Gateways to the Middle Class

Building neighborhoods where families can can move up without moving away: findings findings from the Massachusetts Middle Class Class Status Report and the Gateway Cities Cities Housing Monitor

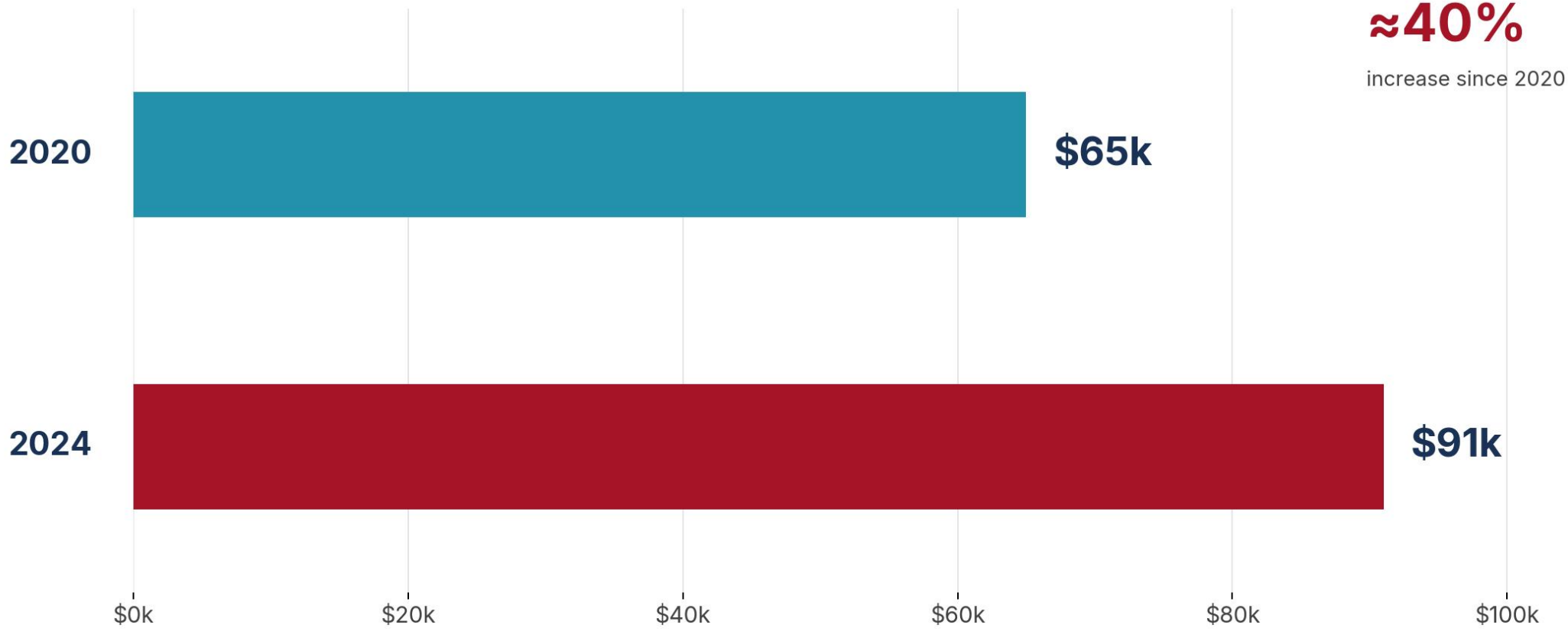
Elise Rapoza, Senior Research Associate Associate

MassINC Policy Center



The cost of a middle-class life has moved sharply higher

Massachusetts single adult, midlife benchmark • annual income required

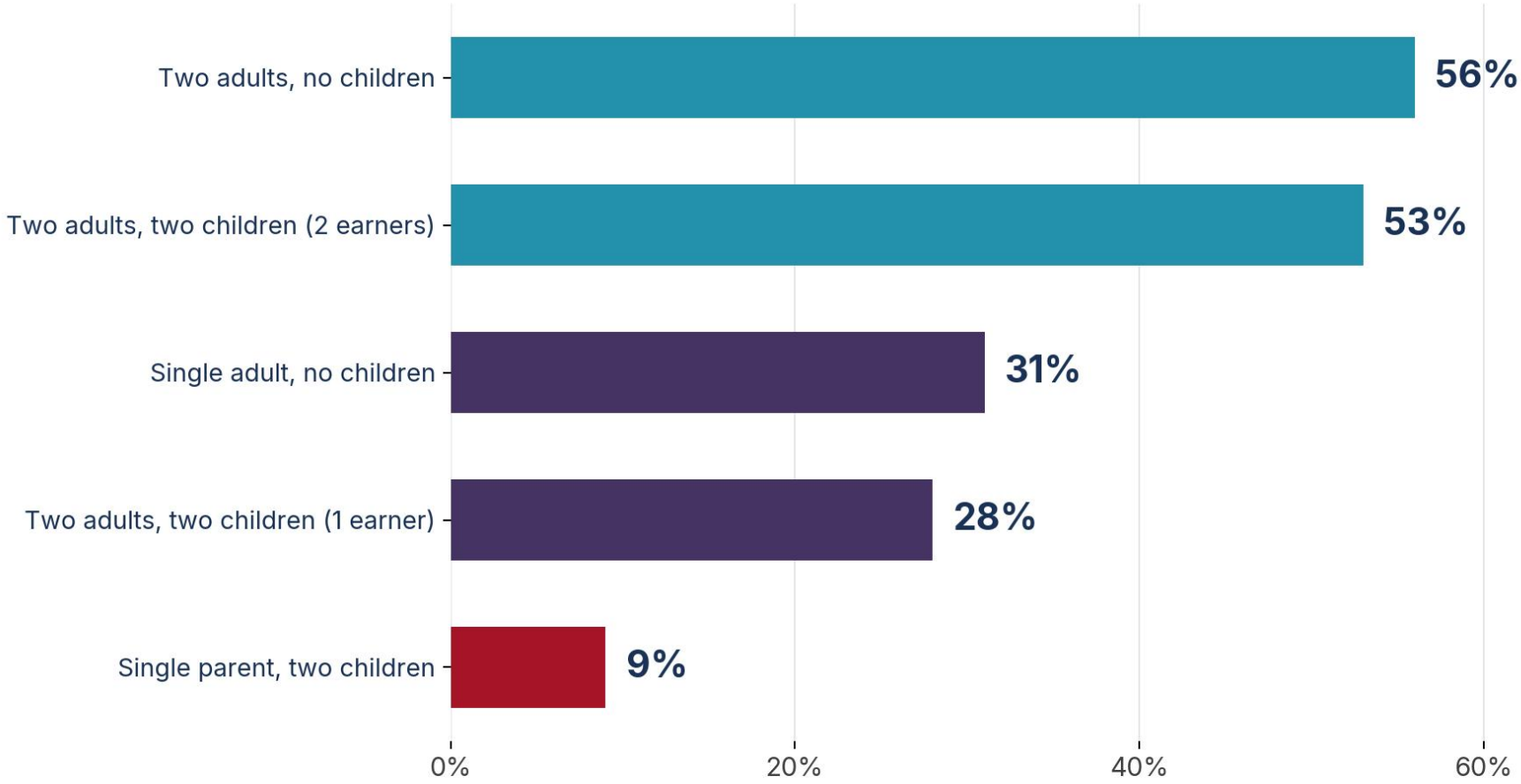


Source: MassINC Middle Class Status Report, Component 1 (2026). Values approximate; nominal dollars. 2024 exceeds $91k.

