Christina Stacy and Olivia Fiol
May 2021

The COVID-19 pandemic has laid bare the inequities that have plagued our cities for centuries. People of color and low-wage earners face disproportionately high odds of contracting the virus (Garfield et al. 2020; Garg et al. 2020) and are most vulnerable to the pandemic’s ensuing economic shocks. As of June 9, 2020, 48 percent of all adults lived in households where at least one person had lost employment income since mid-March. For Black and Latinx households, that share was 53 and 62 percent, respectively. And more than twice as many Black and Latinx adults were food insecure in March and April as were white adults (37.4 percent and 39.3 percent with 17.6 percent, respectively).²

As cities recover from the pandemic, they have the opportunity to restructure their systems and institutions to ensure that the growth that ensues is shared by all. They also have the opportunity to address and remediate some of the past inequities that have been built into our nation’s laws and programs (Rothstein 2017). In fact, recovery periods may be the perfect time to rethink how policies and programs are implemented and to focus efforts on those hit hardest by the crisis.

This brief provides a review of the literature related to inclusive recovery to assist cities in their recovery plans and efforts following the pandemic. To accomplish this, we use a few guiding

¹ This brief uses the term Latinx to describe people with origins from Latin America. The authors acknowledge this may not be the preferred identifier, and we remain committed to employing inclusive language whenever possible.
questions: How can we define an inclusive recovery? What policies and practices are most appropriate to address this type of recovery? And how can we ensure recovery following the pandemic?

Key insights include that

- equity and inclusion need not come at the expense of economic growth;
- to achieve an inclusive recovery, cities must intentionally center equity in their recovery efforts;
- cities must also monitor metrics of inclusion and equity to ensure that economic growth is not happening for only the most advantaged sector of the economy while potentially harming lower-income residents and residents of color in the process; and
- the pandemic provides an opportunity for cities to restructure institutions in a way that increases equity rather than reinforces inequities.

Neglecting this opportunity to recover inclusively can have detrimental effects on equity. For example, New Orleans and the nation missed a vital opportunity to use the influx of federal investments following Hurricane Katrina to address the city’s long-standing racial inequities, resulting in an uneven recovery that disproportionately left Black residents across the income spectrum behind. And Pittsburgh, which is often hailed as a success story in terms of economic recovery (but not necessarily in an inclusive way), has seen its workforce diversity and opportunity for people of color lag compared with peer cities (Harrington et al. 2015). However, other cities such as Lowell, Massachusetts, and Louisville, Kentucky, managed respectively to (1) recover inclusively from economic distress through efforts to celebrate diversity and (2) create a government that looked like the population it was representing (Poethig et al. 2018).

Increases in inclusion and equity need not come at the expense of growth (Poethig et al. 2018). On the contrary, many cities have seen their inclusion efforts lead to increased economic prosperity for not just historically marginalized populations but for the economy as a whole (Benner and Pastor 2012; Berube and Murray 2018; Poethig et al. 2018). Acs and colleagues (2017) find that if Chicago were to reduce its levels of segregation to the national median, the city’s gross domestic product would increase by approximately $8 billion, and the region overall would earn an additional $4.4 billion in income.

Increasing equity and inclusion also does not necessarily require raising taxes or increasing fees. It can simply mean rethinking how current resources are allocated and targeted. For instance, reopening transit lines after the pandemic based on need for transit-dependent riders rather than on ridership for higher-income residents could be one way to reallocate current resources in a more equitable manner without necessarily requiring additional funding.

There is no one-size-fits-all approach to inclusive recovery. But inclusive recovery starts by acknowledging and identifying inequities in a city. From there, city officials should work in collaboration with underserved communities by adopting a shared vision. Because every city is different, every recovery strategy will look different. Cities should develop strategies for economic
growth with all of its citizens, and much that growth starts by building inclusive civic infrastructure. To maintain inclusive economic growth, the city must be held accountable by its citizens, meaning that tracking metrics and publishing data are essential to continual progress.

Defining Inclusive Recovery

Many studies have attempted to define inclusive growth and recovery. These existing conceptions tend to define inclusion, broadly, as removing barriers to participation in local economies and ensuring that benefits are broadly shared by all residents of a local area (Benner and Pastor 2016; Poethig et al. 2018; Stacy, Meixell, and Srini 2019). On the whole, these various studies coalesce around a definition of inclusive growth that includes economic growth, access to opportunity, and supports for those facing poverty.

