



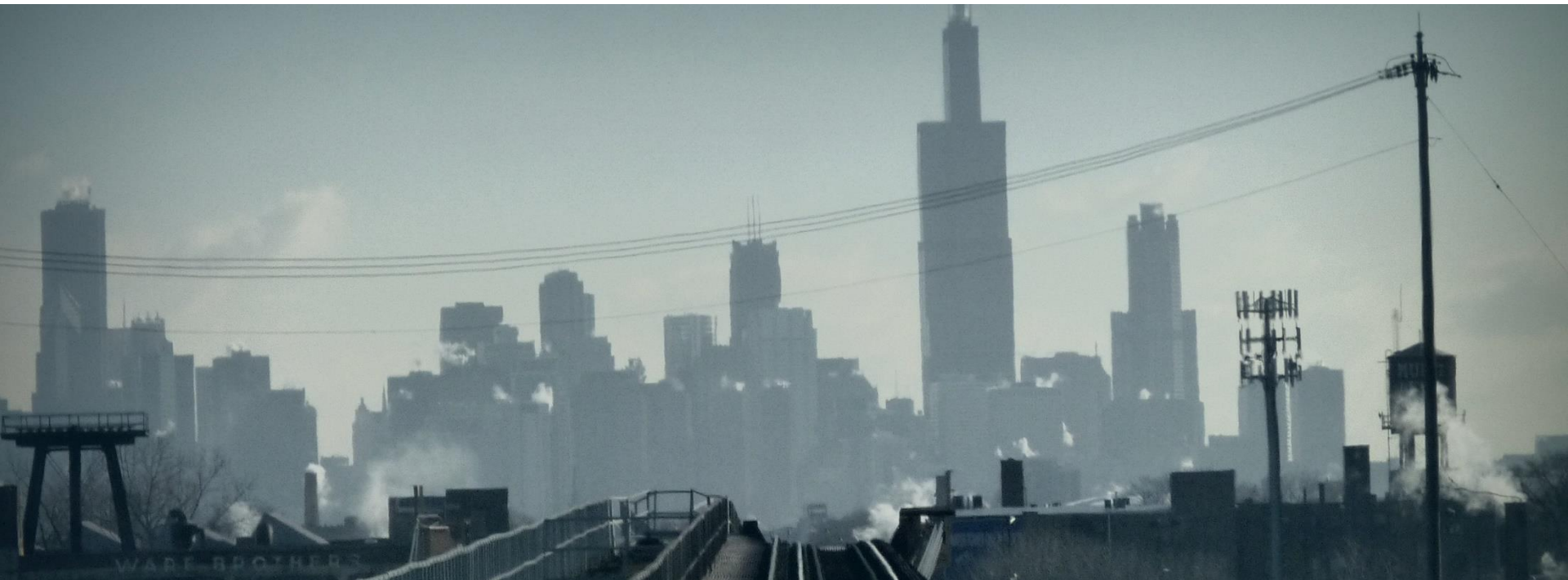
# RACIAL AND ECONOMIC SEGREGATION IN US METRO REGIONS: WHAT DOES IT COST IN LIVES, INCOME, AND HUMAN POTENTIAL?

#LiveAtUrban



# The Cost of Segregation

## National Trends and the Case of Chicago, 1990–2010



*Gregory Acs, Rolf Pendall, Mark Treskon, Urban Institute  
Amy Khare, Metropolitan Planning Council*