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Middle-class affordability varies dramatically by household type

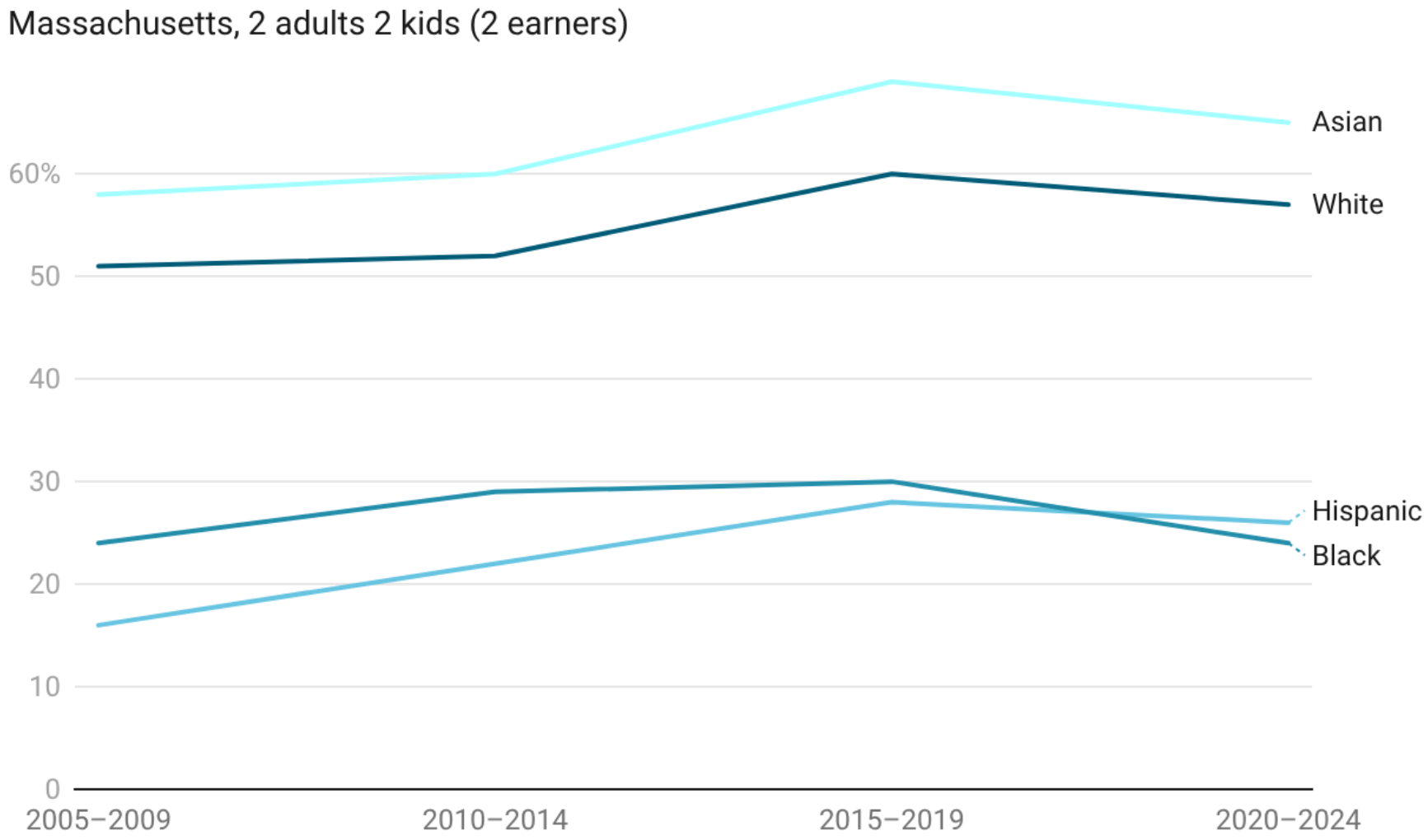
Share of Massachusetts benchmark households with income sufficient for a middle-class standard of living



Source: MassINC Middle Class Status Report, Component 2 (2026); reported household-type estimates averaged across relevant age cohorts.

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Racial disparities in access to the middle class persist, as affordability declines for all groups



Categories refer to non-Hispanic populations unless otherwise noted.

Source: MassINC Policy Center analysis of American Community Survey 5-year estimates • Created with Datawrapper

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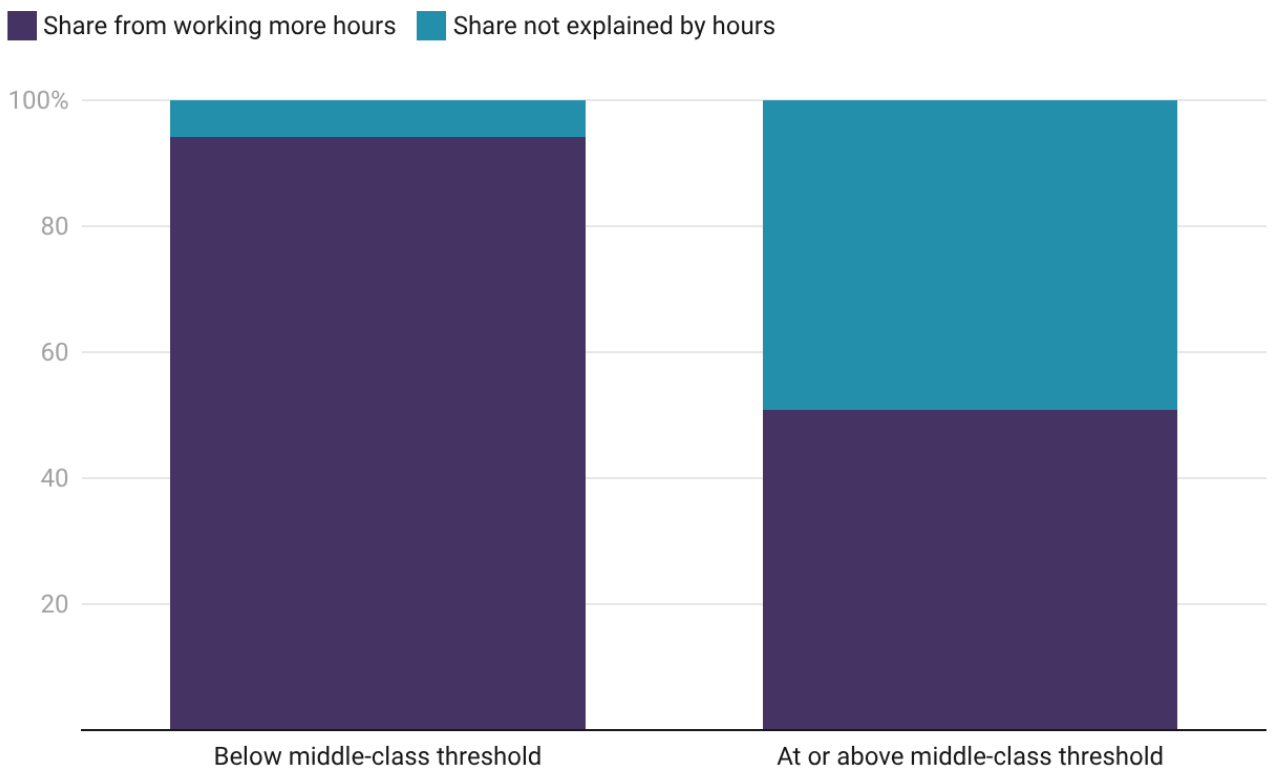
Keeping up with costs has come with working more hours

Increasingly, affording a middle-class lifestyle requires two adults both working full-time