However, three areas of divergence exist among definitions of inclusion. First, one subset focuses on narrowing general economic inequalities (OECD 2018), whereas another focuses on group-based disparities such as by race or ethnicity, immigration status, or gender. Second, the end goal of inclusion is disputed: some (such as the World Bank) define it as labor market participation and growth; others (such as the Neighborhood Funders Group) define it as economic security and stability. Third, several definitions (such as the one used by the Ford Foundation) emphasize the importance of process, participation, and voice; others prioritize equitable outcomes (Shearer et al. 2017). Several organizations combine both aspects of process and outcome (Benner and Pastor 2016). Poethig and colleagues (2018) define inclusive recovery both in terms of opportunity and contribution, specifically as when a place overcomes economic distress in a way that provides the opportunity for all residents, especially historically excluded populations, to benefit from and contribute to economic prosperity.

Distinguishing between equity and inclusion in inclusive recovery is also important. Equity seeks to provide fair treatment, equal opportunities, and accessibility to resources and information. Inclusion indicates that active invitation of participation and contributions are built into the structure of a program or policy. Inclusive recovery can build on both of these concepts to actively engage with communities that have been disproportionately negatively impacted as a result of the pandemic to ensure they are part of a city’s recovery plan and are guaranteed equal opportunity.

Measuring Inclusion

Some studies have attempted to turn these definitions of inclusion into trackable metrics. de Souza Briggs, Pendall, and Rubin (2015) define (but do not actually measure) four main areas of determinative inputs that can spur inclusive growth: economic growth, job quality, demographics, and spatial segregation by race or class. McKinley’s index (2010) measures inclusive growth at the country level by using economic growth, quality of employment, access to technology, poverty, inequality (vertical and horizontal), gender equity, health outcomes, education outcomes, and welfare programs. The Urban Institute measures inclusion through three indices: economic inclusion, racial inclusion, and
overall inclusion (Poethig et al. 2018; Stacy, Meixell, and Srini 2019). These indices consist of metrics of spatial segregation, housing affordability and homeownership, educational attainment, and poverty, by income and race. The Brookings Institution’s Metro Monitor analyzes metropolitan areas through the Inclusive Growth Index, which tracks economic growth, the economic well-being of individuals and firms, and to what degree gains are shared by all (Shearer et al. 2017). Bisht, Mishra, and Fuloria (2010) posit that inclusive growth is determined by the allocation of civic and physical infrastructure and accessibility to that infrastructure. As such, they create an accessibility index at the district level in India that covers access to information, mobility, and development.

Additionally, although some analysts conflate the two, income inequality is not an accurate measure of inclusion at the city level (Stacy, Meixell, and Srini 2019). The definition of equality relies on all people being given equal resources and opportunities. Focusing on equity and inclusion builds off equality by recognizing that different communities have different needs that should be addressed appropriately to ensure that equality is possible. Income and wage inequality are often studied at the city or metropolitan level and with efforts to understand how and why inequality varies over space and time (Baum-Snow and Pavan 2013; Glaeser, Resseger, and Tobio 2009; Holmes and Berube 2016). Although inequality may be a suitable measure of inclusion at the national level, where borders are rigid and migration is difficult, changes to inequality at the city level may capture the displacement (or exclusion) of low-income residents rather than true improvements to quality of life. When cities face housing demand shocks, higher-income residents migrate into poorer neighborhoods, which raises prices in those neighborhoods and in turn causes the original poorer residents to migrate out (Guerrieri, Hartley, Hurst 2013). This can make inequality decline, but it does not necessarily reflect improvements to the quality of life for low-income residents. Moreover, cities do not always have the ability to redistribute wealth like the federal government does, and when cities do redistribute wealth, such redistributions can lead to an exodus of wealthy residents and an influx of poorer people that can leave cities impoverished (Glaeser, Resseger, and Tobio 2009).

Although inequality and inclusion can trend together in some cities, they often do not (Stacy, Meixell, and Srini 2019). This relationship is even more tenuous for racial inclusion, which holds an even lower association with inequality. Additionally, and perhaps most concerning from these findings, is that as cities become less unequal, they also lose people of color. This suggests that cities may not be reducing inequality exclusively by improving the incomes of incumbent residents. Rather, they may also be displacing low-income residents and people of color and bringing in households with higher incomes. Although we cannot say for certain that this is causal, our current measures of income inequality are unable to differentiate between true increases in equality and migration.

