

The Impacts of Urban Renewal on Racial Disparities in Asheville

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Abstract

Asheville, North Carolina, is often portrayed as a beacon of progressive ideals and policies compared to other cities in the South. This notion typically leads to the belief that people of color in Asheville experience racial and economic equality. This notion, however, is not supported by data. Asheville, like many other cities, participated in urban renewal projects with the goal of beautification and betterment of “blighted” areas. These projects targeted historic Black neighborhoods, and as a result, inhibited equality, and economic progression for the Black community through displacement, loss of ownership of homes and businesses, and the destruction of communities. There have been many studies on urban renewal in Asheville, as well as studies examining inequality in Asheville, however, to my knowledge there are no studies that fully examine the connection between the two topics. This study investigates the link between urban renewal and the rampant inequality in Asheville, using data from the Opportunity Atlas to compare tract-level data for historic Black neighborhoods that underwent renewal, to other neighborhoods in Asheville. Through my research, I have found significant connections between areas where urban renewal took place, poorer economic outcomes, and higher levels of inequality.

1. Introduction

Racial inequality is a problem that has plagued the United States since Columbus “discovered” America. We are still to this day seeing the repercussions of racial inequality in every state in the US, some of which are wealth inequality, income inequality, educational inequality, and incarceration inequality, to name a few. As of 2019, approximately four in ten Americans believed that we have more work to do to create equality for people of color⁷. This indicates that a majority of the population believes that we have achieved racial equality in this country. I suggest through my research, and through the consolidation of existing data that Asheville, North Carolina has not achieved equality, and in fact, has a long way to go in doing so.

Asheville has long been considered one of the more progressive cities in the south, with the Mountain Express, a local newspaper stating that “Asheville has long been a liberal bastion in a right-leaning region, a tendency that traces back to the Depression-era¹. Given this status as a liberal stronghold and a progressive Southern city, one would expect to see higher levels of equality between races in Asheville than in other cities. However, the data shows that this is not the case. I examine the effect of urban renewal on housing inequality and economic mobility through the displacement of Black families, the loss of Black businesses, and the disruption of historic Black neighborhoods.

2. Theory Overview

The theory motivating my thesis is that the long-run effects of urban renewal drive contemporary racial disparities, and inequality in Asheville, North Carolina (NC). Dr. Dwight Mullen, Professor Emeritus of Political Science at the University of North Carolina (UNC) Asheville, states that “Little has been done in the public or private sectors

to encourage or fundamentally strengthen Black communities. Whatever measures that have been enacted are easily counterbalanced by programs such as urban renewal and policies that more recently support gentrification,"⁵making Asheville inherently unequal. Black Asheville residents have had the cards stacked against them. There are many factors with quantifiable data that support the theory of inequality within Asheville. One of which is the theory that urban renewal is a key player in the sheer degree of inequality we see in Asheville, as it created many unforeseen consequences.

My thesis is impelled by the theory that urban renewal is an important player in Asheville's systemic inequalities. Urban renewal in Asheville started Thursday, June 4, 1964, when the City Council voted to adopt a revised housing code modeled on the state's code, with its far stricter requirements for occupied dwellings.¹¹The project in theory began as a positive re-energizing of "blighted" sections of cities and the building of affordable housing. However, the consequences that came out of urban renewal outweighed the projected benefits. Urban renewal ultimately caused the displacement of thousands of people, predominantly affecting poor people, and people of color. While cities claimed to reimburse residents of pre-renewed areas for their homes and businesses, this ultimately did not happen. Cities also reneged on their promises to help with relocation, and home purchasing for those affected by the renewal projects (Urban, 2021). Likely, the destruction of Black neighborhoods, communities, and businesses in the form of urban renewal created intra-city poverty traps by destroying economic drivers of generational wealth.