Share of income growth by source

source

Massachusetts households with 2 adults and 2 kids, 2005–2007 to 2022–2024



Inflation-adjusted using the Consumer Price Index

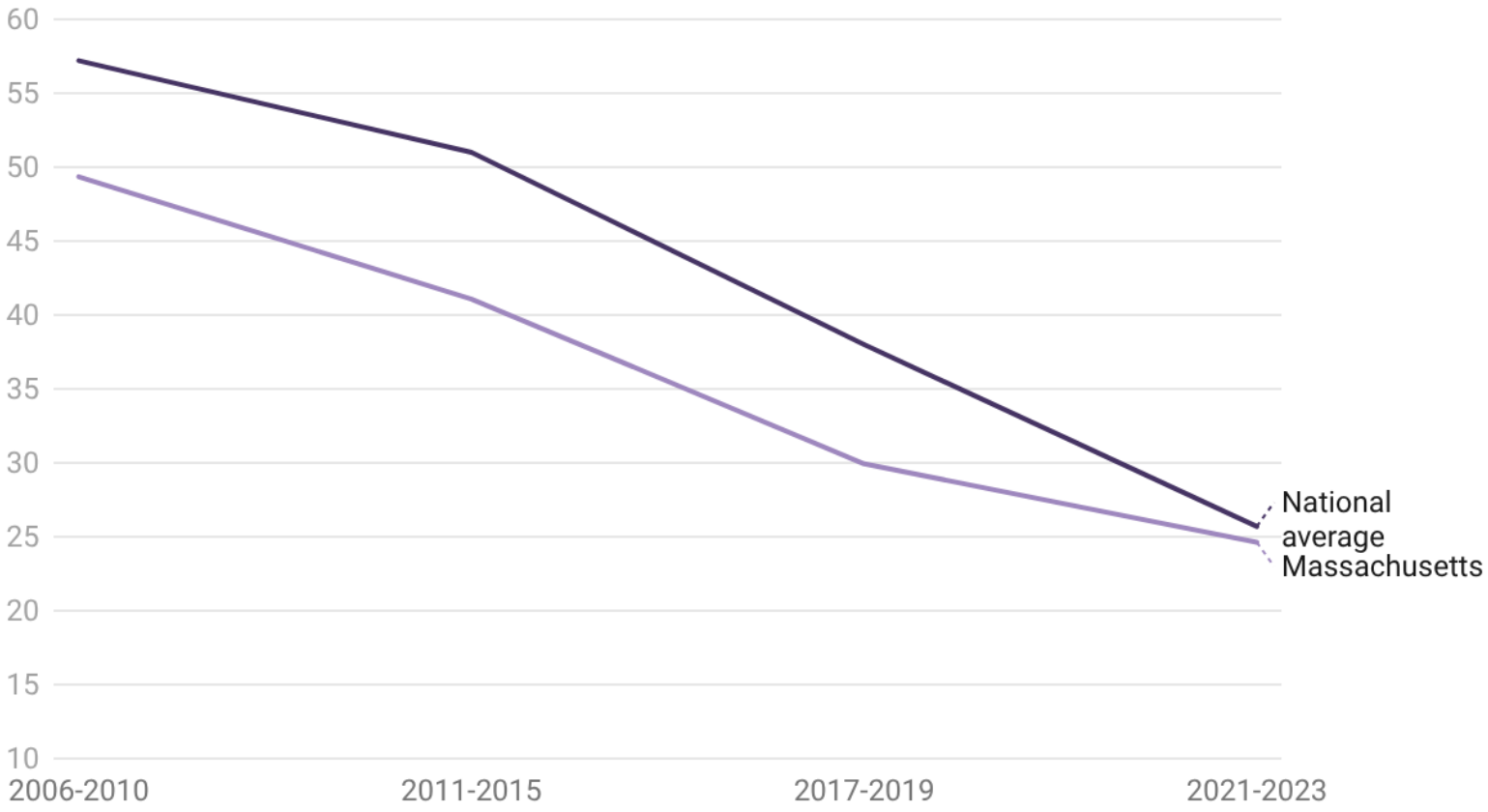
Source: Analysis of American Community Survey Public Use Microdata Sample • Created with Datawrapper

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As households work more hours, they are volunteering less

Volunteer hours fell by half between 2010 and 2023

Average annual volunteer hours per household



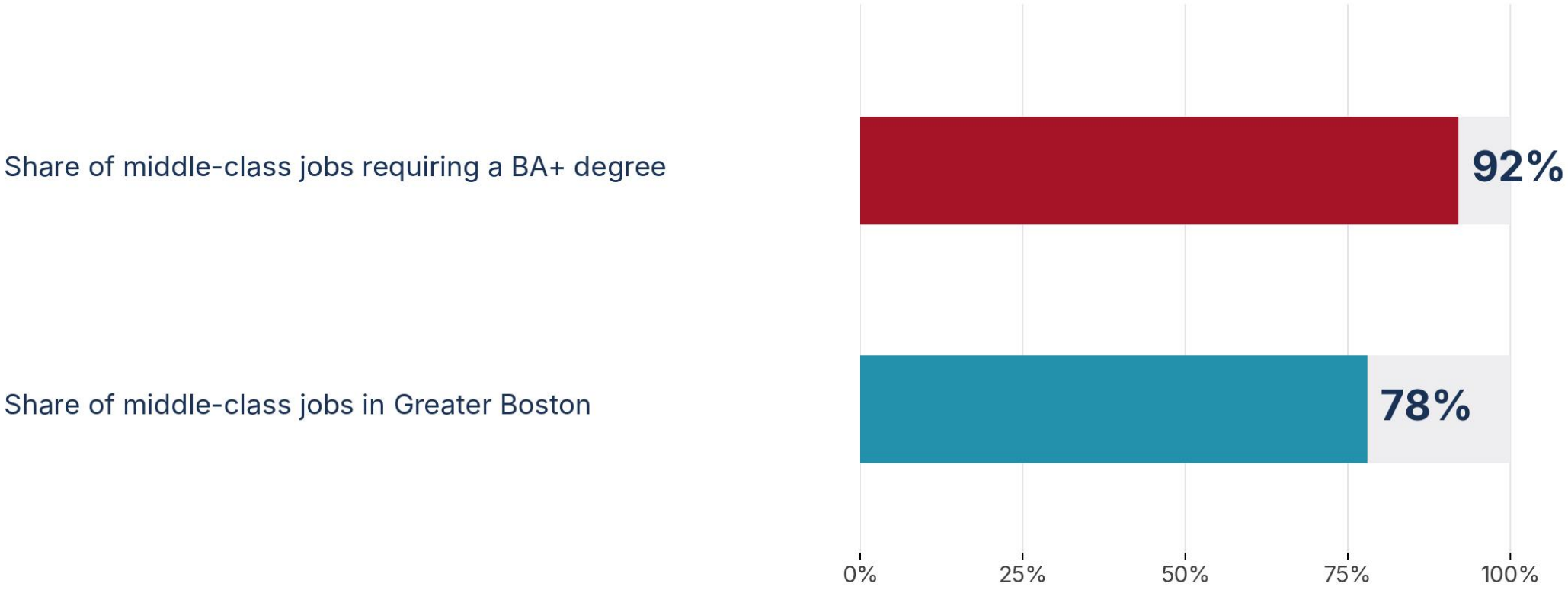
Non-retired households under age 65

Source: Current Population Survey via IPUMS • Created with Datawrapper

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Middle-class employment has two barriers: credentials and geography

Massachusetts jobs meeting the statewide middle-class earnings threshold • 2024

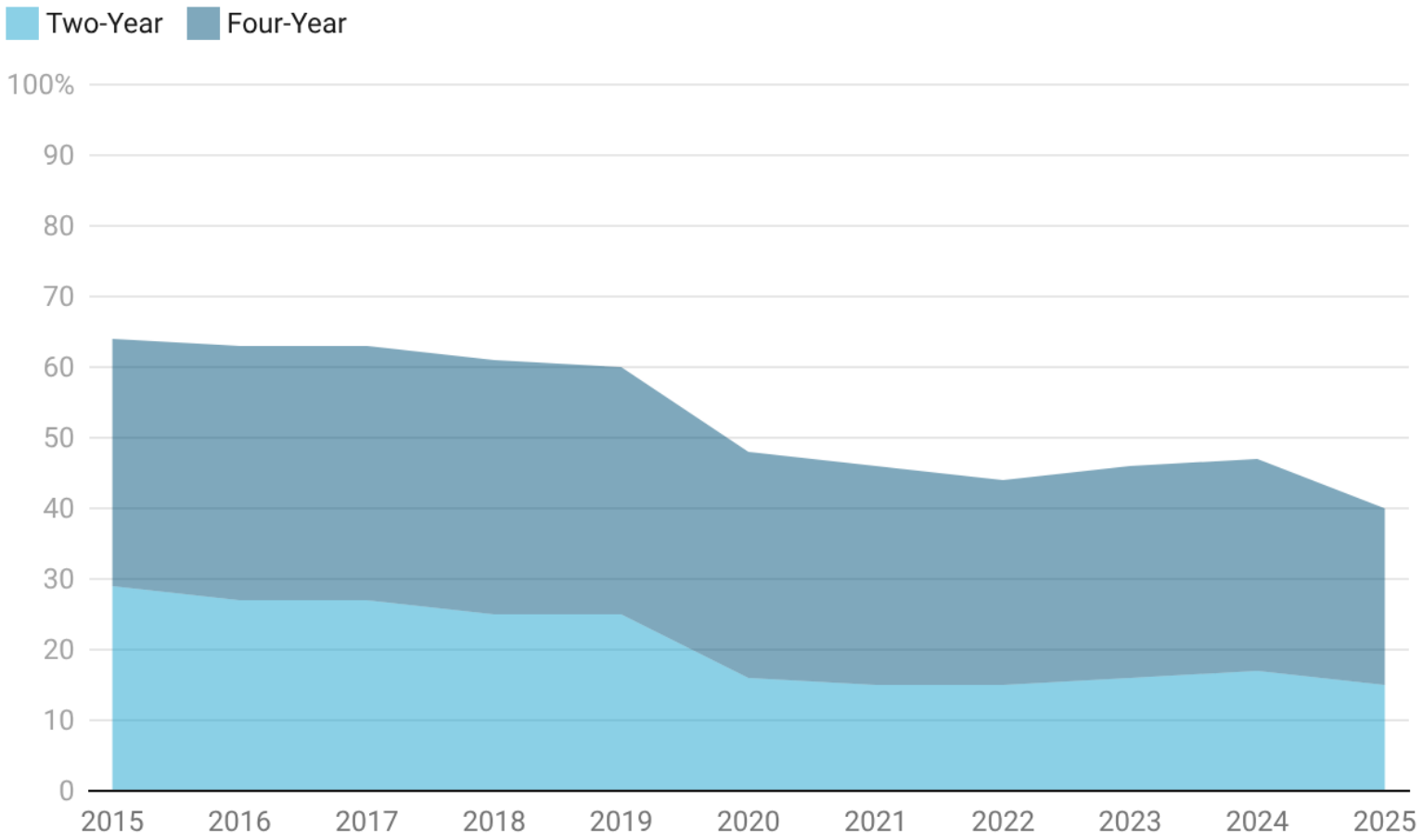


Source: MassINC Middle Class Status Report, Components 2 and 5 (2026). Two distinct measures; not mutually exclusive categories.

