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Average Household Income in the Los Angeles Historic Downtown Core

The Issue

Over the last decade there has been a lot of revitalization happening in the downtown area of Los Angeles. This area, made up of a number of unique neighborhoods, has seen a lot of change and growth and has revolutionized the idea of place making in a city. My final project and map focuses on the change in the average household income in the historic downtown core and determining if the average income of the residents in this area has grown, decreased or stayed the same. The outcome of my mapping had some very interesting results, contrary to my hypothesis heading into the analysis.

Background

Downtown Los Angeles, and the Historic Core specifically, is one of the oldest parts of our very vast city of Los Angeles. Los Angeles itself was founded in 1781 and the population in Downtown really boomed in the last 19th Century when infrastructure enhancements and the street grid was laid out in the Civic Center area and the Historic Core. With its impressive trains and streetcar lines besting those of New York City, the area quickly grew into a large metropolis growing in number of buildings and residents. Commercial, financial and hospitality growth really shaped downtown in its “golden years” which boomed in the late 19th Century to the start of WWII. After the war and the growth and spread of suburbanization, the area saw a steep decline. Over the year after the war a lot of money and investment left the area and so did the commercial entities, moving out of downtown or West to the now Financial District, and the residents followed. Downtown Los Angeles became a drive in and drive out destination with blighted buildings and a heavy homeless population. Yet, what was left in the area was a vast number of larger historic commercial buildings that become the center of an adaptive reuse movement after the city passed the 1999 Adaptive Reuse Ordinance in Los Angeles[1].

[1] Westworld. 2000 Archived May 3, 2010, at the Wayback Machine.

In 2013, Downtown Los Angeles was stated to be “a neighborhood with an increasingly hip and well-heeled residential population."[2] Residents wanted to move back to the area and they were willing to spend money to do it. Developers began to adapt and convert large empty buildings into mixed-use commercial and residential developments and the population began to increase in the historic core once again. The historic downtown core of Los Angeles is seeing new life and investment, with a population increase of 43% and a property value increase of 59% according to the website “Revitalization DTLA” which is a site dedicated to the initiatives of councilmember Jose Huizar, a main focus of his being new life for DTLA. With so much influx of new residents and money, my hypothesis stated that the average household income must have also grown since the revitalization began over a decade ago. New life and amenities in a new city usually draws a more affluent resident and I believed that mapping the average household income over the last 10 years would show a change in the demographic, with a focus on the historic. Reports show that downtown Los Angeles is one of the “fastest gentrifying areas in the nation”[3] showing a large increase in educated workforce and household income. Armed with that information, I set my research around mapping the average household income over the last decade and projecting into the future to map how much of a change has actually occurred in the historic downtown core.

The Data

For my data I used Simply Analytics to pull the average household income by Census tract for the City of Los Angeles. This gave me an overview of average income spread out in the city and then I was able to zoom in to the historic downtown core and mark off the section I was focusing in on to compare. I downloaded the shapefiles for the year 2018 from Simply Analytics to use for my overview map as a starting point of our current situation and added the layer to my map in ArcMap. I then changed the field value to “Average Household Income”, changed the symbology to “Quantity”, edited the labels to my values and made the layer slightly transparent so you could see the base layer of the city below it. To highlight the cities and add context I added a places shapefile downloaded from the Census website for the cities of Los Angeles

