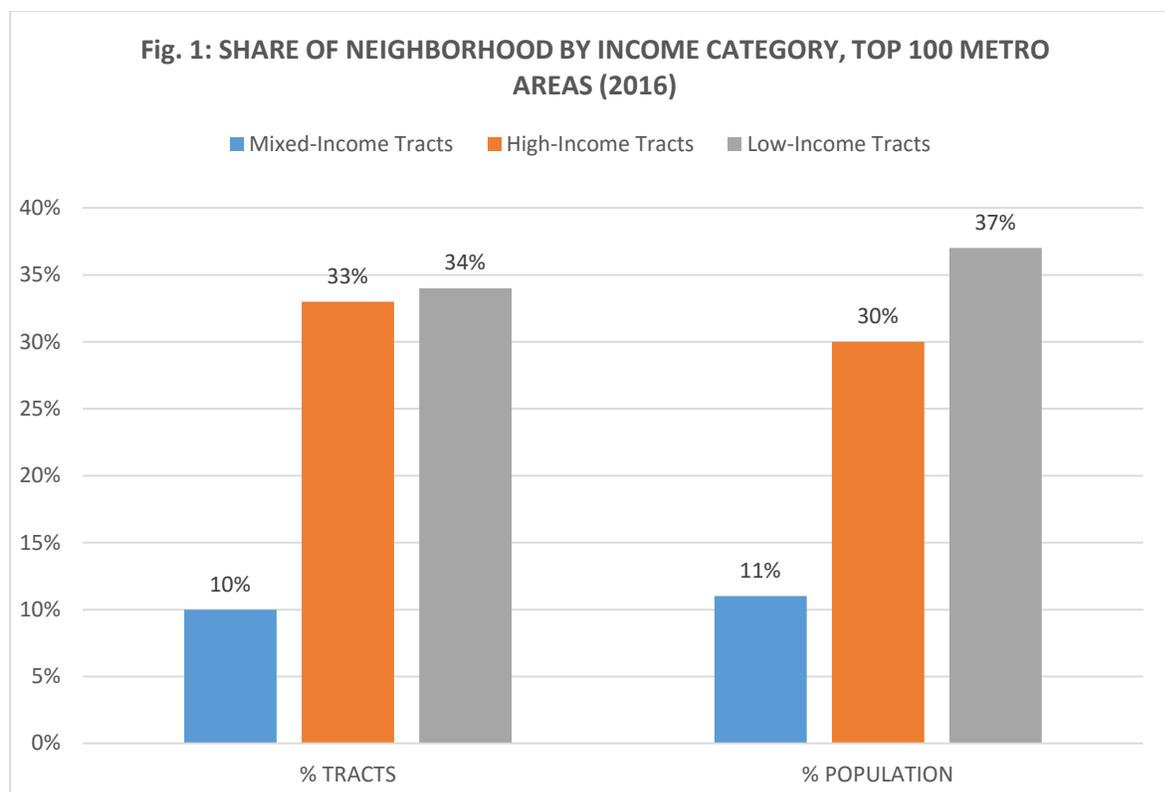
### ***Where are Mixed-Income Neighborhoods?***

Of the nearly 47,000 U.S. Census tracts that make up the nation’s 100 largest metro areas, just under 5,000 met our definition of a mixed-income neighborhood in 2016. That means just one-tenth of major-metro neighborhoods contained a significant share of poor, middle-class, and higher-income households living in close proximity (Figure 1).

Just as growing income inequality has seen households at the top of the income distribution pull away from those at the bottom, it is much more common for households to geographically concentrate (or segregate) by income. In 2016, one-third of tracts in the 100 largest metro areas had a majority of households in the top income tier while another third were majority low-income. Put differently, two-thirds of major-metro residents lived in a neighborhood dominated by one income group (30 percent in predominantly high-income areas and 37 percent in predominantly low-income tracts), making the 11 percent of residents exposed to mixed-income neighborhoods the exception rather than the norm.<sup>12</sup>

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<sup>12</sup> Together, these three categories of neighborhoods account for 77 percent of major-metro Census tracts and population. The remaining 23 percent of Census tracts do not meet our definition of mixed, nor are they dominated by a majority of high- or low-income households.



*Source: Turner Center analysis of 2016 American Community Survey five-year estimates*

