

Gentrifying Black Charleston:

Exploring the Displacement of Charleston's African-American Population from 2000 to 2020



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Summary

For centuries, Charleston's African American communities played a key role in the cultural and economic history of the United States, in general, and South Carolina more specifically. Over the past two decades, however, the city's African American population has been gradually replaced by predominantly White populations, through the process known as gentrification. This brief explores some of the key metrics associated with that process in Charleston.

Towards a Southern Gentrification?

From 1990 onwards, cities across the country began experiencing a reversal of White outflows to the suburbs. This gentrifying of cities ("gentrification" is a play on the French term *embourgeoisement*) often relies on the logic of social antagonisms related to economic (or social) class. These became the underlying premises used by real estate developers, businesses and government leaders utilized to displace poorer people (disproportionately ethnic and racial minorities) who were occupying potentially lucrative land, in a bid to generate profits and boost municipal revenues.

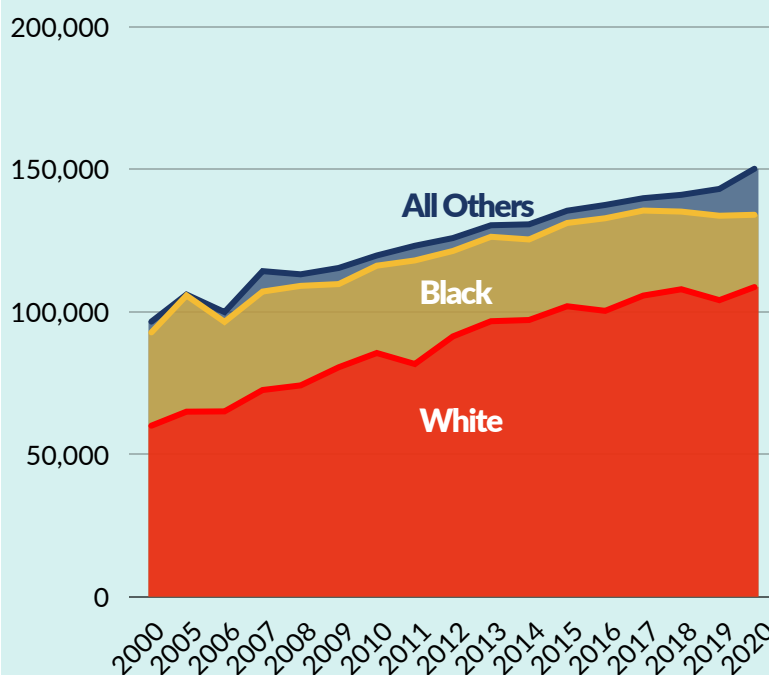
The first wave of gentrification research focused on post-industrial cities in the Northeast and West of the United States, as well as Chicago. Many of these cities received large shares of African Americans during the Great Migration of the 1960s, most of whom came from small towns and rural areas in the South. By the 1990s, many of the areas where these African Americans had moved started attracting young and upwardly mobile White residents who enjoyed lower rental costs, easy access to cultural venues, and the edginess of urban life (in contradistinction with the banality of suburban living).

But what might gentrification look like in a smaller southern city, one characterized by hundreds of years African American cultural, architectural, and economic presence? Charleston, a city whose historical and topographical legacies are unmistakably saturated with African-American cultural and economic institutions, provides a unique lens through which to examine these processes and grapple with their significance.