July 14, 2017



# America 2010: Apartheid by design, across wide swaths of the nation...

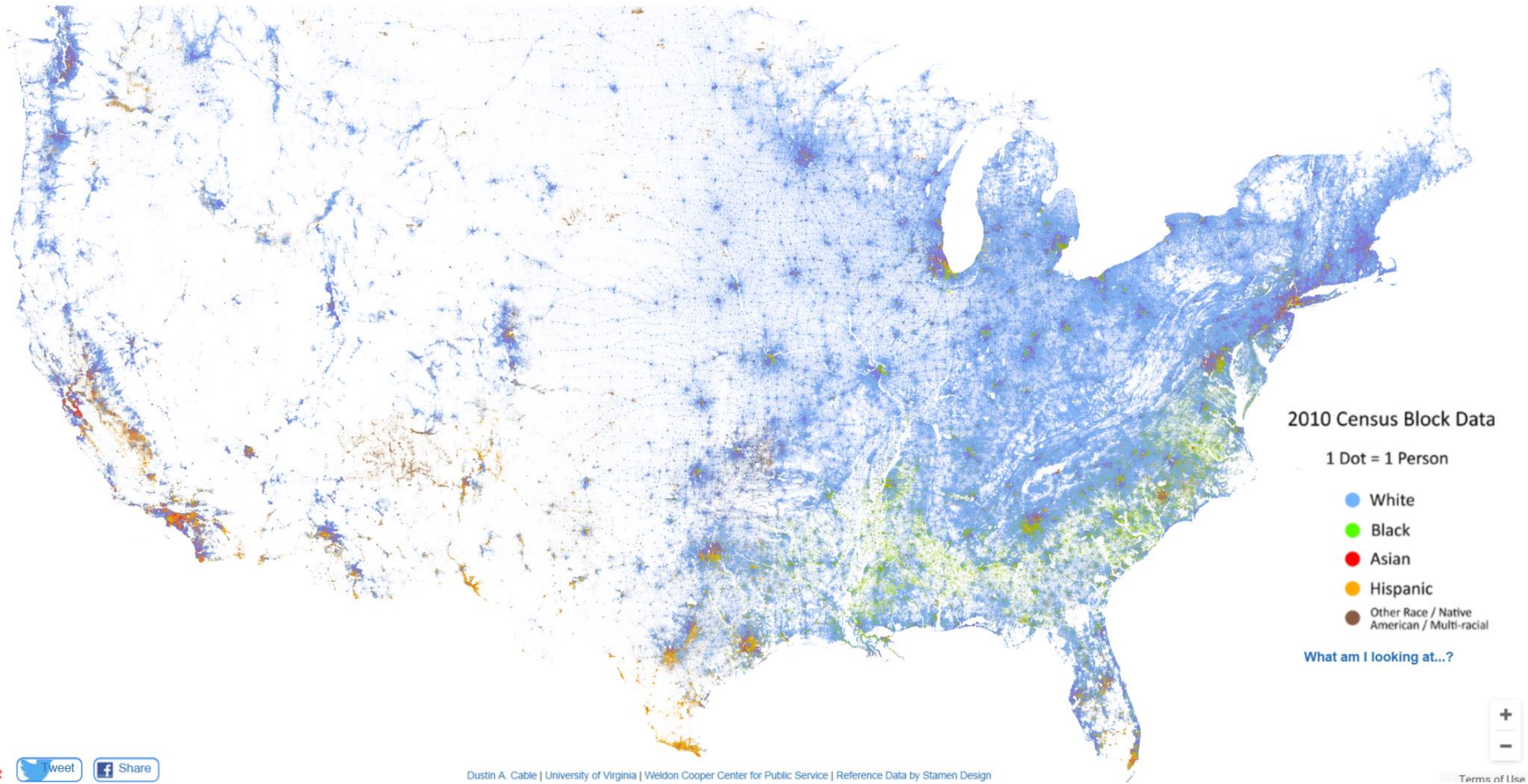


Image Copyright 2013, Weldon Cooper Center for Public Service, Rector and Visitors of the University of Virginia (Dustin A. Cable, creator). Available: <http://demographics.coopercenter.org/DotMap/>

**...from one side to another of a metro area...**  
**...to individual neighborhoods within cities.**

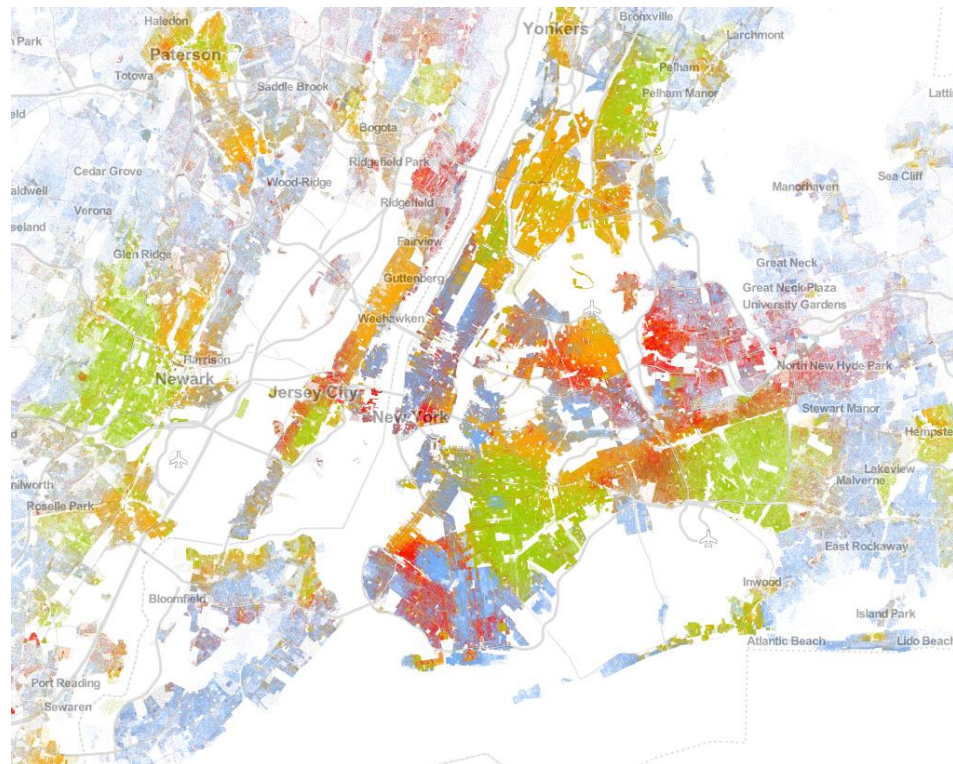
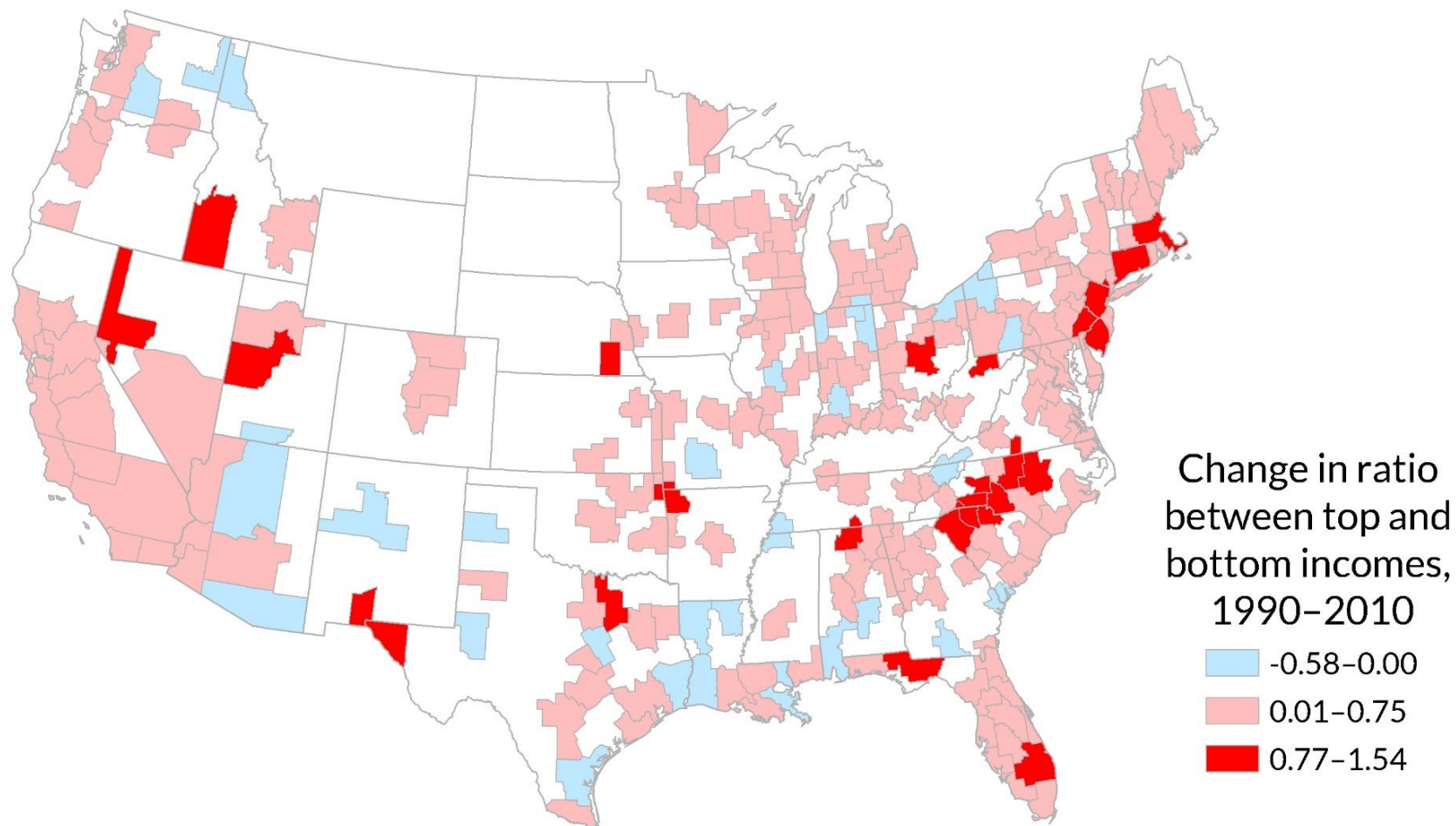