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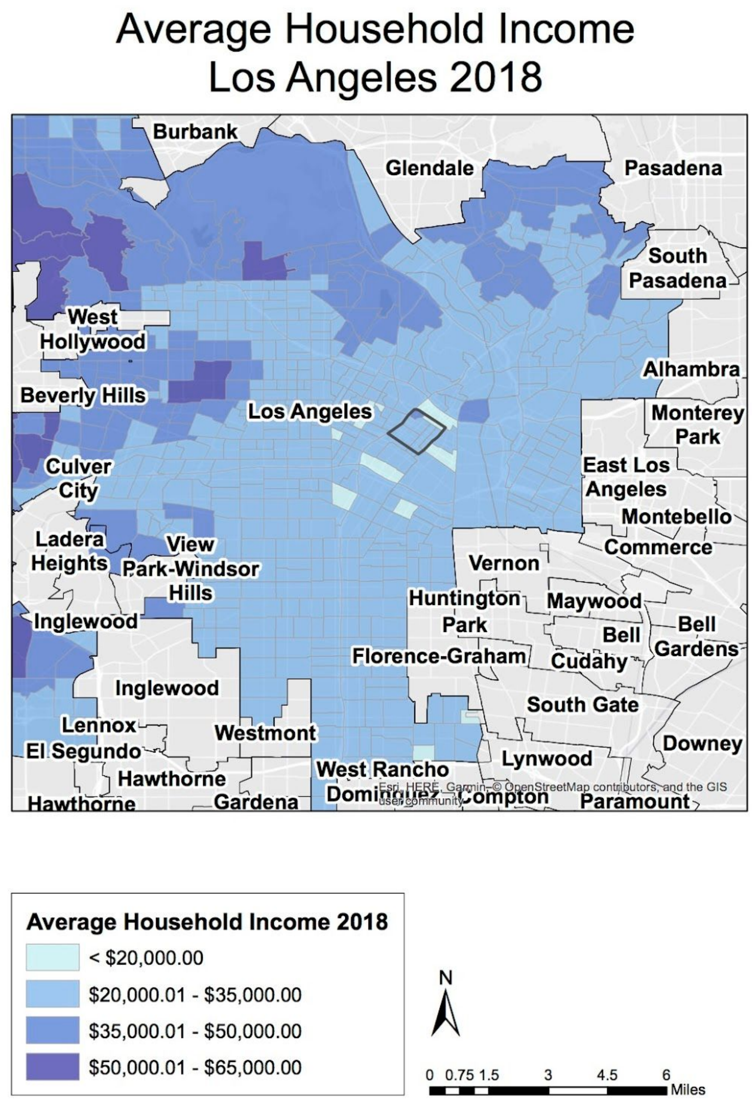
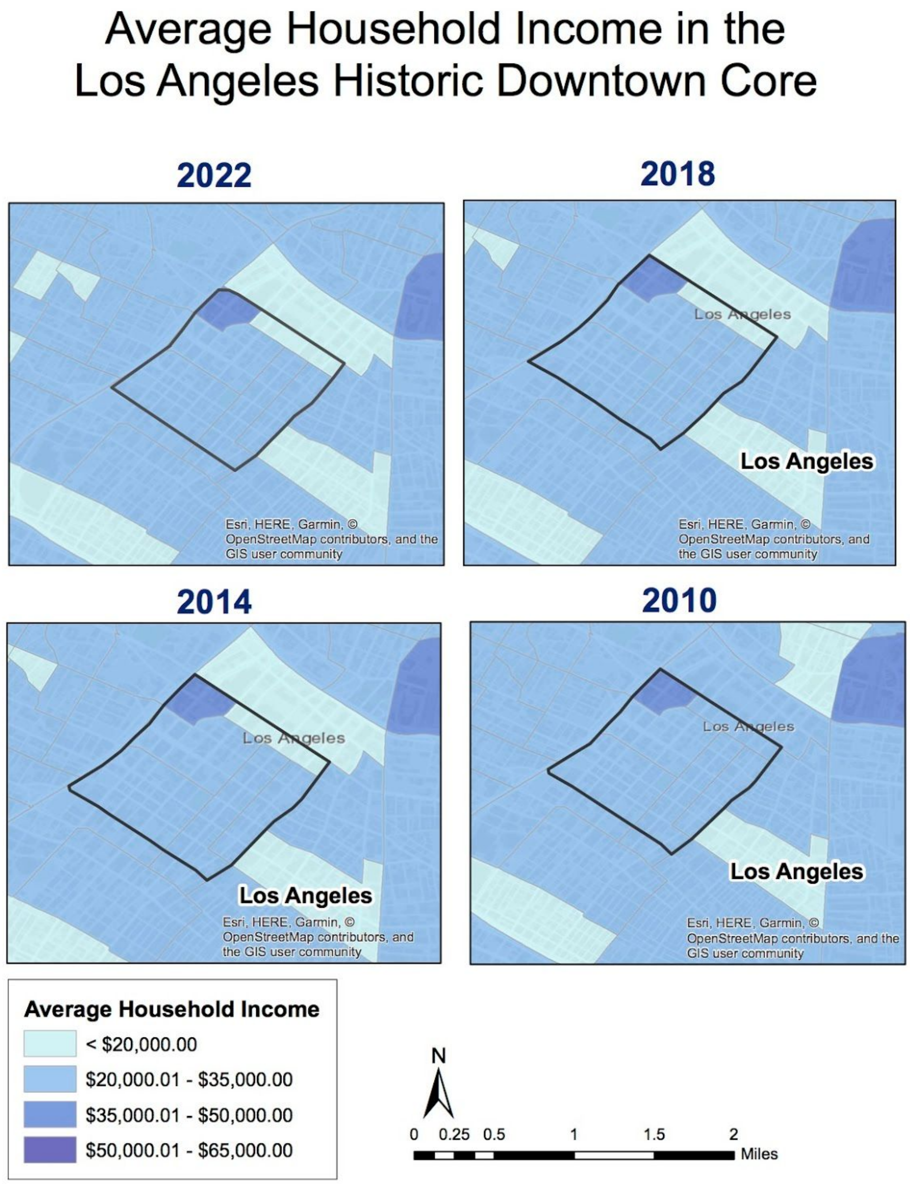
[2] David Pierson, "Whole Foods to Open Downtown L.A. Store in 2015," *Los Angeles Times,* July 31, 2013
[3] Natalie Hoberman, “Gentrification Nation: Downtown LA is fastest gentrifying area in the US”, The Real Deal, March 5, 2018.

