OPPORTUNITY FOR ALL

Creating Places of Opportunity for All

Solomon Greene
URBAN INSTITUTE
September 2020

Margery Austin Turner
URBAN INSTITUTE

Chantel Rush
KRESGE FOUNDATION
The **Opportunity for All** project is based on a simple premise: every family should live in a neighborhood that supports their well-being and their children's ability to thrive. But today, too many families, particularly families of color, live in neighborhoods that have suffered from decades of disinvestment, have been displaced from neighborhoods that are revitalizing, and are excluded from neighborhoods with opportunity-enhancing amenities. Racist public policies have created and reinforced this uneven landscape, but better policies can instead support fairer and more just access to opportunity. The federal government has a particularly important role because of the scale of its resources and its ability to level the playing field across places.

In this essay series, Urban Institute scholars, community leaders, and national experts are working together to explore how the federal government can help all neighborhoods become places of opportunity and inclusion. Although these essays address multiple policy areas, they all aim to end the systems that tie Americans' chances of success to their race or the place they grow up.

More than 50 years ago, Congress passed the Fair Housing Act to tear down the barriers that created separate and unequal neighborhoods in the United States. The bill's sponsors acknowledged that both public policies and private discrimination drew impenetrable racial lines determining who has access to opportunity and where those opportunities exist. At the time, American cities were almost completely racially segregated: 93 percent of Black residents would have needed to move for the nation's largest metropolitan areas to become fully integrated.¹ Many studies at the time found that Black households lived in neighborhoods that had higher rates of poverty and concentrated disadvantage than white households, even after controlling for income and housing costs.² All of this factored into Congress's decision to adopt the Fair Housing Act in 1968 to outlaw discrimination in housing, reverse patterns of residential segregation, and create “truly integrated and balanced living patterns.”³

Despite limited progress, the geography of opportunity hasn't improved much in America's cities and metropolitan areas since then.⁴ Although levels of racial segregation have generally declined across most of the country, many metropolitan areas remain as racially segregated as they were in the middle of the 20th century, and most have actually become more segregated by income.⁵ The concentration of
people of color in neighborhoods with high levels of poverty and distress has also worsened since the Great Recession. Across the US, one in four Black households and one in six Latino households live in high-poverty neighborhoods compared with just one in thirteen white households.

The lack of significant progress is not because of any innate failure or flaw in the Fair Housing Act or in any other civil rights statute adopted in response to nation’s entrenched racial divides. Rather, the federal government has consistently failed to rigorously enforce these laws, and when it has enforced them, it has mostly limited its scope to addressing overt discrimination. At the same time, a host of other federal policies (including highway construction and urban renewal) have continued to reinforce separate and unequal neighborhoods and widen racial disparities, undermining the federal government’s civil rights laws and aspirations for fairer and more-just access to opportunities.

The cumulative effects of these policy decisions are vividly seen and painfully felt today. Communities of color have been ravaged by both the health risks and economic fallout of the COVID-19 pandemic. Recent research suggests that because segregation concentrates people of color in underresourced and hazardous neighborhoods, metropolitan regions with greater racial segregation are showing wider disparities in COVID-19-related cases and deaths than are less segregated regions. Moreover, rates of police violence and mass incarceration track stubborn patterns of racial segregation and disinvestment from Black and brown neighborhoods, putting people and families at terrible risk and blocking their prospects for economic and social well-being.

Because public policies helped create these equity gaps, they can and should close them. The federal government can play a particularly potent role: it already has a range of civil rights, fair housing, and environmental justice laws creating authority to act but awaiting the will and resources to do so. It can help level the playing field across cities and regions and ensure that fair access to opportunity exists everywhere in the US. And only the federal government manages the public budget and scale of resources necessary to reverse long-standing inequities in access to capital, services, and opportunities across our nation’s neighborhoods. So how can we get started?

In the Opportunity for All project, Urban Institute scholars have partnered with community leaders and national experts to produce a set of idea essays that offer several paths forward. Although these essays multiple policy areas ranging from criminal justice to zoning laws, they all aim to end the systems that tie Americans’ chances of success to their race or the place they grow up.
The Federal Role in Creating and Perpetuating Separate and Unequal Neighborhoods

America’s separate and unequal neighborhoods did not evolve naturally and did not result from unfettered market forces. Rather, they reflect plans, policies, and practices of racial exclusion and disinvestment that were primarily directed at Black people and that laid the foundation for segregation among other racial and ethnic groups. Federal policy has played a central role in creating and perpetuating residential segregation throughout the country, blocking Black people’s access to well-resourced and opportunity-rich neighborhoods while contributing to the disinvestment and neglect of neighborhoods in which Black people and other people of color live.