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# Rising inequality pulls highest- and lowest-income neighborhoods farther apart in most of the U.S.



# People who own land, businesses, and housing in high-poverty neighborhoods...

- can't expect a high return on their investment,
- often can't afford ordinary upkeep and maintenance,
- sometimes neglect their properties even when they can afford upkeep,
- reinforcing a cycle of disinvestment.



# Public services in high-poverty neighborhoods...

- suffer from **inferior quality**, reinforcing private-sector disinvestment.





# Kids growing up in high-poverty neighborhoods...

- go to lower-quality **schools**,
- are exposed to more **pollution and crime**, and
- have lower lifetime **earnings**

than those growing up in mixed and privileged neighborhoods.





# Concentrated wealth...

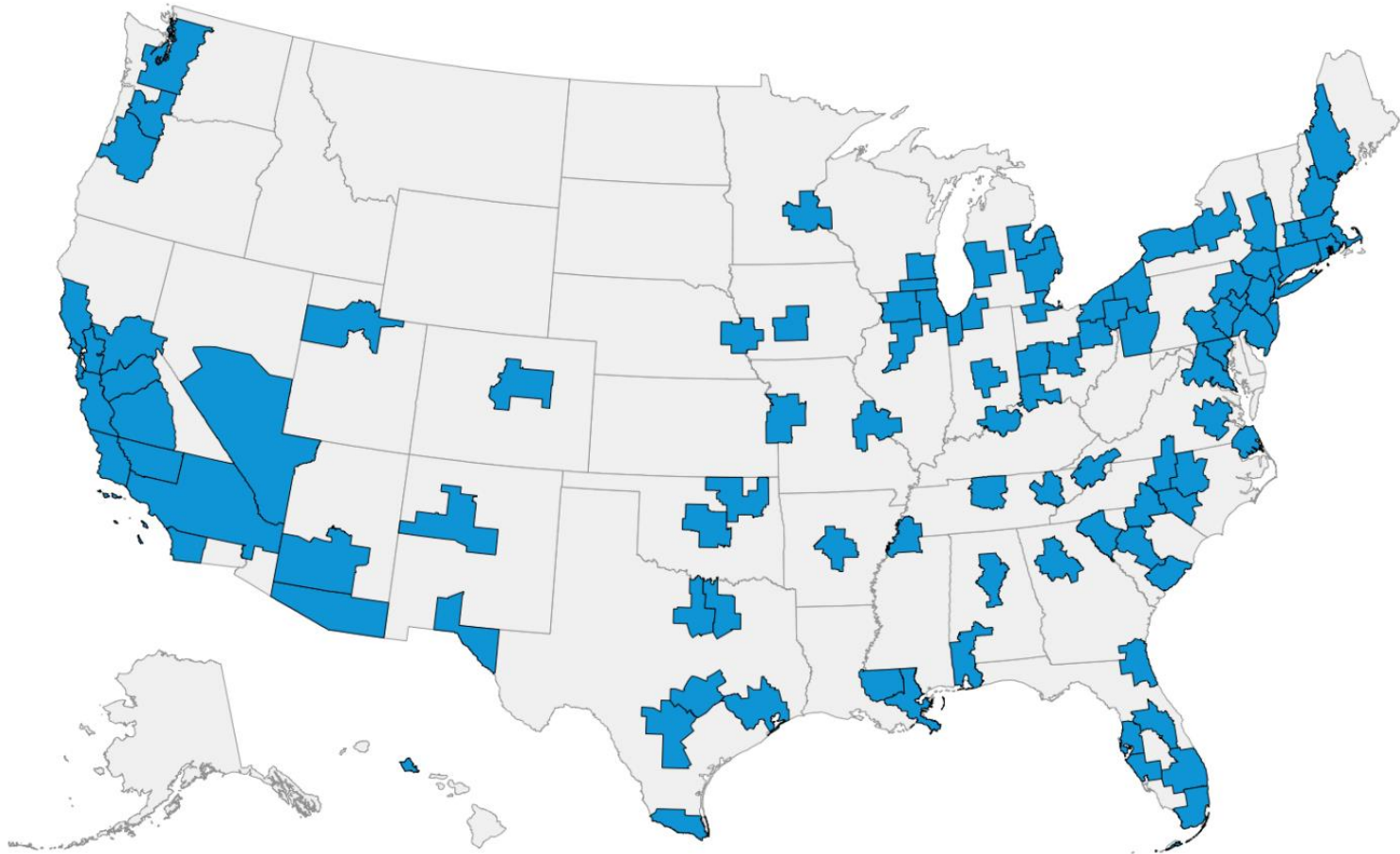
- is **subsidized** by taxpayers elsewhere via mortgage interest and property tax deductions;
- has not been the subject of much social-science research, but could...
  - **limit economic mobility** of middle-class families,
  - reinforce income and wealth **inequality** across generations, and
  - **isolate** affluent and politically powerful families from diversity, **distorting their perspective** about social reality.