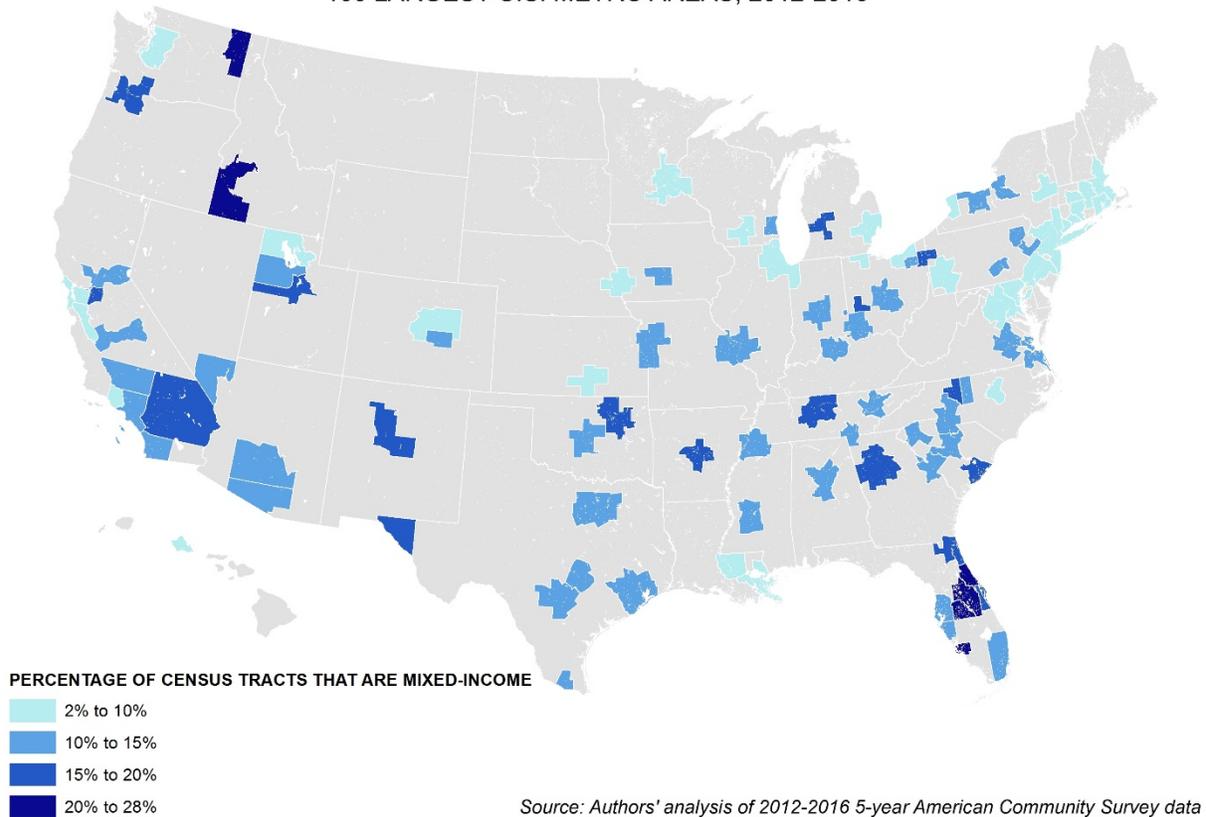
The (relatively slim) odds of a major-metro resident calling a mixed-income neighborhood home in 2016 were the same whether that person lived in a big city or in a suburb. But while similar *shares* of urban and suburban neighborhoods qualified as mixed-income, the actual *number* of mixed-income neighborhoods in the suburbs (3,349) outstripped big cities (1,562) by more than twofold, given the larger size of suburbia compared to the primary cities that anchor these regions.<sup>13</sup>

While mixed-income tracts roughly track the urban/suburban divide within the nation’s 100 largest metropolitan areas, much more variation exists across individual regions. The share of mixed-income tracts in 2016 reached as low as 2 percent in Bridgeport, Connecticut and as high as 28 percent in Lakeland, Florida (Map 1). As those extremes might suggest, mixed-income neighborhoods are much more likely to be found in the Sun Belt—home to many of the nation’s fastest-growing metro areas—than the Rust Belt, where the legacy of segregation and local exclusionary policies still shapes the landscape of many regions. Almost half (48 percent) of all mixed-income neighborhoods in 2016 were located in the South, compared to 18 percent in

<sup>13</sup> In the top 100 metro areas, 68 percent of mixed-income neighborhoods are suburban, in keeping with the overall distribution of census tracts—66 percent of which are suburban—in those regions. Here, we define cities as the first-named city in the official metropolitan statistical area title, plus any other city in the metropolitan statistical area (MSA) name that has a population of 100,000 or more. Suburbs make up the remainder of the official MSA.

the Midwest, 17 percent in the Northeast, and 16 percent in the West (where some of the nation’s highest-cost—and highest-inequality—markets are clustered).<sup>14</sup>

MAP 1. SHARE OF METRO-AREA TRACTS THAT ARE MIXED-INCOME, 100 LARGEST U.S. METRO AREAS, 2012-2016



Altogether, the South accounted for 11 out of the 15 metro areas with the highest shares of mixed-income neighborhoods in 2016, with 6 of those regions in Florida alone. In contrast, East Coast metro areas tended to have a much lower proportion of mixed-income neighborhoods in 2016, with the share of mixed-income neighborhoods in regions like Boston, New York, and Washington, DC falling well below 10 percent.

That is not to say that there aren’t any higher-cost, coastal markets or older, industrial Rust Belt regions performing better than average in terms of the prevalence of mixed-income neighborhoods: Portland (OR), Los Angeles, and San Diego all posted above-average shares of mixed-income neighborhoods in 2016, as did Pittsburgh, Worcester, and Philadelphia in the Northeast and Dayton, Minneapolis-St. Paul, and Grand Rapids in the Midwest.

<sup>14</sup> See, e.g.: Alan Berube, 2018. “City and Metropolitan Income Inequality Data Reveal Ups and Downs Through 2016,” (Washington, DC: The Brookings Institution, 2018), <https://www.brookings.edu/research/city-and-metropolitan-income-inequality-data-reveal-ups-and-downs-through-2016/>.

### **Who Lives in Mixed-Income Neighborhoods?**

Although mixed-income tracts contain just 11 percent of the nation’s major-metro residents, the 23 million people living in these neighborhoods make up a strikingly representative cross-section of metropolitan America.

Twelve percent of people living in poverty in the nation’s major metropolitan areas lived in mixed-income neighborhoods in 2016, along with a similar proportion (11 percent) of non-poor residents (Table 1). Likewise, roughly one in 10 white, black/African-American, and Asian residents lived in mixed-income tracts. Hispanic/Latinx residents posted a modestly higher share, with 14 percent residing in mixed-income neighborhoods in 2016. That rough parity stands in sharp relief compared to the entrenched disparities that exist in high-income neighborhoods—which tilt disproportionately toward white, Asian, and non-poor residents—and low-income tracts, where most major-metro poor (57 percent) and black/African-American (56 percent) residents live.

