

DRAFT

City of Greensboro

Economic Mobility Study

**Housing and Neighborhood
Development
October 26, 2023**



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City of Greensboro

VISION STATEMENT



Greensboro will be a community with endless economic opportunities and an exceptional quality of life.

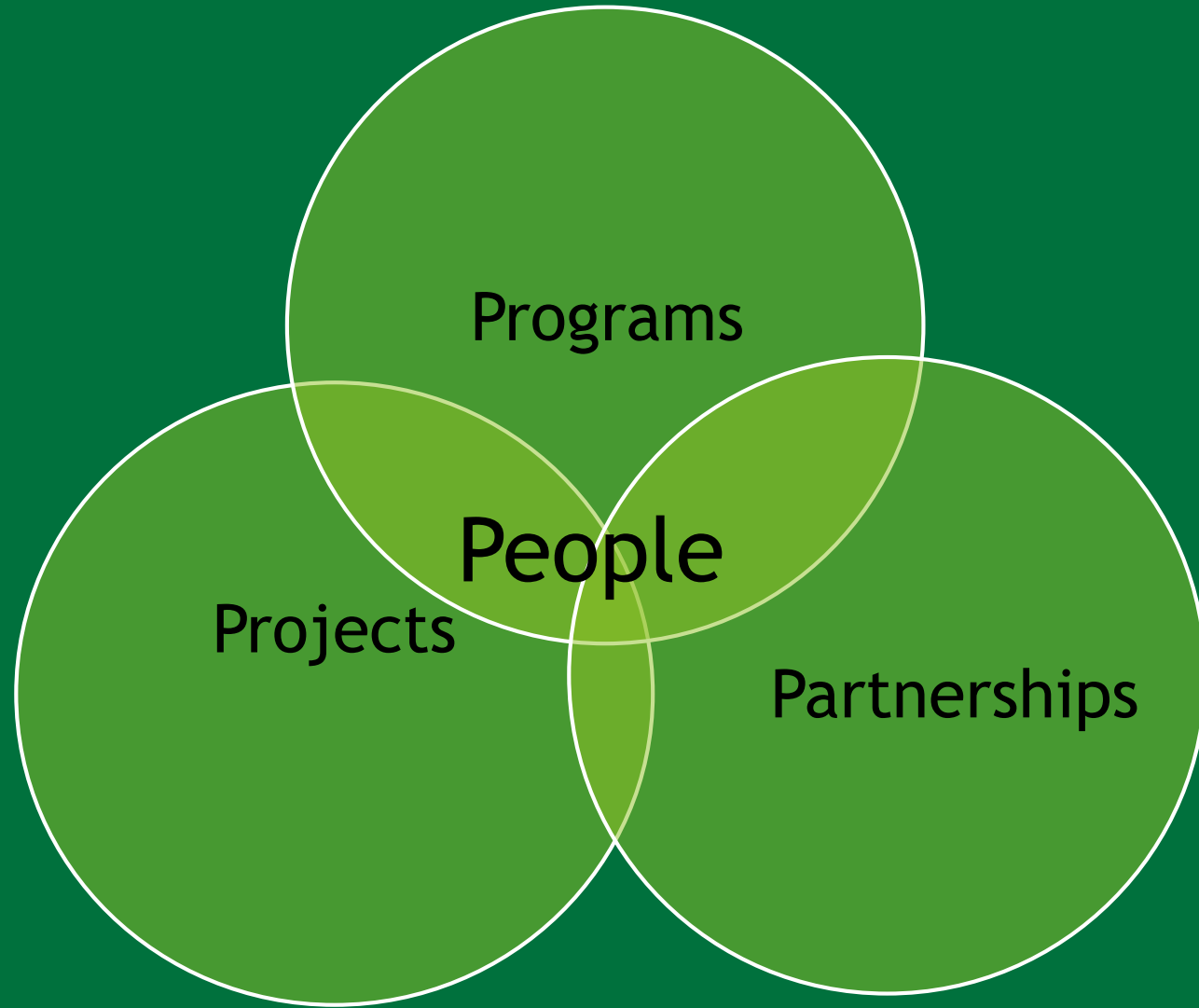


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Housing and Neighborhood Development

Primary Objectives

- ▶ Housing Projects
- ▶ Homelessness Programs
- ▶ Community Partnerships



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Economic Mobility

Community Development

=

Economic Development



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Benefits of Economic Mobility

- **Enhanced Well-being and Overall Quality of Life**
 - **Diverse and Inclusive – Prioritizes Equity**
 - **Sustainable – Minimizes Resource Depletion**
 - **Community Driven – Emphasis on Resident Participation and Decision Making**



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Awards - Researcher of the Year in 2021 from WSSU as well as a prestigious City of Winston-Salem “Breaking Barriers in Housing” award in 2022.

- Research interests cross many fields
 - Including health, development, and labor markets, with special attention paid to misaligned incentives caused by government interventions.
- Publishing credits include The Wall Street Journal, Forbes, and dozens of others.
- He was the executive producer for two economics-themed documentaries: Bus Stop Jobs (2018) and Home Stretch (2022); and the author of the book The Collapse of Zimbabwe (2004).



Dr. Craig J. Richardson is the Truist Distinguished Professor of Economics at Winston-Salem State University and founding director of the Center for the Study of Economic Mobility (CSEM)



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Center for the Study of Economic Mobility
at Winston-Salem State University

Report to the City of Greensboro:

2023 Economic Opportunity Study

By Craig J. Richardson

Director, Center for the Study of Economic
Mobility

Winston-Salem State University

What have we learned?

What new tools do we have?



I. INTRODUCTION AND MOTIVATION FOR THIS STUDY

In the US, growth is not affecting all its citizens equally. In Greensboro and many other Southern cities, neighborhoods are recovering at different rates from the long-term effects of the 2008-2010 Great Recession.



TO THAT END, THIS PROJECT SEEKS TO PROVIDE OBJECTIVE DATA AND TOOLS FOR GOVERNMENT OFFICIALS, RESIDENTS, BUSINESSES, AND NONPROFITS.



THE REPORT THUS SERVES AS A SPRINGBOARD FOR THE CITY TO COLLECTIVELY DECIDE ON PRIORITIES.



THE REPORT CAN HELP GUIDE RECOMMENDATIONS FROM CITY'S CHALLENGES AND SUCCESSES.

THE VALUE OF THIS REPORT

Our report adds to past research done by the city in some important ways:

1.) We include **decade-long or more trends** that give a better understanding of the dynamic processes and structural impediments involved with a host of economic challenges and opportunities around housing and economic mobility.
- 2) The creation of the City of Greensboro's **new Opportunity Index and its offshoots** will enable any interested party to further examine trends at the census tract level. Moreover, it is constructed to be easily transformable given new data or insights, as well as highly visual.
- 3) The report also stands out for its potential accessibility, with an outline that allows one to jump quickly to any data of interest, as well as any interactive map. We have created **easy guideposts** for the reader so that this report, though highly detailed, can be navigated without problems.

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Two ways to look at the data

- 1) Over time for the city.
- 2) Cross-sectional- to see variation across the city's neighborhoods.

OUR REPORT COVERS A BROAD RANGE OF IMPACTS INCLUDING HOUSING, POVERTY, CRIME, EDUCATION AND HEALTH.

Today we will focus on highlights and key trends **around housing and poverty.**

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Homeownership trends

- ▶ Greensboro, like many Southern cities, is experiencing strong economic growth and new vitality.
- ▶ Yet there is a group at the lower end of the economic ladder that is being left behind.
- ▶ Leaving it less likely to be the first step towards the American Dream.
- ▶ The Reinvestment Area of Greensboro has positive trends to report.

Table 2. Homeownership Rate in Greensboro, N.C.
From 2009 to 2021

Year	Households	Owner-Occupied Households	Homeownership Rate (%)
2009	106,248	59,819	56.30
2010	107,965	59,823	55.41
2011	108,480	59,932	55.25
2012	109,984	60,002	54.56
2013	111,669	59,464	53.25
2014	113,412	59,233	52.23
2015	114,054	59,079	51.80
2016	114,626	58,234	50.80
2017	114,824	58,660	51.09
2018	115,374	58,979	51.12
2019	115,777	58,957	50.92
2020	117,680	59,119	50.24
2021	117,409	59,797	50.93

Note: 59 census tracts, according to the 2000 Census boundaries, comprise the city of Greensboro. Data come from the census tract level ACS 5-Year Estimates.

The homeownership rate is declining across the city from 56% in 2009 to 51% today.

The largest declines are with Black, followed by White households.

Asian households are slightly rising, and Hispanic households are holding steady.

Table 3. Homeownership Rates (%) by Householder's Race in Greensboro Census Tracts (2021)

Year	White	Black	Asian	Hispanic
2009	67.36	39.45	56.17	46.48
2010	68.12	37.94	53.18	40.06
2011	68.21	38.12	51.95	35.98
2012	66.97	37.88	54.71	34.86
2013	65.72	36.72	54.96	36.12
2014	65.12	35.45	50.44	34.17
2015	64.63	35.56	50.50	34.61
2016	63.99	33.93	52.03	38.23
2017	63.90	33.99	54.11	36.74
2018	64.04	33.95	53.65	39.18
2019	64.42	33.49	53.16	39.41
2020	64.21	32.81	55.23	45.70
2021	65.03	34.23	58.25	46.85

Note: 59 census tracts, according to the 2000 Census boundaries, comprise the city of Greensboro. Data come from the census tract level ACS 5-Year Estimates.

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What's happening to *affordable* housing in City of Greensboro over time?

Like the rest of the country, homes less than \$200,000 are shrinking in availability.

Yet 1 in 5 owner-occupied homes is < \$100,000 in Greensboro.

Table 6.1. Percent Distribution of Owner-Occupied Homes in Greensboro, N.C.



