

Charlotte's middle class erodes as income gap increases

Charlotte families in poor or affluent areas have more than doubled since 1970.

By Bruce Henderson and Gavin Off
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On Atherton Street in Dilworth, a block from South Boulevard, large homes fill lots next to the small mill houses that used to dominate the neighborhood. JEFF WILLHELM

Charlotte's poor and affluent neighborhoods have grown dramatically in recent decades, evidence of a widening income gap, while middle-class communities are shrinking.

Cities nationwide are seeing the same trend, according to a study released this month by Stanford University researchers. Both poor and affluent people are also less likely to live near each other, the study found, while mixed-income neighborhoods became scarcer.

For years, local organizations have noticed the growing separation between poor and affluent neighborhoods. An analysis of Stanford's data reflects their fear - that Charlotte is becoming more economically, racially and socially divided.

From 1970 to 2007, an Observer analysis of the study data shows, the share of families who live in poor or affluent neighborhoods in metro Charlotte more than doubled. The 140 percent

increase in families in poor neighborhoods was larger than the national average of about 100 percent, said Sean Reardon, an associate professor of education at Stanford who led the research.

The proportion of families in affluent neighborhoods jumped from 7 percent to 13 percent. Nationally, the proportion of families living in affluent neighborhoods increased from 7 percent to 14 percent.

That trend, Reardon said, reflects a widening difference in incomes.

High-income families, the Stanford study found, are much less likely to share neighborhoods with low- and middle-income households.

"It makes for a more divided society," Reardon said. "They don't have neighbors from the different socio-economic backgrounds that they once would have. They're less likely to see them in school or on the streets."

How it's calculated

The Stanford researchers compared median family income data for each Census tract - or neighborhood - to the median income of the neighborhood's region. They did so for each decade since 1970

The Stanford study defines neighborhoods by median family income. Affluent neighborhoods are those where median income is 150 percent or more of a metro area's median. Middle-class is 80 percent to 125 percent of median income, and poor is where incomes are 67 percent or less of the median.

Charlotte's Neighborhood Quality of Life Study, by the city's Neighborhood and Business Services, examines everything from test grades and dropout rates to crime rates and the percent of people receiving food stamps. The study shows what happens when middle-class neighborhoods begin to slip: Household incomes crash. Home ownership drops. Crime increases. Access to basic retail falls.

While affluent neighborhoods spread across northern Mecklenburg County, the Observer analysis found, poor ones expanded north, west and east of the center city.

In east Charlotte, apartment complexes clustered along Central Avenue and Albemarle Road buffer the winding streets of 1960s-era brick ranch houses. John Autry, elected this month to represent the area on Charlotte City Council, said many of those neighborhoods are stable and fared well during the economic downturn.

"I can't really paint the same picture your analysis is drawing," said Autry, who has lived on the east side for 20 years. "We have a very vibrant and diverse community, but I think it has suffered from the wrong perception. My task is to try to correct that."

The community was devastated this year when the Charlotte-Mecklenburg school board closed Oakhurst Elementary, a neighborhood school. But Autry said a larger challenge is to attract stores and restaurants back to a district where the closed Eastland Mall is a landmark of changing demographics.

One 33-year resident on a tidy street off Charlotte's ethnically mixed Central Avenue savors the memories of a social fabric that is now frayed.

Now wary of many of his neighbors, he didn't want to be identified.

In 1970, communities in the area were in the top 15 percent of median family incomes in the metro area. Now they're in the bottom 25 percent, with a median family income of about \$39,000. The median family income for the Charlotte metro area is roughly \$64,500.

The World War II veterans who once populated the streets are dead, the man said, replaced by neighbors more prone to file grievances than chat over a backyard fence. Some houses have become rentals, and some tenants fight outside in their yards.

"It was the kind of neighborhood where you knew your neighbor's children, you knew their grandchildren," he said. "Now, boy, you don't want them to know too much about your business."

The Lake Norman area took a different path. Since the lake was built in 1963, it has become a catalyst for growth in north Mecklenburg, transforming neighborhoods from middle-class to some of the most affluent in the county.

The median family income for communities around Lake Norman tops \$136,000.

Closing gaps

Since 2004, Crossroads Charlotte, a nonprofit initiative, has fought to bring economic and social opportunities to struggling neighborhoods.

In 2009, the group released "Crossroads Charlotte: The Movie," a series of four short films that outlined the possible futures for the city and its residents. Included in one scenario - the worst of the four - is a widening gap between the affluent and poor and building tensions among races.

At least a part of that demographic scenario seems to be slowly coming true, the Observer's analysis of Stanford's data suggests.

"It's eerie how close to home it's hitting now," said Tracy Russ, executive director of Crossroads Charlotte.

But Russ and Dianne English, executive director of Community Building Initiative, a local nonprofit, said Charlotte could reverse the trend. It would take political officials, corporate leaders and everyday people to do it, English said.

There are also areas that resist the trend. Russ called uptown's Third Ward a success story. What was once a depressed neighborhood is now home to a diverse collection of townhouses, apartments and condominiums.

"We're trending in a direction that doesn't appear to be hopeful," English said. "But we're not there yet."

A greater division

A widening income gap is a path most of the nation is heading down, researchers found.

Of the 117 large and moderate-size metro areas, fewer than 20 saw a decrease in the income gap since 1970. Most of those that saw a decrease were in the South and include metro areas around Atlanta, New Orleans and Phoenix.

Three of the four most segregated areas by income are in the New York City region. They are areas around Bridgeport, Conn.; White Plains, N.Y, and Newark, N.J.

And then there are the political ramifications of the income disparity.

In an interview with Reuters, Reardon said the Stanford study hints at an underlying complaint by Occupy Wall Street protesters - that there are two Americas, and people are upset about the division.

He said increasing segregation could lead to more differences among politicians, as representatives of affluent areas serve separate interests than those of poor areas.

The result is often a deadlock.

"That may lead to an increasing polarization of politics," Reardon told Reuters. "It may also help explain why we've seen some increase in polarization over the past 30 or 40 years."