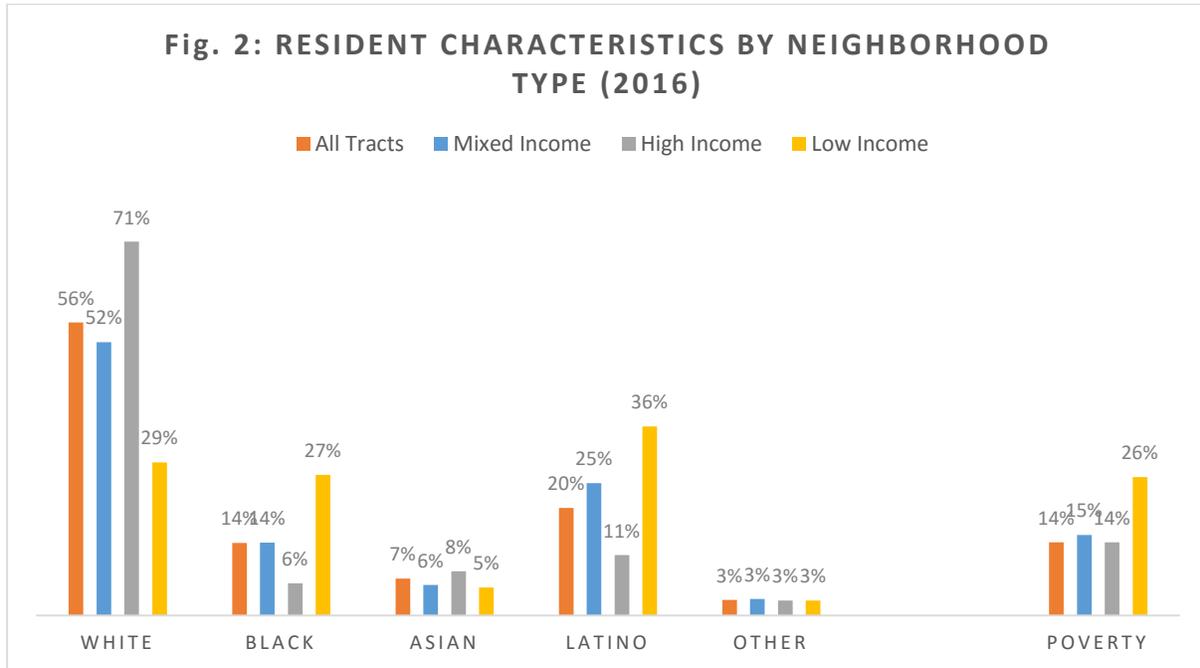
**Table 1:**  
**DISTRIBUTION OF THE POPULATION ACROSS CATEGORIES OF NEIGHBORHOODS, 2016**

	Share of people living in:		
	Mixed-income tracts	High-income tracts	Low-income tracts
Poor	12%	15%	57%
Non-poor	11%	40%	26%
White	10%	47%	18%
Black/African American	11%	16%	56%
Asian	9%	44%	25%
Hispanic/Latinx	14%	20%	48%
Other	12%	35%	30%

*Source: Terner Center analysis of 2016 American Community Survey five-year estimates*

It is true that the size of the populations represented by each of these proportions varies widely; for instance, 10 percent of the major-metro white population equaled 12.1 million people in 2016, while 11 percent of the black/African-American population equaled 3.2 million. But the relatively similar shares of each group in mixed-income tracts means that the overall makeup of these neighborhoods largely mirrors that of metropolitan America (Figure 2). People in mixed-income neighborhoods are slightly less likely to be white and more likely to be Hispanic/Latinx than the population overall, but on the whole hew closely to the racial and ethnic mix and incidence of poverty in the nation’s 100 largest metro areas. In contrast, the disparities in who has typically had access to high-income neighborhoods compared to who has concentrated in (or

been relegated to) low-income tracts show up in the vastly different demographic profiles of those places. Thus, mixed-income neighborhoods distinguish themselves by the more equitable access to residency they seem to provide on the basis of race and ethnicity as well as income, especially for historically marginalized populations.