Census Tracts from 2009 to 2021

Year	TOTAL	Less than \$100k	\$100k to \$200k	\$200k to \$300k	\$300k to \$400k	\$400k to \$500k	Over \$500k
2009	100.0%	23.5%	47.1%	16.0%	6.2%	3.2%	4.0%
2010	100.0%	23.3%	46.9%	16.0%	6.6%	3.2%	3.9%
2011	100.0%	23.0%	46.7%	16.5%	7.0%	3.3%	3.6%
2012	100.0%	23.9%	45.4%	16.9%	7.0%	3.2%	3.7%
2013	100.0%	23.9%	44.6%	17.2%	7.2%	3.1%	3.9%
2014	100.0%	24.1%	44.4%	17.1%	7.3%	3.2%	3.9%
2015	100.0%	24.8%	43.1%	18.1%	6.8%	3.2%	4.1%
2016	100.0%	24.5%	42.6%	17.8%	7.1%	3.5%	4.5%
2017	100.0%	23.8%	42.8%	17.6%	7.2%	4.0%	4.7%
2018	100.0%	23.5%	42.6%	17.6%	7.4%	4.1%	4.9%
2019	100.0%	22.5%	42.1%	18.5%	7.8%	4.0%	5.2%
2020	100.0%	20.6%	41.6%	18.9%	9.0%	4.5%	5.4%
2021	100.0%	19.4%	40.0%	20.1%	9.6%	4.7%	6.1%

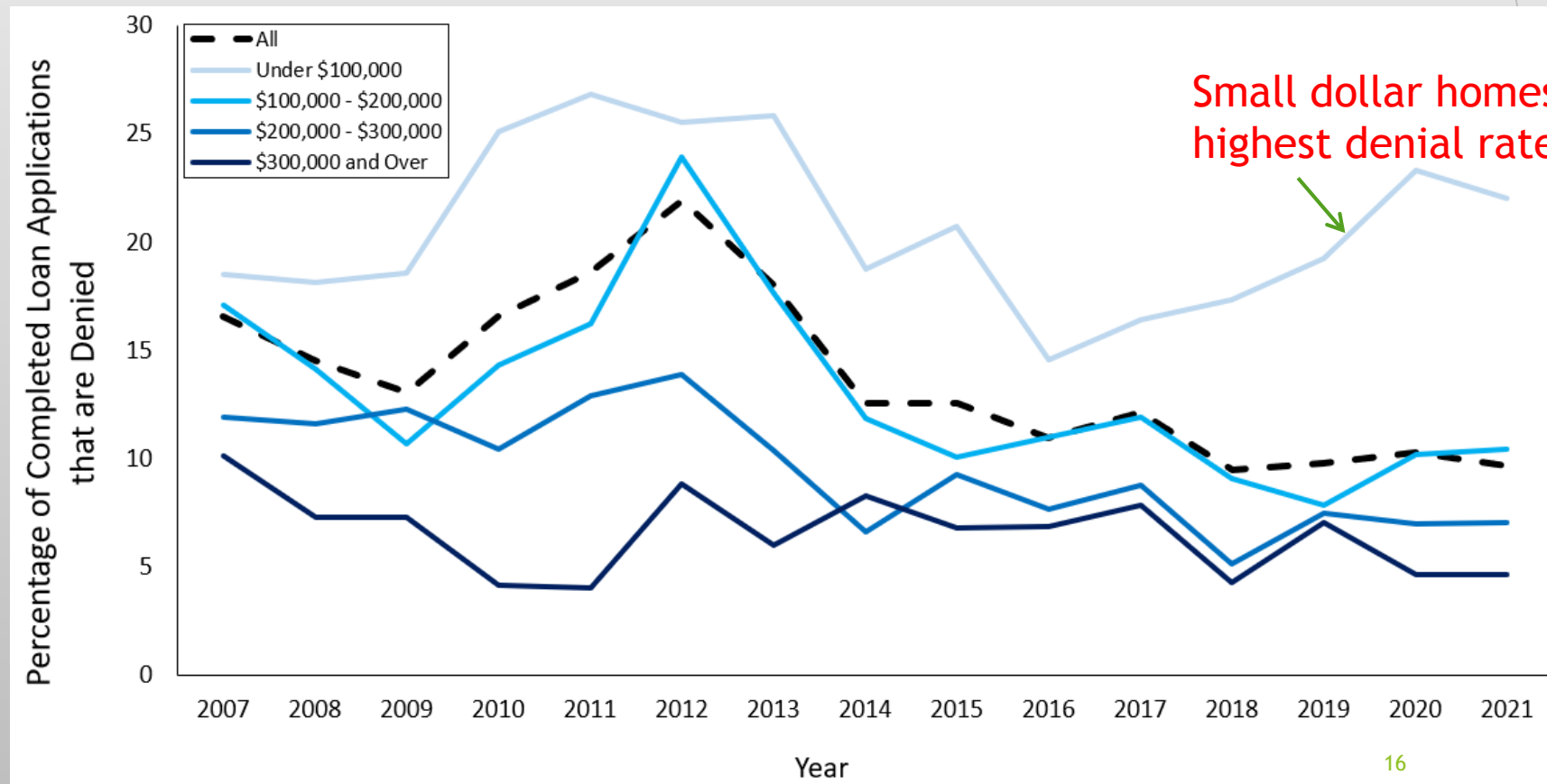
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**THESE DAYS, INEXPENSIVE (Sub \$100,000)
HOMES ARE LESS LIKELY TO BE OWNED BY
LOWER INCOME HOUSEHOLDS: WHY?**

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“DENIALS ARE HIGHER, THE MORE INEXPENSIVE THE HOME”

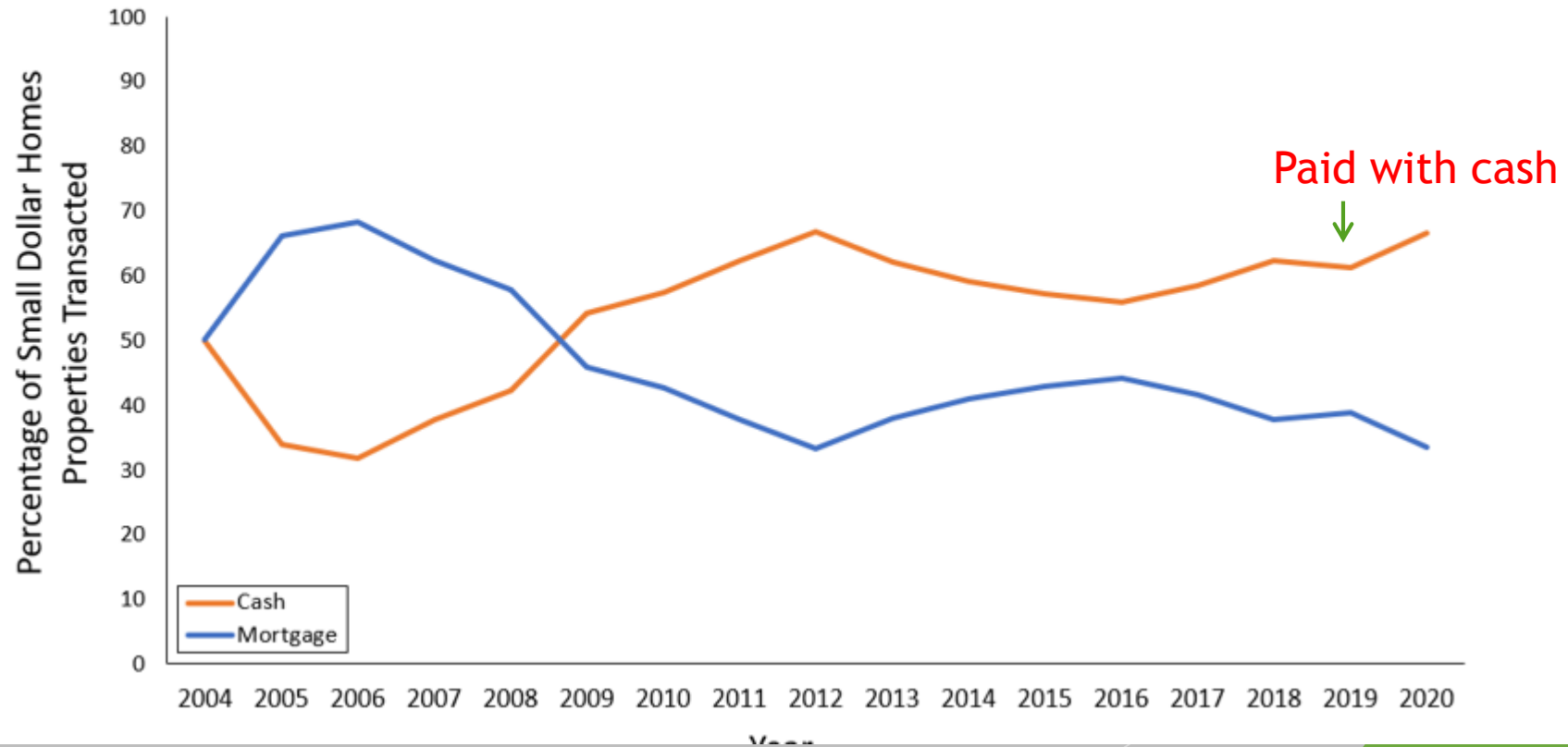
Percentage of Completed Loan Applications that were Denied, by Loan Size, in Greensboro, N.C. from 2007 to 2021



“CASH IS KING”

70 percent of sub-\$100,000 properties in Greensboro are purchased with cash—a rising trend, AND MANY ARE RENTED.