**Our new research:  
We all pay for segregation**

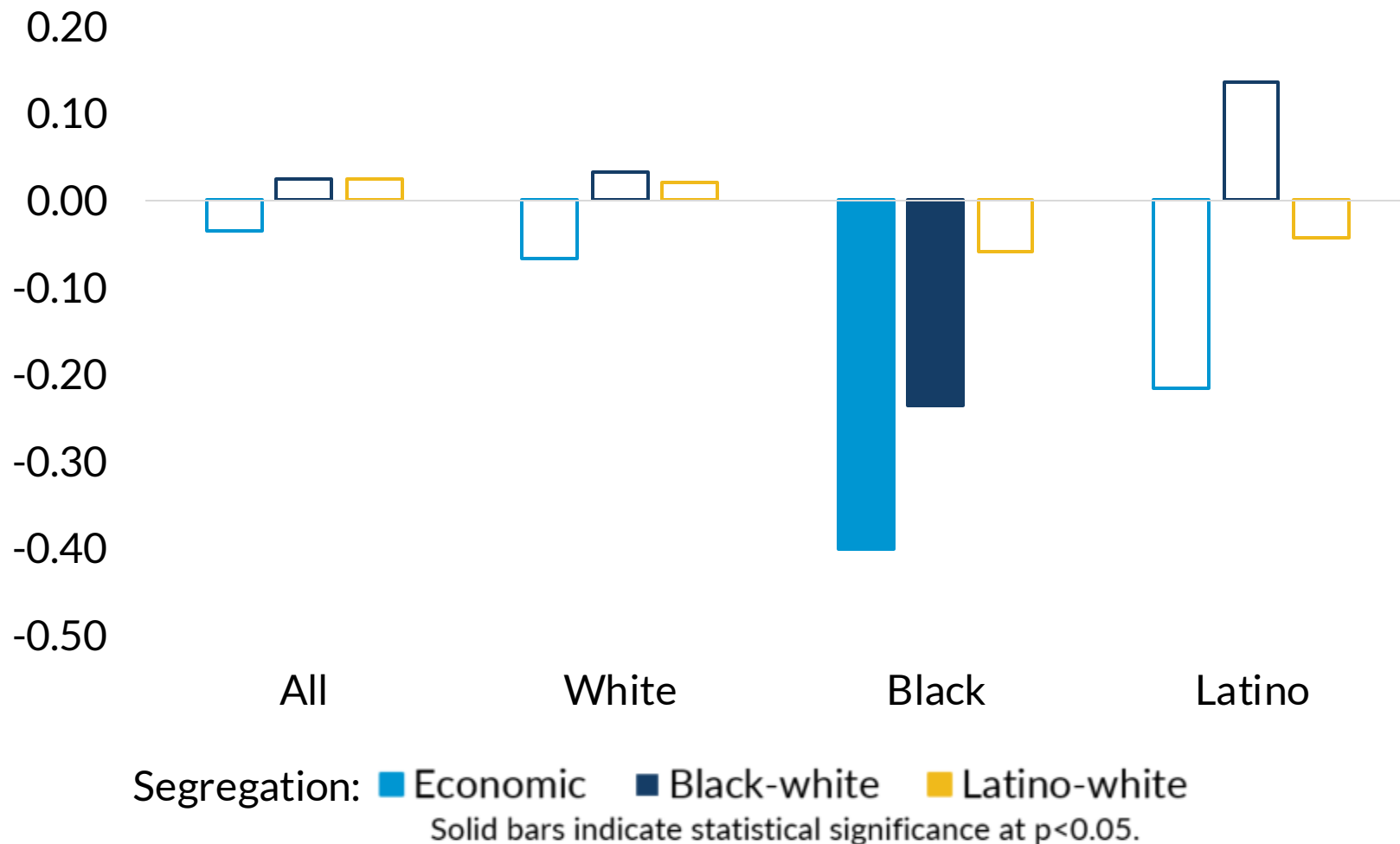


# How do differences in economic segregation, black-white segregation, and Latino-white segregation affect key outcomes at the metropolitan scale?



# Segregation lowers incomes—especially of blacks

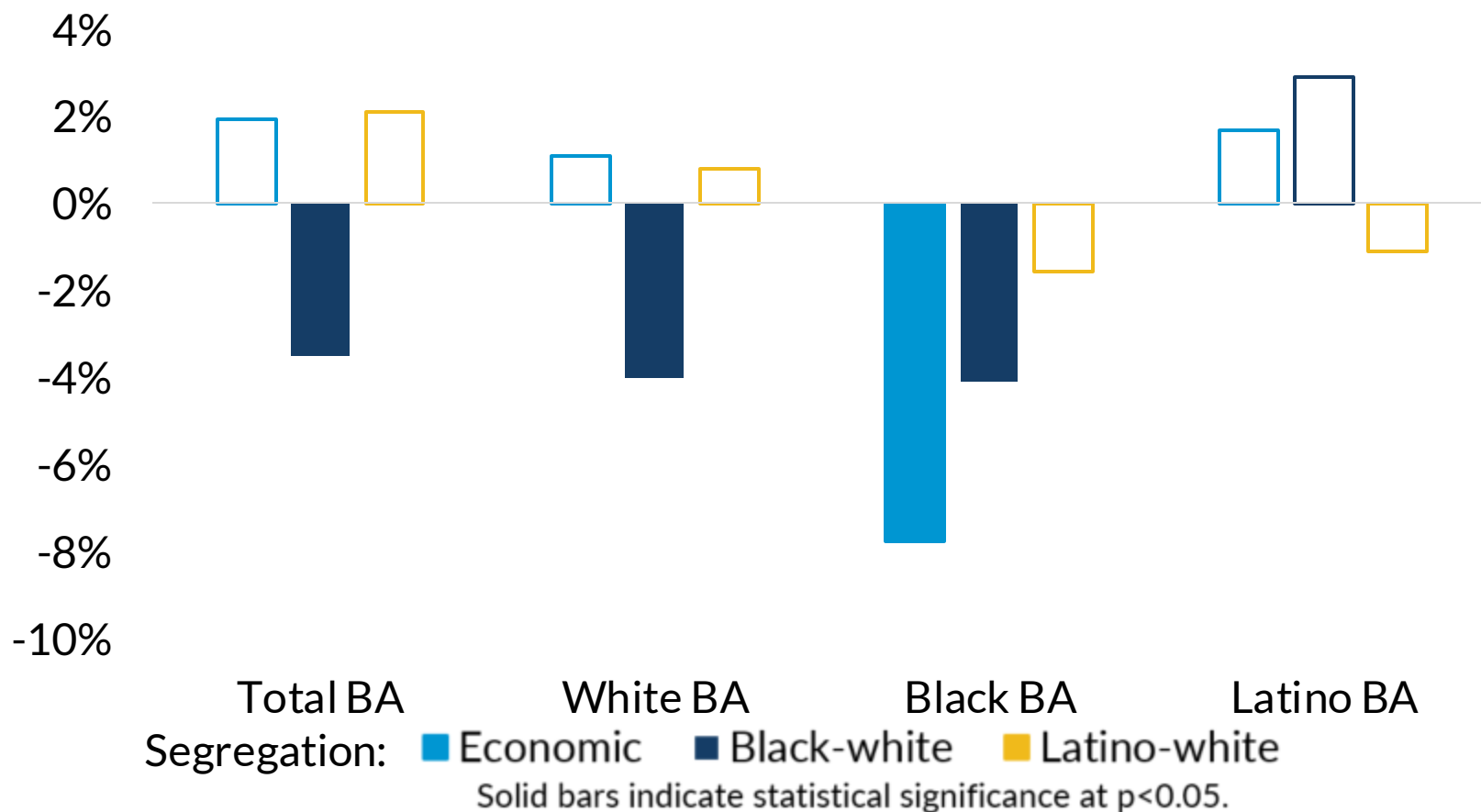
*Impact of a change from no segregation to complete segregation on log(per capita income)*