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A declining share of Gateway City high school grads are enrolling in college

College-going has also decreased in absolute terms



Source: MA Department of Elementary & Secondary Education

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Inequality and economic segregation create barriers to upward mobility

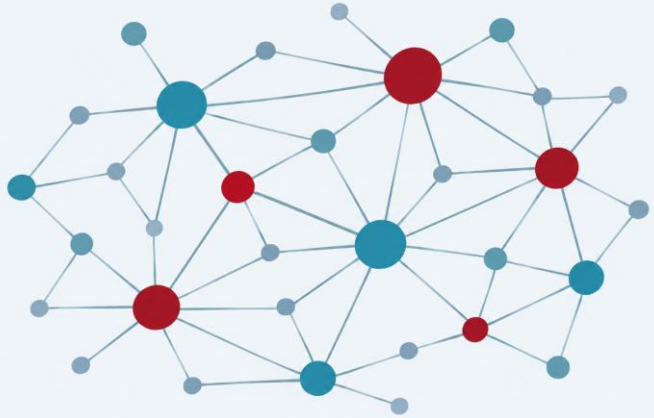
Massachusetts has exceptionally high levels of both.

5th

Highest household income inequality

6th

Highest neighborhood-level income segregation

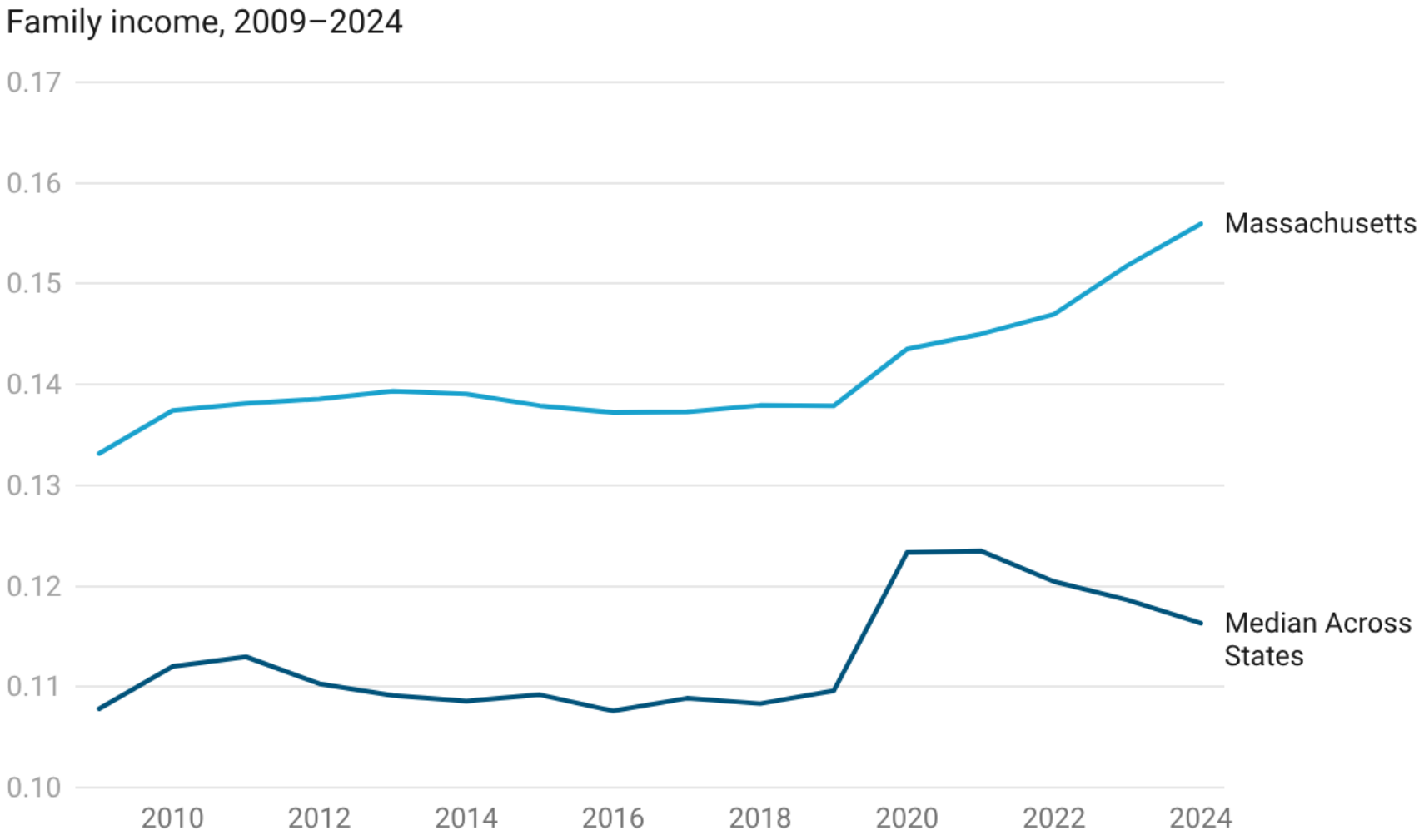


Cross-class ties are linked to upward mobility

- **Neighborhoods matter enormously:** Where children grow up shapes their chances of reaching the middle class, above and beyond their family circumstances.
- **Relationships help explain why:** Cross-class friendships expose children to opportunities, knowledge, and networks they might otherwise never encounter.

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Neighborhood income segregation in Massachusetts has increased since 2019



Note: The comparison series is the unweighted median of the 50 state indices. Estimates use overlapping five-year ACS periods. The transition to 2020 census tract boundaries may affect comparisons before and after 2020.

Chart: MassINC Policy Center • Source: American Commmunity Survey 5-year estimates • Created with Datawrapper

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Concentrated poverty fell—but progress has leveled off