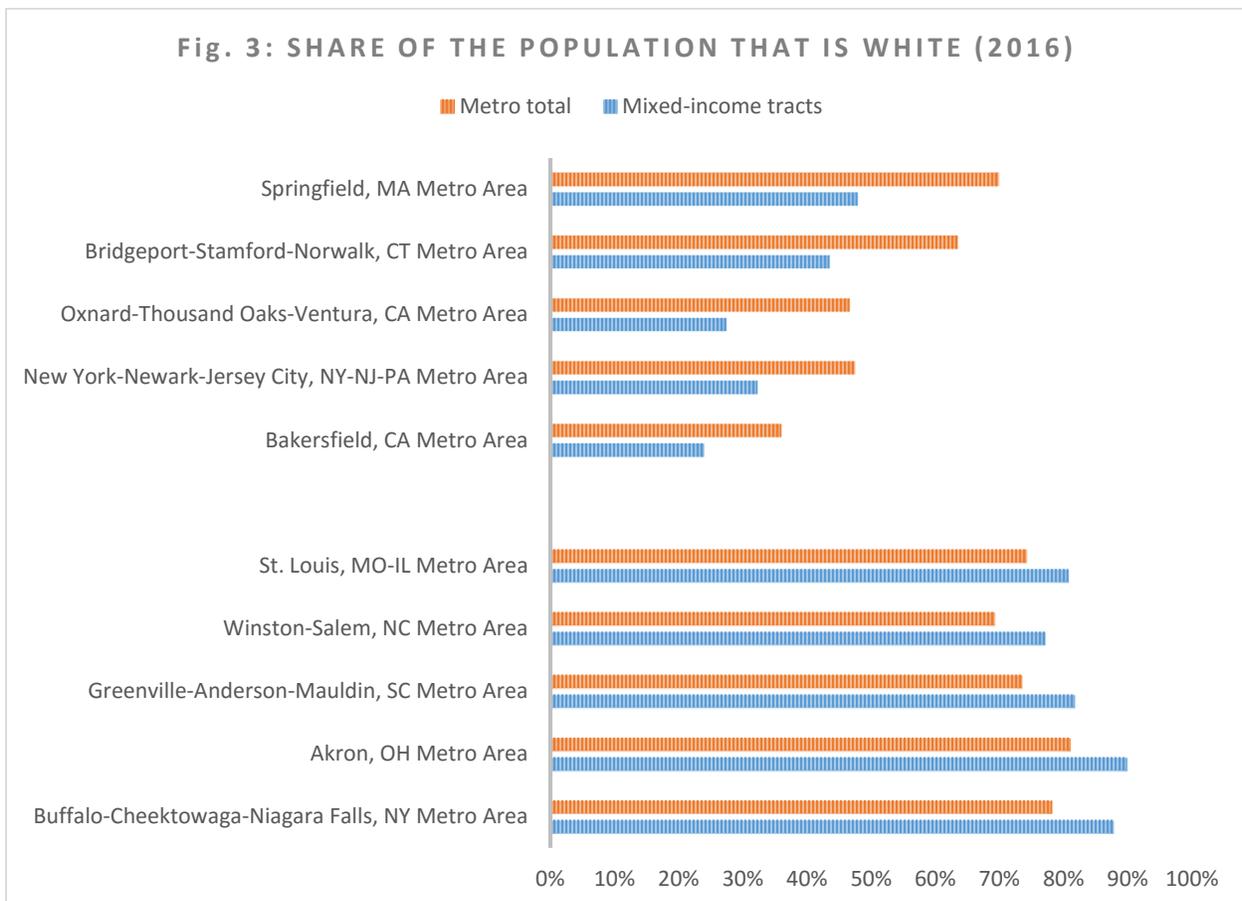
Source: Terner Center analysis of 2016 American Community Survey five-year estimates

The representativeness of these neighborhoods largely holds across individual metro areas, with a few notable exceptions. For instance, compared to the overall metro-area racial and ethnic composition, whites make up a considerably smaller share than would be expected in mixed-income neighborhoods in northeastern metro areas like Springfield (MA), Bridgeport (CT), and New York, and in California metro areas like Oxnard and Bakersfield (Figure 3). In effect, people of color have higher-than-expected access to mixed-income communities in these places, although which minority groups live in mixed-income neighborhoods differs depending on the region. In the California metro areas, the lower share of whites living in mixed-income neighborhoods is entirely offset by the higher share of Latinx in these tracts. In the northeastern metro areas of New York, Springfield, and Bridgeport, both Latinx and black/African-American residents are over-represented in mixed-income tracts, as compared to their share of the population in the metro as a whole.

On the other side of the spectrum, a number of metro areas in the Rust Belt and the Carolinas see whites over-represented in mixed-income neighborhoods in comparison to the racial and ethnic makeup of the region as a whole. In these metropolitan areas, the greater share of white residents in these tracts is largely or entirely offset by a smaller share of black/African-

American residents. With the exception of Greenville, each of those metro areas continue to be characterized by higher-than-average black-white segregation.<sup>15</sup>

The inequalities in who has access to mixed-income neighborhoods—and, particularly, the under-representation of blacks/African Americans in mixed-income neighborhoods—has been shaped at least in part by exclusionary housing policies and practices in these regions. Local land use and housing policies also likely underlie the evidence of exclusion in the residential patterns of the roughly 90 percent of major-metro residents who do not live in mixed-income neighborhoods. Indeed, regions that have a higher share of people of color in mixed-income neighborhoods tend to have lower-than-average shares of tracts that qualify as mixed-income, while regions where whites are over-represented tend to post higher-than-average shares of mixed-income tracts, all of which raises the question of what is driving the barriers to both racial and economic integration. Overall, we need a better understanding of how racial segregation and discrimination influence the establishment of mixed-income neighborhoods and the role that local housing and land use decisions play in shaping where different groups of residents can and do live.



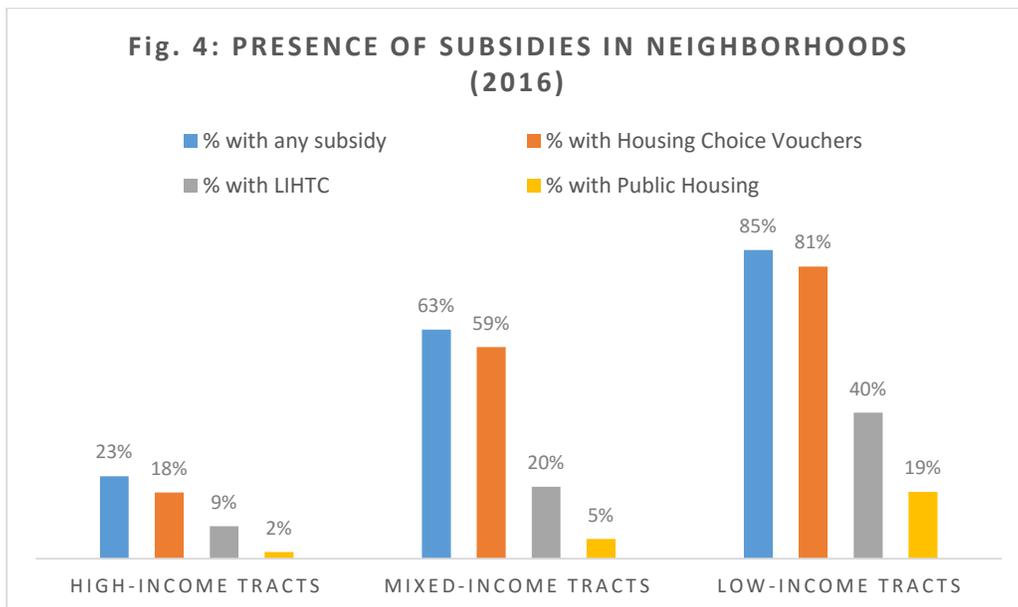
<sup>15</sup> “Residential Segregation Data for U.S. Metro Areas,” *Governing: The States and Localities*, accessed February 7, 2019, <http://www.governing.com/gov-data/education-data/residential-racial-segregation-metro-areas.html>.