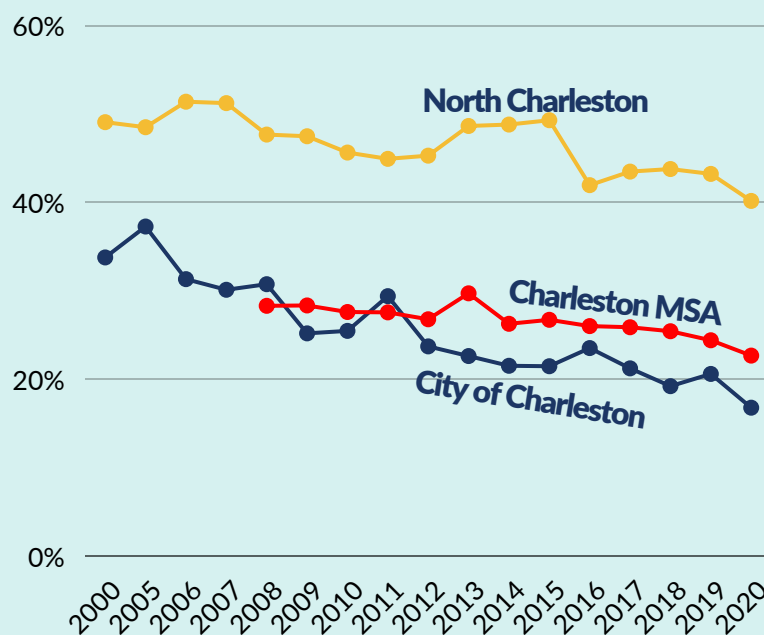
Changing Demographics

From 2000 to 2020, the City of Charleston lost more than 7,300 African American residents, from around 32,700 to 25,300 (a nearly 22.5% decline). Most of these residents relocated to other jurisdictions in the state's Lowcountry, but his "depopulation" event occurred in the context of a broader population boom for the City of Charleston, from around 96,600 in 2000 to just over 150,200 in 2020 (an increase of around 55.5%).

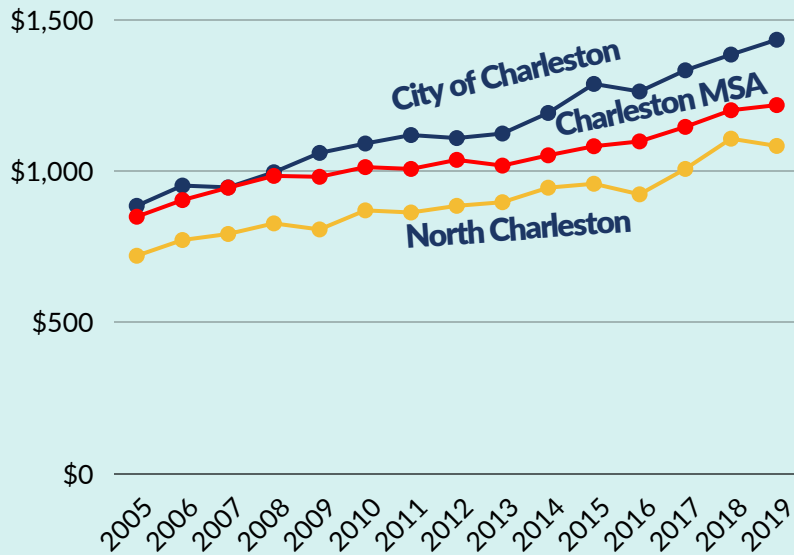
City of Charleston Population, 2000-2020



African American Share of Charleston-Area Population, 2000-2020



Median Monthly Housing Expenditures, 2005-2019



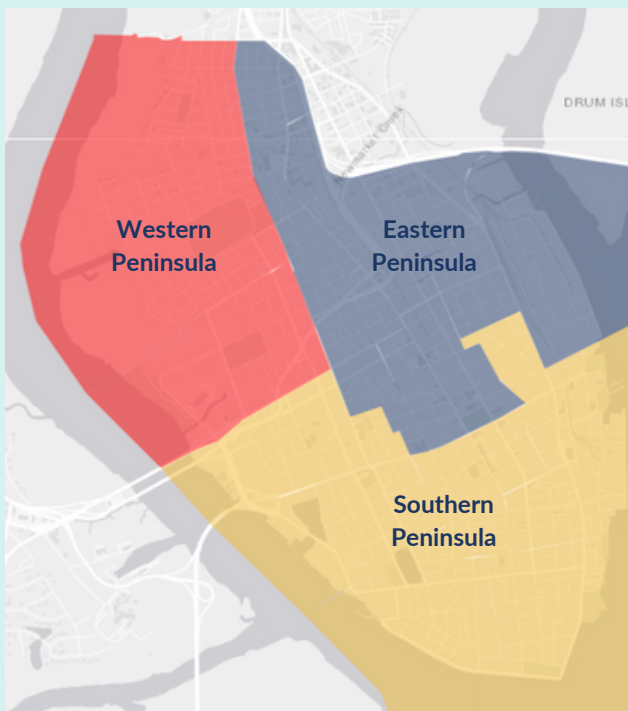
New arrivals to Charleston have contributed to an increase in the cost of living, underscored by rising rents, home values, and property taxes. Data supports the hypothesis that Charleston's African American population is exiting the city's inner core, in favor of areas with lower costs of living. North Charleston is one such area, but so are further suburbs, exurbs, and surrounding counties. The graph to the left visualizes median monthly housing expenditure data from 2005 to 2019 for Charleston, North Charleston, and the Charleston Metropolitan Statistical Area (MSA) in current dollars. The average annual change in median housing expenditures over that period was 5.3% for the City of Charleston, but 3.9% for North Charleston and 3.1% for the MSA as a whole.