Several organizations have created data tools to help cities measure the equity and inclusion of their recoveries. For example, researchers at the Urban Institute have created an interactive map that estimates job losses by neighborhood and can be overlaid with demographic data to identify neighborhoods in need of investments; an opportunity community impact assessment tool that allows city leaders to assess the potential social impact of a local development project using evidence-based indicators; and a tool that allows leaders to assess spatial and demographic disparities in their cities.
Some cities have used administrative data or other sources to measure inclusion (Lawson et al. 2015; Martin and Vance 2015; Sacramento Regional Research Institute 2005) including metrics such as public-school test scores, childhood rates of asthma, and business loans to entrepreneurs. The Robert Wood Johnson Foundation and the Urban Institute awarded $680,000 in grants to 17 organizations across the US through the Using Data to Inform Local Decisions on COVID-19 Response & Recovery grant program. The selected grantees and their partners will provide local stakeholders with data and information to help them respond to the COVID-19 pandemic more equitably and effectively, and details about each of the grantees are compiled on a landing page that other cities can draw examples from. A resource hub also compiles insights from these grantees that may be of use to other cities in their recovery planning.

For example, tracking data on small businesses is key to ensuring an equitable recovery, because small businesses employ almost half of workers across the US and because businesses with Black, Latinx, and Asian owners are seeing higher closure rates than those with white owners (Misera 2020). However, data from the US Bureau of Labor Statistics and Small Business Administration are not disaggregated or recent enough to inform the real-time crisis facing the small-business sector today, so some cities have come up with innovative ways of collecting data directly from small businesses.

**Measuring Economic Growth**

A variety of organizations and academics have evaluated economic recovery more broadly (although this is not the same as inclusivity). The 2010 Brookings Global Metro Monitor uses economic criteria to categorize metropolitan areas into partially recovered, recovered, or not recovered. The National League of Cities analyzes local economic recovery but factors in only economic and business conditions, the residential property market, and retail health. Similarly, the Manhattan Institute looks at per capita GDP, per capita personal income, and private-sector employment (Gray and Scardamalia 2014). On a global scale, the Organisation for Economic Co-operation and Development looks at economic resilience and has constructed a vulnerability database (OECD 2018).

Wallethub ranked 150 metropolitan areas using an earning opportunity and economic environment ranking. Its rankings attempted to incorporate poverty rate, credit scores, and median home prices. Similarly, Forbes performed an unofficial analysis looking at metropolitan area data on GDP, unemployment, and incomes and affordability. Once again, these analyses used typical macroeconomic indicators and made little effort to explore issues surrounding inclusion. Oil and shale booms, which are often unstable, drove recovery in many of these places. And other studies have examined why some cities recovered from distress while others did not. Moretti (2012) tells a tale of two cities, pointing out how Seattle harnessed the innovation economy to reshape in a way Detroit did not.

These tools measuring economic recovery may be useful for cities to ensure that they are not increasing inclusion at the sake of overall economic health, which can then later impede inclusion through general decline. But cities must also monitor metrics of inclusion and equity to ensure that...
economic growth is not happening only for the most advantaged sector of the economy, potentially harming lower-income residents and residents of color in the process.

Policies and Practices to Promote an Inclusive Recovery

Exclusion undermines economic growth, so it is in not in the collective’s best interest to repeat traditional strategies for recovery that do not focus on equity and inclusion (de Souza Briggs, Pendall, and Rubin 2015). By excluding individuals or subpopulations from an economy, society’s workforce is underutilized and risks are discouraged, and both of these are necessary for successful economic growth. Research has begun to identify policies and practices that can help promote an inclusive recovery.

Inclusive Recovery Planning

When city leaders are navigating an economic recovery, they have a robust (if still evolving) body of research to turn to when developing their economic development strategies (Feyrer, Sacerdote, and Stern 2007; Gray and Scardamalia 2014; Hill et al. 2012; Kodrzycki and Muñoz 2010; Wolman, Ford, and Hill 1994). But measures of inclusion are largely absent from this literature.

Because every locality has unique qualities, the World Bank recommends asking a set of questions to frame a city’s inclusive recovery strategy, including the following:

- Who is most likely to be affected?
- Where do they live? What neighborhoods or regions need the most support?
- What are the most at-risk occupations and living conditions?
- How are the vulnerable most likely to be affected?
- Why are they vulnerable, and what do they need to cope with the circumstances?