Source: *Terner Center analysis of 2016 American Community Survey five-year estimates*

### **How does Housing, including Subsidized Housing, Shape Mixed-Income Neighborhoods?**

Federal housing subsidies often receive attention in research and policy discussions about the geography of poverty and opportunity in the United States—both for the role they have played in driving segregation and the concentration of poverty, and, more recently, for their potential to ameliorate those patterns by increasing access to higher-opportunity neighborhoods and fostering more mixed-income communities.

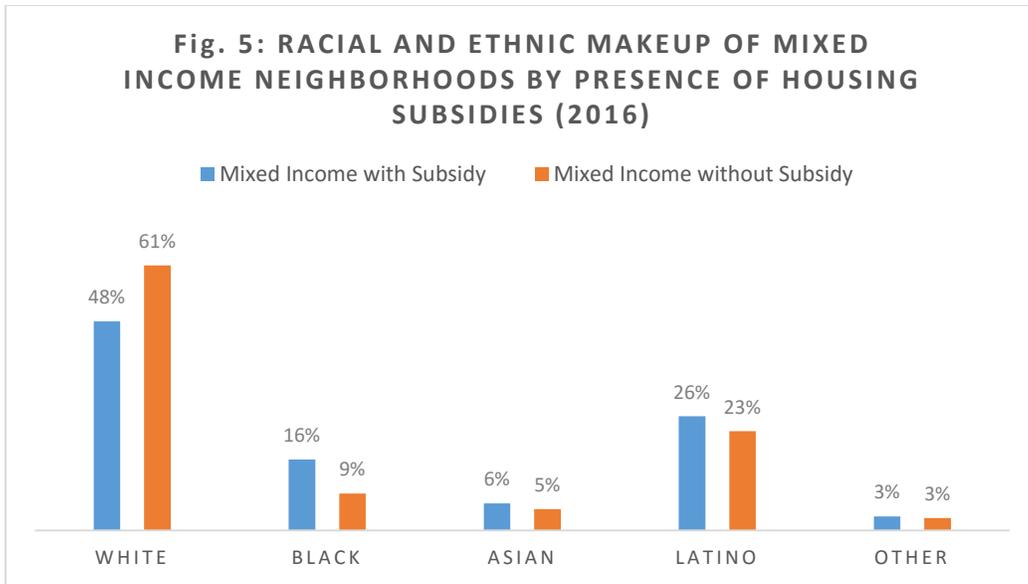
Subsidized households remain much more prevalent in low-income communities. Over two-thirds of households that receive housing vouchers are located in low-income tracts, and less than 10 percent are in mixed- or high-income tracts. The same is true of [Low-Income Housing Tax Credit \(LIHTC\)](#) units. However, most mixed-income neighborhoods (63 percent) do contain some type of housing subsidy—most often tenant-based [Housing Choice Vouchers](#) (Figure 4). These subsidies no doubt play a role in helping the 12 percent of metropolitan poor residents in mixed-income tracts (and 15 percent in high-income tracts) gain access to these neighborhoods. In mixed-income neighborhoods where vouchers are present, they account for almost 6 percent of occupied rental units. In mixed-income tracts with LIHTC projects, below-market-rate LIHTC units make up 14 percent of occupied rental units.



Source: *Terner Center analysis of 2016 American Community Survey five-year estimates*

The presence of subsidies in mixed-income neighborhoods seems to affect who has access to these tracts. Mixed-income tracts that contain subsidized households tend to be more

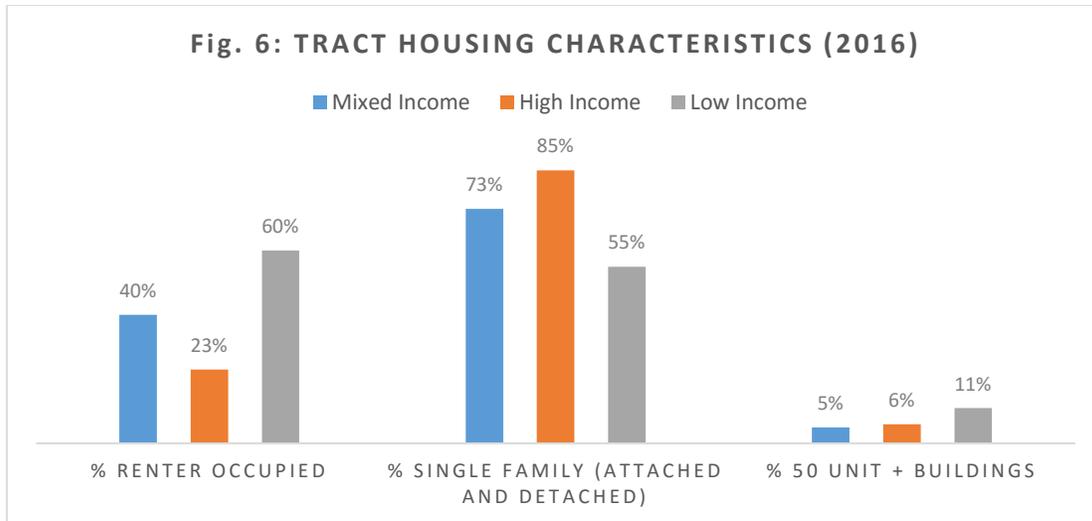
racially and ethnically diverse (Figure 5). Specifically, the share of black/African-American residents in mixed-income neighborhoods almost doubles when housing subsidies are present.