Although median household incomes for North Charleston were around 86% of that figure for the City of Charleston in 2005, by 2019 they were only around 67%. Indeed, changes to median household income for all three geographies were largely flat from 2005 to 2015, except

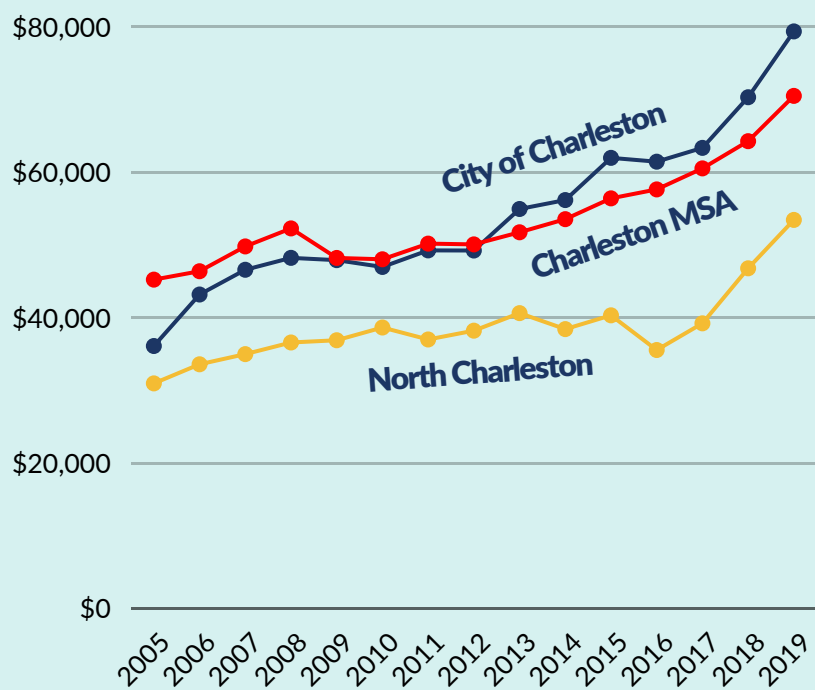
for the City of Charleston, where it averaged 7.1% growth annually. For North Charleston, that figure was 3%, whereas for the Charleston MSA as a whole, median household income growth was around 2.5% from 2005-2015. From 2015 to 2019, income growth for the City of Charleston continued at around 7%. However, for North Charleston, as illustrated in the the graphic below, median household income increased by an average of 8.1% per year. For the entire MSA, median household income jumped by 6.2% per year.

In 2000, around 46.1% of the peninsula's population identified as African American (14,911 of the 32,361 people). In the eastern and western sectors of the peninsula, the African American share of the population exceeded 60% (69.5% in the western and 63.3% in the eastern sector), whereas the southern sector of the peninsula only saw around 13.6% of the population identify as African American. By 2020, the Charleston Peninsula would lose 7,733 persons identifying as African American, or 51.9% of the 2000 population. Population displacement would be most acutely felt in eastern and western districts, areas where the city's Black population had formed long-held neighborhood-level majorities. In the eastern district, the African American population declined by 4,077 persons, or 51.1% of the 2000 total. In the western district, the Black po-

