

Opportunity Zones and Race



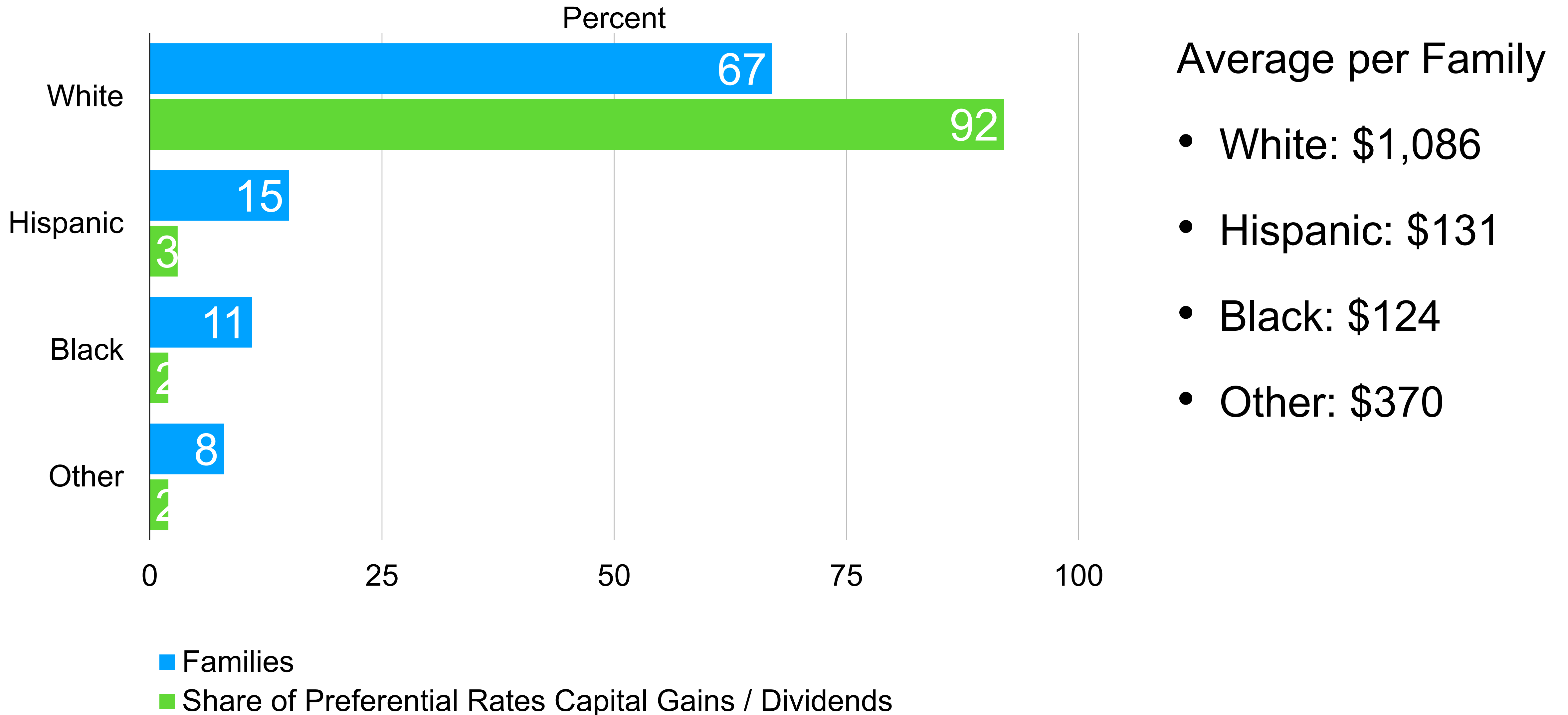
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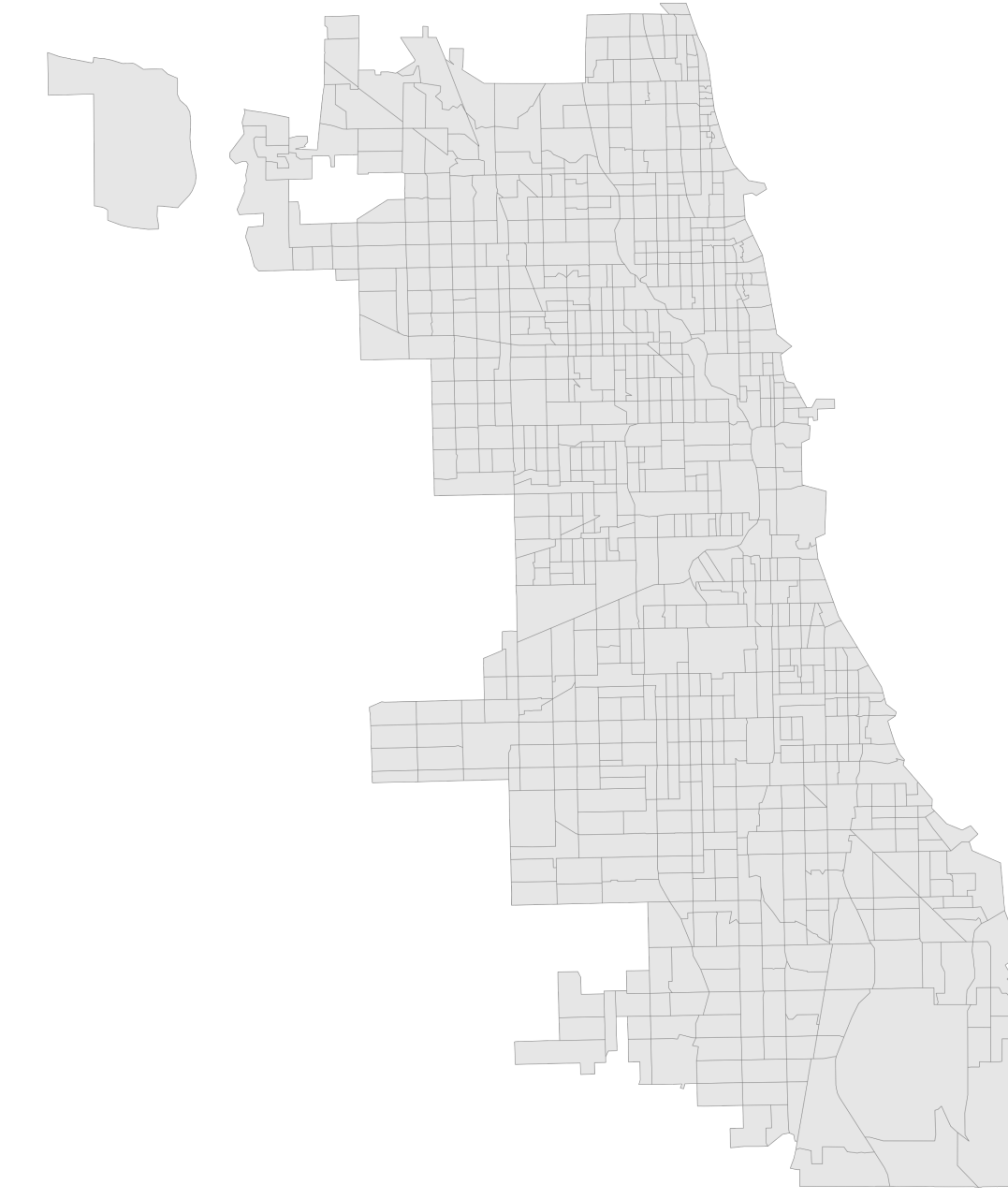
Early Insights from OZ Implementation

- Distribution of OZ investment capital is focused on 16% of designated tracts.
- Tracts with investments have increasing population, educational attainment, income, and home values and decreasing elderly and nonwhite residents.