Source: *Terнер Center analysis of 2016 American Community Survey five-year estimates*

But while subsidies may be one piece of the puzzle in creating many of the mixed-income communities that exist today, they are a relatively small one. A much bigger factor (and one that largely dictates where subsidies can be used in the first place) likely is the type of housing available in different kinds of neighborhoods (Figure 6). Single-family housing has dominated housing production for decades in the United States. The prevalence of single-family housing and single-family neighborhoods in the nation’s major metro areas—and, more specifically, the exclusionary zoning and housing policies that have often produced these neighborhoods and driven racialized patterns of segregation—limits the development of a diverse housing stock that can support a range of incomes and household types.

In that context, it is not surprising that high-income tracts in the top 100 metro areas are populated predominantly by single-family homes, which are largely owner-occupied, while low-income tracts are dominated by renters and a denser, more multifamily form of development. It is likely that mixed-income neighborhoods can support a more economically diverse group of residents because these places tend to strike a middle path of housing development types. Mixed-income tracts register a relatively more balanced mix of owner and rental units and a housing stock that offers opportunities for modest density; more than one-fifth of the housing stock in mixed-income communities comes from multifamily buildings that comprise two or more units but fewer than 50.



*Source: Turner Center analysis of 2016 American Community Survey five-year estimates*

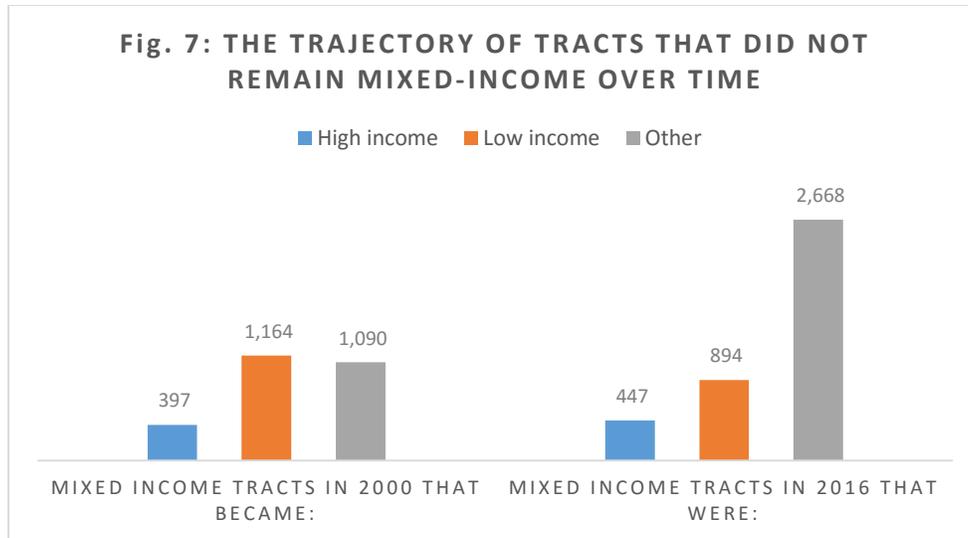
### ***How Stable are Mixed-Income Neighborhoods over Time?***

The prior analysis provides important insights into where economically diverse neighborhoods exist, but a point-in-time snapshot fails to answer the critical question of how enduring these places are. Do mixed-income neighborhoods stay that way, or do they eventually become more exclusive or poor over time?

Between 2000 and 2016, the number of mixed-income neighborhoods in metropolitan America increased from 3,553 to 4,911—an uptick of 40 percent. On its face, that net gain bodes well for the expansion of more economically integrated neighborhoods over time. However, the topline numbers mask a great deal of churn within these tracts.

Of the neighborhoods that were mixed income in 2016, just 18 percent (902 tracts) began the 2000s that way. The trajectory of neighborhoods that cycled in or out of mixed-income status between 2000 and 2016 shows how strong the pull toward income segregation tends to be. For instance, neighborhoods that lost their mixed-income status (according to our definition) after 2000 were more likely to do so because they became more heavily concentrated at one end of the income distribution: Almost 60 percent of tracts that were formerly mixed income in 2000 transitioned to either majority low-income or majority high-income by 2016 (Figure 7).

In contrast, among neighborhoods that became mixed-income during this period, two-thirds emerged from the pool of “other” tracts (i.e., tracts that fall somewhere in the middle—not mixed-income, but not majority high- or low-income). The much smaller number of tracts that used to be majority high- or low-income but became mixed-income in 2016 suggests that the more segregated by income a neighborhood is, the “stickier” the income status of that neighborhood tends to be.



