
#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

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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/](http://demographics.coopercenter.org/DotMap/)
...from one side to another of a metro area... 
...to individual neighborhoods within cities.

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

Change in ratio between top and bottom incomes, 1990–2010

Source: Urban Institute, Worlds Apart, 2015
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: Economic  Black-white  Latino-white

Solid bars indicate statistical significance at p<0.05.

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

<table>
<thead>
<tr>
<th>Segregation:</th>
<th>Total BA</th>
<th>White BA</th>
<th>Black BA</th>
<th>Latino BA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td><img src="Image1" alt="bar graph" /></td>
<td><img src="Image2" alt="bar graph" /></td>
<td><img src="Image3" alt="bar graph" /></td>
<td><img src="Image4" alt="bar graph" /></td>
</tr>
<tr>
<td>Black-white</td>
<td><img src="Image5" alt="bar graph" /></td>
<td><img src="Image6" alt="bar graph" /></td>
<td><img src="Image7" alt="bar graph" /></td>
<td><img src="Image8" alt="bar graph" /></td>
</tr>
<tr>
<td>Latino-white</td>
<td><img src="Image9" alt="bar graph" /></td>
<td><img src="Image10" alt="bar graph" /></td>
<td><img src="Image11" alt="bar graph" /></td>
<td><img src="Image12" alt="bar graph" /></td>
</tr>
</tbody>
</table>

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

Solid bars indicate statistical significance at p<0.05.
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)**

- 2.00
- 1.50
- 1.00
- 0.50
- 0.00
- 0.00
- 0.50
- 1.00
- 1.50

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

- 5.00
- 4.00
- 3.00
- 2.00
- 1.00
- 0.00
- 0.00
- 1.00
- 2.00
- 3.00
- 4.00
- 5.00

Segregation: [Diagram showing economic, Black-white, and Latino-white segregation]

Solid bars indicate statistical significance at p<0.05.

Source: Acs et al., The Cost of Segregation (2017), Urban Institute
Looking forward: Build inclusion and reinvest for a post-apartheid future

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

Source: Urban Institute projections.
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?

<table>
<thead>
<tr>
<th>Lost income</th>
<th>Lost lives</th>
<th>Lost potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4.4 billion in annual regional income</td>
<td>30 percent more homicides</td>
<td>83,000 Bachelor’s degrees</td>
</tr>
</tbody>
</table>
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.
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

How the Chicago Region Compares

• In 2010, the Chicago region had the…

<table>
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<tr>
<th>5th</th>
<th>9th</th>
<th>10th</th>
<th>20th</th>
</tr>
</thead>
<tbody>
<tr>
<td>highest combined racial and economic segregation</td>
<td>highest Latino-white segregation</td>
<td>highest African-American-white segregation</td>
<td>highest economic segregation</td>
</tr>
</tbody>
</table>
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

1 dot = 1,000 people
Population: 8,505,977
- White (52.2%)
- African American (17.0%)
- Latino (22.4%)

20 miles

Houston region: Moderate racial segregation

1 dot = 1,000 people
Population: 6,076,171
- White (37.8%)
- African American (17.0%)
- Latino (36.3%)

20 miles

Source: Maps by MPC, based on Urban Institute map and analysis of 2011-2015 American Community Survey (ACS) five-year estimates
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

<table>
<thead>
<tr>
<th></th>
<th>Drop from 1990 to 2000</th>
<th>Drop from 2000 to 2010</th>
<th>Drop required to reach 2010 national median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic segregation</td>
<td>-4.6%</td>
<td>-5.3%</td>
<td>-18.5%</td>
</tr>
<tr>
<td>African American-white segregation</td>
<td>-3.0%</td>
<td>-8.3%</td>
<td>-36.1%</td>
</tr>
<tr>
<td>Latino-white segregation</td>
<td>-2.9%</td>
<td>-7.3%</td>
<td>-28.0%</td>
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</table>