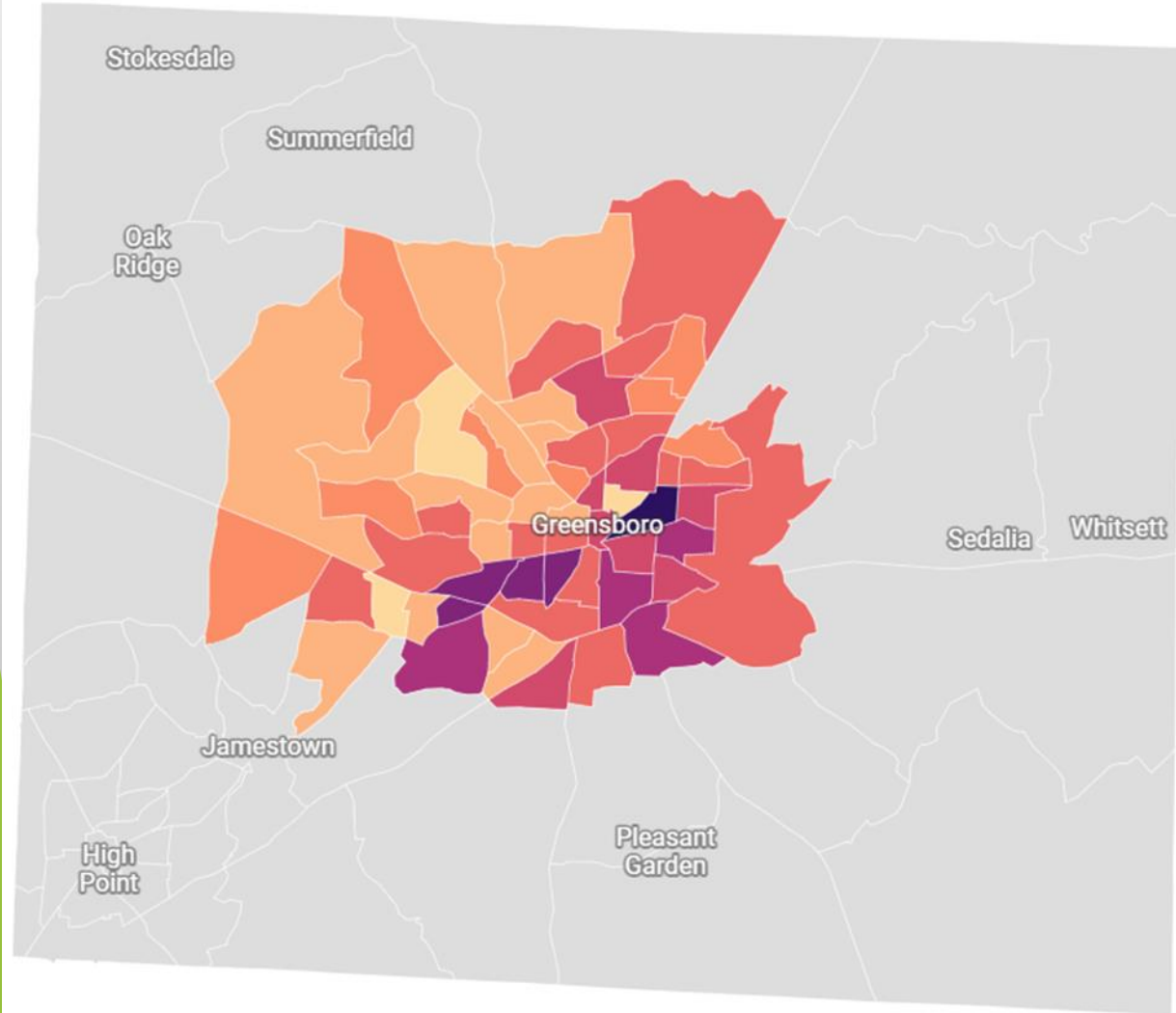
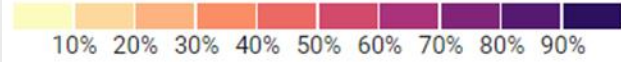
Figure 35. Percentage of Small Dollar Residential Properties Transacted, by Purchase Method, Greensboro, N.C. from 2004 to 2020



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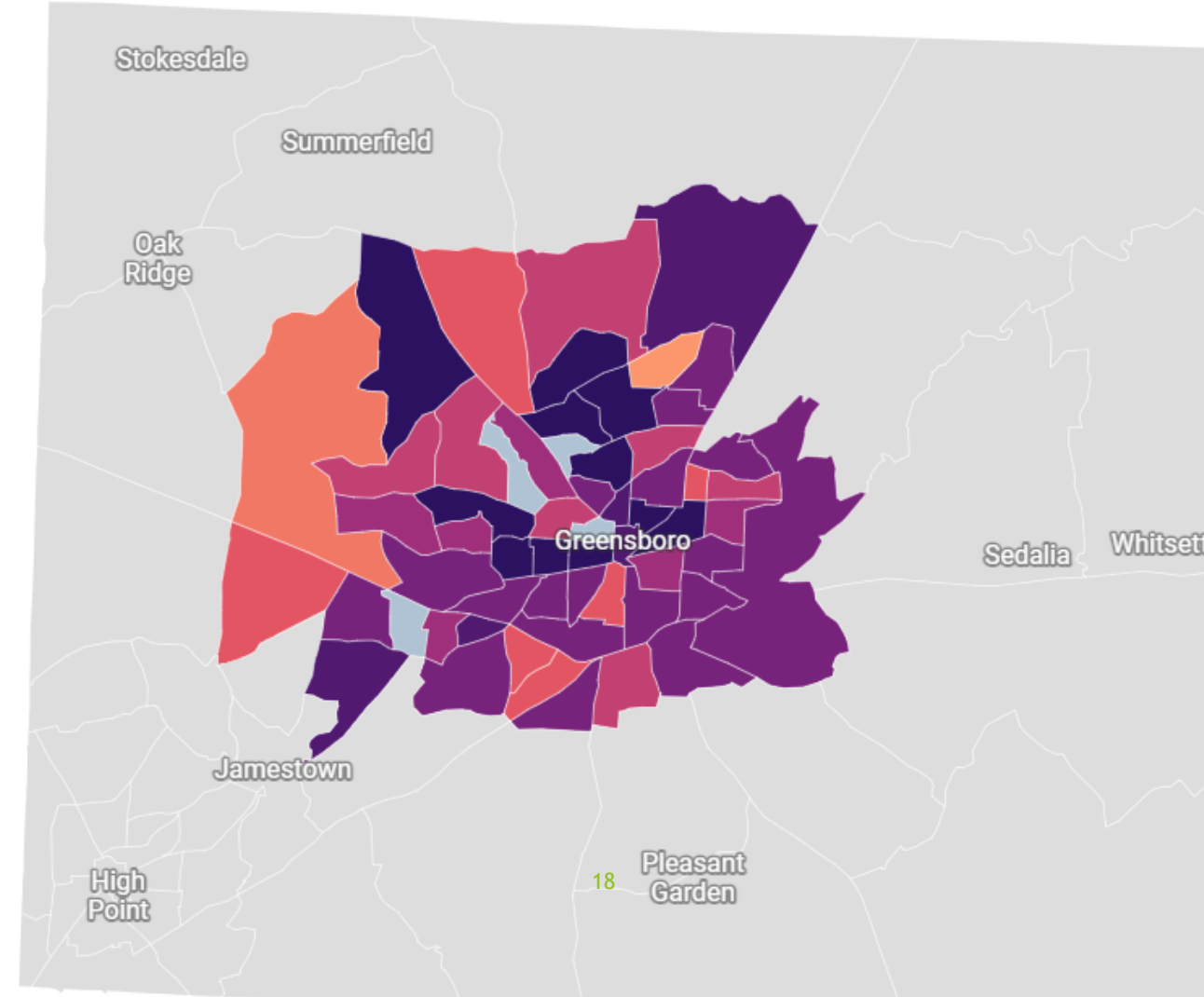
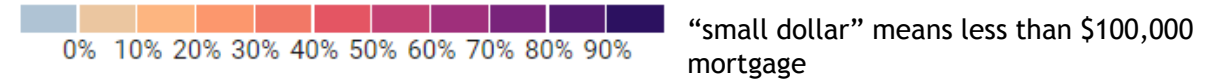
Percentage of Purchased Homes Bought with Cash in Greensboro, N.C. in 2020

Percentage of purchased homes bought with cash instead of a mortgage, by census tract, according to the 2000 tract boundaries



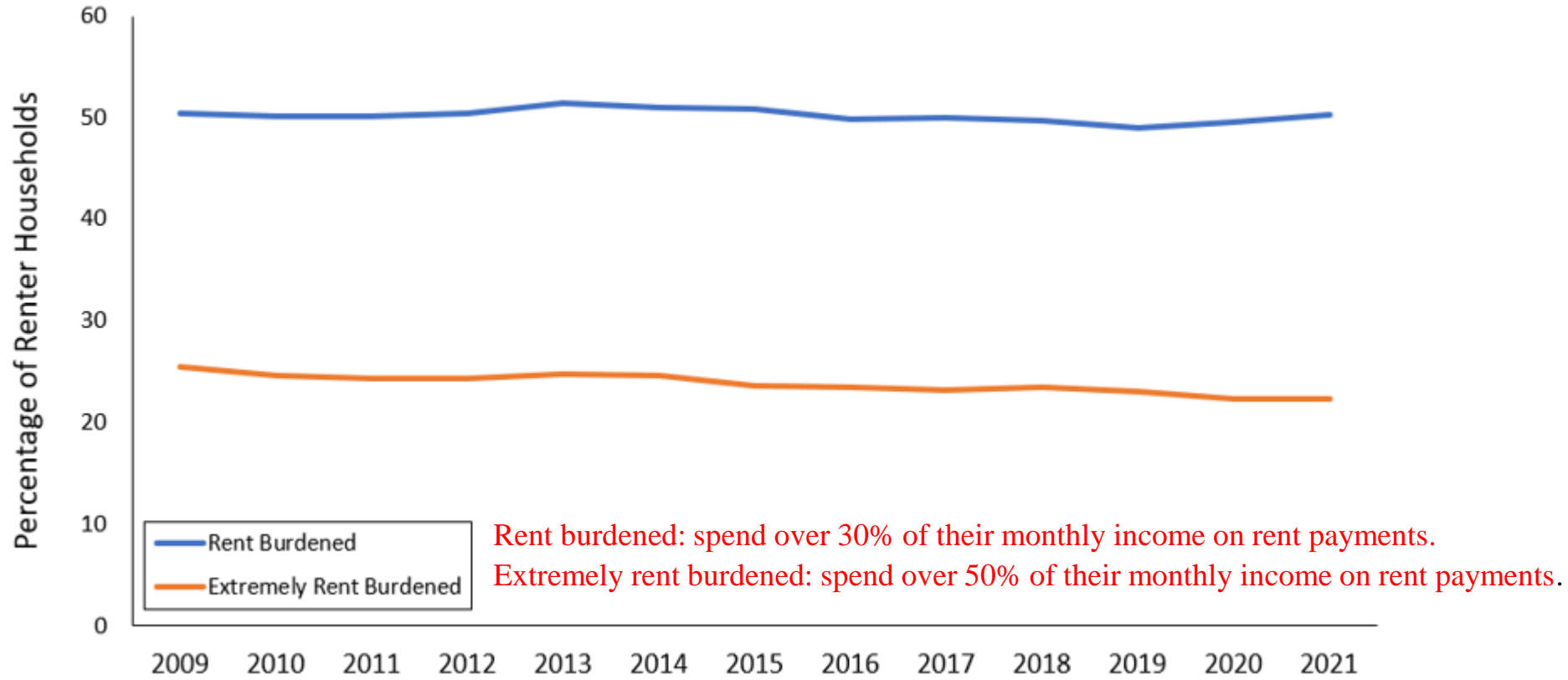
Percentage of Purchased Small Dollar Homes Bought with Cash in Greensboro, N.C. in 2020

