

***Gentrification and Schools:  
Challenges, Opportunities and Policy Options***

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**Executive Summary**

Our study on neighborhood gentrification<sup>1</sup> in California cities highlights the complex interplay between gentrification, school choice, and school segregation patterns. We found that the relationship between gentrification and local elementary schools largely depends on the specific city and community being gentrified. Statewide, gentrified neighborhoods have become *more* racially and economically diverse compared to those that did not gentrify, but we found only modest changes in local schools. Our research reveals that these trends have played out differently across California cities and schools. Our analysis pays particular attention to Los Angeles, Oakland, and San Diego, three prominent and diverse cities in the state that possess unique desegregation histories and school choice dynamics. It is noteworthy, however, that California currently lacks any active state or federal desegregation policies. Furthermore, the state's educational landscape is characterized by a significantly large charter school sector, which often exhibits higher levels of segregation compared to traditional public schools. Additionally, certain policies that could potentially facilitate desegregation efforts are prohibited due to the constraints imposed by Proposition 1, a state constitutional amendment.

The rapid gentrification occurring in major cities may have a significant impact on California and the distribution of wealth and opportunity for its families, similar to the vast suburbanization that occurred during the baby boom era. The White flight from central city neighborhoods has far-

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<sup>1</sup> In this context, gentrification involves the reshaping of neighborhoods due to changes in factors, like education levels, types of housing available, and household income (refer to the methodology section for a comprehensive technical definition).

reaching consequences, particularly in regard to school segregation, which became an often-intractable problem. However, there is substantial and growing evidence of the enduring benefits for children who attend diverse schools. This study aims to explore whether the return of White and middle-class families to gentrified areas has the potential to help desegregate the schools or if it merely rearranges the geography of segregation for students of color, reinforcing racial inequality.

In our analysis of neighborhood demographics and school enrollment patterns in Los Angeles, by far the state's largest city, exposure to low-income students in gentrified neighborhoods has declined for *all* racial groups, with the steepest decline for Whites and Asians, a clear gain in terms of class diversity. In Oakland, one of the country's most rapidly gentrifying cities, we find that racial isolation in schools has declined for each group in areas that gentrified. In San Diego, however, where gentrification has become widespread as well, we find that racial contact in schools has remained relatively stable over time for most racial groups. We also find that there continues to be a substantial majority of majority-minority and intensely segregated schools in all three cities, with the most (by far) in Los Angeles, followed by Oakland then San Diego. Finally, our analysis reveals a highly bifurcated and racially imbalanced charter school sector in a state with a large and growing charter sector, with some charters serving high concentrations of minority students and others serving high concentrations of White students. Overall, our analysis suggests that gentrification's impact on local schools is largely contingent on the city and community being gentrified and may be related to local housing dynamics, student assignment policy, school choice policy, and demographic differences (see table on page 5). Neither the state nor any of these cities have any explicit policy on gentrification or segregation.

### **Key Findings:**

- Median home values in gentrified areas in California increased 110% in inflation-adjusted dollars since 2000, whereas low-income areas that did not gentrify, saw median home

values increase by 29%. In the state's most intensely gentrifying areas, home values soared by over 380%.

- In Los Angeles, San Diego, and Oakland, over 50% of low-income neighborhoods have gentrified since 2000.
- Gentrifying areas of Oakland, Los Angeles, and San Diego have a larger share of charter schools than areas that were eligible for gentrification but did not gentrify.
- In gentrifying areas of Los Angeles, both White and Asian elementary school students have seen large declines in their exposure to low-income students, down 12 and 10 percentage points, respectively. Meanwhile, Hispanics and Blacks saw a much more modest decline in their exposure to low-income students, down 3 and 5 percentage points, respectively.
- In 2019, approximately 84% of all Los Angeles elementary schools were majority Black and Hispanic, a share that went largely unchanged from 2000. However, in the city's gentrifying areas, that share of majority Black and Hispanic schools declined, down from 92% of the total in 2000 to approximately 86% in 2019. This is compared to an increase of 2 percentage points in areas that did not gentrify.
- While the share of majority White elementary schools has increased across Los Angeles, approximately 1 in 5 charters is majority White, compared to approximately 1 in 20 non-charter schools. In the gentrifying communities, 10.8% of charter schools are majority White, in contrast to 4.6% of non-charters.
- Oakland's most intensely gentrifying communities have seen median values increase from \$150,000 in 2000 to over \$800,000 in 2019 and with the share of White households increasing by 28 percentage points.

