Neighborhood Gentrification, Intra-Metropolitan Population Shifts, and the Responsiveness of Local Nonprofit Programs

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METROPOLITAN
POLICY CENTER

A Pilot Project of the Nonprofit Panel Dataset Initiative

MOTIVATIONS

1) To understand local nonprofit program responses to gentrification in urban settings
2) To advance the Nonprofit Panel Dataset

RESEARCH QUESTIONS

1) Do local nonprofits respond to changing needs by increasing **low-income/minority** programs *or* by increasing *non*-low-income/non-minority programs?

2) Do **new organizations** enter these markets *or* do existing organizations expand to meet new needs?

THEORETICAL PERSPECTIVES
Dueling arguments from same theory?

**Public Goods/Demand Heterogeneity** (Weisbrod 1975)

- Nonprofits rise to meet public and collective needs that are not demanded by the median voter

- As neighborhoods gentrify…

  - **H1: Nonprofits will <u>increase</u> the local response to low-income, minority demands**

  - **H2: Nonprofits will <u>increase</u> the local response to <u>non-low-income, non-minority</u> demands**

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Nonprofit Panel Dataset
Program Geographic Focus

➡ Select Geographic Area Served
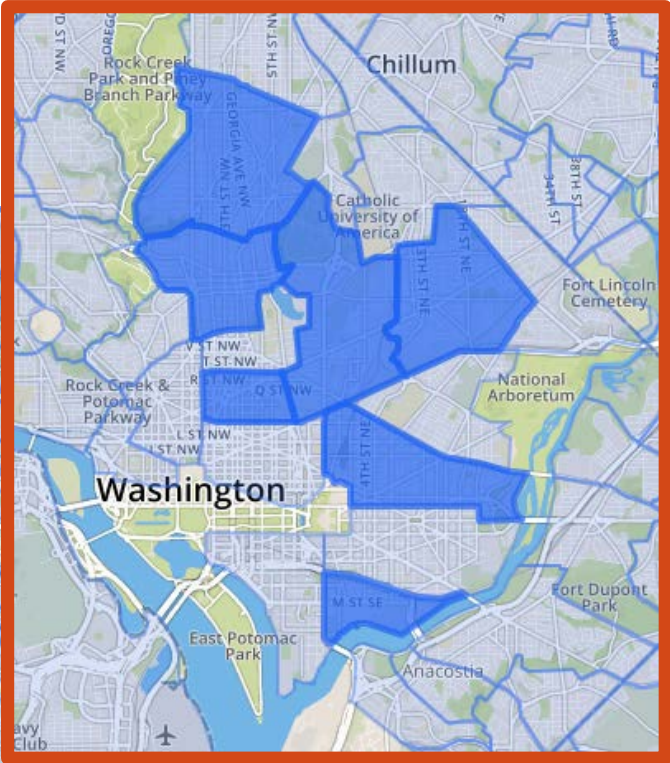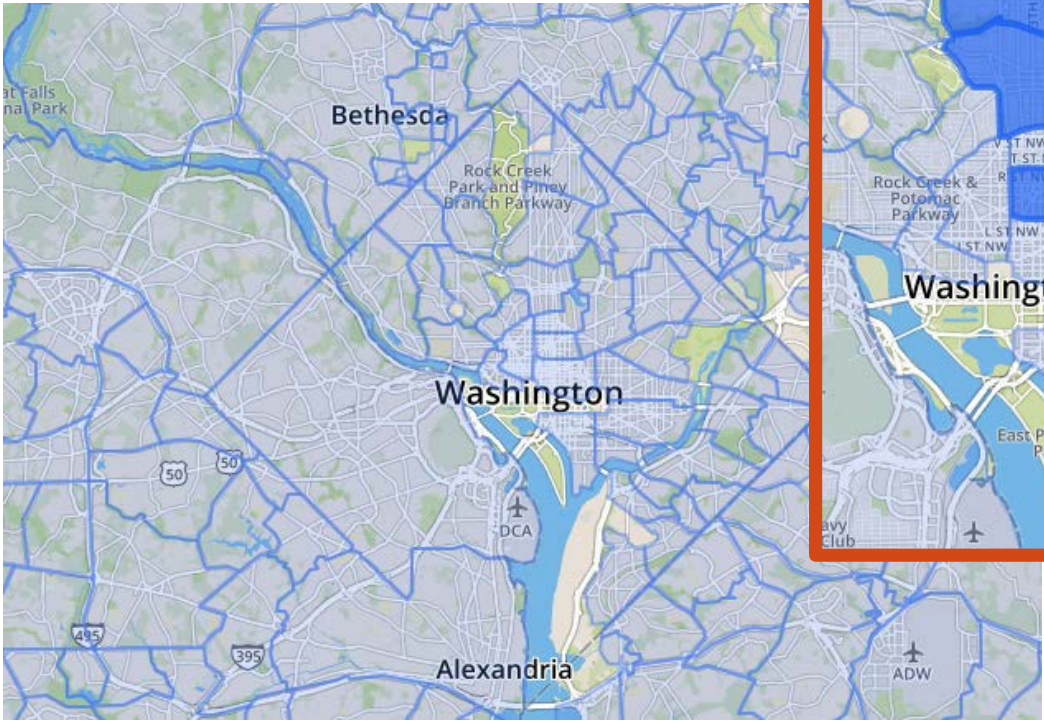
Wave 1
Study Focus
Gentrification
and NP Response
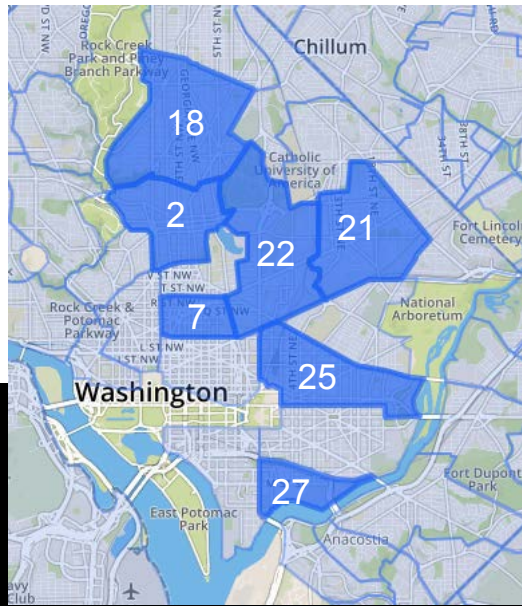
Neighborhoods