3. Literature Review

The literature that exists on urban renewal is pretty consistent, stating that urban renewal is "a controversial program of land redevelopment"². The literature that exists examines the pros and cons of urban renewal on cities and impacted citizens. The general consensus is that, while there were benefits of urban renewal such as city beautification, improved living conditions for some residents, and income generation for investors, among others. There were also a lot of negative repercussions, such as the displacement of poor citizens and POC (persons of color), with Robert Nelson stating that "the social and emotional cost fell on poor people and people of color,"¹². This means the negatives of urban renewal fell on the shoulders of the very people who renewal was meant to help. The literature agrees that the most affected demographic of renewal was people of color, with a popular sentiment being that "urban renewal meant "Negro removal."⁶ Many people were displaced due to the net loss of housing, as there was not a proportional number of new houses built to make up for the loss of prior housing. This lack of replacement caused lasting impacts on Black homeownership in Asheville. Urban renewal projects are estimated to have displaced more than 300,000 people between 1955 and 1966.¹⁰. "Given Asheville's history of urban renewal, redlining, racial covenants, credit and mortgage discrimination, and systemic discrimination in employment and education, many residents in the Black community are skeptical that the reparations resolutions will accomplish much to increase Black homeownership."

A summation of the information on urban renewal shows that there were extremely negative ramifications on the Black community. Throughout the literature that exists on the topic, there is a consistent acknowledgment that people of color were negatively impacted by urban renewal in many ways, however, there is not a lot of literature on the real quantifiable impact of urban renewal on the current upward mobility of Black people. I aim to show that within Asheville, NC, there is a positive correlation between urban renewal and present-day inequality low rates of homeownership, and restricted mobility.

4. Data and Methods

My data will be coming from the 2019 census, the city of Asheville's open data portal, the Opportunity Atlas, and the Urban renewal and city-owned property website. This data will be utilized to compare historic Black areas that faced urban renewal, to a predominantly white area that faced urban renewal, and the neighborhood with the lowest number of Black residents. The Historic black neighborhoods that faced urban renewal are Southside also known as East Riverside, East End, also known as Valley St., and Montford. The comparison areas are South Pack Square, an area where urban renewal occurred that was not a historic black neighborhood, and Biltmore Forest, which is utilized as a comparison because it has the lowest population of Black residents in Asheville, NC. The variables that will be examined in table 1 are the fraction of nonwhite residents, the poverty rate, household income, fraction in the top 20% of individual income, fraction of single parents, incarceration rate, rate of marriage at age 35, and teenage birth rate. These variables come from the Opportunity Atlas in the form of raw data, and the Urban Renewal & City-Owned Property website. These variables were chosen because they give a whole picture of Asheville residents'

economic stability and outcomes. The variables that will be examined in table 2 are the percent of homeownership rate, population percent, high-cost loan proportion, loan denial rate, and denial rate due to debt to asset ratio. This data comes from the 2019 census, and these variables were chosen because of their impact and relevance to homeownership in Asheville. The variables that will be examined in graph 1 are household income for white children with parents at the 75th percentile, and 25th percentile, and household income for Black children with parents at the 75th percentile, and 25th percentile. These variables were chosen because of their ability to illustrate and predict economic mobility. I used descriptive and exploratory analysis to interpret the raw data available for Asheville NC.

5. Initial Results:

Table 1. Comparing Asheville Inequality (2010-2016)

Red = Historically Black and renewed - Yellow = Not Historically Black, but renewed - Green = Majority White, and not renewed

Rate and type of inequality	Southside/East Riverside Tract: 37021000900	East End/ Valley St. Tract: 37021000700	Montford Tract: 37021000200	South Pack Square Tract: 37021000100	Biltmore Forest Tract: 37021002101
Fraction of Non-white residents	62%	42%	28%	24%	3.2%
Poverty Rate	41%	13%	21%	27%	3.9%
Average Household Income	\$18,000	\$19,000	\$21,000	\$24,000	\$55,000
Fraction in the top 20% of individual income	5.8%	8.3%	9.7%	21%	41%
Fraction Single Parent	71%	64%	55%	55%	6.1%
Incarceration Rate	4.5%	9.2%	6.2%	<1%	<1%