Sectors of the Charleston Peninsula



Median Household Income, 2005-2019

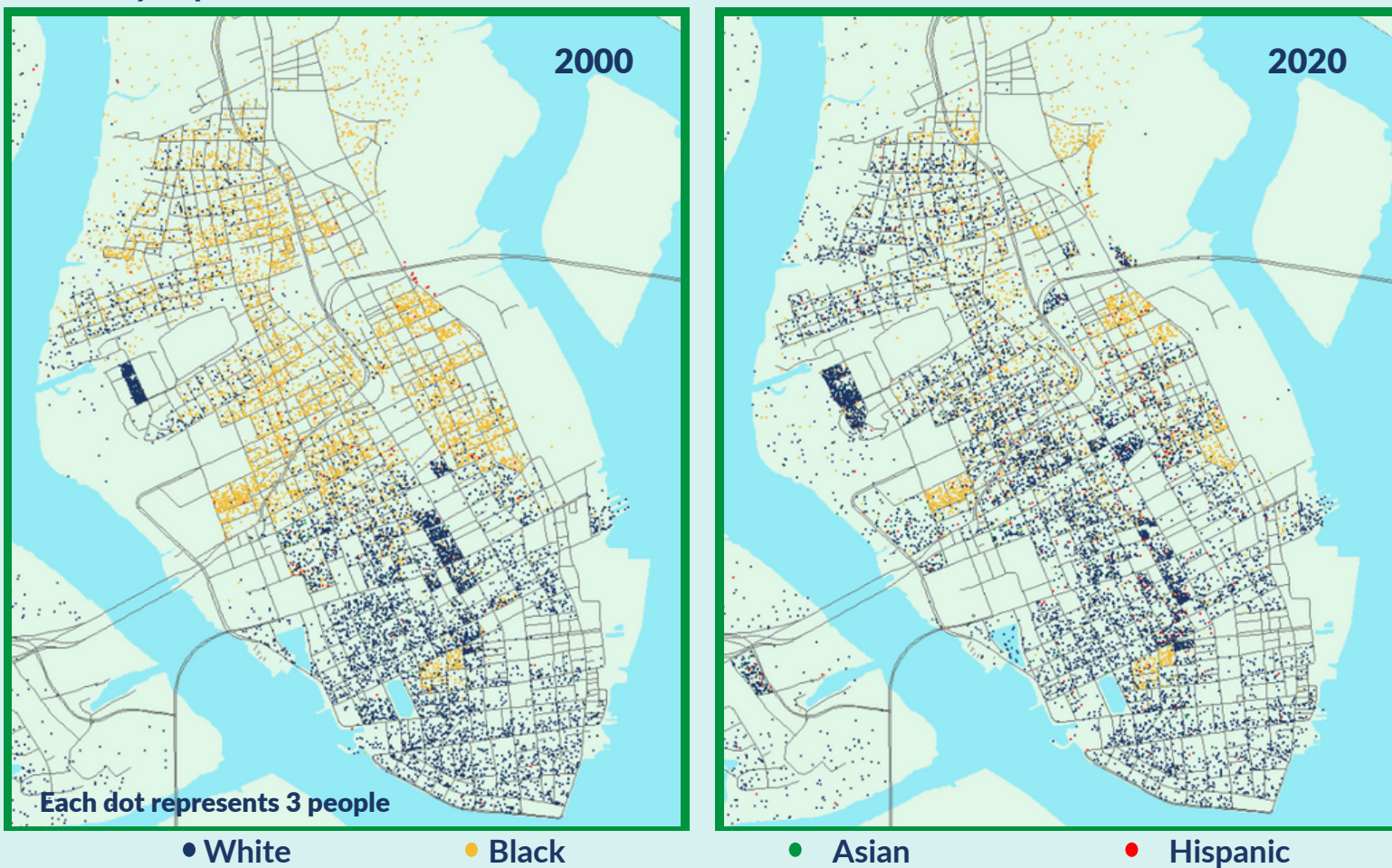


pulation dropped by 3,049 persons, or 58.5% of the 2000 total. Across the entire peninsula in 2020, African Americans only made up 23% of the population. But in the eastern and western districts of the peninsula, they fell to 25.4% (east) and 34% (west) of the population. Even more troubling, that most of the peninsula's African American population living below the Arthur Ravenel Jr. Bridge, reside in public housing facilities that, depending on economic circumstances may see their budgets slashed or properties sold off to developers, further decimating the peninsula's African-American population.

This process transpired while the peninsula's White population grew by 5,000 persons from the 2000 figure of 16,431. White residents of the eastern and western districts of the peninsula more than doubled their 2000 measures of 3,205 (east) and 2,723 (west). Additionally, non-African American minorities (such as Hispanics and Asian Americans) increased by 1,498 from 1,019 in 2000. In the eastern district, non-African American minorities tripled their 2000 level of 303 to 990 persons, and in the western, they jumped from 299 to 729 persons. Even including these other minorities, not a single district on the peninsula had a minority-majority population in 2020. Only the eastern district approached that threshold, with minorities comprising 42.6% of the total population therein.