When asking these questions, cities should engage with the community by participating in ongoing local conversations to determine a local model based on a community’s needs (Eldridge et al. 2020). This engagement should also include business leaders, because a city’s inclusive recovery agenda should present an argument for shared prosperity that is aligned with business interests. To do this, the agenda should have some emphasis on "quick wins" that demonstrate the value of and need for the business community and should focus on goals that are most aligned with the goals of the business community. The World Bank recommends focusing on multisector solutions for multidimensional issues: government and business should collaborate on equity because it is an issue that infiltrates all sectors of society.22

Cities should also be sure to track inclusion and equity metrics in an iterative manner while they are continuously planning their recovery efforts. These metrics can include measures of spatial segregation and access to good neighborhoods (Cutler and Glaeser, 1997; De la Roca, Ellen, and
O’Regan 2014; Massey 1990; Turner and Gourevitch 2017), housing costs relative to income (Joint Center for Housing Studies of Harvard University 2017; Schwartz and Wilson 2008), the ability of all residents to get decent, good-paying jobs (Aslund, Östh, and Zenou 2009; Williams and Collins 2001), and the quality of service provision by the city, such as education (Cingranelli 1981; Rothwell 2012). Health equity (Braverman et al. 2010; Williams and Collins 2001) and political representation (Marshall and Ruhil, 2007) are also important measures of inclusion.

These data should be made publicly available so they can be used by the populace to hold city governments accountable and by community stakeholders to advocate for change with policymakers (PRI 2020). For an accurate picture of inclusivity, the data should be disaggregated by age, sex, residence, occupation, race, ethnicity, and disability status. The data should also be timely, so that changes to inclusion and equity can be observed close in time to when they occur. The Open Data movement, which can help create and maintain these types of data, has grown in many cities. The District of Columbia’s Open Data platform, for example, offers access to updated and frequently collected data about District-specific needs and interests.

In developing inclusive recovery plans, city and regional leaders should explicitly ensure that those creating the plans represent the community as a whole and that the process engages with and includes all community members (Metzger 1996). This requires creating space early in the planning process for a shared vision, which requires buy-in from multiple local actors in the community. Columbus, Ohio, for example, created the Columbus Comprehensive Plan, which included an extensive community involvement program. Columbus’ business community was strongly committed to the comprehensive planning process and helped reduce crime in the Short North area and better connect the central business district and economic hub around Ohio State University (Poethig et al. 2018).

Another example is Lowell, Massachusetts, which in the 1980s established the Lowell Plan, a nonprofit economic development organization that coordinates planning efforts between public and private leaders. The plan created a neutral ground where leaders in the community could speak candidly and collaborate on priority issues and urban revitalization goals for the future. Although the plan was not designed to promote inclusion, it spurred small business growth, including the formation of the Small Business Assistance Center, which has supported the establishment of over 400 immigrant- and minority-owned small businesses. The Lowell Plan continues to exist and operates a civic engagement program for residents, plans the downtown area’s future, and continues marketing campaigns (Poethig et al. 2018).

Poething et al. (2018) recommend the following additional strategies to help develop inclusive recovery plans:

- **Inspire and sustain bold leadership.** Strong leadership (political, civic, or otherwise) that engages community members sustains a vision of economic inclusion. In Columbus, Mayor Coleman’s neighborhood-centric approach to development revitalized poor neighborhoods and connected them to Columbus’s economic hubs. His groundwork laid the foundation for Columbus’s future of inclusive economic growth.
Recruit partners across sectors. Collaboration among diverse partners is essential to long-lasting inclusion. Single-sector efforts, especially those by the government, are often ineffective.\textsuperscript{26} Informed decisions and greater impact coincide with cross-sector collaboration because diverse interests are represented (Intersector Project 2016). In Lowell, the Cambodian Mutual Assistance Association and other organizations have been instrumental in taking the lead on racial and economic inclusion. As a result of this work, Lowell has become more inclusive of its Cambodian population and given them a voice in city decisions.

Build voice and power. Inclusive growth is predicated upon building power among historically excluded groups and disinvested communities. For inclusive growth to be possible, diverse stakeholder voices must be heard to sustain a broadly conceived vision for a city’s recovery. In Louisville’s merger with Jefferson County, fair and independent redistricting was guaranteed to ensure the maintenance of the long-fought civic power that the Black community cultivated, and political and residential representation continue to be approximately equal.\textsuperscript{27}

Think and act regionally. To secure broadly shared prosperity, cities could forge connections with the surrounding regions, because prosperity and overall inclusion are often linked to those regions. For people of color, the experience of fragmented and isolated governments is accentuated by persisting segregation and issues of affordability (Sadler and Highsmith 2016).\textsuperscript{28} Lowell has made efforts to connect and establish itself in the Boston metropolitan area by participating in the labor market and building out transportation infrastructure (Coughlin 2017). These efforts have produced Lowell’s identity as a city with "strong civic infrastructure," drawing regional investment.