Share of populated census tracts above the 30% poverty threshold, 2013–2024

Percent of census tracts with concentrated poverty

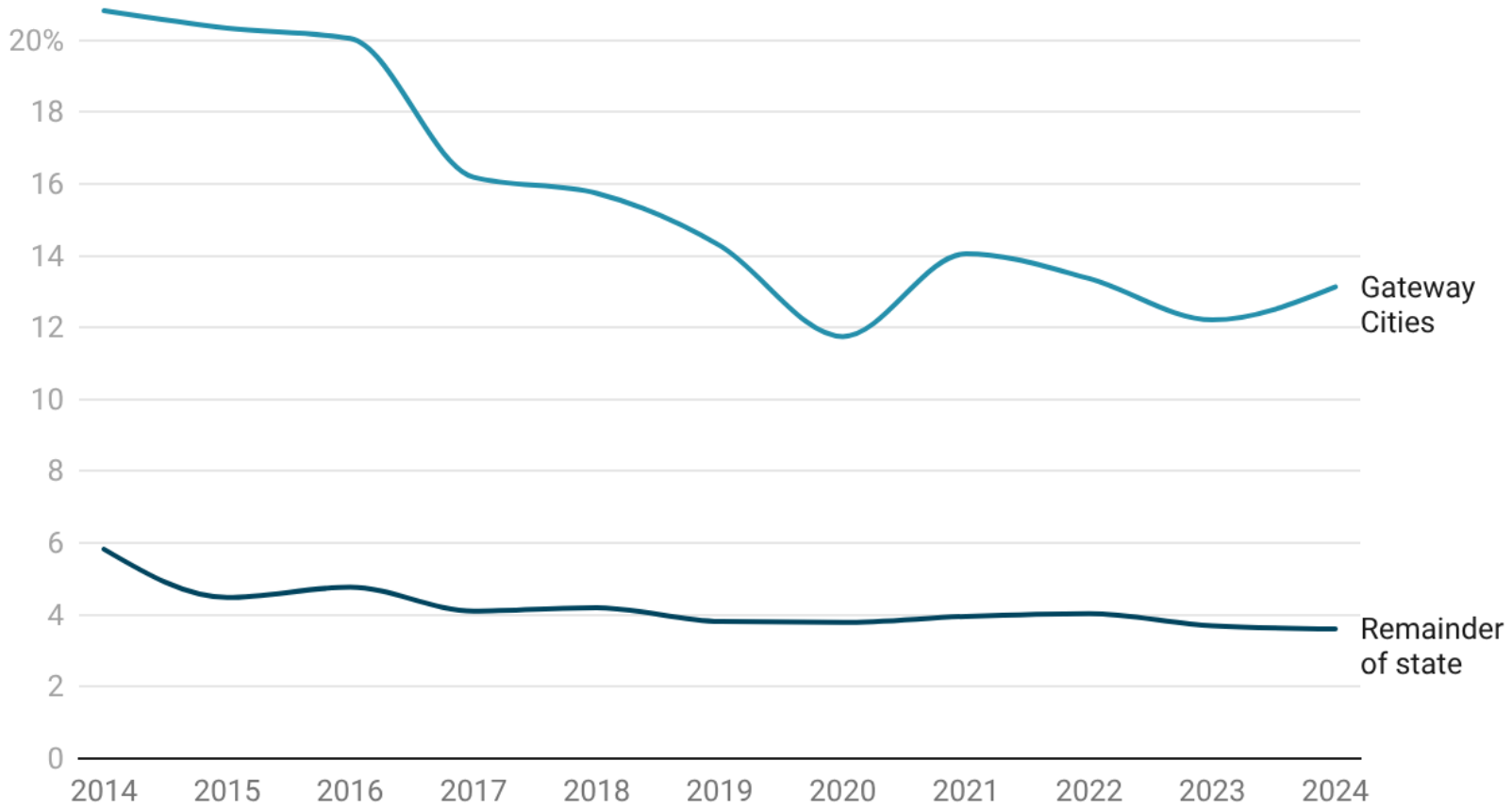
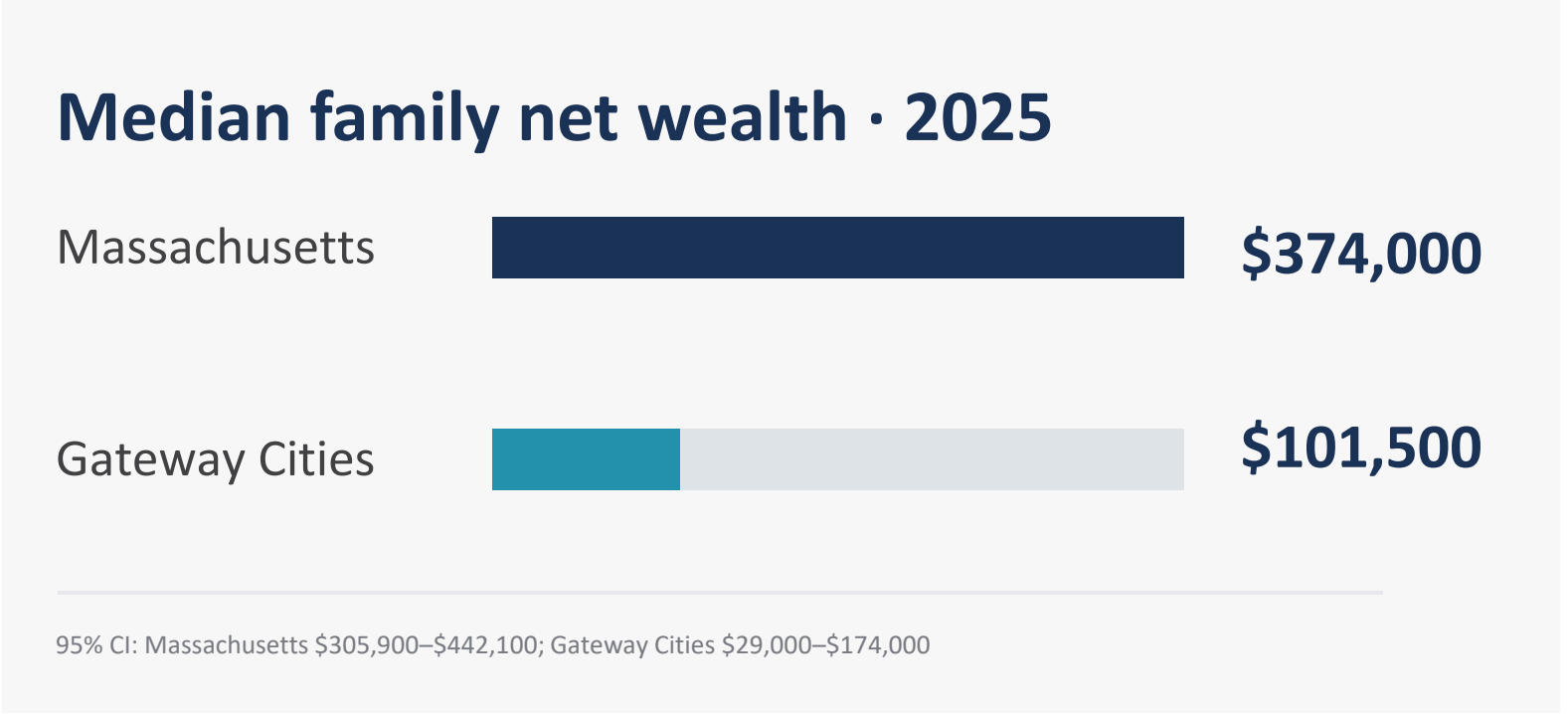


Chart: MassINC Policy Center • Source: American Community Survey 5-year estimates

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Gateway City families have far less wealth

The Boston Fed finds a large geographic wealth gap.



Source: Boston Fed, Mass ECHOS (2025 survey), revised Sept. 2026

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How can policy widen the pathway?

We can't remake the national wage structure one municipality at a time.

But we can build opportunity into every neighborhood—and ensure that existing residents share in the benefits.

Increase earnings

Pay, credentials, and access to better jobs

Federal · State · Employers

Lower essential costs

Housing, childcare, and transportation

Federal · State · Local

Expand opportunity

Higher education, social integration, and wealth building

State · Local · Community

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We need to address income segregation while preventing gentrification

THE PROMISE

More housing options

Increased social capital and neighborhood investment

Stronger neighborhood schools

THE RISK

Higher housing costs

Renters and aspiring homeowners priced out

Gains captured by newcomers

The test: can existing residents stay, prosper, and share in the upside?

Neighborhoods can improve without displacement

Brookings identified U.S. neighborhoods that reduced poverty without displacement between 2000 and 2015.