County. I added a halo around the cities and enlarged the names to make them easy to read. This gave me my first map.



From there I create data frames on the focused area of the historic downtown core for 2010, 2014, 2018 and 2022 to create a second map. For each year I followed the same steps as a above, minus the places shapefile, to make the data easy to read and easy to follow. Having all four years with the same variable on one map made the comparison simple. Instead of a places shapefile to show the cities in the whole county, I added the Simply Analytics data on top of a base map through ArcMap that highlighted the city blocks more when zoomed in and this could be seen through the transparency of the top layer. This made my second map.



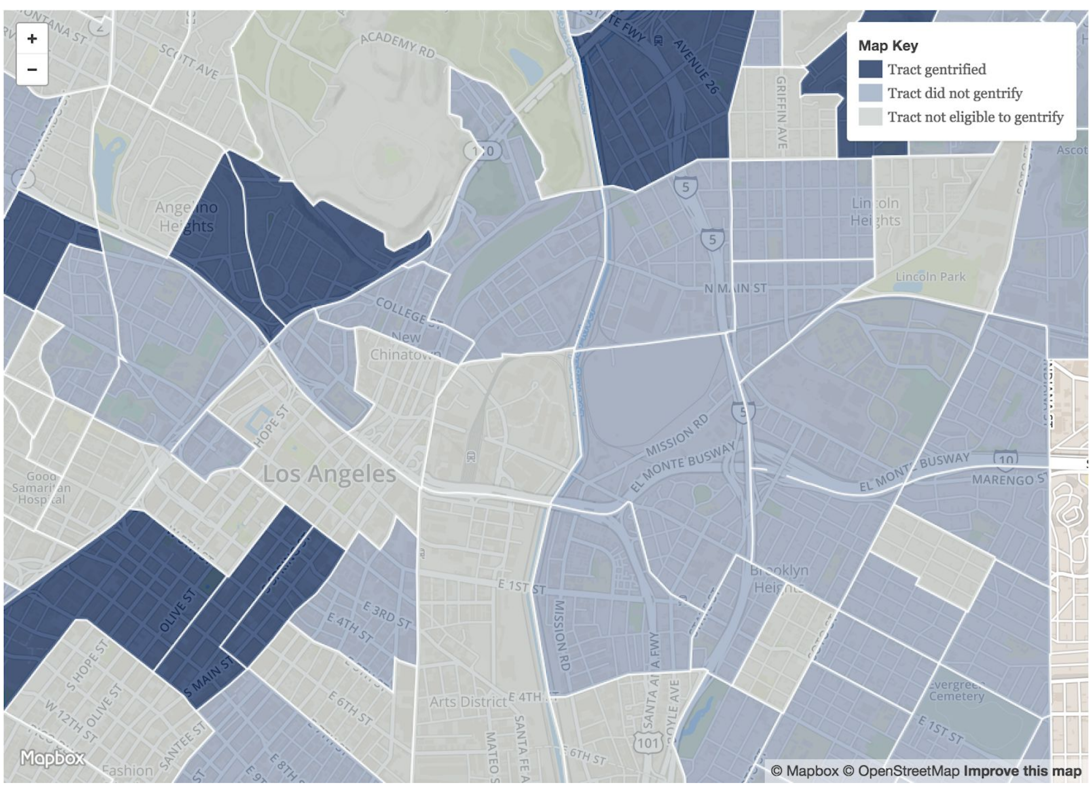
For my third and final map I created a change map to see the percent change in income in this area between 2010 compared to the projection into 2022. To do this I joined the data from the attribute tables for the average household income for 2010 and 2022. I then added a numeric field and did a field calculation for the percent change in the data. There are three main census tracts in the historic downtown core and each tract changed in a larger way then the other.