Source: Terner Center analysis of 2016 American Community Survey five-year estimates

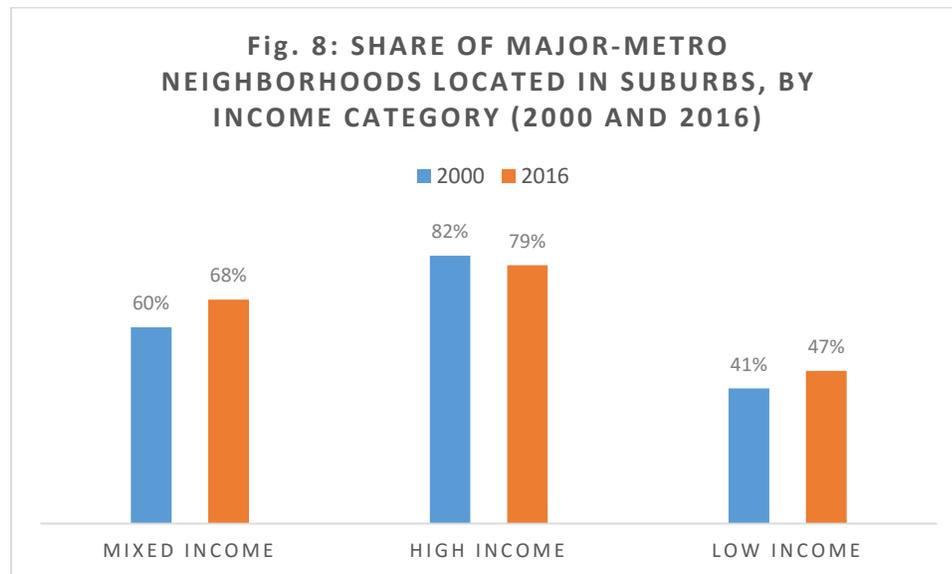
The trajectories of these neighborhoods indicate two broader trends that have reshaped the geography of poverty and opportunity in the nation’s major metro areas since 2000: the revitalization (and gentrification) of an increasing number of urban neighborhoods, and the growing incidence of poverty and economic decline in the suburbs.

Of the high-income tracts that became mixed-income, more than three-quarters were located in suburbs. This dovetails with a period in which suburbia was home to the nation’s fastest-growing poor population, and the suburban poor outstripped the number of urban poor for the first time.<sup>16</sup> At the same time, more than half of the low-income tracts that became mixed-income were located in cities. One way to read these trends is that increased economic diversity in the suburbs created a greater mix of incomes in neighborhoods that used to be largely affluent, and greater reinvestment and population growth in cities did the same in formerly low-income areas.

But those same dynamics did not just create new mixed-income communities. They also contributed to the churn in formerly mixed-income neighborhoods, furthering the concentration of both poverty and affluence and shifting the distribution of such neighborhoods across the urban-suburban continuum. Of the roughly 400 formerly mixed-income tracts that became high-income between 2000 and 2016, more than half (51 percent) were in cities. In fact, one-third of those tracts were in the cities of just five metro areas: Chicago-Naperville-Elgin; Los Angeles-Long Beach-Anaheim; New York-Newark-Jersey City; San Francisco-Oakland-Hayward, and Washington, DC-Arlington-Alexandria. On the other end of the spectrum, of the almost 1,200 formerly mixed-income tracts that became low-income, 60 percent were in the suburbs.

<sup>16</sup> Elizabeth Kneebone and Alan Berube, *Confronting Suburban Poverty in America* (Washington, DC: The Brookings Institution, 2014).

One result of these dual forces is a narrowing of the urban/suburban divide over this period (Figure 8). By 2016, the metropolitan balance of mixed-income and low-income neighborhoods tilted more suburban than in 2000, while high-income neighborhoods tilted slightly more urban. These trends also suggest that point-in-time snapshots of “naturally occurring” mixed-income neighborhoods often capture a temporary neighborhood equilibrium of integration in a longer-term trajectory of income sorting.



Source: Terner Center analysis of 2016 American Community Survey five-year estimates

Are there ways that communities can guard against churn and boost the stability of mixed-income neighborhoods, effectively providing a bulwark against segregation pressures? At first glance, the tracts that succeeded in maintaining a mix of incomes between 2000 and 2016 do not significantly differ from those that fell in or out of the mixed-income category. In general, the underlying makeup of the housing stock, incidence of rental units, and presence of subsidies looked much the same across these groups.

However, there may be something to learn from a closer look at the regions that yielded better-than-average shares of stably mixed-income communities:

- For 15 of the nation’s major metropolitan areas, at least one in four mixed-income tracts remained that way over time. Six of those regions were in California.
- The Los Angeles metro area alone accounted for 158 of metro America’s stable mixed-income neighborhoods, meaning that almost half of its currently mixed-income tracts were also mixed income in 2000. The bulk of those neighborhoods (116) were spread across multiple suburban jurisdictions.
- Metro New York posted the next-largest total number of stably mixed-income tracts overall (81), which meant that 30 percent of the region’s mixed-income tracts remained stable over time. Most of those neighborhoods (54) were in urban areas.

Future research should explore what distinguishes, not just these metro areas, but also the specific urban and suburban jurisdictions within them that have produced more enduring economically integrated neighborhoods. Delving further into these case studies could help determine what state or local policy decisions, economic dynamics, or demographic patterns have helped create—and sustain—these mixed-income neighborhoods over time.

## ***Conclusions***

Measuring the incidence and makeup of naturally occurring mixed-income communities in metropolitan America provides a framework and context for understanding how and where these pockets of economic integration emerge. There were nearly 1,400 more mixed-income neighborhoods in 2016 than in 2000 in the nation’s major metro areas—an expansion in the number of economically diverse communities that could in turn help to generate the benefits of integration for more households. Moreover, where these naturally-occurring mixed-income neighborhoods develop, as a whole they seem to offer more equitable access for residents from historically marginalized populations, including African Americans and those living in poverty. But these naturally occurring conditions have yet to reach a significant scale and have proven largely unstable over time. Furthermore, worsening income inequality and the “stickiness” of neighborhoods as they become more concentrated and polarized by income indicate that the forces working against naturally-occurring mixed-income communities are likely to increase.