Neighborhoods	Gentrified by Single Family Home Sales	Governing Study Gentrified Tracts?
Cluster 2: Columbia Heights, Mt. Pleasant, Pleasant Plains, Park View	2014	Yes
Cluster 7: Shaw, Logan Circle	2009	Yes
Cluster 18: Brightwood Park, Crestwood, Petworth	Trend by 2017	Yes
Cluster 21: Edgewood, Bloomingdale, Truxton Circle, Eckington	Trend by 2016	Yes
Cluster 22: Brookland, Brentwood, Langdon	Trend by 2020	Yes
Cluster 25: NoMa, Union Station, Stanton Park, Kingman Park	2014	Yes
Cluster 27: Near Southeast, Navy Yard	2009	Yes

Questions confronted…

- Focus on **Human Services** or **all subsectors**?
  - Non-Human-Service organizations also active in low-income, minority focused programs
- How do we assess <u>program changes</u> from before gentrification?
  - **Difficult with a survey alone**
  - **Program information through website vs. 990**

Questions confronted…

- Focus on **Human Services** or **all subsectors**?
  - Non-Human-Service organizations also active in low-income, minority focused programs
- How do we assess <u>program changes</u> from before gentrification?
  - **Difficult with a survey alone**
  - **Program information through website vs. 990**
- **Initial Wave Solutions – Draw full population from neighborhoods and focus on 990 information beyond the NCCS Core**
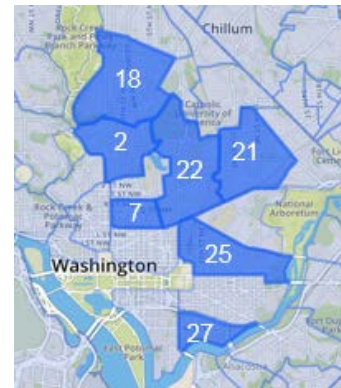
Nonprofit Panel Dataset Platform
Neighborhood Organizations
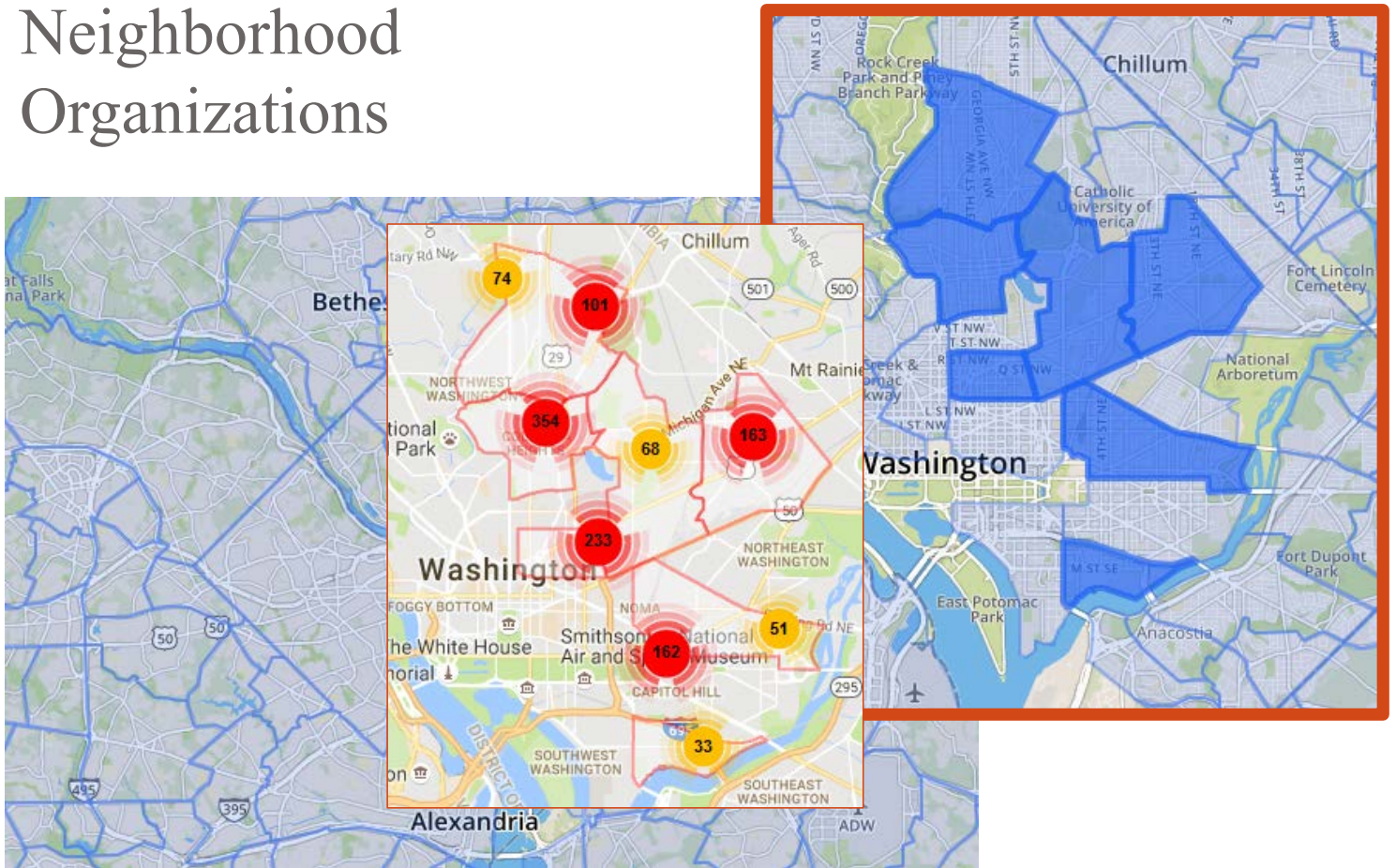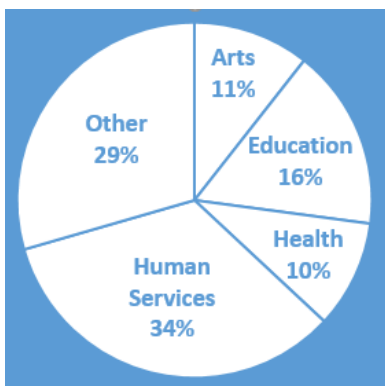
DC Wave 1 Sample Frame
Population of
990 Filing NPOs in DC
Gentrifying Neighborhoods