# Segregation significantly depresses college attainment of both blacks and whites

*Impact of a change from no segregation to complete segregation on the percent of adults with a bachelor's degree or more*



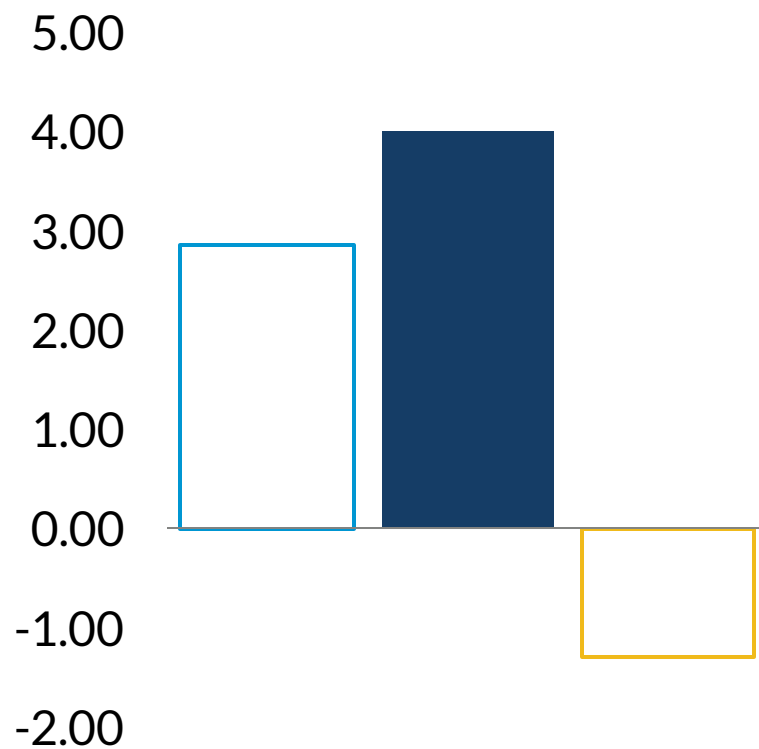
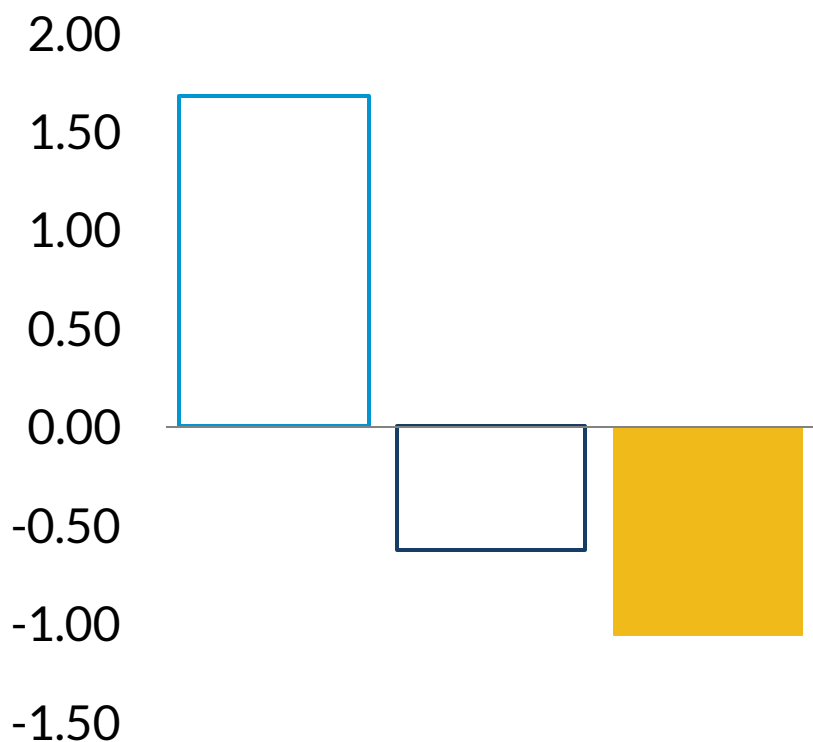
Source: Acs et al., The Cost of Segregation (2017), Urban Institute