Dot-density maps for 2000 and 2020 help to visualize more granularly these block-by-block demographic shifts across the peninsula. Each of these dots represents three residents scattered within a Census block, the smallest geographical in which the bureau publishes data. Of note, although the peninsula's minority population was greater in 2000, it was highly segregated, with the dividing line being Cannon Street. By 2020, segregation remained a problem. Indeed, the African American population in 2020 is mostly confined to a few city blocks in each of the three districts.

Dot-density Maps of the Charleston Peninsula in 2000 and 2020

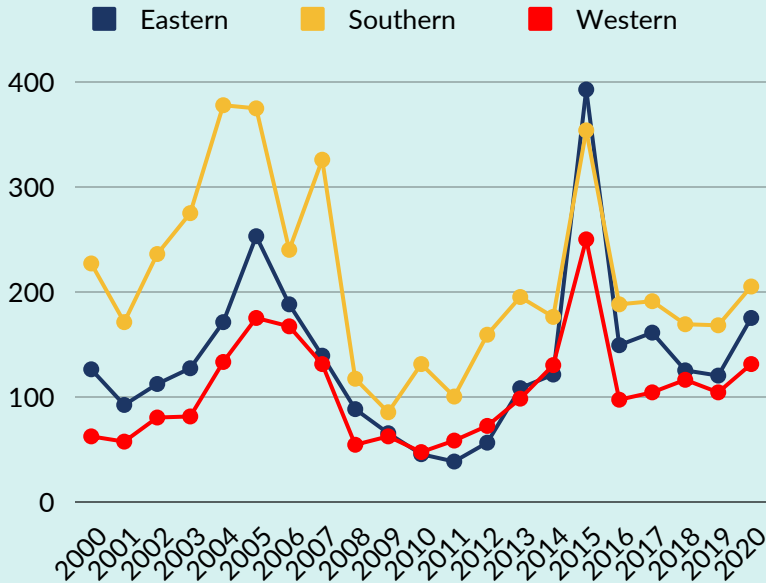


**51.9% of Charleston Peninsula's
African-American population
were displaced from 2000 to 2020.**

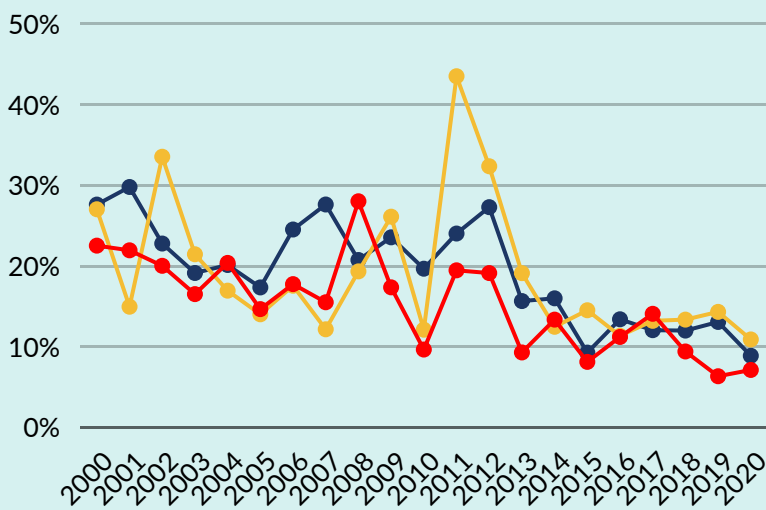
Sources: U.S. Census Bureau: 2000, 2010, 2020 Decennial Census Data



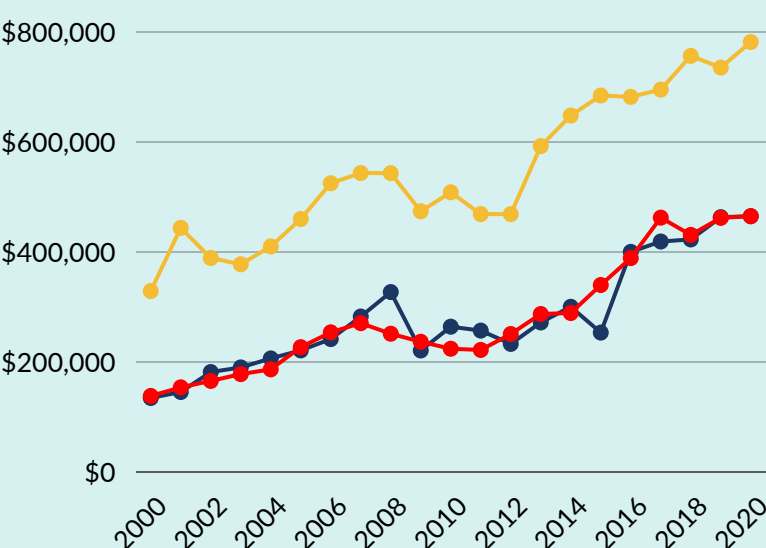
Conventional Loan Originations by District, 2000-2020