Neighborhood Cluster	N	Percent	Cum.
Cluster 2: Columbia Heights, Mt. Ple..	119	23.38	23.38
Cluster 7: Shaw, Logan Circle	51	10.02	33.4
Cluster 18: Brightwood Park, Crestwoo..	65	12.77	46.17
Cluster 21: Edgewood, Bloomingdale, T..	74	14.54	60.71
Cluster 22: Brookland, Brentwood, La..	62	12.18	72.89
Cluster 25: NoMa, Union Station, Stan..	122	23.97	96.86
Cluster 27: Near Southeast, Navy Yard	16	3.14	100
Total	**509**	**100**	

Sample
Neighborhood NPOs

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Subsector	N	Percent	Cum.
Arts	54	10.61	10.61
Education	84	16.5	27.11
Health	50	9.82	36.94
Human Services	171	33.6	70.53
Other	150	29.47	100
Total	**509**	**100**	

DATA & ANALYSIS

- Program Service Accomplishments reported on the Form 990 from 2006 and 2015
  - Program Descriptions, Expenses, and Revenue
- Each program coded for
  1) Local vs. Non-Local Program
  2) Low-income/Minority-Serving/Community
- Analysis of growth in Local Low-Income vs. *Non*-Low-Income Programs (N and Exps)
  - New vs. Existing Orgs and Programs

FINDINGS

Neighborhood Cluster	Gentrified?	Local / Non-Local N Programs		Local Program Spending	
		2006	2015	2006	2015
Cluster 2: Columbia Heights	2014	145/206	150/218	$80,800,000	$156,000,000
Cluster 7: Shaw	2009	53/84	71/101	$153,000,000	$59,200,000
Cluster 18: Brightwood/Petworth	Trend by 2017	89/107	89/104	$35,700,000	$64,800,000
Cluster 21: Edgewood	Trend by 2016	73/118	86/131	$408,000,000	902,000,000
Cluster 22: Brookland	Trend by 2020	83/111	77/97	$48,700,000	$89,500,000
Cluster 25: Union Station	2014	32/249	45/240	$37,200,000	$220,000,000
Cluster 27: Navy Yard	2009	14/31	14/29	$41,200,000	$84,100,000

FINDINGS

Neighborhood Cluster	Gentrified?	Local Low-Income Spending 2006	2015
Cluster 2: Columbia Heights	2014	$70,100,000	$127,000,000
Cluster 7: Shaw	2009	$148,000,000	$53,000,000
Cluster 18: Brightwood/Petworth	Trend by 2017	$33,300,000	$63,200,000
Cluster 21: Edgewood	Trend by 2016	$402,000,000	901,000,000
Cluster 22: Brookland	Trend by 2020	$45,000,000	$85,500,000
Cluster 25: Union Station	2014	$13,700,000	$171,000,000
Cluster 27: Navy Yard	2009	$41,000,000	$81,500,000

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Next Steps - Nonprofit Panel Dataset
Core Questions Over Panel

Number of individuals served: Approximate in the last year

Intensity of service [Daily ▼]

Any major changes to the program in the last year

Total approximate program revenue in the last year

Total approximate program expenses in the last year

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Approximate percentage of revenue per category

Fees

Donations

Foundation Grants

Government Grants

Government Contracts

Other

For more information:

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www.american.edu/spa/faculty/faulk.cfm