# Segregation lowers life expectancy and increases homicide rates

*Impact of a change from no segregation to complete segregation on:*

*Years of life expectancy (lower is worse)*

*Homicides/100,000 persons (higher is worse)*



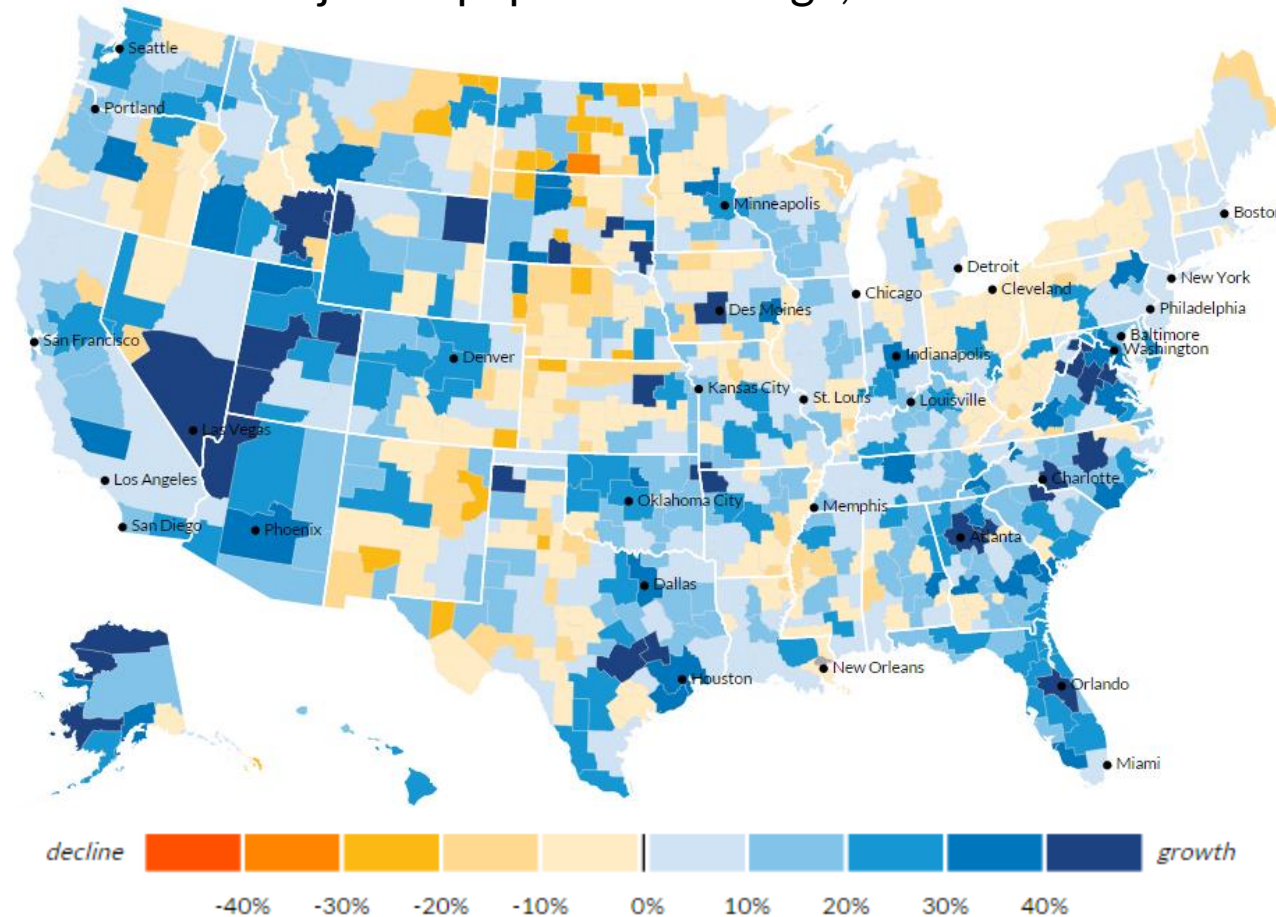
Segregation: ■ Economic ■ Black-white ■ Latino-white

Solid bars indicate statistical significance at  $p < 0.05$ .



# Looking forward: Build inclusion and reinvest for a post-apartheid future

*Mapping America's Futures:*  
Projected population change, 2010-30





The image shows a view from an elevated train in Chicago, looking towards the city skyline. The train tracks and metal railings are in the foreground, leading the eye into the distance. In the background, the Chicago skyline is visible, including the Willis Tower. The sky is overcast and grey, and there is some industrial smoke or steam rising from the city. The overall tone is somber and industrial.

# The Cost of Segregation

Lost income. Lost lives. Lost potential.

The steep costs all of us in the Chicago region  
pay by living so separately from each other

# Driving Research Questions

- What does it cost all of us in metropolitan Chicago to live so separately from each other by race and income?
- What can we do to change these patterns of segregation, so that everyone living in our region can participate in and create a stronger future?



# What Does Segregation Cost Chicago?

## Lost income

\$4.4 billion in  
annual regional  
income

## Lost lives

30 percent more  
homicides

## Lost potential

83,000 Bachelor's  
degrees

# Lost Income

If we reduced the levels of economic and African American-white segregation to the national median...



Incomes for African Americans in the Chicago region would rise an average of **\$2,982 per person per year**.



The region as a whole would earn an additional **\$4.4 billion** in income, resulting in an **\$8 billion** boost to the region's GDP.

# Lost Lives

The Chicago region's homicide rate would drop by **30 percent**—the equivalent of **saving 229 lives** in the city of Chicago in 2016—if we reduced the level of segregation between African Americans and whites to the national median.

If the region's homicide rate had been 30 percent lower in 2010...



**167 more people** would have lived that year, earning some **\$170 million** over the course of their lifetimes.



The region would have saved some **\$65 million** in policing costs and an estimated **\$218 million** in corrections costs.



Residential real estate values would have increased by at least **\$6 billion**.