Early in the 20th century, as millions of Black people migrated from the rural south to the industrial cities of the Northeast and Midwest, they were constrained to designated neighborhoods, mostly those in central cities, by local ordinances, restrictive covenants, and violence. After World War II, as the nation’s renewed economic prosperity fueled the growth of suburban communities, federal policies governing home-mortgage lending combined with these local policies and prevailing real estate practices to exclude Black families from most burgeoning suburban communities and deny loans to residents of the neighborhoods they occupied.

At the same time, the siting of federally subsidized rental housing further established starkly segregated living patterns. In fact, at its inception, federally subsidized housing was legally required to be segregated by race: public housing developments built in Black neighborhoods (and sometimes in undeveloped areas on the edge of town) were constructed exclusively for occupancy by Black people. Federal transportation investments also reinforced residential segregation, facilitating automobile access among residents of the growing, predominantly white suburbs while constructing inner-city highways that cut through existing neighborhoods, often creating physical barriers that blocked Black communities’ access to downtown areas and other centers of economic opportunity.

The segregation of neighborhoods and the denial of capital along racial lines fueled the geographic concentration of poverty, disinvestment by both public and private institutions, and worsening neighborhood distress. The federal government responded to inner-city distress with the Urban Renewal program, which often exacerbated the problem. Cities with Urban Renewal funding used eminent domain to condemn and raze housing and other properties in poor neighborhoods occupied by Black people and businesses and then redevelop the land in accordance with city plans. Some residents were moved to newly constructed public housing, often built in isolated or undesirable areas, creating new neighborhoods of concentrated poverty and distress.
Before Congress passed the Fair Housing Act in April 1968, it was common (and legal in most states) for real estate agents, banks, landlords, and entire communities to discriminate against people of color and limit their housing options. That legislation prohibited racial discrimination in the rental, sale, or financing of housing and created new tools to combat discrimination. These protections significantly reduced the most blatant forms of discrimination against both renters and homebuyers. Nonetheless, discrimination in housing and lending markets persists and continues to evolve in ways that can be harder to detect and combat, such as agents showing fewer units to well-qualified minority homeseekers or relying on algorithms with built-in biases to screen applicants.19

Moreover, although discrimination remains a serious problem, it alone does not account for the high levels of segregation that persist today. And prohibiting individual acts of discrimination cannot, on its own, reverse entrenched patterns of residential segregation.20 But the Fair Housing Act did more than prohibit discrimination in housing market transactions. It also required that federal housing and community development funds be used to "affirmatively further fair housing" and thus work to reverse racial segregation and expand access to opportunity for protected groups. However, this requirement has been inconsistently and weakly enforced. In 2015, the US Department of Housing and Urban Development adopted a rule that, for the first time, rigorously enforced that requirement, but this effort was subsequently suspended, and the current administration recently announced its abandonment.21

Place Matters—Now More Than Ever

A growing body of research demonstrates that neighborhoods matter for children's long-term success across a broad range of life outcomes.22 Chetty and Hendren find that every year of exposure to a more opportunity-rich community further improves a child's chances of economic success as an adult. Public health researchers have demonstrated the independent effect of neighborhood environments across several health outcomes such as asthma and heart disease.23 The Center on Society and Health finds that life expectancies can differ by as much as 20 years between rich and poor neighborhoods within the same city.24 And the effects of growing up in a poor neighborhood are passed on from generation to generation: research has shown that the neighborhood a parent grows up in influences his or her children's prospects to perform well in school, earn a decent income, and build wealth.25

Because race and place are so tightly connected in the United States, neighborhood disparities in access to opportunity create and widen disparities across racial and ethnic groups. Black and Latino households live in neighborhoods with fewer job opportunities, lower-performing schools, and higher
rates of exposure to environmental toxins than white households across metropolitan areas in the United States, and these disparities are worse in more segregated cities and regions. Chetty and colleagues show that children who grow up in more racially segregated metropolitan areas have lower levels of economic mobility. Acs and colleagues find that more racially and economically segregated regions tend to have lower incomes and educational attainment and higher homicide rates than less segregated ones. Residential segregation imposes heavy costs on our nation's cities and regions, especially for Black and Latino residents.