In many ways, this analysis raises as many questions as it answers about the ways in which local land use and housing decisions intersect with demographic and economic trends to shape patterns of segregation and integration. But it also offers promising pathways—and examples of jurisdictions that seem to be succeeding—for further exploration of the conditions and policy landscape needed to ensure that mixed-income communities not only emerge but also endure as a real alternative to the persistent pressures of segregation.

## ***Implications***

**Implications for Policy.** Federal housing policy helped to create today’s landscape of economic and racial segregation, and it has an important role to play in undoing that legacy. Where housing subsidies are targeted—be it through place-based investments like LIHTC or through the expansion of choice through vouchers—helps shape where low-income households can live. We find that most mixed-income neighborhoods (63 percent) contain some type of housing subsidy—most often tenant-based Housing Choice Vouchers—and that tracts that contain subsidized households tend to be more racially and ethnically diverse. This suggests that the design of housing subsidy programs, and targeting them to local housing market conditions, can make a significant difference in supporting more integrated neighborhoods. For instance, the

[Baltimore Regional Housing Partnership](#) (BRHP) has a robust counseling and housing search assistance program aimed at helping Housing Choice Voucher households locate in higher-opportunity neighborhoods throughout the region. As BRHP works with voucher households pre- and post-move, it strives to foster income mixing and guard against concentrating low-income households in particular properties or neighborhoods.

However, federal subsidies are just one policy lever that should be considered alongside a broader array of public, private, state, and local tools. Local housing and zoning policies are among the most influential factors shaping housing access. Incentivizing localities to diversify the mix of housing types in all neighborhoods can foster greater economic inclusion. Inclusionary zoning, for example, can require or encourage the production of affordable units as part of market-rate development. In addition, city- or state-level source of income discrimination protections can ensure that households with a voucher have access to fair housing choices. Policies that limit exclusionary zoning practices are also critical: for example, Minneapolis recently eliminated single-family zoning in every neighborhood to increase the supply of “missing middle” housing across the city. In Massachusetts, [Chapter 40B](#) ensures that all of its cities meet their fair share of affordable housing production by streamlining the approvals process for projects that include units targeted to lower-income households.<sup>17</sup> While these are just a few examples, they point to ways in which local models can facilitate the development of mixed-income communities outside of the public housing and/or federal housing subsidy context.

**Implications for Research and Evaluation.** Despite decades of research into the effects of concentrated neighborhood poverty on a variety of outcomes, and recent evidence pointing toward the importance of neighborhood context on a child’s expected earnings in adulthood,<sup>18</sup> we do not know *how* mixed-income neighborhoods benefit poor residents.<sup>19</sup> For example: are mixed-income neighborhoods good for poor children because they provide meaningful exposure to people from different backgrounds? Or because they provide access to resources and institutional capacity not present in poor neighborhoods? Or because they increase collective efficacy and political mobilization for neighborhood investments? Knowing more about which of these pathways matter would fill a central gap in our understanding of the mechanisms underlying neighborhood effects. We also need more research that accounts for the fact that

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<sup>17</sup> Carolina Reid, Carol Galante, and Ashley F. Weinstein-Carnes, “Addressing California’s Housing Shortage: Lessons from Massachusetts Chapter 40B,” *Journal of Affordable Housing and Community Development Law* 25, no.2 (2017).

<sup>18</sup> Raj Chetty and Nathaniel Hendren, “The Impacts of Neighborhoods on Intergenerational Mobility I: Childhood Exposure Effects,” *Quarterly Journal of Economics* 133, no. 3 (2018), doi: 10.3386/w23001.

<sup>19</sup> Mark Joseph and coauthors review theory and evidence in the context of mixed-income housing developments, Mark L. Joseph, Robert J. Chaskin, and Henry S. Webber, “The Theoretical Basis for Addressing Poverty Through Mixed-Income Development”.

neighborhoods change. We find that while low-income and high-income neighborhoods tend to be “sticky,” there is a lot of churn in which neighborhoods are mixed-income over time. A deeper exploration of neighborhoods that have managed to remain stably integrated over time—and what factors have contributed to that stability—could help to more effectively direct future policymaking efforts at the local, state, and federal level.

**Implications for Development and Investment.** Where development and investment happens, and what kind, can have a profound influence on neighborhood change. Particularly in the context of places experiencing gentrification and a “return to the city,” investments need to be coupled with tenant protections and strategies to prevent displacement. Affordable housing preservation—not just new construction—should be a priority in neighborhoods that are seeing an influx of higher-income residents. In San Francisco, for example, the city has established a [Small Sites Program](#), which provides loans to nonprofit organizations to buy buildings that are at risk of being sold to a private investor and convert the units to permanent affordability.

On the other hand, in neighborhoods experiencing increases in the number of poor and low-income households, policymakers and practitioners should prioritize community development investments and programs that can stabilize and support mixed-income neighborhoods. Taking steps to promote and preserve integration in such areas can help stem the emergence of new areas of concentrated disadvantage, but will require connecting housing strategies with cross-sector interventions and investments in residents and the broader community.

**Implications for Residents and Community Members.** The built environment is just one element of what it means to be “mixed-income.” Fostering housing integration, at its core, is about the hope that doing so will also promote social integration, offer greater access to opportunity structures, and ultimately improve outcomes for low-income households and residents of color. Yet, while housing policies and investments can set the stage for integration and access, housing strategies alone are unlikely to guarantee the durability and efficacy of those conditions. Aligning services and community resources with housing interventions can help ensure that low-income families in mixed-income environments have access to employment, health, transportation, and other social services that can help stabilize individual households. At the same time, supportive services that seek to build a sense of community and belonging in otherwise transitioning and transient neighborhoods—whether urban or suburban—can promote neighborhood stability by building social cohesion across different groups of residents.