Majority of the area changes 0-6% with a portion changing between 6-9%. With all three maps compared, there is still not a huge change in the average household income happening in the historic downtown core of Los Angeles.

Limitations

I'm not sure there was much that limited my data collection as it was a pretty simple approach to determining the change in a very specific area. It was confusing on Simply Analytics in comparing the Census tracts to the block groups. Not much change happened when narrowing it down that much further when I layered it into ArcMap, yet the Simply Analytics map lays it out so differently it was hard to tell when looking at the raw data. If presented with unlimited resources a secondary source to verify Simply Analytics information would have made me feel more secure in what the maps were showing.

There are other factors that, with more time, I would have liked to map and compare in the changes happening downtown. Mapping the change in the demographic of the people, the education level, the family type, etc. would paint a much larger picture of the changes happening in the downtown area and not just the income of the people. A study done by Governing titled “Los Angeles Gentrification Maps and Data” show how many tracts in the Los Angeles county have become “gentrified”. According to this study, in order for the tract to qualify as gentrified it had to have an average home value below the 40th percentile at the start of the decade. The tracts considered gentrified jumped to the top 3rd percentile in average home value and adults with bachelor’s degrees. As you can see from the map below, the area I focused on for my mapping did not see tracts gentrified, but some are eligible for gentrification[4].



[4] Governing: The States and Localities. November 2018, http://www.governing.com/gov-data/los-angeles-gentrification-maps-demographic-data.html

Conclusion

With so much information and reporting happening around the revitalization of Downtown Los Angeles, I truly expected to find a large growth in the household income in the area, especially projected into the future. Yet, that is not what the mapping concluded. The data from Simply Analytics shows that there is really no change to average household income since 2014 to the present that shows an influx of affluent or high earning residents to the area. Slightly outside the historic core to the Southwest there is a projected increase in the average household income, with a large group shifting from $20,000-$35,000 bracket to the $50,000-$65,000. Yet, that change only occurs in the future and the current data is not showing that kind of money living in this area as of yet. Also, when comparing 2010 to the projected 2022, there is a slight change to the income happening just outside the historic core to the Northeast, but it is actually showing a decrease in household income, shifting from the $20,000-$35,000 bracket to the less than $20,000 bracket. This could be caused by current residents being priced out of homes in the immediate area and moving just outside the “hot zone”, though it is taking over a decade to see this happen.

Overall, the idea of financial growth and change or gentrification in an area takes a lot of time. It it not something that happens overnight with some beautifully built apartments in a historic building. The population has increased to 71,000 and growing, 30,000+ apartment units built since 1999 and a occupancy rate of 95%. It is undeniable that a new resident is moving into the area, we are just not seeing changes in the measurables just yet. Though the maps I created show stability financially in the area, there is still much change happening in the historic downtown core and I believe more data collection and more mapping might help show some bigger conclusions in what kind of resident is moving to the area and living there now.