193

neighborhoods

Three associated signals

Increasing housing density

More homes can accommodate new residents

Ownership opportunity

Residents can build an asset stake

Local enterprise

Small firms and organizations can anchor gains

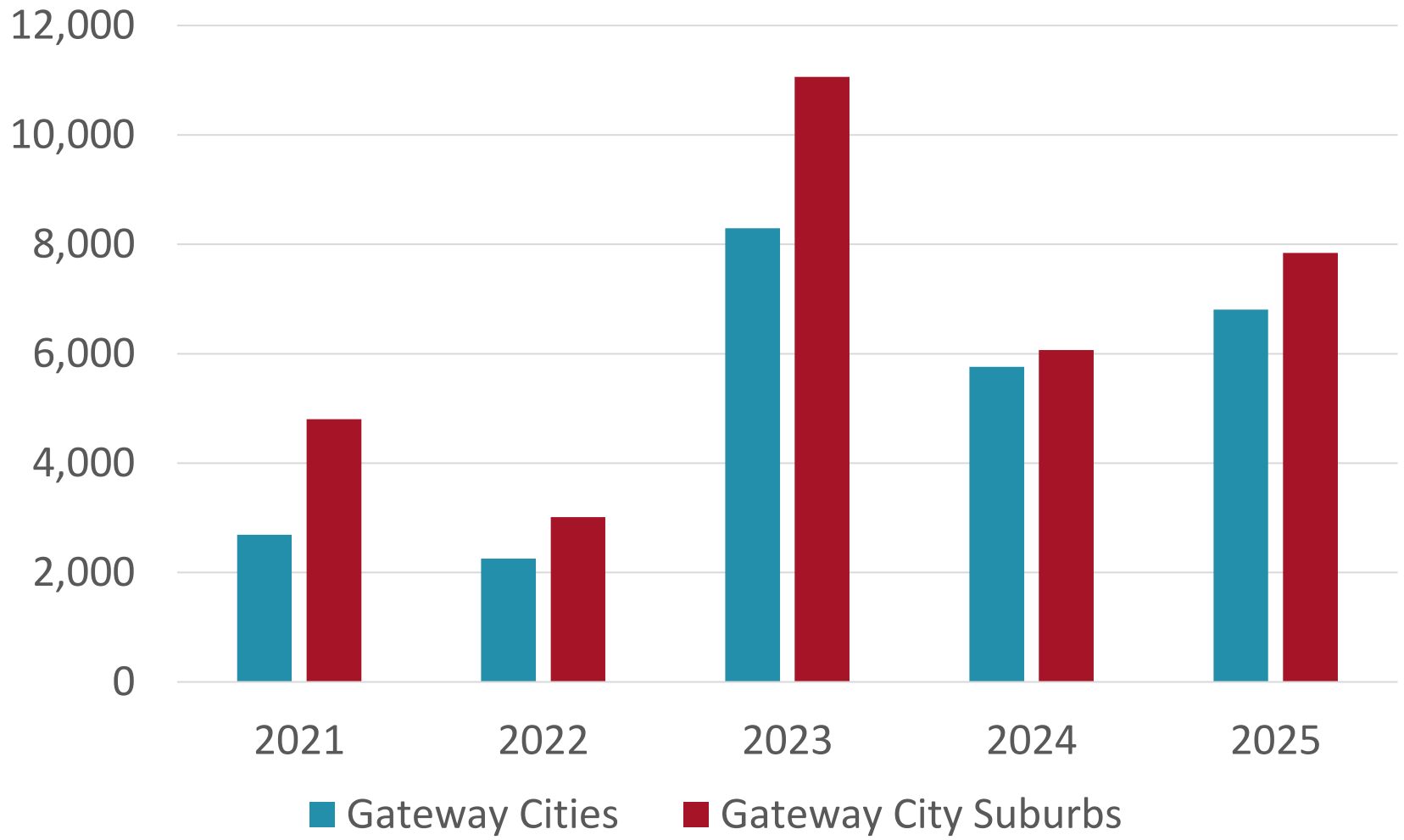
Source: Brookings (Acharya & Morris, 2022)

INTEGRATION WITHOUT DISPLACEMENT

1. Increasing housing density

Gateway Cities have been supportive of new housing production

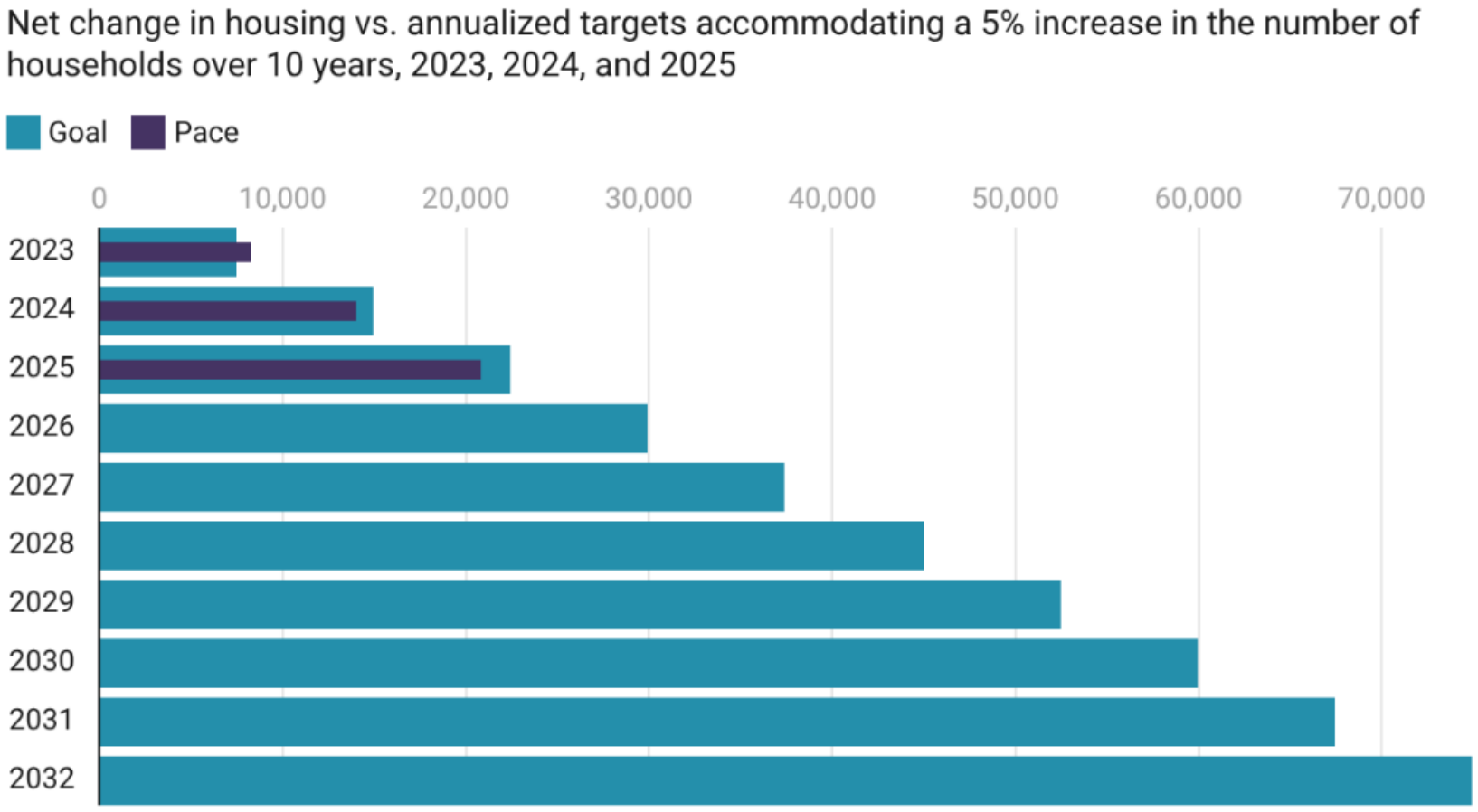
From 2023 to 2025, Gateway Cities have added over 20,000 new units



Source: 2026 Gateway Cities Housing Monitor (forthcoming)

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Production is just shy of meeting growth targets under an ambition 5% population growth scenario



Source: 2026 Gateway Cities Housing Monitor (forthcoming)

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Production far exceeds growth targets under a steady population scenario

Net increase in housing vs. annualized targets with the number of households held at 2022 levels, 2023, 2024, and 2025