# Lost Potential



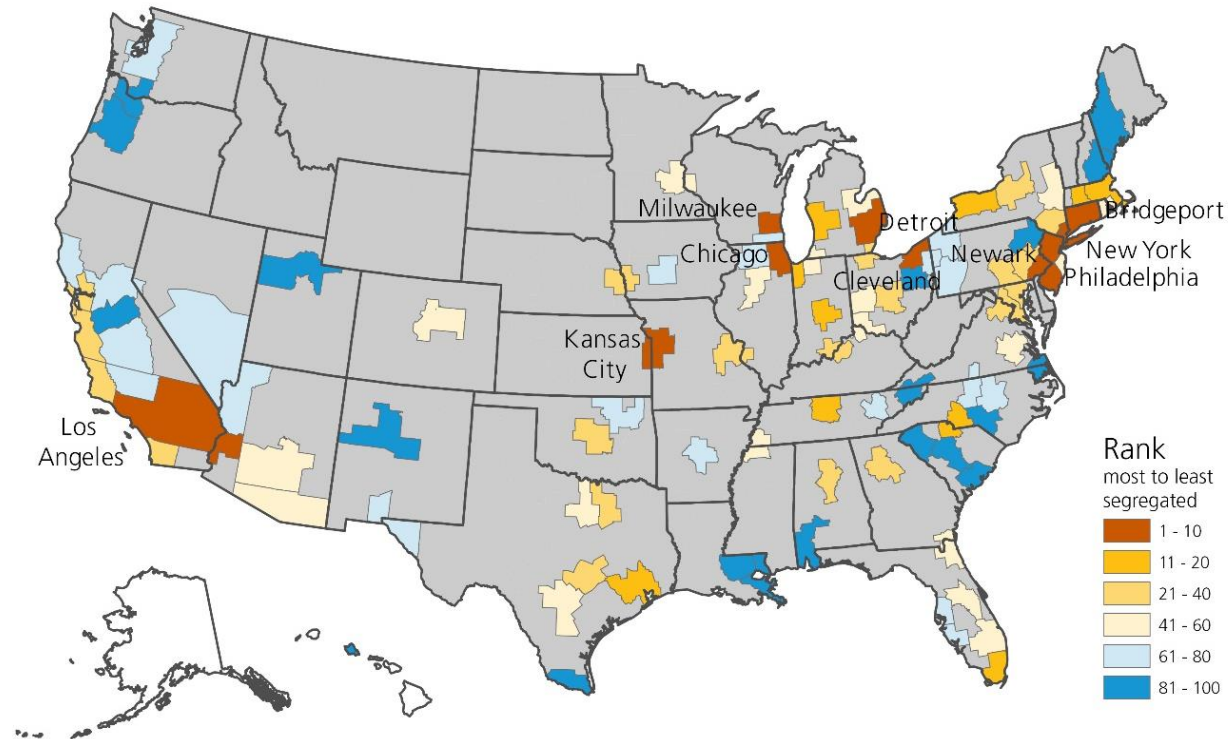
**83,000 more people** in the Chicago region would have bachelor's degrees if we reduced the level of African American-white segregation to the national median.



The Chicago region is losing out on some **\$90 billion in total lifetime earnings** as a result of our education gap.

# National Findings

Comparing the nation:  
Ranking of combined racial and economic segregation in 100  
largest U.S. metro areas, 2010



Source: Acs, Gregory, Rolf Pendall, Mark Treskon, and Amy Khare. 2017. *The Cost of Segregation: National Trends and the Case of Chicago: 1990-2010*. Washington, D.C.: Urban Institute.

# How the Chicago Region Compares

- In 2010, the Chicago region had the...

5th

highest  
combined  
racial and  
economic  
segregation

9th

highest Latino-  
white  
segregation

10th

highest African  
American-white  
segregation

20th

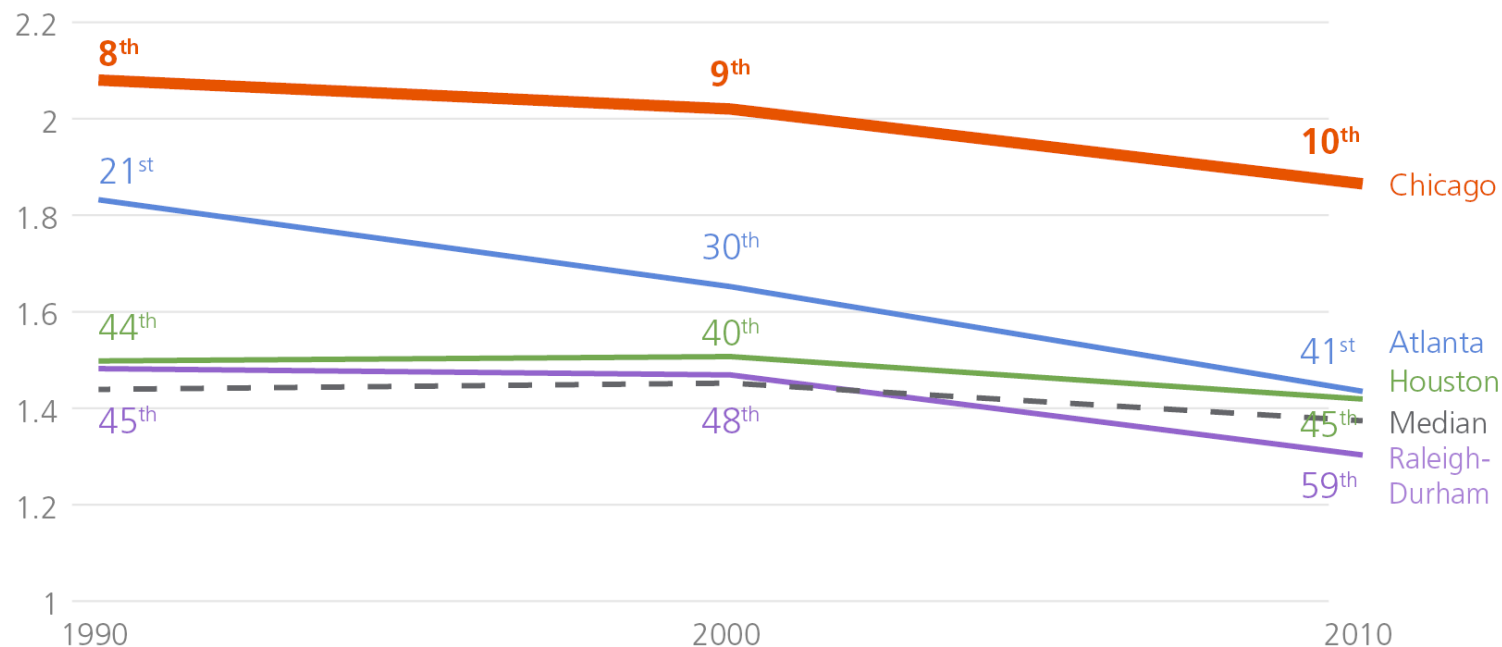
highest  
economic  
segregation



# How the Chicago Region Compares

## How Chicago compares to three moderately segregated regions

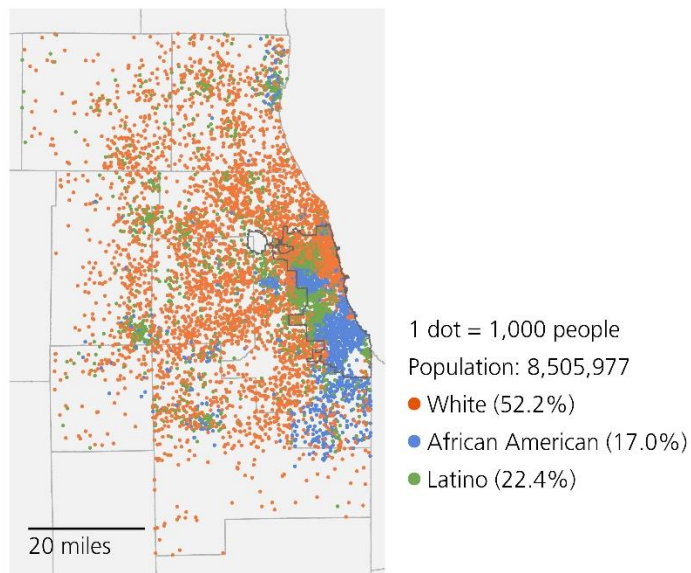
African American-white segregation as measured by Spatial Proximity Index