Percentage of purchased small dollar homes bought with cash instead of a mortgage, by census tract, according to the 2000 tract boundaries



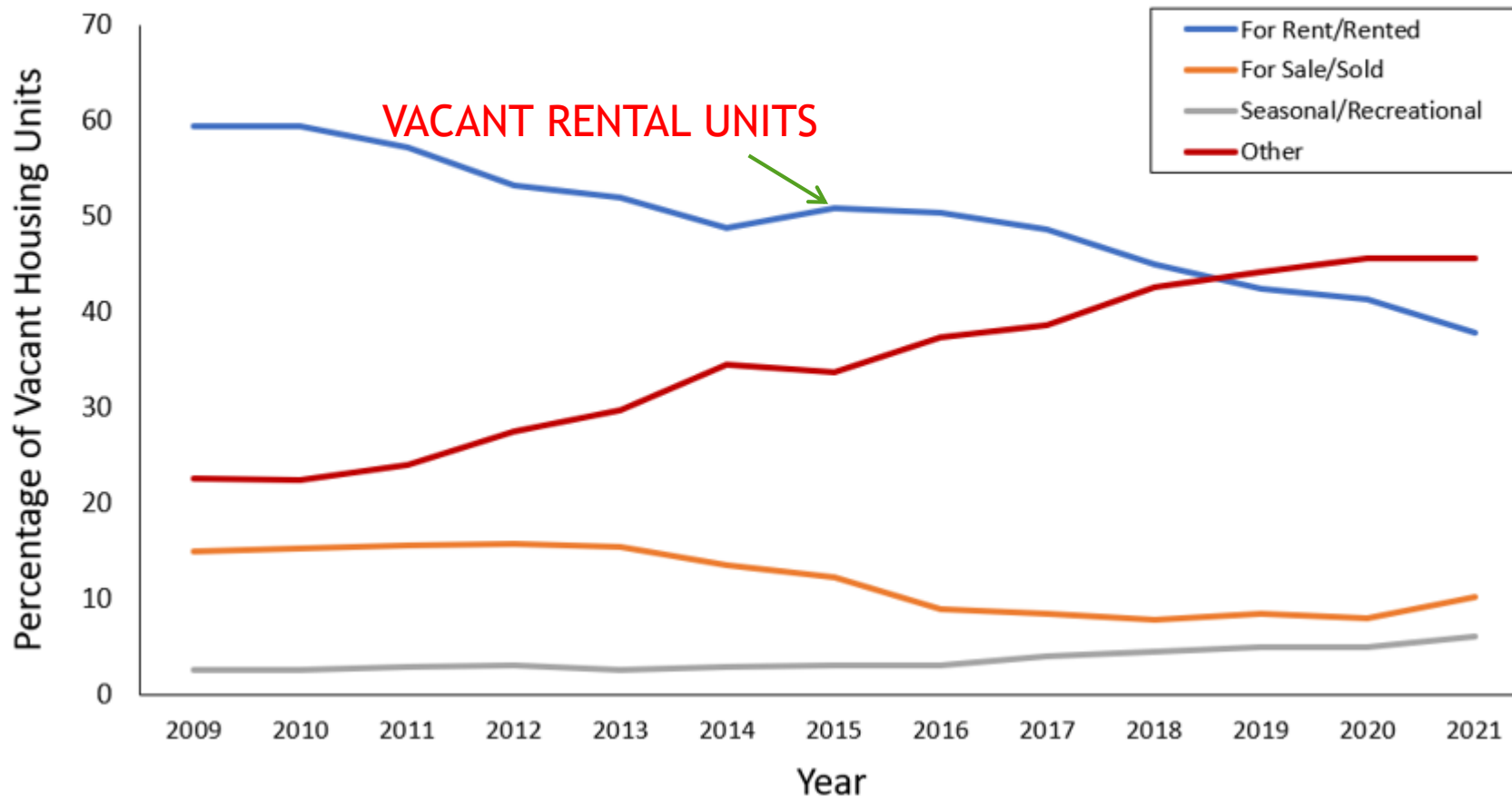
LIFE FOR RENTERS: Greensboro remains expensive to live for 50 percent of the city and is holding steady over time.

Figure 10. The Percentage of Rent Burdened and Extremely Rent Burdened Households in Greensboro, N.C. from 2009 to 2021



THE AVAILABILITY OF UNITS TO RENT IS ALSO DROPPING OVER TIME.

Figure 13. Percentage of Vacant Housing Units, by Reason for Being Vacant, in Greensboro, N.C. Census Tracts from 2009 to 2021



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TRENDS IN POVERTY: CITY OF GREENSBORO



Poverty

The poverty rate among families in Greensboro has increased since 2009, when it was 11.9%.³ As of 2021, the rate has increased by nearly 1.4 percentage points to around 13.3%. The total number of families in poverty has increased from 7,296 to 8,776 (see Table 8).

Table 8. Family Poverty Rate in Greensboro, N.C. from 2009 to 2021

Year	Number of Families	Families Below the Poverty Line	Family Poverty Rate (%)
2009	61,327	7,296	11.90
2010	61,884	7,751	12.53
2011	61,264	7,644	12.48
2012	62,333	8,437	13.54
2013	63,875	9,415	14.74
2014	64,966	9,314	14.34
2015	65,759	9,289	14.13
2016	66,070	9,720	14.71
2017	65,825	9,183	13.95
2018	65,892	8,674	13.16
2019	66,397	9,115	13.73
2020	66,082	9,049	13.69
2021	66,037	8,776	13.29

Note: N = 59 census tracts, according to the 2000 Census boundaries, comprise the city of Greensboro. Data come from the census tract level ACS 5-Year Estimates.

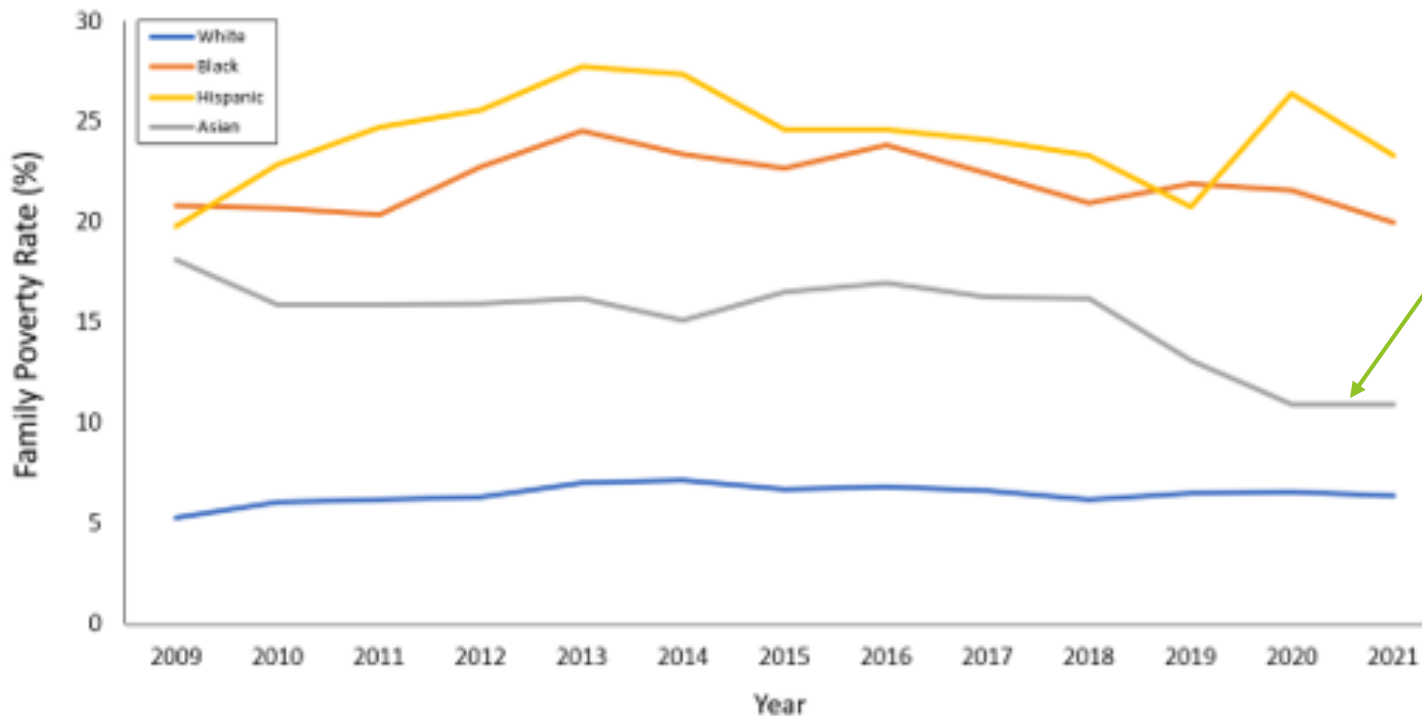
Poverty rate is increasing since 2009.

Increase of 1.4 percentage points

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Family poverty rates have remained fairly steady among Whites, Blacks and Hispanics and are dropping for Asian-American households.