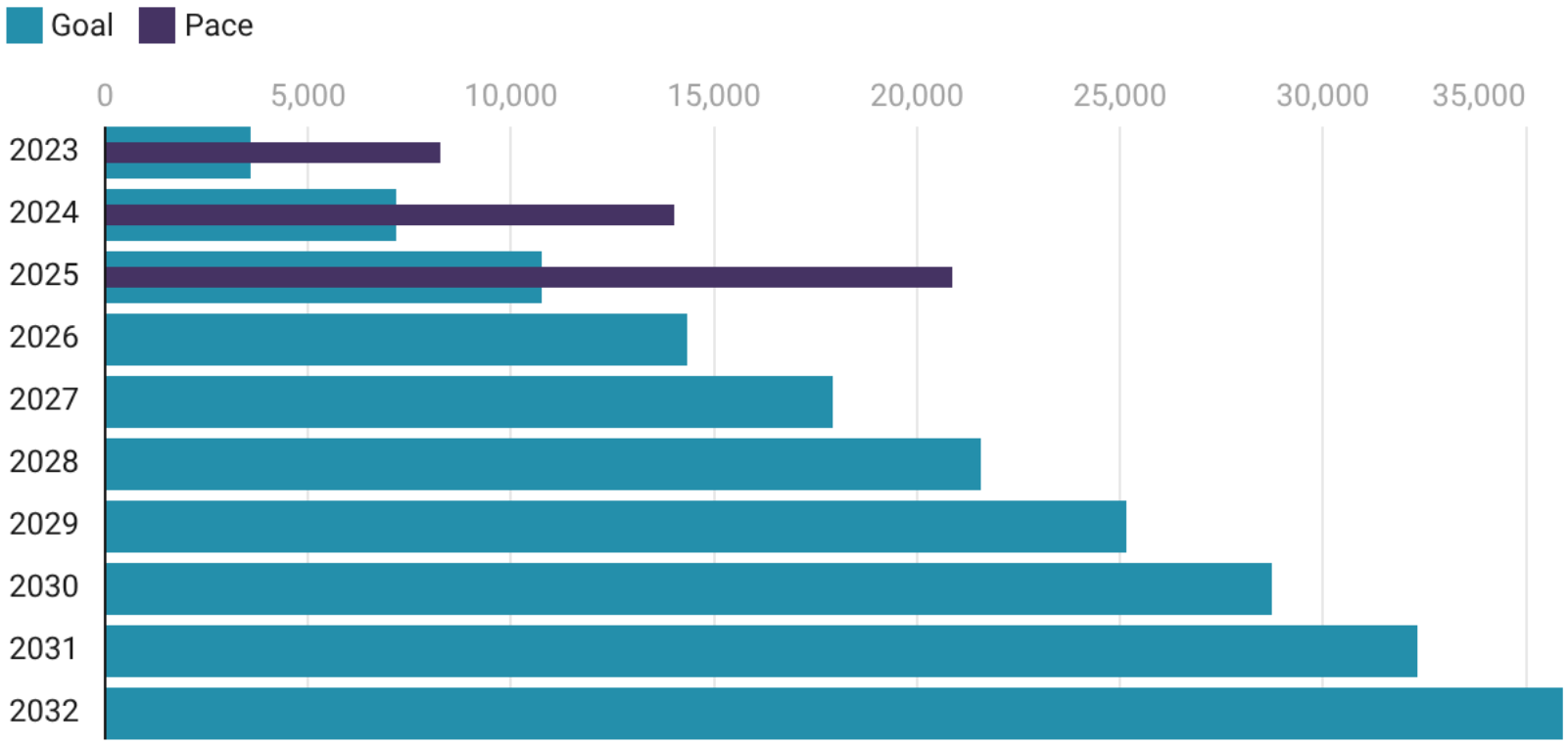


Chart: MassINC Policy Center • Source: MassINC housing production estimates from Census Address Count Listing Files and HUD Aggregated USPS Administrative Data on Address Vacancies and MassINC Policy Center growth targets

Source: 2026 Gateway Cities Housing Monitor (forthcoming)

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INTEGRATION WITHOUT DISPLACEMENT

2. Homeownership

Gateway Cities have lower homeownership rates and associated wealth

Share of residents living in owner-occupied housing



Median family net wealth, statewide statewide

$790,500 Homeowners

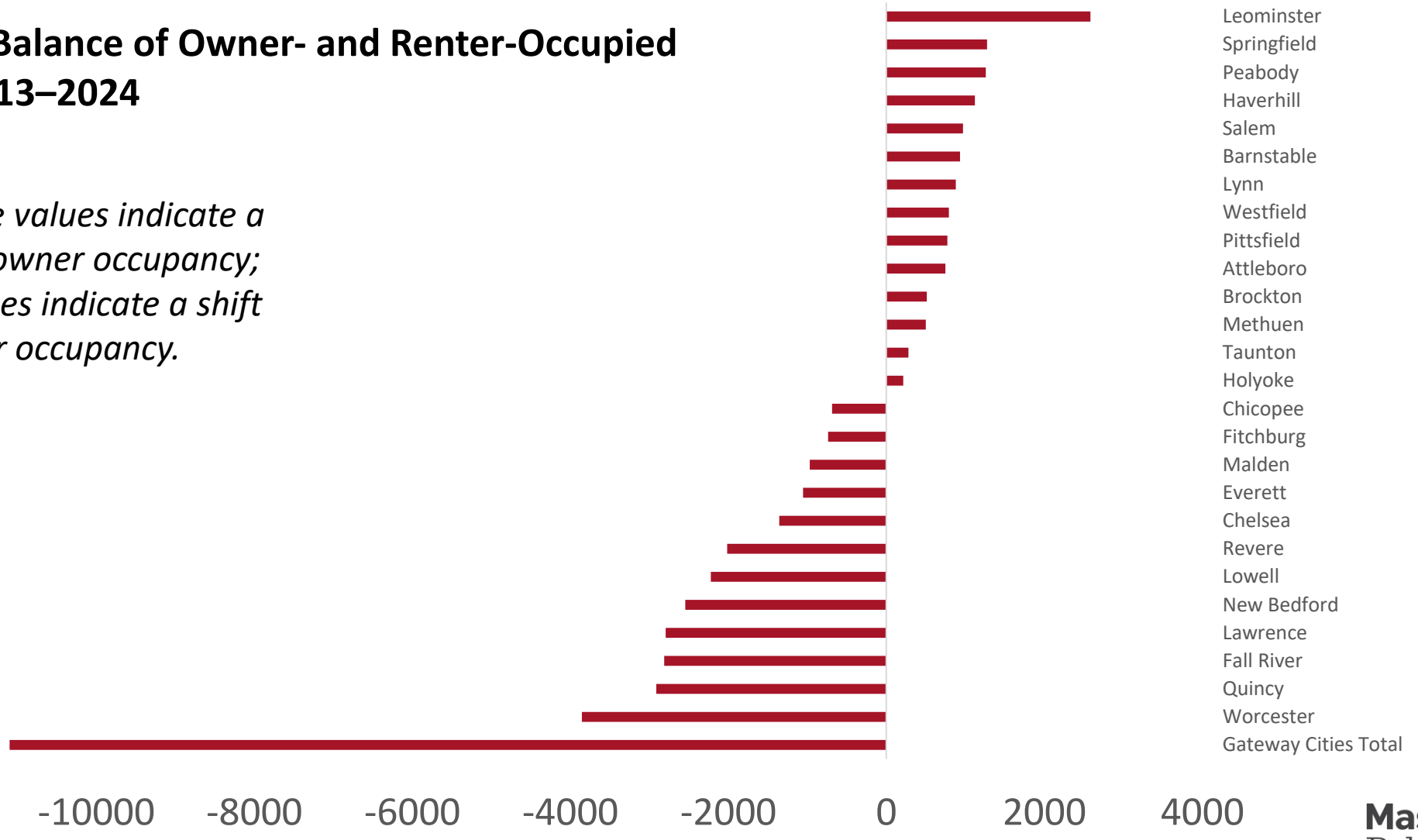
$1,500 Renters

Source: Boston Fed, Mass ECHOS (2025 survey), revised Sept. 2026

Rental housing has outgrown of owner-occupied housing by 11,000 units

Shift in the Balance of Owner- and Renter-Occupied Housing, 2013–2024

Note: Positive values indicate a shift toward owner occupancy; negative values indicate a shift toward renter occupancy.



Source: 2026 Gateway Cities Housing Monitor (forthcoming), American Community Survey

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Survey respondents are highly satisfied with multifamily homeownership opportunities

	Single-family detached	Townhouse or rowhouse	Condo	Other
Very satisfied	60%	62%	56%	48%
Somewhat satisfied	28%	25%	31%	38%
Mixed (neither satisfied nor dissatisfied)	9%	11%	10%	12%
Not too satisfied	3%	2%	2%	2%
Not satisfied at all	1%	0%	0%	0%
Total	339	130	308	66

Source: MassINC Polling Group of homebuyer support programs, June 2026

MassINC Polling Group

Most homeowners do not have an estate plan

21%

Share of homeowners in Massachusetts homebuyer programs that have an estate plan

Source: MassINC Polling Group, 2026

- 91% of respondents said they faced barriers to creating a legal plan, such as cost and lack of knowledge.
- Homebuyers who took a first-time home buyer class or post-purchase home buyer class were ***less likely*** to have an estate plan in place.