While the research literature on segregation and neighborhood disparities documents how much "place matters" in contemporary US society, the COVID-19 pandemic and its economic fallout make it painfully apparent. Black and brown people are getting sick and dying, losing employment income, and suffering from food and housing insecurity at higher rates than white people. And we are seeing growing evidence that that both the health and economic consequences of pandemic are affecting neighborhoods differently based on their racial composition. For example, researchers at Drexel University found that in Philadelphia, "neighborhoods with the highest levels of residential segregation are more likely to have structural characteristics that increase likelihood of exposure, community transmission, and mortality [of COVID-19], making segregation a fundamental driver of racial inequities." In Fresno, high rates of COVID-19 exposure and transmission follow a familiar north-south divide based on race. In Chicago, recent research has shown that the share of African American residents in an neighborhood has an independent effect on the COVID-19 death rate as a result of spatial patterns of "racial inequality and social exclusion that existed before the COVID-19 crisis." Across these cities, disparities in COVID-19’s effects are driven by structural barriers and neighborhood-level conditions, including overcrowded and substandard housing, lack of health insurance, limited access to employment opportunities, and poor transportation options.

Segregation and concentrated poverty also contribute to systemic racism in our justice systems (and vice versa). Recent research suggests that racial segregation contributes to police violence against and higher incarceration rates for Black men, because it reinforces disparities in neighborhood services and implicit bias in justice systems. Conversely, overpolicing, racial profiling, and high rates of incarceration in Black neighborhoods block people's prospects for economic advancement and reinforce patterns of segregation. According to Yale Law Professor Monica Bell, "there is a mutually constitutive relationship between daily practices of urban policing and residential segregation, a relationship of mutual reproduction."
How the Federal Government Can Help Create Places of Opportunity for All

Although these patterns of racial segregation, neighborhood disparities, and concentrated disadvantage can seem both insurmountable and self-perpetuating, it is possible to reverse them. We have rigorous evidence not only about how much place matters but also about policies that help sever the link between place, race, and opportunity; such policies include robust housing mobility programs and comprehensive investments that make communities healthier and safer. Unfortunately, most of the work testing and implementing these interventions has so far relied on support from philanthropy and local governments. And these interventions are often implemented piecemeal, focusing on a single place or a narrow set of policy domains rather than addressing the fundamental challenge that opportunities for health, safety, education, and work are unevenly distributed within all cities and regions in the US.

As many of the essays in this series discuss, the federal role in reversing patterns of segregation and disinvestment has been both weak and unsteady. When federal policy has paid attention to “place,” it has often used major regional investments and redistribution efforts to close gaps in access to opportunity between regions. These efforts are important: persistent economic, capital, and opportunity gaps between regions impede economic efficiency and prosperity and create social and racial inequities. And much more needs to be done to close the widening gulf between dynamic and stagnant regional economies, including reincorporating geographic factors into federal policies across domains.

However, as wide as the gaps in access to opportunity are between regions, they are even wider within them. One recent study focusing on child opportunity finds that although that opportunity varies across metropolitan areas, even wider inequities exist between neighborhoods within metropolitan areas. It concludes that “within a given metro area, children who live only short distances apart often experience completely different worlds of neighborhood opportunity. Only 9% of the variation in neighborhood opportunity for children happens between metros while 91% happens within metros.” And just as interregional disparities in access to opportunity impose profound economic and social costs and hold us back as a nation, so do intraregional ones.

The essays in this series envision a more robust federal role in closing neighborhood-level disparities within our nation’s cities and regions, and they offer concrete and evidence-based strategies for doing so. They all recognize that today, too many families, particularly families of color, live in neighborhoods that have suffered from decades of disinvestment and are excluded from
neighborhoods that offer opportunity-enhancing resources and amenities. And they highlight that in recent years, we’ve seen widespread displacement of people of color, immigrants, and families with low incomes from neighborhoods facing gentrification pressures and cities facing growing housing affordability challenges.