Reframe inclusion as integral to growth. Economic recovery and inclusion (both economic and racial) should not exist in discrete realms. By reframing recovery as inclusive recovery, investments that serve both economic growth and inclusion and that create more impact are prioritized. For example, a recent Urban Institute study found that if Chicago could reduce its level of economic segregation to the average level of the 100 largest commuting zones, African American per capita incomes would increase 12.4 percent, educational attainment rates for both African American and white residents would increase 2 percent each, and the city’s homicide rate would drop 30 percent (Acs et al. 2017).

Civic Infrastructure and Inclusion

Cities may also increase inclusion by investing in civic infrastructure during a recovery. Civic infrastructure is usually defined as infrastructure that is invisible or intangible, such as social and cultural aspects of a community, as well as the physical spaces to facilitate those infrastructures. Greenspan and Mason (2017) describe civic infrastructure as a “city’s public spaces and civic assets (collection of physical sites and buildings) as well as the social processes and cultural practices animating those places.” More concisely, “civic infrastructure is the invisible structures and processes through which the social contract is written and rewritten in communities” (Walsh et al. 2017). Concrete examples of civic infrastructure include parks and squares, recreation centers, and libraries.
Examples of the more intangible aspects of civic infrastructure include tourism, arts and cultural programming, and local sporting events.

The goal of civic infrastructure is to intentionally enable civic capacity, without which allows for a system that serves a narrow and elite constituency where moneyed interests overtake the interests of the general public. Blair and Kopell (2015) argue that a civic infrastructure must be designed to “broaden participation and, particularly, to engage those on the margins.” Otherwise, unproductive interests will fill the vacuum.

Many frameworks have emerged using the concept of "place" or “placemaking” as a method for promoting urban development and civic infrastructure. However, commonly used frameworks often focus on temporary programming, such as “tactical placemaking” or “creative placemaking.” Although popular, these ideologies advocate for cheap, pop-up, short-term programs and activities for communities, such as beer gardens or temporary art installations. Common frameworks also often fail to define measurement and evaluation, which can exacerbate those inequalities they attempt to address. To address these critiques, Greenspan and Mason (2017) argue for a new concept of “place-keeping,” which acknowledges the weaknesses of placemaking, advocates for the role of community engagement in creating civic infrastructure, rethinks the way that civic-asset reinvestment should be attained, and argues for long-term development.

The parks and recreation department of Seattle, Washington, for example, has been working to develop this more inclusive civic infrastructure through the Seattle Park District. The Seattle Park District is a governing body in the city of Seattle that ensures that funding is directed not just to the construction of new parks but also to the maintenance of current parks. In 2017, the Seattle Park District launched new programs to address the growing diversity of the Seattle area and to work toward increased inclusion. This was done by investing in youth of color, reducing barriers to access, and developing culturally relevant programming. Concretely, the city’s Trails Program engages with youth of color through the public school system’s service learning program, the city’s community center hours were extended in underserved communities, and Women’s Single-Gender Swims were offered to for those women who for cultural, personal, or religious reasons choose to swim in single-sex environments.

Although investing in inclusive civic infrastructure is important, care must be taken to ensure that community assets do not lead to increases in housing costs that can then displace and inadvertently harm lower-income communities and communities of color. For example, with more traditional civic infrastructure such as parks and transit, new investments can, absent proper efforts to mitigate displacement, lead to an increase in housing prices and a lack of affordable rental units for low-income renters, who are more likely to be people of color (Martin and Beck 2018; NLIHC 2019). Infrastructure investments (and potential subsequent gentrification) may displace and increase inequitable outcomes for people and communities who could have benefited the most from that infrastructure (Rayle 2015; Revington 2015).
Investing in preserving and developing affordable housing in high-opportunity neighborhoods and in neighborhoods that will receive community assets can help ensure that lower-income residents are able to remain in place and benefit from this civic infrastructure.