Figure 17. Family Poverty Rate by Householder's Race in Greensboro, N.C. from 2009 to 2021

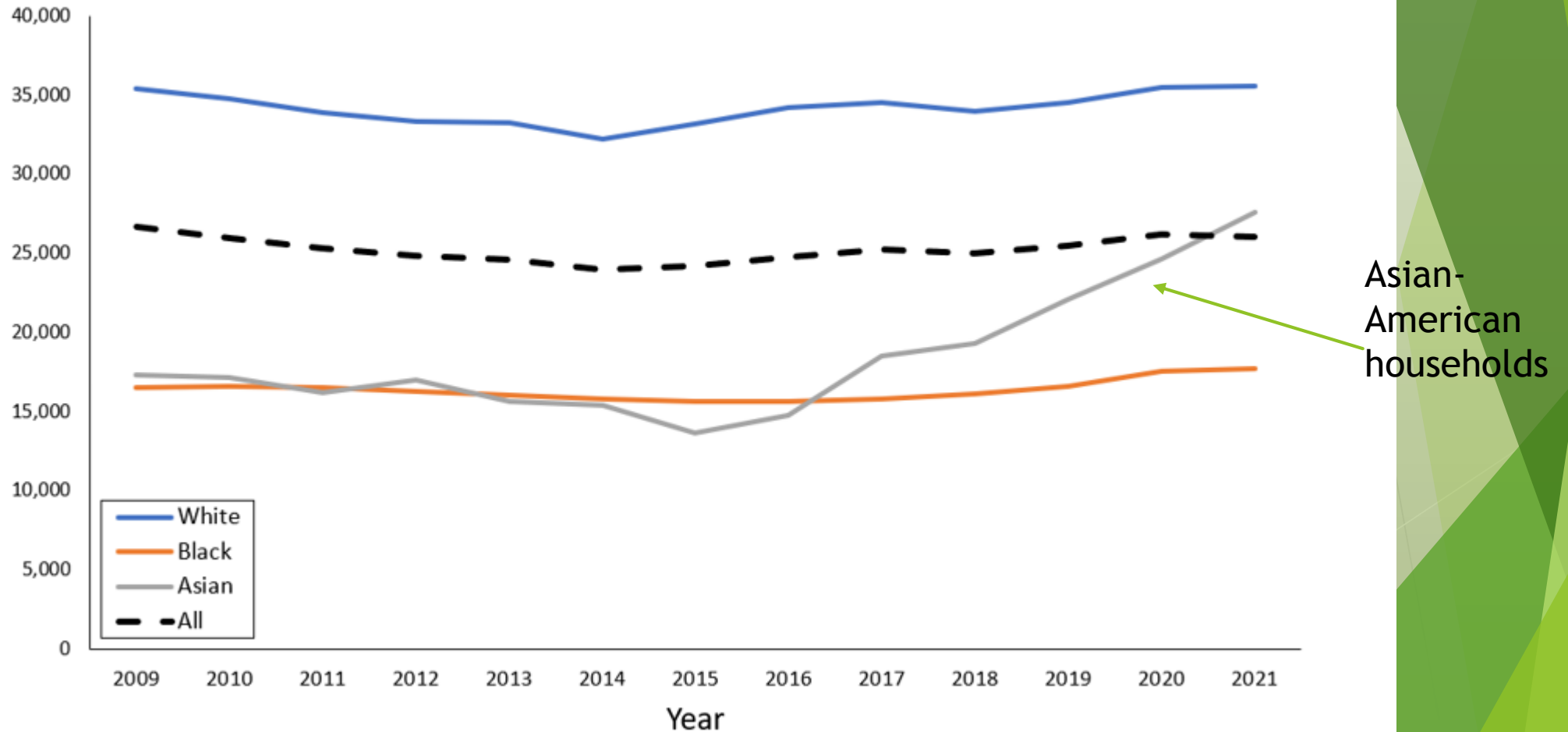


Asian-American households

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REAL INCOME OVER TIME: ASIAN AMERICANS ARE MAKING LARGEST GAINS, WHILE WHITES AND BLACKS HOLD STEADY

Figure 18. Real Income Per Capita, by Race, in Greensboro, N.C. from 2009 to 2021



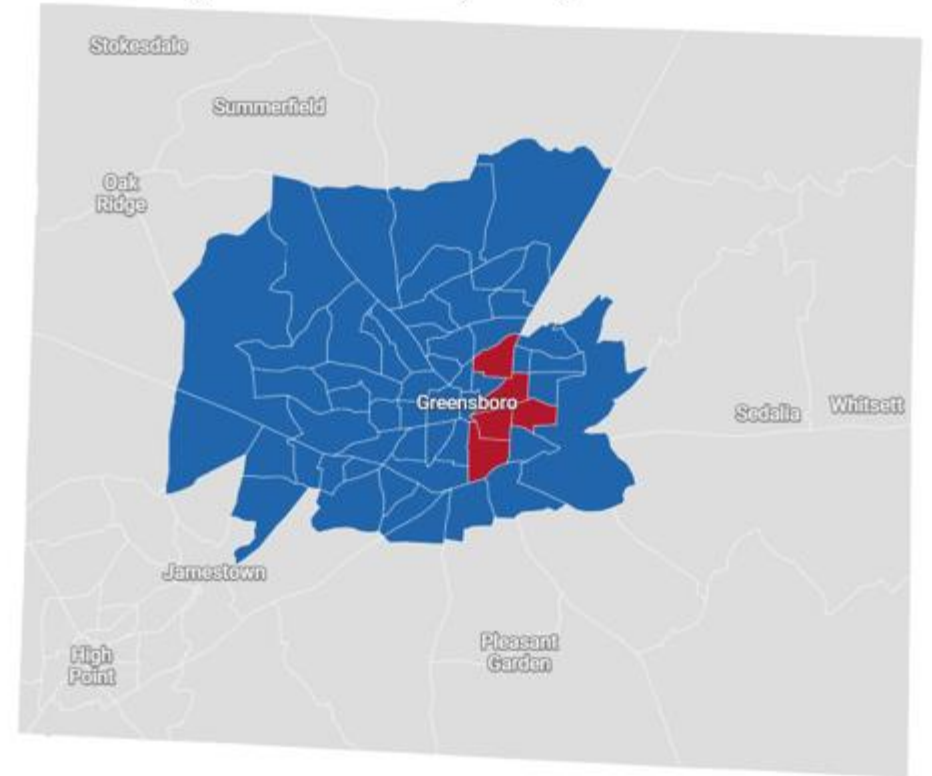
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Special focus on the Greensboro Reinvestment Area- what are trends?

Goals of Reinvestment Area

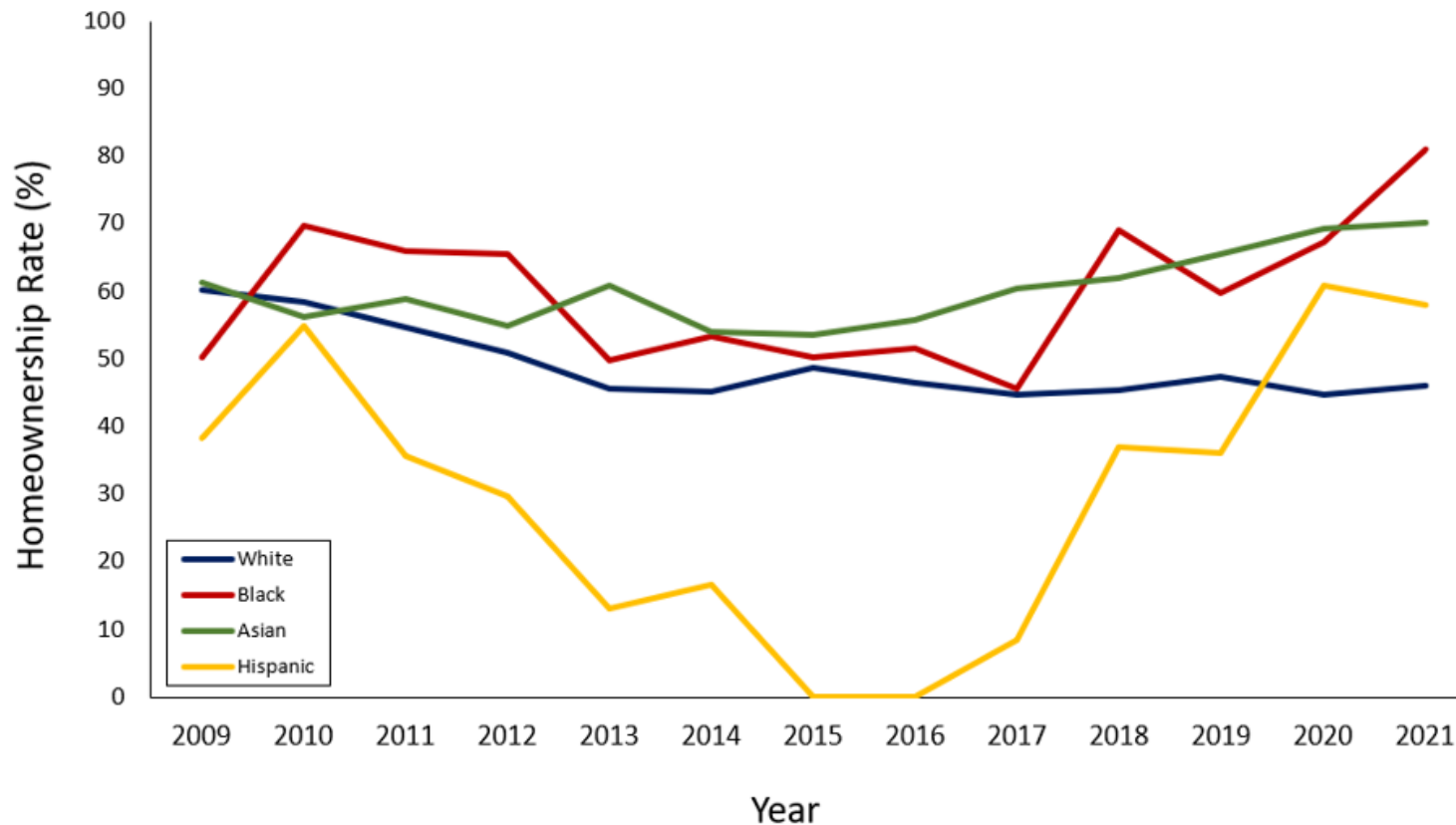
1. Encourage and preserve attainable **housing**.
2. Enhance **community identity**.
3. Develop a modern and effective area **transportation** system.
4. Encourage, facilitate, and maximize **private investment and small business growth**.
5. **Remediate blighted** vacant parcels and storefronts.
6. Ensure proper **environmental stewardship**.

