An Analysis of Neighborhoods in the District of Columbia – 2000 to 2010

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Purpose of the Paper

To identify the District’s key demographic and economic trends and dynamics in the 2000s, from a neighborhood perspective.
Resident Population and Jobs in the DC 1950 to 2012 (in thousands)
Overview

- Define transitioning neighborhoods.

- Identify transitioning neighborhoods in D.C.

- Identify key demographic and economic changes, which occurred in the transitioning neighborhoods.

- Assess the major aspects of interplay between the District’s tax policy and the new demographics.
The method employed the following criteria:

1. In 2001, if the neighborhood has a median property and federal adjusted gross income values **below** the respective citywide medians.

2. And from this subset of neighborhoods, identify which of these grew faster (in median property and income values) than the relative income and home values in the city.
Summary of Major Findings

1. There was a fundamental compositional change in population by age cohort in transitioning neighborhoods.

2. The configuration of the income earners in the transitioning neighborhoods changed.

3. The transitioning neighborhoods accounted for a greater share of residential value.

4. There was an increase in the transitioning neighborhoods’ tax burden due to high growth in residential property values and residential property tax liability.
Notable Shifts by Cohort Group (2000-2010)

- Transitioning Neighborhoods
  - Under 15 & 65 plus: -13,417
  - 15-64: -1,703

- All Other Neighborhoods
  - Under 15 & 65 plus: 26,362
  - 15-64: 18,424
Growth in AGI by Transition/Quintile Group

- **Top 20%**
  - All Other Neighborhoods: 69.3%
  - Transitioning Neighborhoods: 80.6%

- **Bottom 80%**
  - All Other Neighborhoods: 73.4%
  - Transitioning Neighborhoods: 57.8%
Growth in Single Family and Condominium Housing Units (2001 to 2010)

- Transitioning Neighborhoods
- All Other Neighborhoods

- Single family housing units:
  - 6.4%
  - 1.3%

- Condominiums:
  - 275%
  - 42.4%
Defining Tax Burden

\[
\text{Tax Burden} = \frac{(Income \ tax \ liability + Property \ Tax \ liability)}{Sum \ of \ Federal \ Adjusted \ Gross \ Income}
\]
Individual Income Taxes as a Share of Adjusted Gross Income (AGI)

- **All Other Neighborhoods**
  - 2001: 6.03%
  - 2010: 5.07%

- **Transitioning Neighborhoods**
  - 2001: 4.46%
  - 2010: 3.80%
Residential Property Taxes as a Share of Adjusted Gross Income

- **All Other Neighborhoods**
  - 2001: 1.78%
  - 2010: 2.77%
- **Transitioning Neighborhoods**
  - 2001: 2.47%
  - 2010: 4.73%
Conclusion

• The transitioning neighborhoods residents played a significant role in recharacterizing the District.

• Contribution of the District’s Tax Policies

• Further Analysis and Research