LEVERAGE ASSETS AND INTRINSIC ADVANTAGES
When creating a civic infrastructure plan, cities should first take stock of existing community assets and leverage them. Each city’s unique qualities can drive inclusive growth and recovery. These assets might be physical, such as a city’s environmental endowments or features of the built environment, or they may be tied to the people who live there and their untapped human capital.

For example, Lowell, Massachusetts, is home to textile mills that were abandoned in the first half of the 20th century. Rather than tearing down these historic buildings, the city chose to invest in them by establishing a National Historic Park combined with residential units, office space, and a pedestrian path to the Lowell Riverwalk. These amenities have helped Lowell become a regional tourism destination, and the mixed-use complexes, including arts space, also serve residents’ needs. Lowell’s other resource, the Merrimack River, has also been used to support an inclusive recovery: the city’s significant Southeast Asian immigrant population hosts a festival on the river annually to celebrate Lowell’s water resources. This festival is now in its 20th year and draws over 60,000 visitors from around the country, thus bolstering the city’s economic growth through tourism while celebrating the rich cultures of its many immigrants (Toof 2017).

The academic literature underscores the importance of communities leveraging existing assets to build a sustainable economic future (Liu 2016). In some communities, existing assets may take the form of infrastructure and location, the diversity and drive of the residents, or the natural resources or environment upon which it sits. For example, the creative placemaking literature documents the connections between fostering an arts and cultural cluster, with improvements in quality of life and economic development achieved by attracting tourists, a strong workforce, and businesses (Dwyer and Beavers 2011; Markusen and Gadwa 2010).

Anchor institutions can also be an important asset in a community and natural partners for city leadership to carry out community and economic development visions (Kleiman et al. 2015). However, anchor institutions can also cause the displacement of residents if anchor-based development does not have sufficient community involvement (Silverman, Lewis, and Patterson 2014). An anchor’s existence is important, but so too is how much that anchor involves the wider community in decisions.

Other Inclusive Growth and Recovery Strategies
A new body of research on inclusive growth and recovery has emerged to build an evidence base for local policies and tools that city leaders can use to harness economic growth for shared prosperity (Ali and Son 2007; Benner and Pastor 2015; de Souza Briggs, Pendall, and Rubin 2015; McKinley 2010; Shearer et al. 2017). But the inclusive growth lens can obscure differences across local contexts and market conditions. Cities today are at different stages and trajectories of economic health. Much of the inclusive growth literature focuses on cities with strong or swiftly improving economies. Less of it
focuses on growth or recovery in cities that are weaker or growing more slowly. Therefore, cities should first work with their communities to better understand the unique challenges and opportunities in their region and then pull from some of the following examples and recommendations to undertake their recovery.

**HOUSING AND LAND USE**

The availability of affordable, high-quality, and well-located housing is key to fostering inclusive communities. To provide such housing, cities are already employing innovative strategies like community land trusts with shared-equity homeownership, inclusionary zoning, and direct investments in the development and preservation of affordable housing in high-opportunity neighborhoods. In Irvine, California, where median home prices increased by more than double the rate of wages between 1980 and 2002, a community land trust formed with the goal of increasing the number of affordable housing units by 9,700 by 2025.34 Inclusionary zoning, which requires real estate developers to include below-market-rate units in new projects, is a common method for increasing the supply of affordable housing across cities. As of 2016, inclusionary zoning laws existed in 886 jurisdictions in a total of 25 states and the District of Columbia (Thaden and Wang 2007).

Cities can also loosen land use restrictions to encourage development, which should, in the long run, reduce housing prices and increase equity and inclusion. Many housing economists have posited that the lack of affordable housing supply stems from overly restrictive land-use regulations and that loosening these restrictions might allow housing production to increase and therefore decrease prices (Glaeser, Gyourko, and Saks 2005; Malpezzi 1996; Quigley and Raphael 2005). However, others have argued that the elimination of these restrictions (e.g., through upzoning, removing parking minimums or height restrictions, or reducing setbacks) may not increase housing supply because loosened zoning reforms may simply legalize variance requests that boards of zoning adjustments already systematically approved, meaning the reforms do not change what developers build (Lo et al. 2020). And even if a change in regulations yields a supply increase, housing prices may not fall (or stop rising) accordingly. In rezoned neighborhoods, builders might convert lower-cost units into higher-cost ones, and the amenity effects from these conversions plus any attendant improvements to shopping, transportation, and public safety may, in turn, increase surrounding housing values further (Freemark 2020).35 Research on housing filtering (or the process by which properties age and depreciate into affordability) shows that new construction (even if sold at a high price) eventually creates openings in less expensive housing for lower-income residents, usually further outside the city center but in the same market (Mast 2019; Liu, McManus, and Yannopoulos 2020). However, in the short run, it is unclear what effect land-use reforms have on housing market supply and price. Therefore, to ensure land-use reforms do not cause displacement in the short run, the reforms should be paired with direct investments or requirements for the development of affordable housing (Stacy et al., forthcoming).