Rate of Marriage At Age 35	19%	24%	19%	35%	58%
Teenage Birth Rate	>50%	43%	35%	17%	2.3%

¹ Data Source: <https://www.opportunityatlas.org/>
2010-2016 Data

In all tracts within Asheville, historic Black neighborhoods where urban renewal took place have the highest number of non-white residents. Southside/East Riverside has a rate of 62%, East End/ Valley St. has a rate of 49%, and Montford has a rate of 42%. The next highest rate of non-white residents is 36%. In the two comparison neighborhoods, South Pack Square has a rate of 24% and Biltmore Forest has a rate of 3.2%. The higher concentration of nonwhite residents in these areas is correlated with worse economic outcomes.

Southside, otherwise known as East Riverside was the first urban renewal project commenced in Asheville from 1965 to 1988⁹. Coincidentally this tract has the worst economic outcomes of any other neighborhood in Asheville. East End otherwise known as Valley St. was the next project to be started from 1971 to 1980, followed by Montford from 1987 to 1993. Rates of poor economic outcomes seem to follow this timeline, with projects beginning earlier having worse outcomes than the later projects, and both having worse outcomes than non-renewed neighborhoods in Asheville.

South French Broad has the lowest median income in Asheville by \$5,000, and the highest rate of poverty (40%) by 12%. The poverty rate for Asheville as a whole is 13.83 as of 2020, while with the exception of the East End project, areas of urban renewal are significantly higher than average. East Ends better than average outcomes when compared to other areas of urban renewal could likely be because of the low rate of displacement. This project displaced 116 households of which only 42 were homeowners.⁸ South French Broad has the highest rate of single-parent households (71%) at 9% followed by East End at 64%. Of all the neighborhoods in Asheville, the areas where urban renewal took place have the top two rates of single-parent households. Breaking from the trend, incarceration rates in East End are the highest in all of Asheville, followed by Montford which has the second highest rate of incarceration, followed lastly by South French Broad which falls into the top five neighborhoods in terms of incarceration rate. South French Broad and Montford have the lowest rate of Marriage in Asheville, followed by East End/ Valley St. which has the second-lowest rate in Asheville. South French broad has the highest teenage birth rate (>50) at >7% followed by East end at 43% and then Montford at 38%. The areas where urban renewal took place have the highest rates of teenage pregnancy in Asheville. Outcomes in historic black neighborhoods where urban renewal took place are markedly worse than in areas where urban renewal did not take place. These outcomes create a cyclical poverty trap that makes gaining and passing on wealth incredibly difficult, as they inhibit economic mobility, and wealth accumulation, both of which have a noted impact on things like educational attainment, and incarceration rates just to name a few.

Table 2. Housing and Home Loan Data (2016-2022)