Figure 9. Reinvestment Tracts, according to 2000 boundaries



Homeownership rates are up sharply for Black, Asian and Hispanic households in the Reinvestment Area since 2015.

Figure 62. Homeownership Rates, by Householder's Race, in Greensboro's Reinvestment Area from 2009 to 2021



GREAT NEWS FOR REINVESTMENT AREA:

Blacks see 30 percentage point increase in homeownership rates.

Asians and Hispanics make smaller gains, but Whites fall in this area.

 **22. Homeownership Rates (%) by Householder's Race in Greensboro's Reinvestment Area**

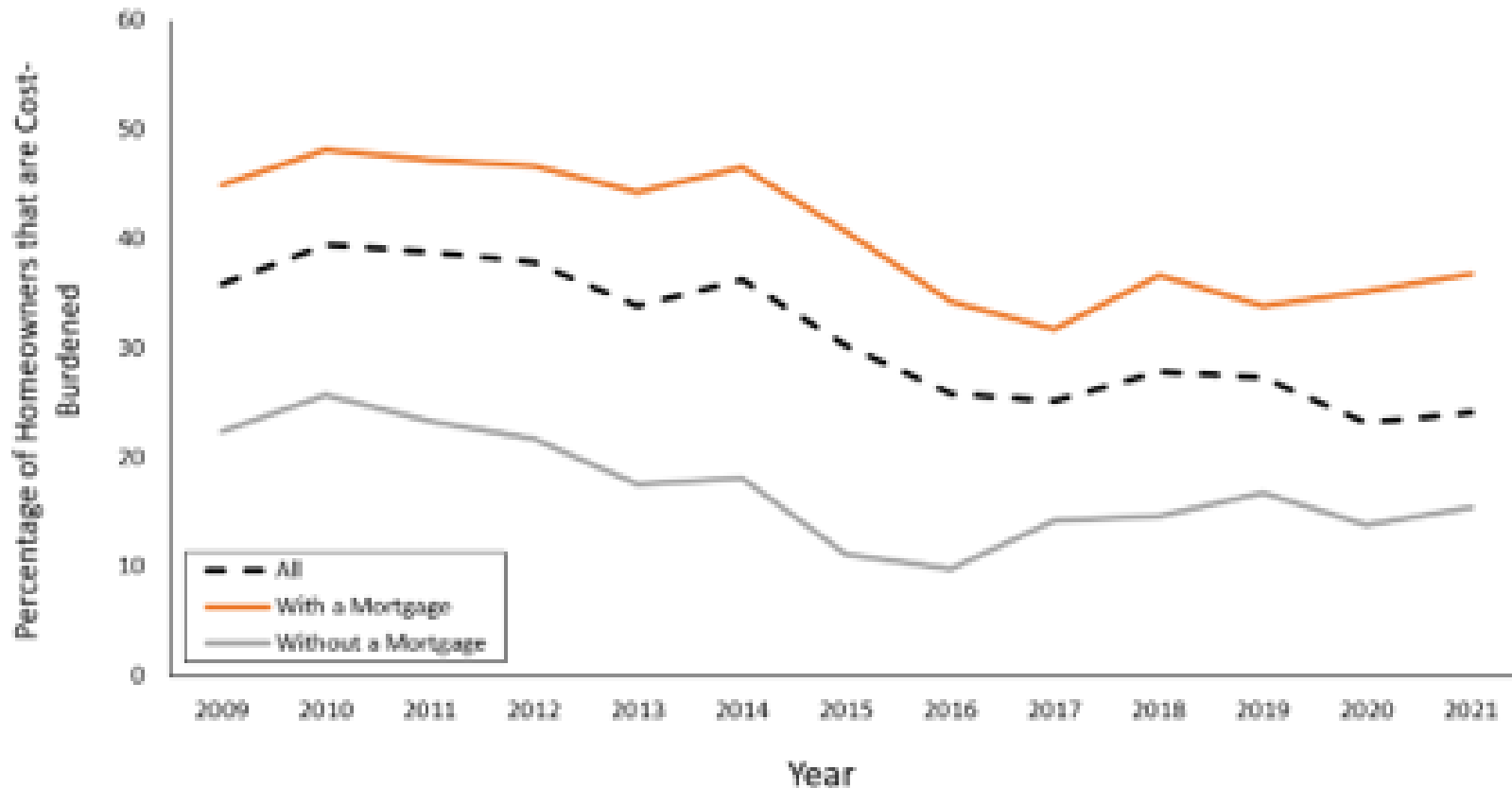
Year	White	Black	Asian	Hispanic
2009	60.22	50.31	61.34	38.35
2010	58.46	69.80	56.22	54.79
2011	54.56	66.04	58.78	35.71
2012	50.87	65.57	54.93	29.66
2013	45.69	49.68	60.83	13.04
2014	45.20	53.26	53.88	16.55
2015	48.60	50.22	53.53	0.00
2016	46.36	51.61	55.64	0.00
2017	44.74	45.64	60.48	8.50
2018	45.33	69.09	61.87	36.99
2019	47.45	59.79	65.39	36.02
2020	44.69	67.35	69.35	60.84
2021	46.06	80.87	70.23	57.98

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More good news for Reinvestment Area:

The percentage of home-owners who are cost-burdened *is falling* as well.

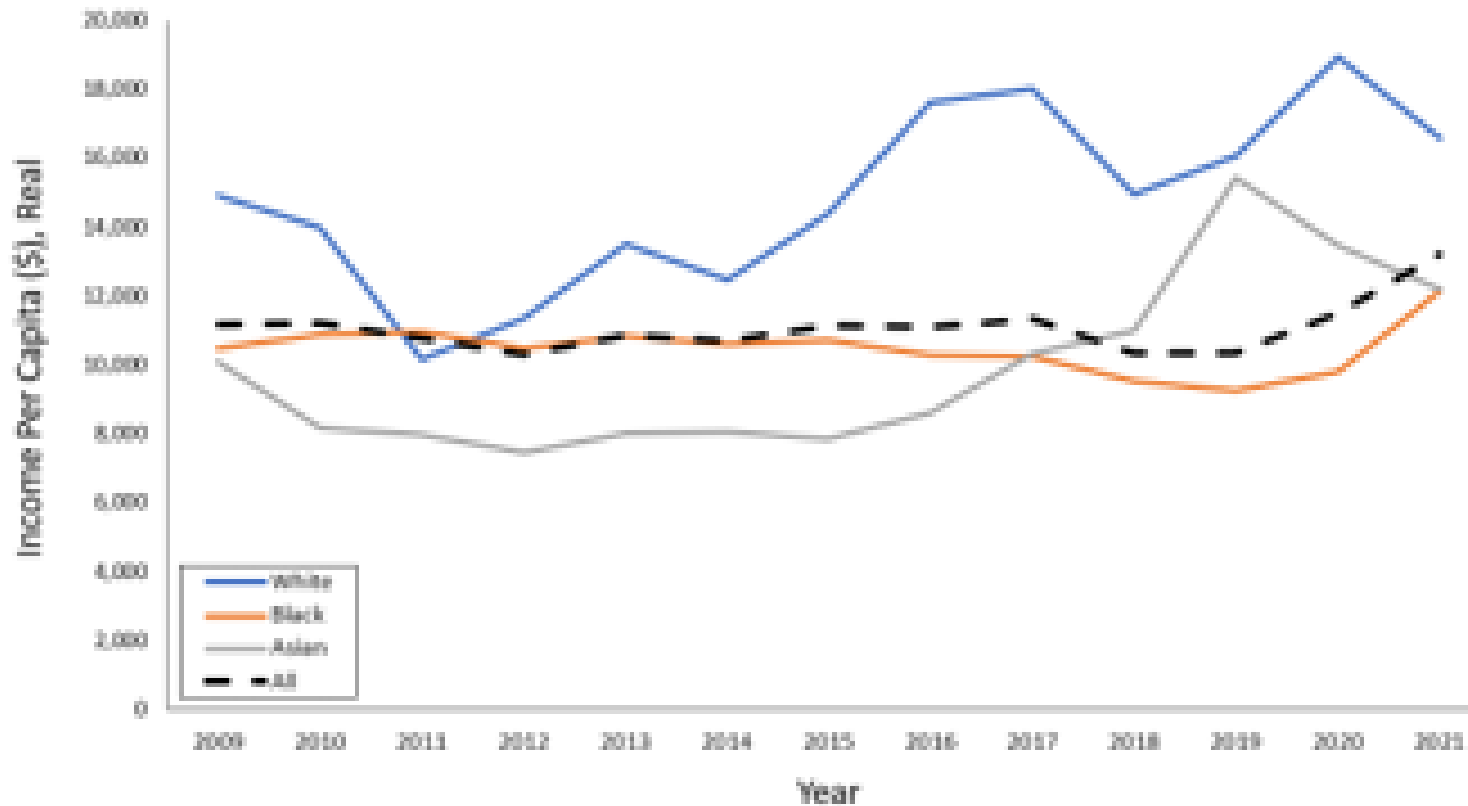
Figure 64: Percentage of Homeowners who are Cost-Burdened in Greensboro's Reinvestment Area Tracts



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More good news for Reinvestment Area:
Real Per Capita increasing for all races.