**LABOR MARKET AND PRIVATE SECTOR**

Steps should also be taken within the business sector, in collaboration with the government, to promote inclusivity. Business leaders can create and enforce antidiscrimination policies for hiring, training, and promotion.36 These policies can be supplemented by a variety of artificial intelligence and
natural language processing programs with the aim of removing as much bias as possible. Removing all bias is impossible because the technology is created by people, but harm reduction is important.

Cities should also work to subsidize small and midsize businesses to avoid layoffs and support retraining. As mentioned, supporting small businesses is key to ensuring an equitable recovery, because small businesses employ almost half of workers across the US and because businesses with Black, Latinx, and Asian owners are seeing higher closure rates than those owned by white people (Misera 2020).

Businesses should also partner with the government and civic sectors to provide digital products and services to discriminated populations. Capital can also be redirected toward underresourced communities. All of this is to increase growth and particularly to make that growth inclusive, which means meeting people who have been underresourced and discriminated against where they are.

EDUCATION
To close education achievement gaps, cities should prepare teachers for increasingly diverse classrooms, increase the share of teachers of color, boost funding and direct it to poorer students, and focus immediately on closing the reading achievement gap (Gallagher and Chingos 2017). For example, the 55,000 Degrees initiative in Louisville, Kentucky, has an explicit target of 15,000 African American residents receiving a college degree by 2020 to improve labor-market outcomes. This meets a larger economic development goal of a highly educated workforce that can draw new industry and incubate new business, something that will likely be a key factor among cities that thrive in the coming decades (Dirks, Gurdgiev, and Keeling 2010). Although budgets are often tied to state and federal funds and revenue from local property taxes, creative cross-sector solutions such as public-private partnerships can supplement weak funding streams.

TRANSPORTATION
In some cities, increased density in the urban core by higher-income residents has led to the displacement of lower-income residents into the suburbs. In other cities, a loss of the manufacturing industry and decades of population decline and suburban flight have led to the opposite problem: disinvestment in the urban core and the concentration of higher-income residents in the suburbs (Mallach and Brachman 2013). In both cases, these patterns of growth and decline have led to a spatial mismatch between where jobs are located and where job seekers live.

This spatial mismatch has caused high unemployment rates and longer spells of joblessness among lower-paid workers (Andersson, Klaesson, and Larsson 2014; Brueckner and Zenou 2003). Black residents, women, and older workers are more sensitive to job accessibility than are other subpopulations (Andersson et al. 2018). Equitable and quality transportation systems can help address spatial mismatch and increase upward economic mobility. According to Raj Chetty’s Equality of Opportunity project, shorter commute times are a significant predictor of upward economic mobility (Chetty et al. 2014). Reduced commute times and costs could decrease the unemployment rate among disadvantaged communities and increase equity in employment and income.
Though increased investments in transportation can help reduce commute times for these workers, new transit investments can, absent proper antidisplacement efforts, lead to an increase in housing prices and a lack of affordable rental units for low-income renters, who are more likely to be people of color (Martin and Beck 2018; NLIHC 2019). Transportation investments (and potential subsequent gentrification) may displace people and increase inequitable outcomes for communities that could have benefited the most from transit access (Rayle 2015; Revington 2015). Therefore, pairing investments in transportation with investments in affordable housing is paramount to ensuring an inclusive recovery.

DIGITAL INCLUSION

Inequities in broadband access became abundantly apparent during the COVID-19 pandemic and associated transition to online learning and work. Increasing access to the internet combats “digital redlining” and increases opportunity to excluded people, which is necessary for economic growth. Some cities, such as Boston and Los Angeles, have found ways to increase online access. In Boston, policies incentivized competition between tech companies, thus reducing the price of the internet for all. Los Angeles now requires equal numbers of new installations of 5G networks in wealthy neighborhoods and “digitally impoverished” areas. Before equitable digital access is attained, noninternet strategies for digital communication must be implemented by city governments, such as dial-in options for online gatherings, text banking, and phone banking.