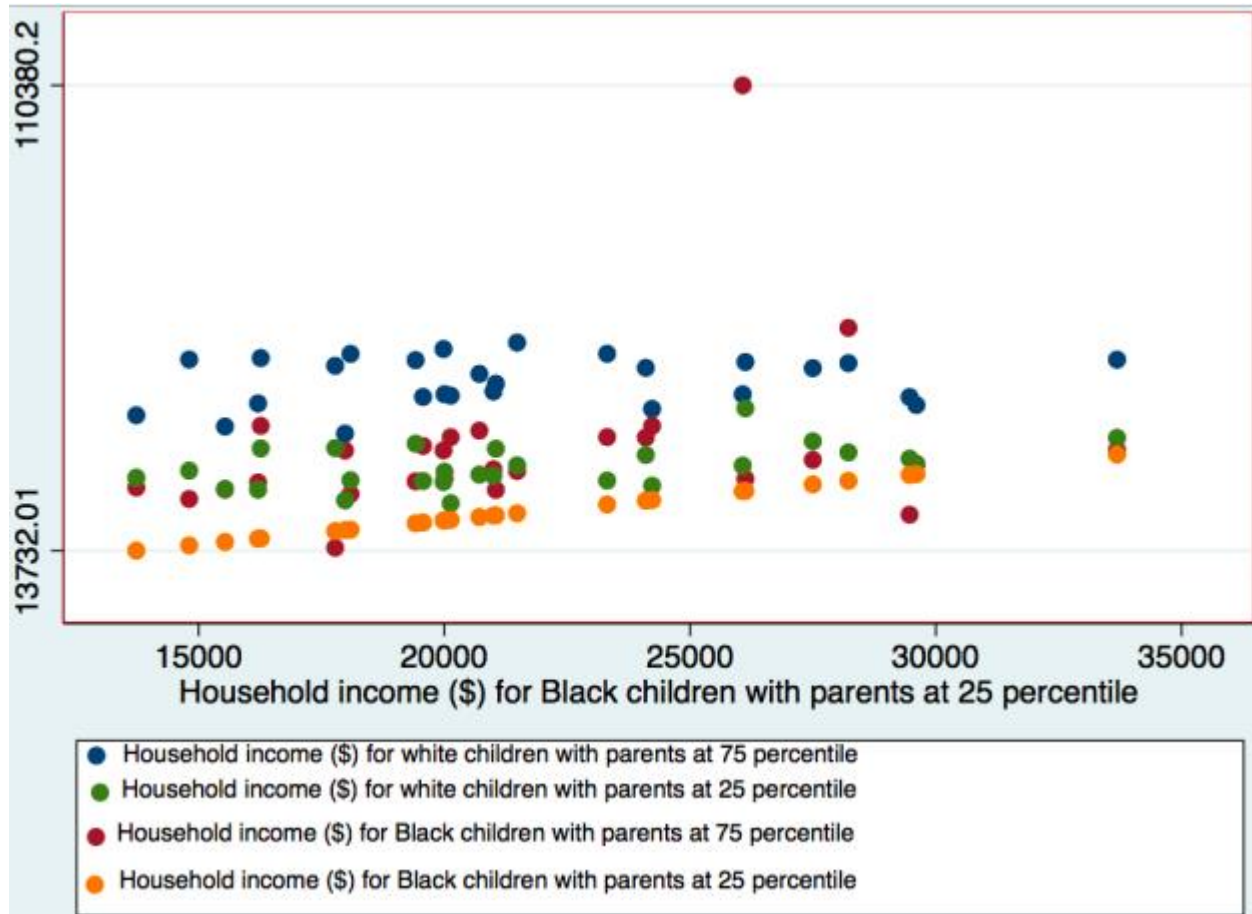
	Black Asheville Residents	White Asheville Residents
Rate of Homeownership	37.8%	69.6%
Population Percent	11.2%	84%
High-Cost Loan Proportion	50%	18.6%
Loan Denial Rate	33%	17.8%
Denial Due to DTA (Debt to Asset Ratio)	31%	20%

2 Data Sources: <https://www.census.gov/quickfacts/fact/table/ashevillescitynorthcarolina/HSG445220#HSG445220>
2016-2022 Data

One of the most impactful ways to generate and pass on wealth is through homeownership, with homeowners average wealth being \$269,100 as opposed to renters average wealth of \$3036, a difference of 89% as of 2017³. Rates of homeownership were forever changed in Asheville as a result of urban renewal, with thousands of black residents displaced, and historic black neighborhood homes and businesses demolished. As of 2019, Asheville had a black population percent of 11.2 percent and a white population percent of 84 percent. As of 2022 Black Asheville residents have a homeownership rate of 37.8% compared to the 69.6% homeownership rate of white Asheville residents. The disparity in homeownership in Asheville is a large and pressing issue. Part of the reason for lower rates of ownership is because of access to loans. People of color in Asheville hold fifty percent of high-cost loans while white Asheville

residents hold only eighteen point six of high-cost loans. Black residents have nearly double the likelihood of being denied a loan, and a thirty-one percent chance of being denied a loan due to their debt to asset ratio, compared to the twenty percent denial rate white Asheville residents face. With poverty rates being so much higher in areas where urban renewal occurred it can reasonably be concluded that loans are denied due to the debt to asset ratio more often for people in those areas. With other economic indicators being poorer in areas where urban renewal occurred it can reasonably be concluded that the occurrence of these outcomes impacts residents' ability to own homes, thus creating poverty traps, as homeownership is a key generator of wealth over time and a large contributor to generational wealth¹³.