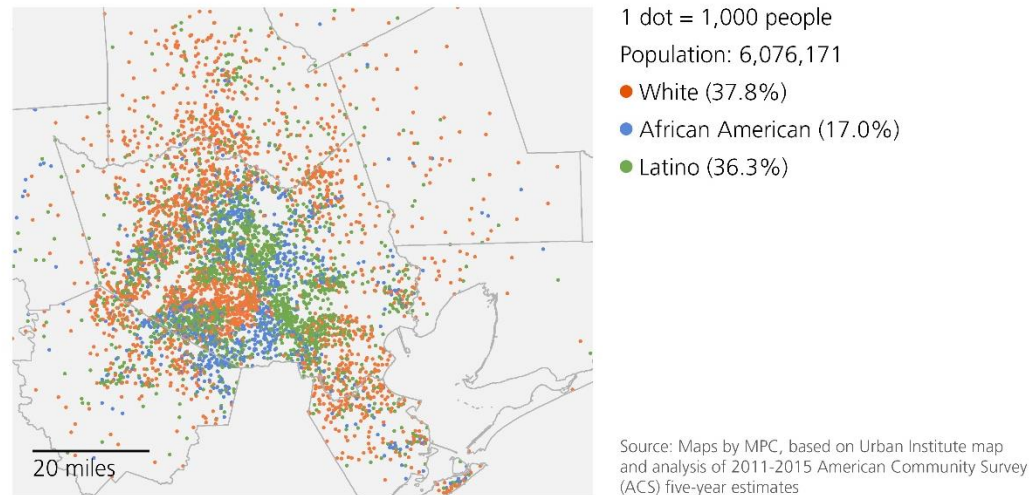
Source: Urban Institute, based on 2011-2015 American Community Survey (ACS) five-year estimates.

# How the Chicago Region Compares

Chicago region: Concentrated racial segregation

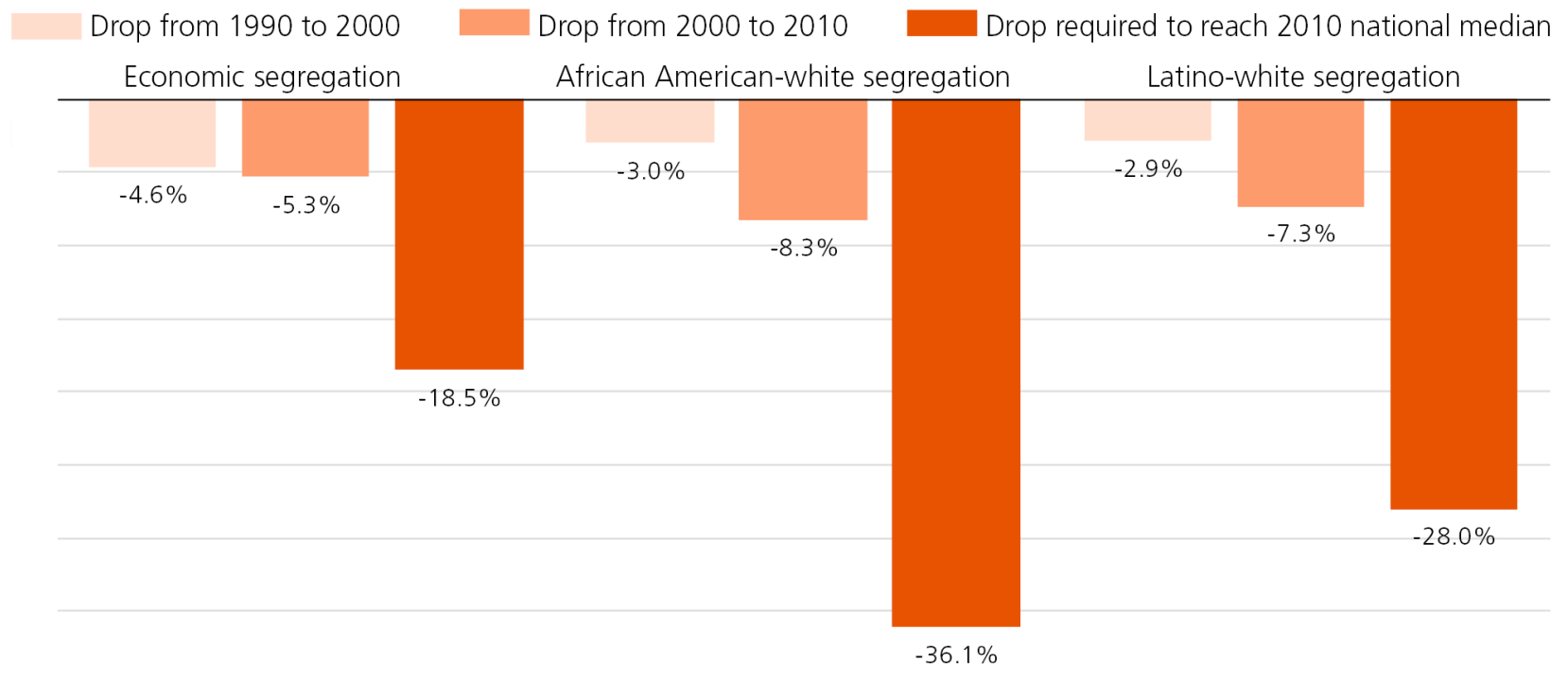


Houston region: Moderate racial segregation



# What Would It Take to Reduce Segregation in the Chicago Region?

Major drops needed in the Chicago region to reach national median level of segregation



Source: Acs, Gregory, Rolf Pendall, Mark Treskon, and Amy Khare. 2017. *The Cost of Segregation: National Trends and the Case of Chicago: 1990-2010*. Washington, D.C.: Urban Institute.