This moment provides a critical opening for the federal government to play a more robust role in addressing structural racism and creating sustainable and equitable pathways to economic mobility. To do so, federal policy should apply a place-conscious framework to its work with neighborhoods, cities, and regions:

- Invest in assets (such as schools, safety, and the environment) that restore and support well-being and economic mobility in distressed and disinvested neighborhoods so every neighborhood becomes a great place for families to live and for children to grow up.
- Preserve affordable housing and prevent displacement from neighborhoods that are revitalizing or facing market pressures so their current residents can share in the opportunities revitalization brings.
- Expand access to well-resourced neighborhoods and remove exclusionary barriers so people of all races, ethnicities, and income levels can choose the neighborhoods that best meet their needs and support their aspirations.

The specific mix of strategies and investments will vary by region and neighborhood. But if the federal government provides robust, sustained support to all three legs of this framework, our nation can overcome the legacy of separate and unequal neighborhoods that we have built and heal the injustices it has caused.

Notes


About the Authors

Solomon Greene is a senior fellow in the Research to Action Lab and the Metropolitan Housing and Communities Policy Center at the Urban Institute. His research focuses on how land-use and housing policy can improve access to opportunity and how data and technology can support inclusive urban development.

Before joining Urban, Greene was a senior adviser at the US Department of Housing and Urban Development (HUD), where he helped develop federal regulation to reduce residential segregation and promote regional housing opportunities. He was also HUD’s principal adviser on the United Nations process for setting global sustainable development goals. Before that, Greene was a senior program officer at the Open Society Foundations, where he managed grants and programs on affordable housing, community development, and fair access to credit. Greene received his BA from Stanford University, his MCP from the University of California, Berkeley, and his JD from Yale Law School.

Margery Turner is an Institute fellow at the Urban Institute, focusing on new research and policy programs. She previously served 10 years as Urban's senior vice president for program planning and management and 11 years as director of the Metropolitan Housing and Communities Policy Center. A nationally recognized expert on urban policy and neighborhood issues, Turner has analyzed issues of residential location, racial and ethnic discrimination and its contribution to neighborhood segregation and inequality, and the role of housing policies in promoting residential mobility and location choice. Among her recent publications is the book Public Housing and the Legacy of Segregation.

Before joining Urban, Turner served as deputy assistant secretary for research at the US Department of Housing and Urban Development (HUD) from 1993 through 1996, focusing HUD's research agenda on the problems of racial discrimination, concentrated poverty, and economic opportunity in America's metropolitan areas. During her tenure, HUD's research office launched three major social science demonstration projects to test different strategies for helping families from distressed inner-city neighborhoods gain access to opportunities through employment and education. Turner has a BA in political science from Cornell University and an MA in urban and regional planning from the George Washington University.
Chantel M. Rush is managing director of the Kresge Foundation’s American Cities Program. Her work advances the foundation’s efforts to catalyze more effective community and economic development practice that expands opportunities for people with low incomes in American cities.

Rush manages Kresge’s American Cities Program grantmaking to support knowledge exchange among community development practitioners; national community development intermediaries; innovative and scalable community development solutions; pioneering research; and city-based dialogues aimed at promoting effective practice and policy. Rush also stewards the foundation’s place-based work in Memphis, Tennessee, and New Orleans, Louisiana. Before joining Kresge, Rush served as senior analyst of global strategy and business development at Gap Inc. She started her career in management consulting, where her responsibilities included advising both corporate and private equity clients.

A native of Orange County, California, Rush earned bachelor’s degrees in international relations and Spanish language from Stanford University and a master’s degree in business administration from Harvard Business School. Chantel serves on the boards of the National Housing Law Project, the Greater New Orleans Funders Network, and Signal-Return.
Acknowledgments

This brief was funded by the Kresge Foundation through the Shared Prosperity Partnership. We are grateful to them and to all our funders, who make it possible for Urban to advance its mission.

The views expressed are those of the authors and should not be attributed to the Kresge Foundation or to the Urban Institute, its trustees, or its funders. Funders do not determine research findings or the insights and recommendations of Urban experts. Further information on the Urban Institute’s funding principles is available at urban.org/fundingprinciples.

The authors would like to thank Kate Reynolds, Keith Fudge, Aaron Shroyer, and Amaya Taylor, who coordinated efforts across Opportunity for All project and ensured that all essays in the series were produced on time, thoroughly vetted, and of highest quality. Keith Fudge and Amy Peake provided helpful comments and suggestions on earlier versions of this essay. Michael Marazzi provided a careful review and thoughtful and thorough edits. We are grateful for their contributions.