Conventional Loan Rejection Rates by District, 2000-2020



Average Loan Value for Originated Loans by District, 2000-2020



Cashing Out or Being Bought Out?

With gentrification driving changes to the urban experience in 21st Century America, a few plausible scenarios explaining Charleston's outcomes may be assessed by more closely examining the data. The first scenario, which the data above suggests, is that poorer residents of the peninsula, particularly those residing in what were predominately African American sectors, simply could not continue paying market rents or paying property taxes as they increased over the prior two decades. This squares well with the data on median household income and the persistence of pockets of African American households in public housing units outside of a competitive rental pricing regime across the peninsula.

Data from the Consumer Financial Protection Bureau's Home Mortgage Disclosure Act (HMDA) database, which was coded into these districts, shows similar tendencies across the Charleston Peninsula in terms of conventional loans originated and loan rejection rates. Average loan values for the eastern and western districts almost trace the exact same line, while figures for the southern district run around \$200,000+ more. From 2000 to 2007/2008, loan values increased gradually, before falling slightly around 2012. Subsequently, average loan values almost double across the peninsula by the end of 2020.

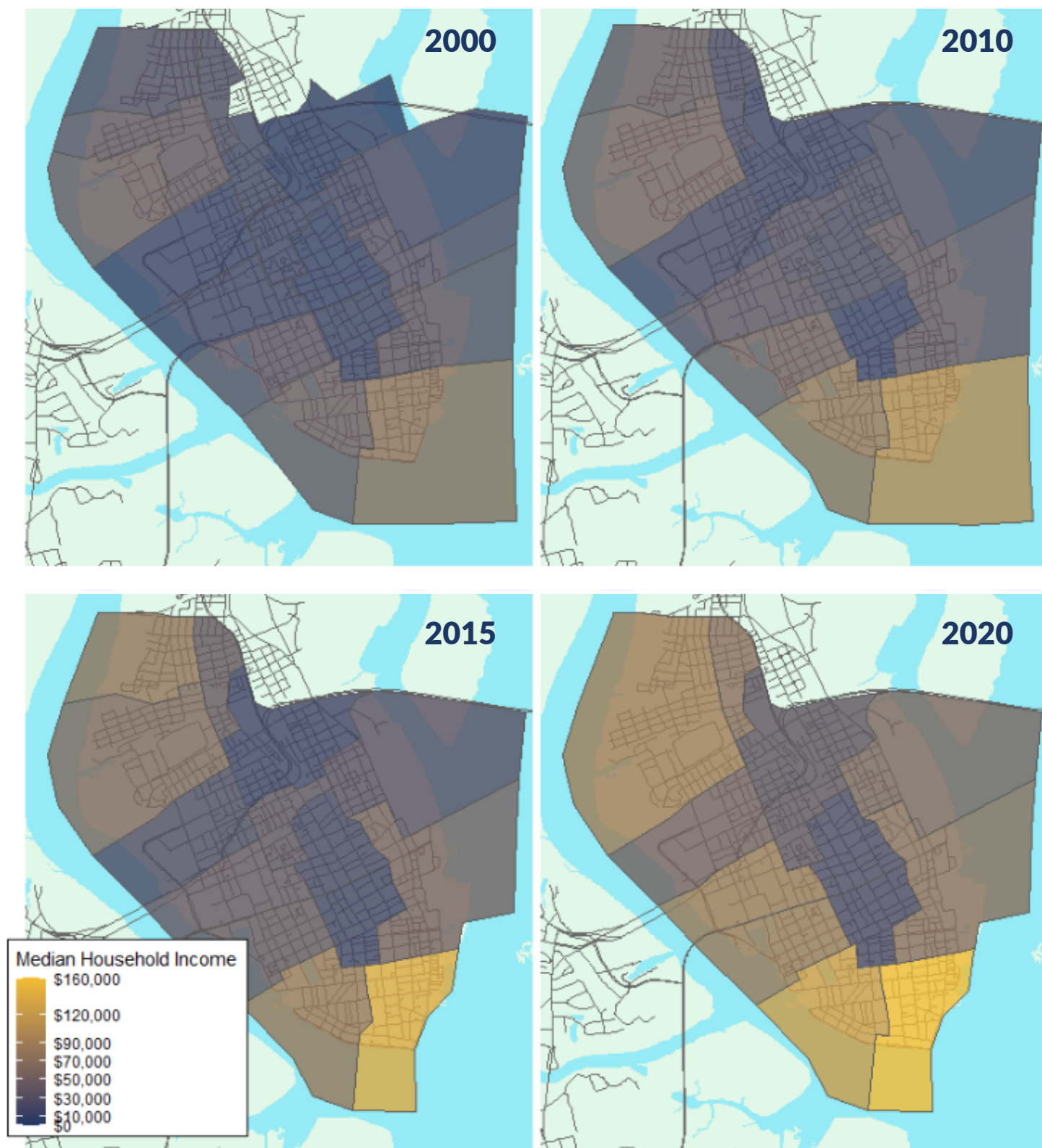
Average annual growth rates for district-wide loan values for the 20-year period show that, despite the considerably higher cost of purchasing a home in the southern peninsula, loan values increased an average of 6.82% per year. For the eastern district, however, that figure was 12.02%, marginally ahead of the western peninsula's 11.58%. From 2000 to 2012, the average loan value in the eastern District jumped \$97,938, but from 2012 to 2020 it climbed \$231,268. For the the western district, average loan values rose \$112,109 from 2000 to 2012, but soared by \$213,423 from 2012 to 2020. In the southern district, alternatively, average loan values rose by \$139,377 from 2000 to 2012, and leaped \$311,636 from 2012 to 2020.