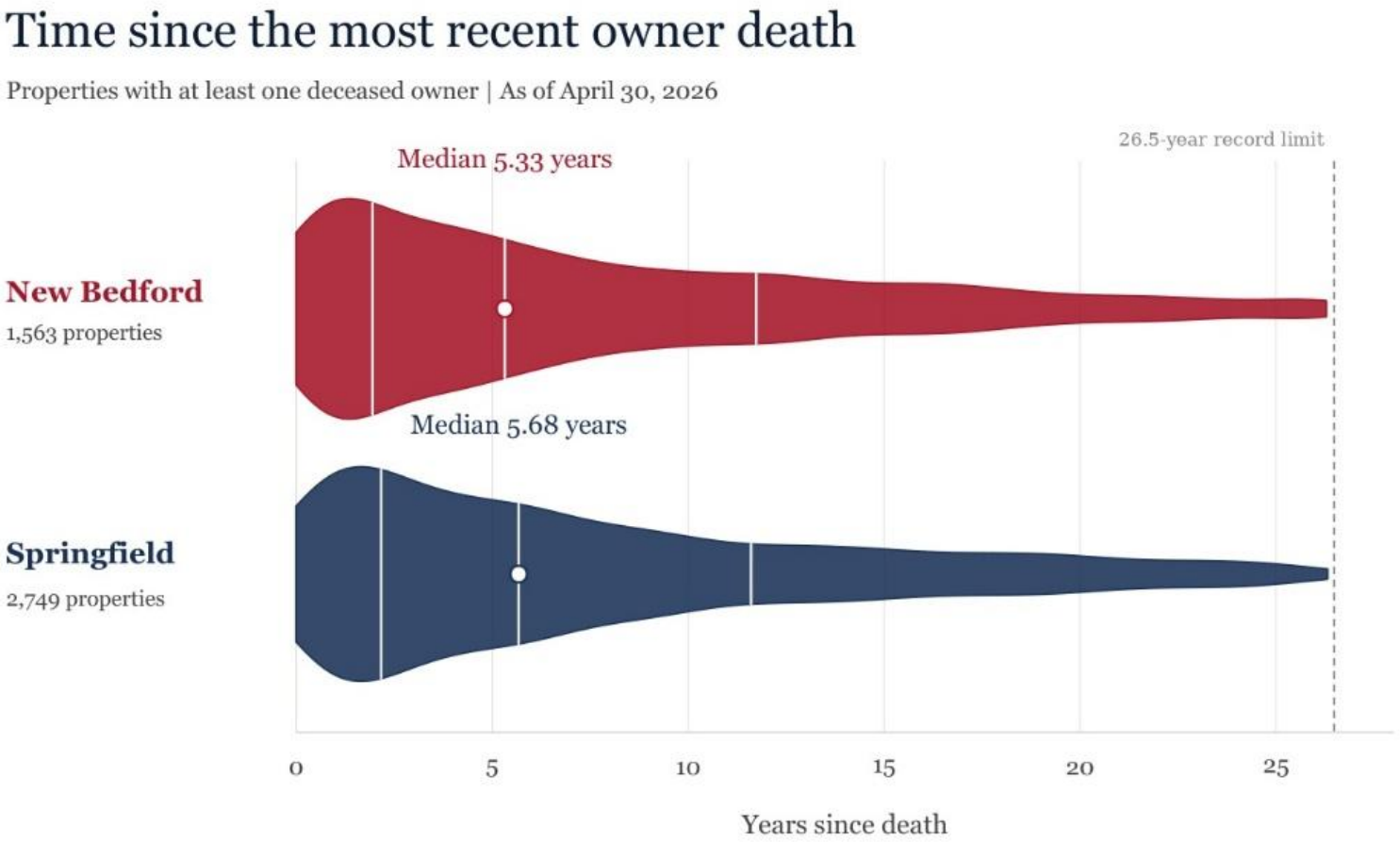
MassINC Polling Group

At least 2% of homes have deceased owners

City	Estimated share	Source
New Bedford, MA	1.9%–3.2%	MassINC Policy Center
Springfield, MA	1.9%–3.5%	MassINC Policy Center
Philadelphia, PA	2.00%	The Pew Charitable Trusts
Richmond, VA	2.46%	HDAdvisors

It can take years to resolve ownership, putting equity at risk

Properties with deceased owners are at heightened risk of vacancy, tax delinquency, and decay



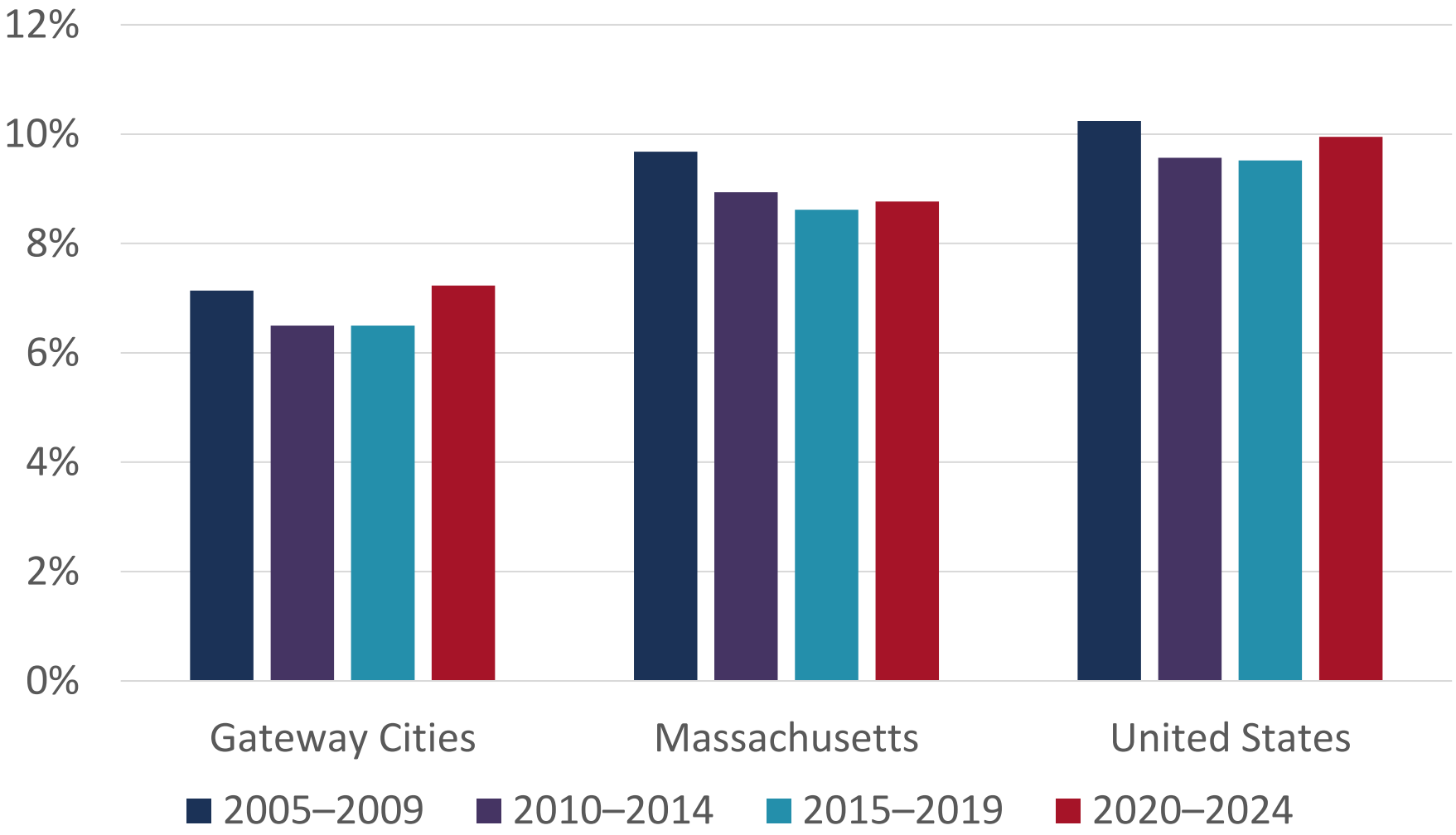
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INTEGRATION WITHOUT DISPLACEMENT

3. Locally-owned small business

Self-employment has increased slightly in recent years

Share of employed civilian residents ages 16+ who are self-employed.



Source: American Community Survey

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Changes in commercial vacancy rates varied across Gateway Cities, with the share rising in 14 cities, falling in eight, and remaining unchanged in four.

Commercial vacancy rates

Gateway Cities ranked from decreasing to increasing, December 2014 to December 2024



Chart: MassINC Policy Center • Source: HUD Aggregated USPS Administrative Data on Address Vacancies

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IN SUMMATION

Individual opportunity and community prosperity grow together.

We need to build neighborhoods where families can move up without moving away.

Thank you

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