Graph 1. Economic Mobility of Black and White Children with Parents at the 25th and 75th Income Percentile in Asheville NC



Aside from homeownership and loan data, another important factor in inequality is economic mobility, or the ability of a demographic to improve their economic status. In graph 1, the Y-axis is minimum and maximum incomes in Asheville NC. The X-axis shows incomes for the 25th percentile. The points shown in blue shows household income for white children at the 75th percentile (higher income). Green shows household income for white children at the 25th percentile (lower income). Red shows household income for black children at the 75th percentile (higher income). Orange shows household income for black children at the 25th percentile (lower income). We see from this graph that the lowest income in NC is held by a black child with parents at the 25th percentile. We also see that black children with parents earning higher incomes still fall around the level of income of white children whose parents earn lower incomes. This suggests that

black economic mobility is so significantly stunted that it becomes negative. Black children fall significantly below the economic status of their families as they reach age 35, suggesting a falling level of mobility as opposed to the positive mobility we would like to see. The highest incomes are held by white children whose parents earn high incomes, with one outlier of a black child whose parents made a higher income. This shows that white children with

high-income parents have the highest level of economic mobility. Both poor and black people in Asheville have stunted economic mobility, but black children have negative mobility. All else equal what is the reason for poorer economic mobility in Asheville? The data on poverty, homeownership, and household income in areas of urban renewal, and coincidentally the areas with the highest number of black residents suggest that inequalities in economic outcomes, housing, and economic mobility can, at least partially, be traced back to the city's urban renewal program.

6. Discussion and Conclusion

The results of this project suggest a link between urban renewal, poverty traps, and negative economic mobility for people of color in Asheville. The connection between urban renewal and poverty traps is notable because the outcomes are cyclical in nature, with past and present inequality feeding modern inequality. A poverty trap is a cycle of poverty that is self-reinforcing where inequality begets inequality in a way that makes escaping poverty difficult or impossible.¹⁵ This is what we see within Asheville, with urban renewal originating the cycle of inequality that would end up being nearly impossible to break out of. For example, higher rates of poverty for people within renewed neighborhoods might mean that homeownership is not an option, which impedes the next generation's ability to have lower rates of poverty, and so on. The negative mobility Black people in Asheville face is a symptom of this cycle, a cycle that without government involvement is unlikely to stop.

This research aims to improve understanding of the implications of urban renewal and add to the literature on Urban renewal, and inequalities in Asheville. As this paper elucidates urban renewal is an important driver of current economic disparities and outcomes for people of color in Asheville.

Contemporary literature suggests that urban renewal is partially responsible for the poorer economic outcomes and mobility for people of color, but more research is needed to further understand the direct consequences of the programs on the Black community. More current data is needed to further explain the connection between past renewal programs, and the current outcomes and conditions present. More variables such as the lost value of homes and businesses, and more current data could paint a fuller picture of the impact of urban renewal on modern inequalities and economic immobility.

The connection between urban renewal and inequalities has been the topic of study for many years now, however, this paper is unique in its direct examination of variables of inequality in specific neighborhoods affected by urban renewal, and comparison to areas of urban renewal that were not historically Black. The results of this paper suggest that there is value in continuing research on this topic, as the data shows that the effects of urban renewal drive contemporary racial disparities, and inequality in Asheville. Understanding the causes of inequality within a city allows officials to create specific policies addressing and rectifying the consequences of renewal programs.

7. Acknowledgments

I would like to express my gratitude to Kathleen Lawlor for all their help in making this project possible.

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