- In gentrifying neighborhoods of Oakland, the White share of students has approximately doubled from 7.6% to close to 15%, the largest gain of all racial groups. Meanwhile, the Black elementary school population declined by over 21 percentage points in gentrified areas. The Black enrollment in SF has also plummeted as has the share of Black students statewide.
- Whites are least exposed to economically disadvantaged students, although their exposure to low-income students has increased in each of the areas in Oakland. Asian students in gentrifying areas however have seen a substantial decline in exposure to low-income students (-7 percentage points).
- Black students in Oakland have seen their exposure to low-income students increase in both gentrified areas (+10 percentage points) and areas that did not gentrify (+12 percentage).
- The share of majority Black and Hispanic elementary schools has declined in gentrifying communities, down from 78% in 2000 to 58% in 2019.
- In both gentrifying and non-gentrifying communities of Oakland, there are zero charter schools that enroll more than 25% White students. However, in gentrifying areas, 23.5% of non-charter schools enroll greater than 25% White students, compared to 16.6% of non-charters in areas that did not gentrify.
- In San Diego, in 2019, the overall level of isolation for Hispanic students was slightly lower in schools in gentrifying neighborhoods (62%) than in areas that did not gentrify (67%).
- Across all types of San Diego's neighborhoods, Black students became less isolated with same race peers; in gentrifying areas in 2000, the typical Black student attended a school

that was 25% Black and in 2019, the typical Black student's school in a gentrifying area was only 11% Black.

- However, in San Diego, Black students experienced increased segregation with Hispanic students across all types of schools; this increase was smallest in gentrifying areas where in 2000 the typical Black student attended a school that was 44% Hispanic and by 2019, the typical Black student's school in a gentrifying area was 46% Hispanic.
- In San Diego, in 2019, the overall level of exposure to low-income students is lower, but still remains high, in gentrifying areas (72% low-income for Black students, 73% low-income for Hispanic students) compared to areas that did not gentrify (77% low-income students for Black and Hispanic students).

For the latter half of the twentieth century, American cities were characterized by decline, depopulation, and residential segregation by race and class. Over the last two decades, however, many US cities have undergone a transformation. They have seen large long-term declines in crime in spite of recent upturns, become more diverse, and have experienced reinvestment while increasingly attracting middle- and upper-class residents. While these changes have been a boon to many US cities, the vast majority of urban schools remain racially and economically segregated. Despite the emergence of more diverse schools in some gentrifying communities in California, schools remain demographically imbalanced compared to their gentrifying neighborhoods. While we believe this is an indication of some progress toward desegregation, much more work remains to be done.

Factors that may account for varied findings across cities include:<sup>2</sup>

### **Extreme Housing Costs**

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<sup>2</sup> It is important to reiterate that the objectives of this study were *solely* focused on providing a descriptive analysis. The possible explanations presented here are speculative and have not been tested.

- Rapidly rising housing prices across Los Angeles and Oakland (see Figures A-3-5) may hinder residential mobility options for White gentrifying families who may otherwise move as a means of avoiding local schools with high numbers of minority children.

## **Local Demographics**

- Los Angeles and Oakland may have a unique population of affluent white gentrifying families with distinctive political leanings and attitudes of racial tolerance. Although many of these families may prefer predominantly White schools, some may choose to enroll their children in slightly more diverse schools.

## **History of Desegregation**

- Varying histories of desegregation efforts could influence current desegregation levels.
- San Diego's longer history of desegregation efforts may contribute to relatively more desegregation compared to Los Angeles and Oakland.

## **Transportation**

- Accessible, reliable transportation is critical for facilitating school desegregation. All three metros are large in geographic size compared to other parts of the state, making transportation across the metros difficult, especially for low-income families.
- Compared to one another, Los Angeles metro area is substantially larger than Oakland and San Diego, and because an extensive public transportation system is not available in many parts of Los Angeles, as well as notoriously bad traffic that contributes to long and unpredictable commuting times, transportation across the metro could be prohibitive for facilitating desegregation.

## **Student Assignment Policy**

- Unregulated school choice policies that lack diversity goals often exacerbate segregation. LAUSD's inter- and intra-district transfer policy and Oakland's open enrollment policy are likely contributing to higher levels of segregation.

## Charter Schools

Charter schools tend to be more segregated than traditional public schools and magnet schools. Larger shares of charter elementary schools in gentrifying areas (Figure A-15) of Los Angeles and Oakland than San Diego could contribute to greater segregation.