

Small Property Owners ASSOCIATION

SPOA P.O. Box 398115, Cambridge, MA 02139 617-497-5341

3 June 1998

City Councilors
City Hall
Cambridge, MA 02139

RE: Comments on Previously Submitted Letter

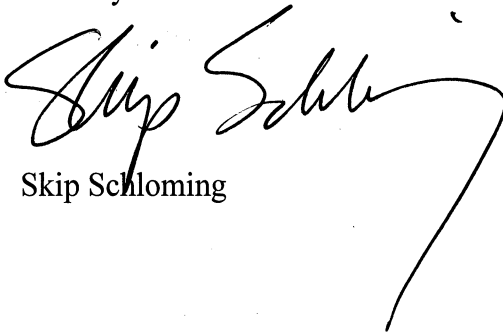
Dear City Councilors:

Because of hearings at last Monday's Council meeting, I was unable to stay long enough to comment on a communication to the Council during the public comment portion of the meeting.

I am submitting this letter to make my comment possible at the next Council meeting.

I will be addressing issues in the attached letter.

Thank you.



Skip Schloming

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OFFICE OF THE CITY MANAGER

Small Property Owners ASSOCIATION

SPOA P.O. Box 398115, Cambridge, MA 02139 617-497-5341

19 May 1998

City Councilors
City Hall
Cambridge, MA 02139

RE: Omitted Tenant Group from Study Presentation to City Council

Dear City Councilors:

According to a news report in the Boston Sunday Globe City Weekly section (5/17/98, p. 6), Roger Herzog said he dropped one tenant group from charts presented to you because its data was "unreliable" and was "collected by mailings rather than phone interviews."

I am a sociologist with a Ph.D. and I am familiar with research methodology. There is nothing unreliable about mailings compared to phone interviews. Many studies are done with mailings. The original study, by a presumably competent researcher, included this tenant group throughout.

There is only one question about the data on this tenant group. Because they were the tenants who moved out, they were difficult to contact. Questionnaires were forwarded from old addresses to new. The sample size was smaller than the other tenant groups. The possibility of error goes up with a smaller sample size.

But statisticians can calculate this error exactly. And the original researcher declared squarely in the study's introduction that the sampling error for this tenant group was $\pm 12\%$. The other tenant groups had somewhat lower, but not dramatically lower errors ($\pm 4.7\%$, $\pm 5.7\%$ and $\pm 7.3\%$).

So let's correct for the error. Let's say that the error went all in one direction and the study overestimated this tenant group's income by the full 12%. The error could have gone the other way and *underestimated* the income by 12%. But let's say it *overestimated* it. The average income of this tenant group would then come down to just under \$45,000, **which makes it still the highest income tenant group**, almost \$3,500 above the average income of the tenants who replaced them, and over \$9,000 above the tenants who stayed in their rent-controlled apartments.

Even if you want to say (as some do) that the sampling error was even bigger, the conclusion is still the same: the rich moved out and the poor stayed, contrary to what everyone predicted. And the tenants moving in are lower income than those who moved out. Any way you slice it, ending rent control created a lower-income tenant base in Cambridge.

In the Globe article, Mr. Herzog concedes that removing the data “changes some of the information about the demographic trends.” And he concedes that “you could conclude from the data that wealthier people are moving out and being replaced by less wealthy people.” Good. Mr. Herzog almost agrees with me.

One piece of data dropped from the report to you had nothing to do with unreliability: the very high number (54%) of one-person households among the so-called “poorer” tenants who stayed. This – the biggest, most striking socioeconomic difference – was dropped. And it tells us those tenants are not so poor. A one-person household earning \$35,000 (the average income of tenants who stayed) is much better off than a two-person household earning \$40,000 (the average income of tenants who moved in, 76% of whom were multi-person households).

Unfortunately, this rent control study did not correct incomes for household size, as the 1987 Abt study did. The household size data is available, it just wasn’t done.

Now that it’s over, let’s get the truth about rent control out into the open.

Thank you.

Skip Schloming

Consent Communication #10 S-428

A communication was received from Skip Schloming, Small Property Owners Associatino, requesting permission to speak on a previous letter regarding the omission of a tenant group from the study presentation to the City Council because he was not able to stay for the 6/1/98 meeting when it was submitted.

In City Council June 8, 1998

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