Median household income data by Census tract requires some explanation, because a few tracts house large populations of university-aged students. However, in 2000, six of the peninsula's 17 census tracts had median household incomes above \$35,000, with the highest at over \$75,000. By 2010, seven of the 14 tracts had median household incomes over \$35,000 with the highest at \$103,889. In 2020, ten of the 13 census tracts counted on median household incomes above \$35,000, with two tracts over \$100,000 and the highest at \$159,514. In other words, household incomes across the peninsula grew tremendously, and widely.

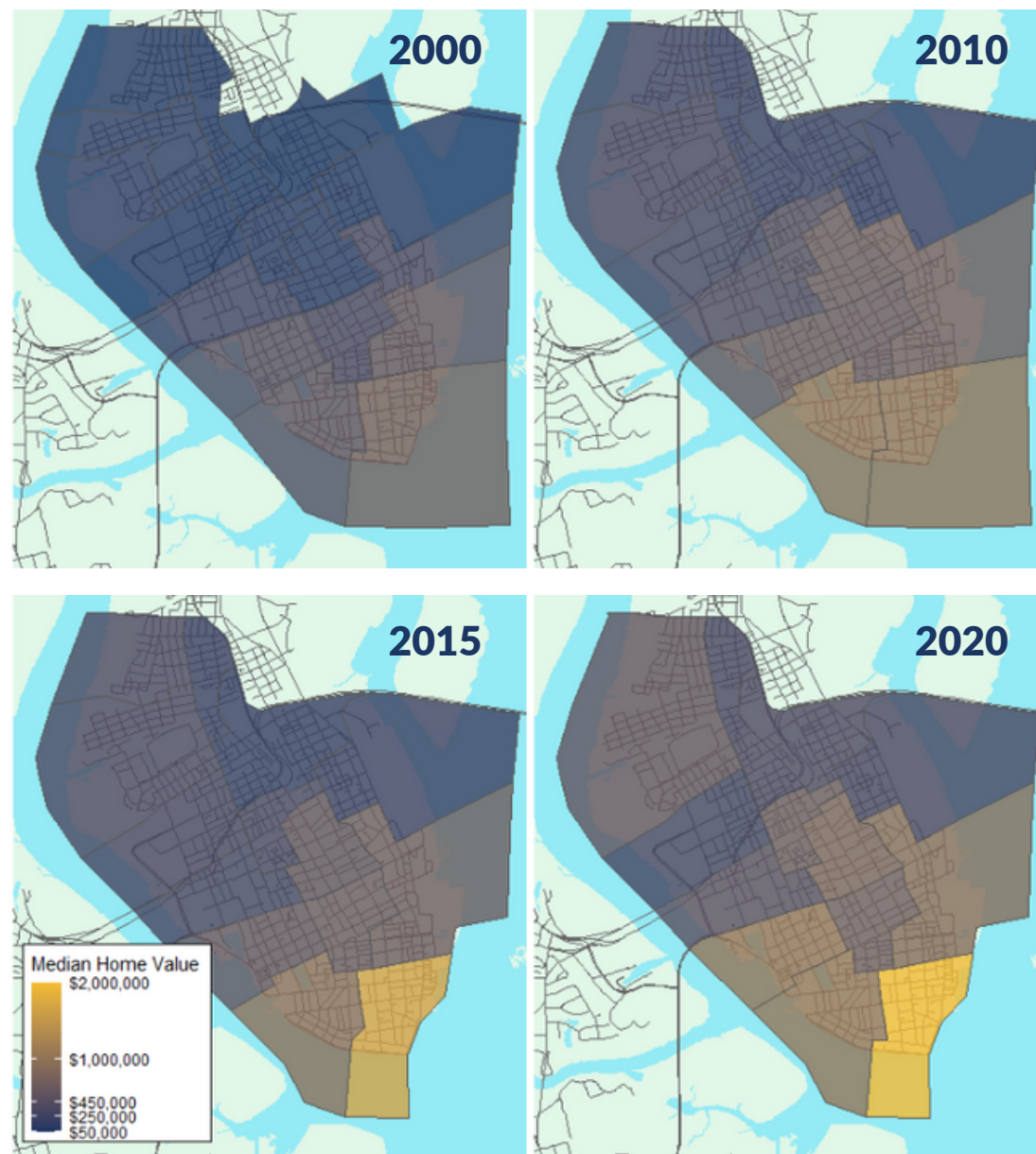
With the scarcity of viable property across the peninsula driving housing markets, an alternative explanation must also be considered, particularly for African American homeowners: booming prices may have incentivized the sale of property for

exponential sums of money. Just as rising rents push out people whose wages fail to keep up with economic growth, so too can booming property markets incentivize long-time homeowners to cash out of local markets. Data on homeownership rates in Census tracts with high rates of African Americans in 2000 suggest that this occurred in many tracts on the peninsula.

Median Household Income by Census Tract, 2000-2020



Median Home Value by Census Tract, 2000-2020



This is particularly egregious in the median home value figures by Census tract. In 2000, three tracts had median values above \$500,000 (highest \$713,600), with nine tracts below \$150,000. By 2020, eight tracts had median values above \$500,000, with three above \$1,000,000 (highest \$2,000,001), and had zero tracts below \$300,000. In other words, property values skyrocketed over this 20-year period, which contributed significantly to the process of gentrification on the peninsula.