Figure 71. Real Per Capita Income, by Race, in Greensboro's Reinvestment Area Tracts from 2009 to 2021



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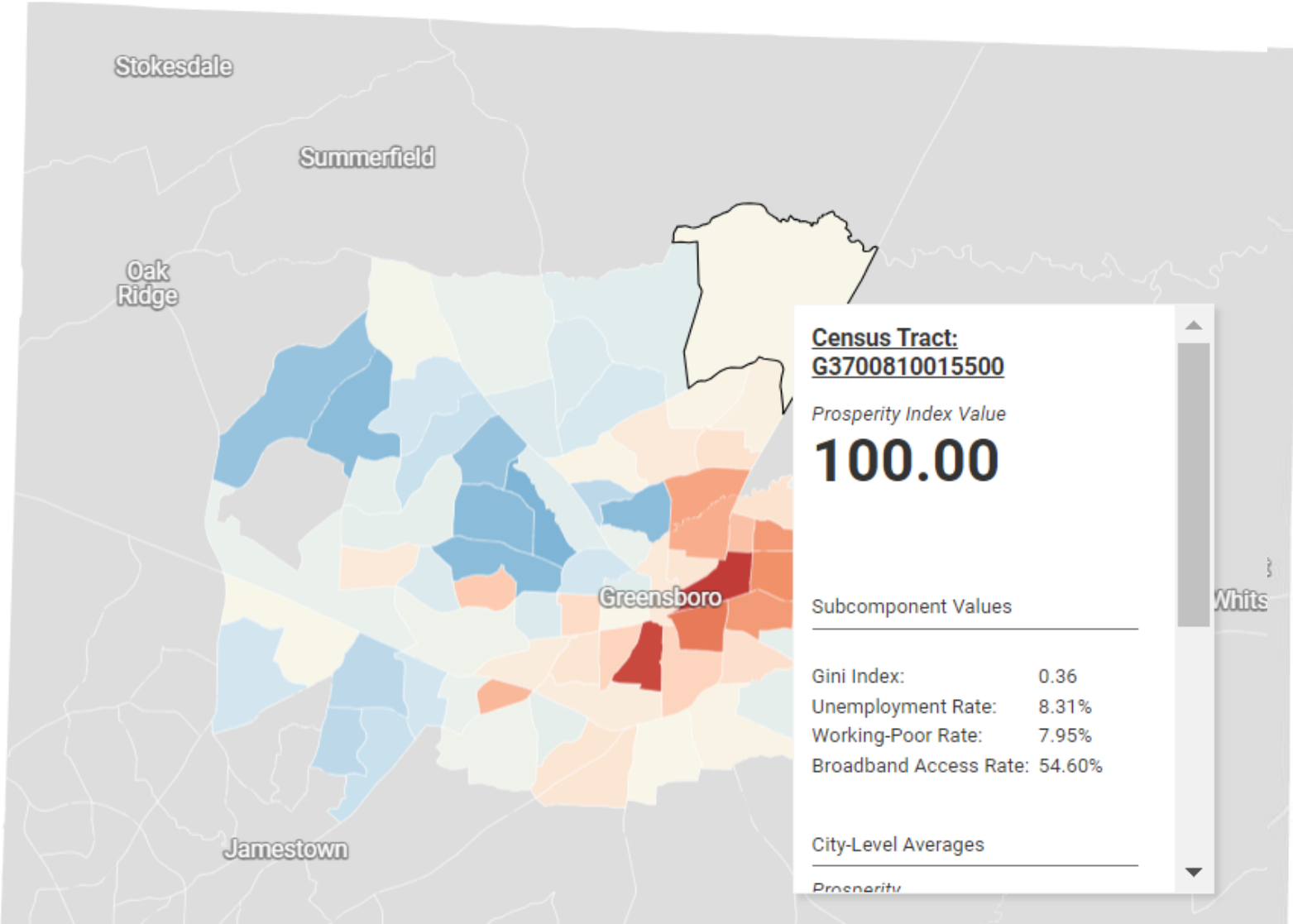
Interactive Indexes created for the City of Greensboro

- ▶ A tool for the City to investigate areas of prosperity in much more detail, census tract by census tract.

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Prosperity Index

Higher (bluer) values mean more opportunity and lower (redder) values mean less. Light grey indicates insufficient data.



Census Tract:
G3700810015500

Prosperity Index Value
100.00

Subcomponent Values

Gini Index:	0.36
Unemployment Rate:	8.31%
Working-Poor Rate:	7.95%
Broadband Access Rate:	54.60%

City-Level Averages

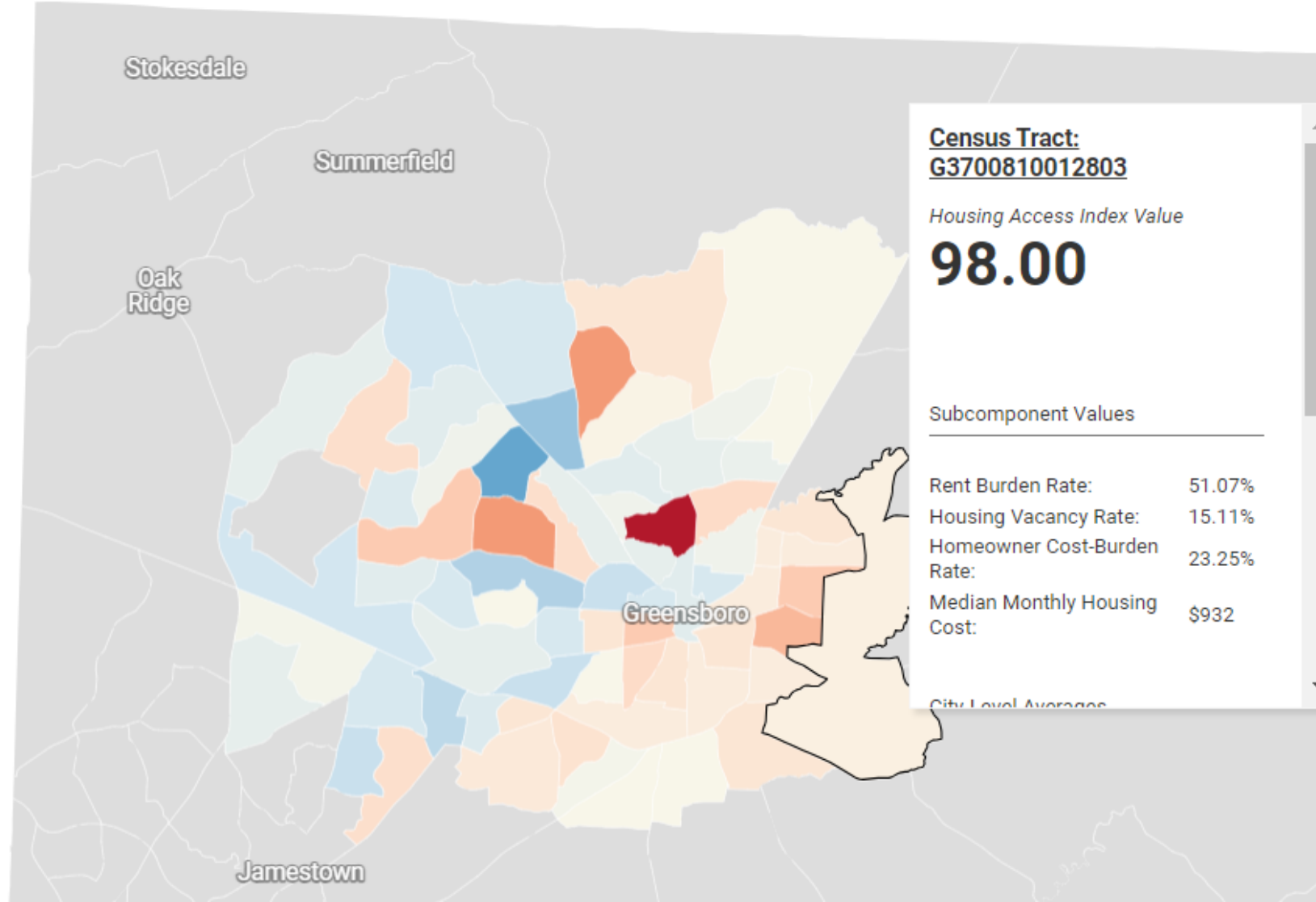
Prosperity

Whits

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Housing Access Index

Higher (bluer) values mean more opportunity and lower (redder) values mean less. Light grey indicates insufficient data.



Census Tract:
G3700810012803

Housing Access Index Value

98.00

Subcomponent Values

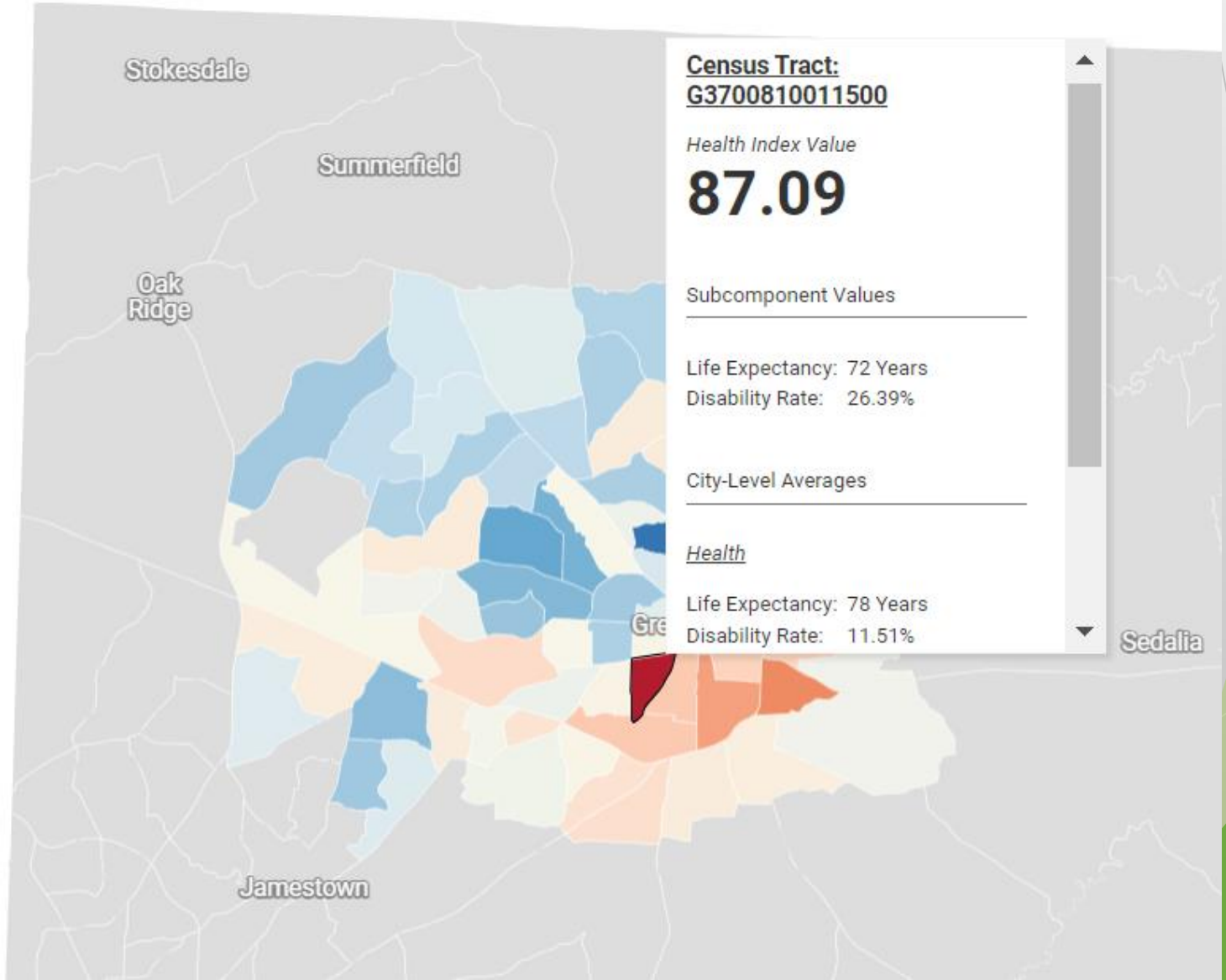
Rent Burden Rate:	51.07%
Housing Vacancy Rate:	15.11%
Homeowner Cost-Burden Rate:	23.25%
Median Monthly Housing Cost:	\$932