ECONOMIC DEVELOPMENT AND FISCAL POLICY

City governments can also redirect current investments to encourage inclusive economic development. Local areas should build mixed-income neighborhoods by investing in inclusive zoning to combat spatial segregation (Mastercard 2020). Funds should also be redirected to public resources for home ownership, entrepreneurship, and increased savings in marginalized communities to combat histories of predatory lending practices (Caplan 2014).

Smart fiscal policy should also be a part of this economic development strategy. For example, city stakeholders and private-sector leaders can use tax incentives for reinvestment in distressed neighborhoods such as the New Markets Tax Credit and Opportunity Zone investments. To ensure that these investments spur growth that benefits low-income incumbent residents, leaders can use tools such as the Opportunity Zone Community Impact Assessment tool to ensure that the projects have maximum community impact.

Tracking and Monitoring Inclusion over Time

Evidence suggests that monitoring data and indicators in real time can help improve city outcomes (Allwinkle and Cruickshank 2011; Hancke, de Carvalho e Silva, and Hancke Jr. 2013; Townsend 2013). Selecting inclusion metrics to monitor over time can help city leaders and their partners understand inclusion goals and keep them in mind as priorities shift. And these inclusion metrics should be selected in collaboration with the community. An inclusive process of choosing inclusion metrics ensures that they are measuring the correct outcomes and that community members feel ownership over their success.
Public tools also exist to help track and monitor inclusion over time. For instance, the Urban Institute’s Spatial Equity Data Tool can be used to identify disparities in cities and help target investments to areas that will increase equity. It was designed specifically to help city officials, community organizations, and residents quickly access and understand spatial and demographic disparities.45 This tool can also help future policymakers reveal current biases in datasets used to make decisions on resource allocation. For example, in a dataset on public Wi-Fi hotspots in New York City, the tool demonstrates how public Wi-Fi hotspots are most overrepresented in Manhattan census tracts. It also shows us that white people are significantly overrepresented in the dataset and that extremely low-income residents are significantly underrepresented. This indicates that there are not enough public Wi-Fi hotspots for extremely low-income residents and implies that more work should be done to understand their experiences and remediate this.

Data should also be used to create the policies and practices that are part of the recovery strategy. For instance, data can be used to help prioritize the reopening of transit lines following the COVID-19 pandemic and identify areas in need of additional transit investments46 as well as to identify neighborhoods in most need of rent relief.47 Data can help ensure that equity and inclusion are central to all decisions rather than a tertiary concern that is monitored after a decision is made.

Looking ahead, cities that integrate ways to monitor the impact of their economic and racial inclusion efforts will accelerate their progress and contribute to a broader field of urban practice. Without continually monitoring impact, there is little guarantee of long-term inclusive recovery.

Ensuring an Inclusive Recovery Following the COVID-19 Pandemic

For cities to truly embrace inclusivity, they must focus on how their policies and systems shape their physical landscape, the choices their residents have in where to live, and the links between place and opportunity in neighborhoods. Understanding and tracking inclusion over time at the city level is a first step toward advocating for and driving policy solutions to dismantle an unjust past and present.

Additionally, if cities across the country are to forge more inclusive futures, policymakers, legislators, and planners must directly confront the legacy of segregation they perpetuate. This legacy has created and worsened disparities in employment, education, environment, housing, and opportunity. City leaders should work with their residents, particularly those who have been historically excluded from decisions, to identify concrete steps to increase equity and inclusion in the wake of the pandemic.
Notes


27 Our 2013 data indicate this share as 22.6 percent. See also Wachter (2013).


32 See the Lowell Southeast Asian Water Festival website at http://lowellwaterfestival.org/.

33 See also the National Equity Atlas from PolicyLink and the USC Equity Research Institute, at https://nationalequityatlas.org/.


References


About the Authors

Christina Plerhoples Stacy is a principal research associate in the Metropolitan Housing and Communities Policy Center at the Urban Institute, where she specializes in urban economics, equity, and inclusion. Dr. Stacy’s work focuses on the intersection of economics and urban spaces and how housing, transportation, local economies, health, and crime interact.

Olivia Fiol is a research assistant in the Metropolitan Housing and Communities Policy. Her research interests include housing affordability, economic mobility, and food security.
Acknowledgments

This brief was funded by the Pew Charitable Trusts. 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 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.

Thank you to Yonah Freemark for his review and to Michael Marazzi for his editing.