Of course we would be hard pressed, without more data, to stress one outcome or the other. In reality, the gentrification of the peninsula, and of the Charleston-area in general, can likely be understood through a dual lens where some long-time African American property owners were able to secure hefty premiums for lots in desirable districts like those on the peninsula, while African American renters were forced to find more affordable properties elsewhere.

Conclusion

This brief delves into an understudied topic in urban studies, namely the process of gentrification in a southern city. Nevertheless, for

South Carolina's African American population, this topic must certainly resonate on a different wavelength. The city, which was the gateway to so many of this county's and state's African Americans is currently undergoing a cultural and economic transformation. These processes are contributing the effacement of African American history and culture by eclectic postmodern condo towers and refurbished houses owned by wealthy transplants from different cultural heritages. Municipal governments certainly appreciate the positive effects that a higher property tax base has on their coffers, but one must also evaluate the attendant loss of culture and history. The resiliency of the city's African American community will not be extinguished by gentrification. It predates the founding of the country, has survived chattel slavery, Southern secession, racial apartheid, natural disasters, but also historic triumphs such as the first and second Reconstructions and the rise of greater economic wealth and social mobility for Black communities, and will continue to shine. Although churches may relocate, houses and playgrounds razed, and condos built in their place, Charleston's African-Americanness is sure to survive.

All data and graphics produced and generated by the authors using R Studio. Graphics created in ggplot2 package. Data processed and analyzed with the help of tidycensus and srvyr packages.

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