City Level Averages

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Health Index

Higher (bluer) values mean more opportunity and lower (redder) values mean less. Light grey indicates no data.



Census Tract:
G3700810011500

Health Index Value
87.09

Subcomponent Values

Life Expectancy: 72 Years
Disability Rate: 26.39%

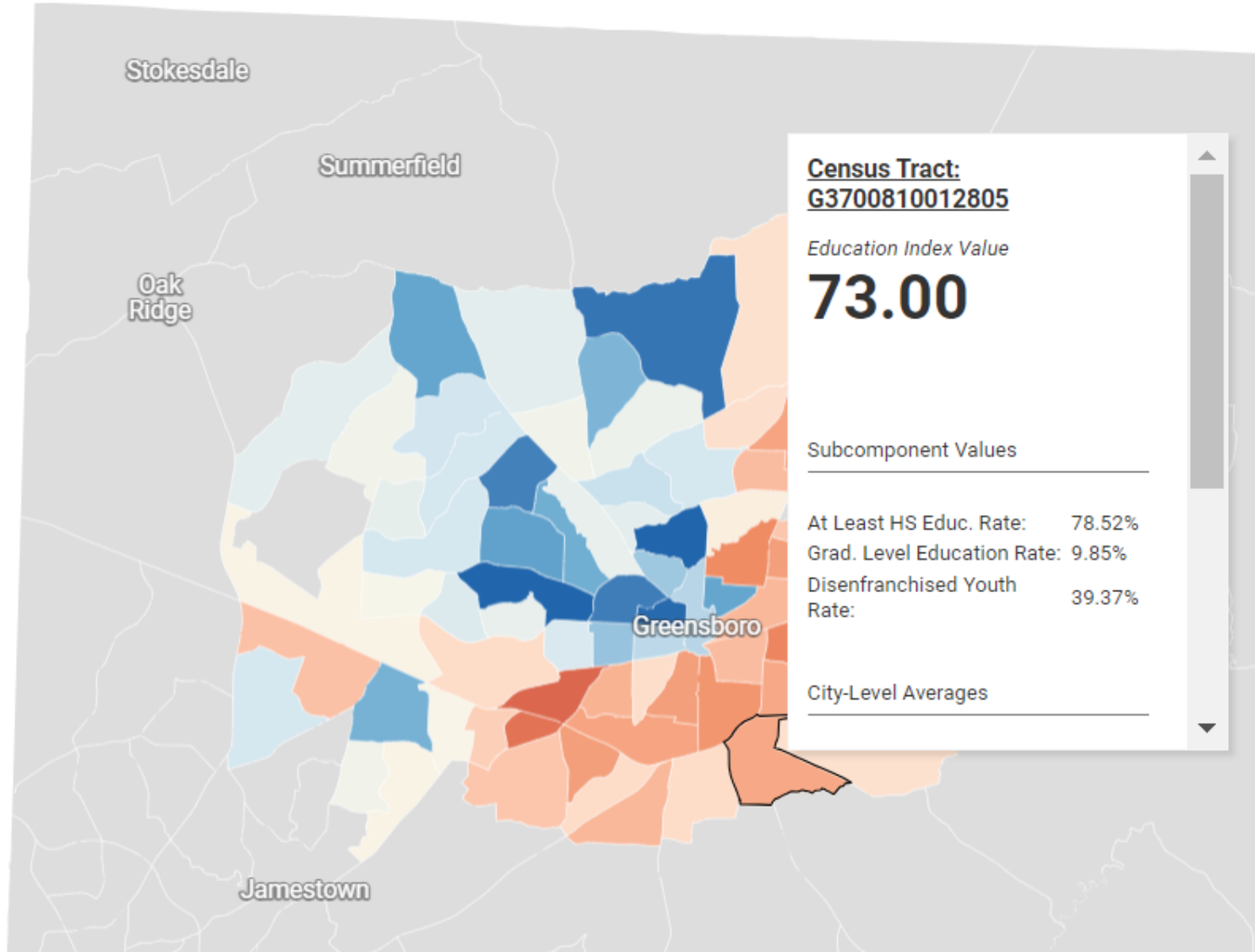
City-Level Averages

Health

Life Expectancy: 78 Years
Disability Rate: 11.51%

Education Index

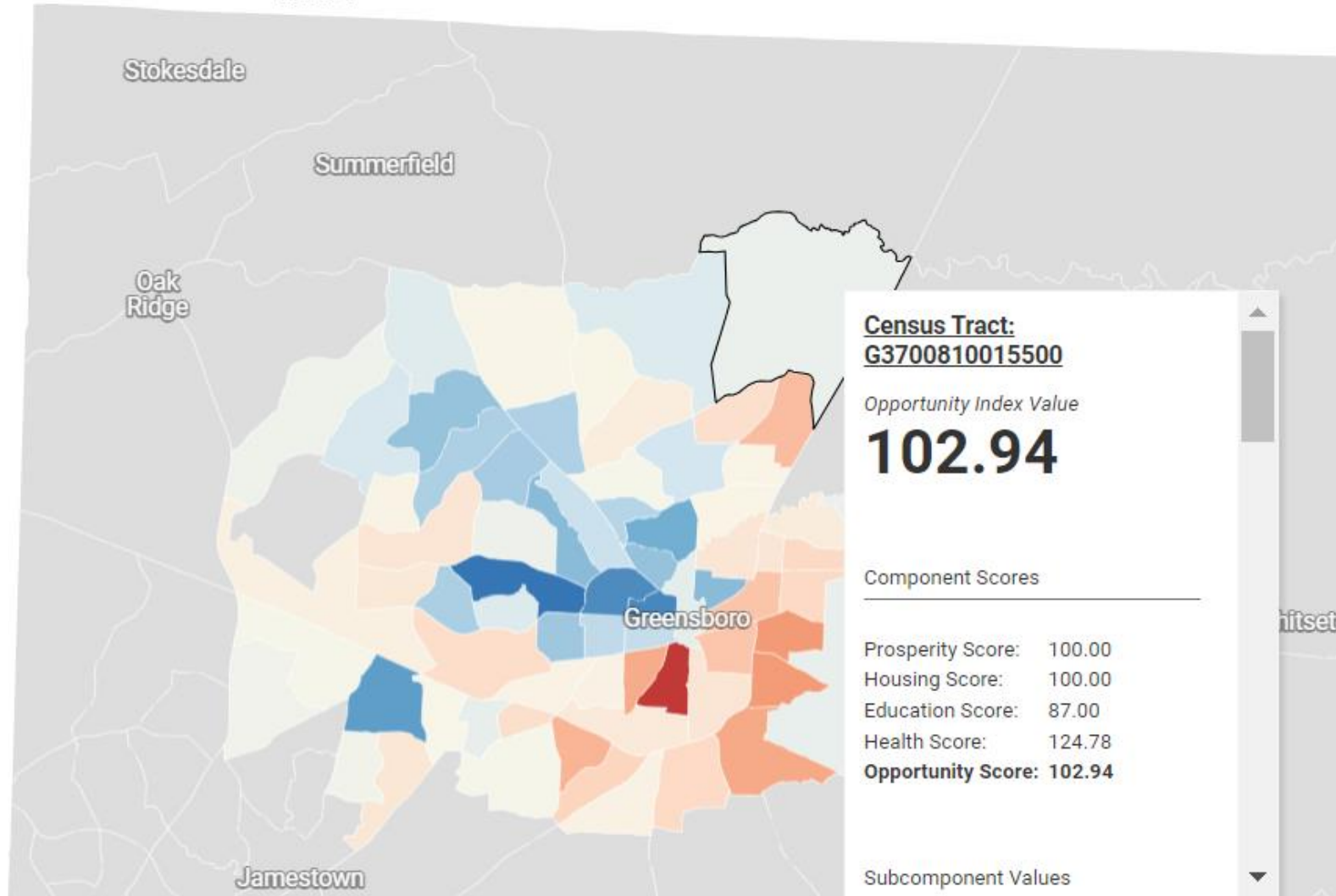
Higher (bluer) values mean more opportunity and lower (redder) values mean less. Light grey indicates insufficient data.



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Opportunity Index: A Joint Measure of Prosperity, Housing, Education and Health

Higher (bluer) values mean more opportunity and lower (redder) values mean less. Light grey indicates insufficient data.



DRAFT Conclusions

Greensboro is a thriving city that is growing.

The successes have not been equally dispersed among different residents.

Poverty rates are slowly increasing, and housing access for the lowest tier is less available.

Our findings from the Reinvestment Area suggests that the city's targeted strategy IS working.

Policies that work with local lenders can improve access to mortgage credit for "small mortgage" homes.

Thinking holistically about how to lower living costs through closer locations of housing, shopping and industry that eliminate a vehicle can be more effective than building more affordable housing.

DRAFT Follow up questions? Please get in touch:

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