- How can we secure community benefit for those most in need through this policy?
- Question of race - not just composition of OZ communities, but composition of beneficiaries of capital gains preferences.

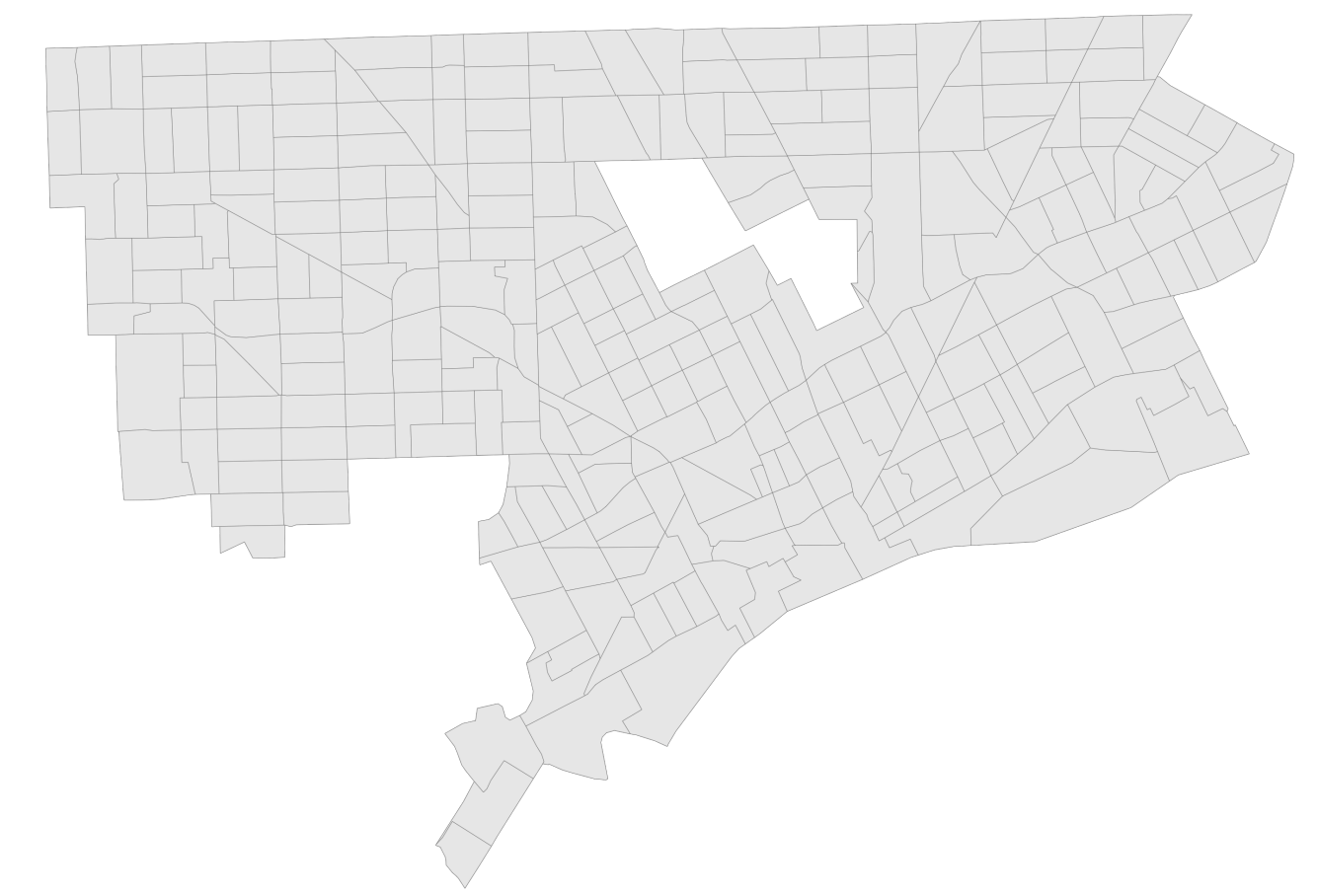
Tax Expenditures by Race and Ethnicity (2023)



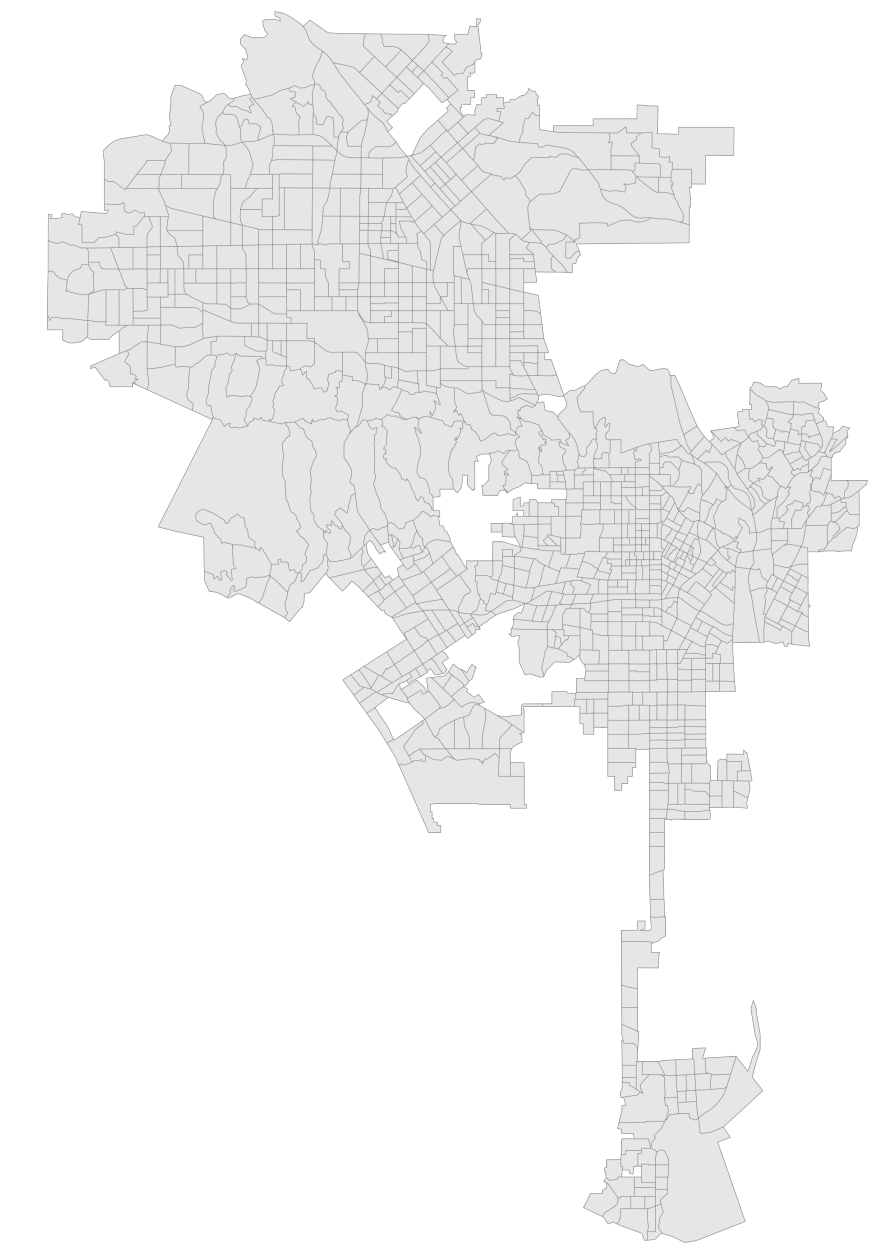
Chicago



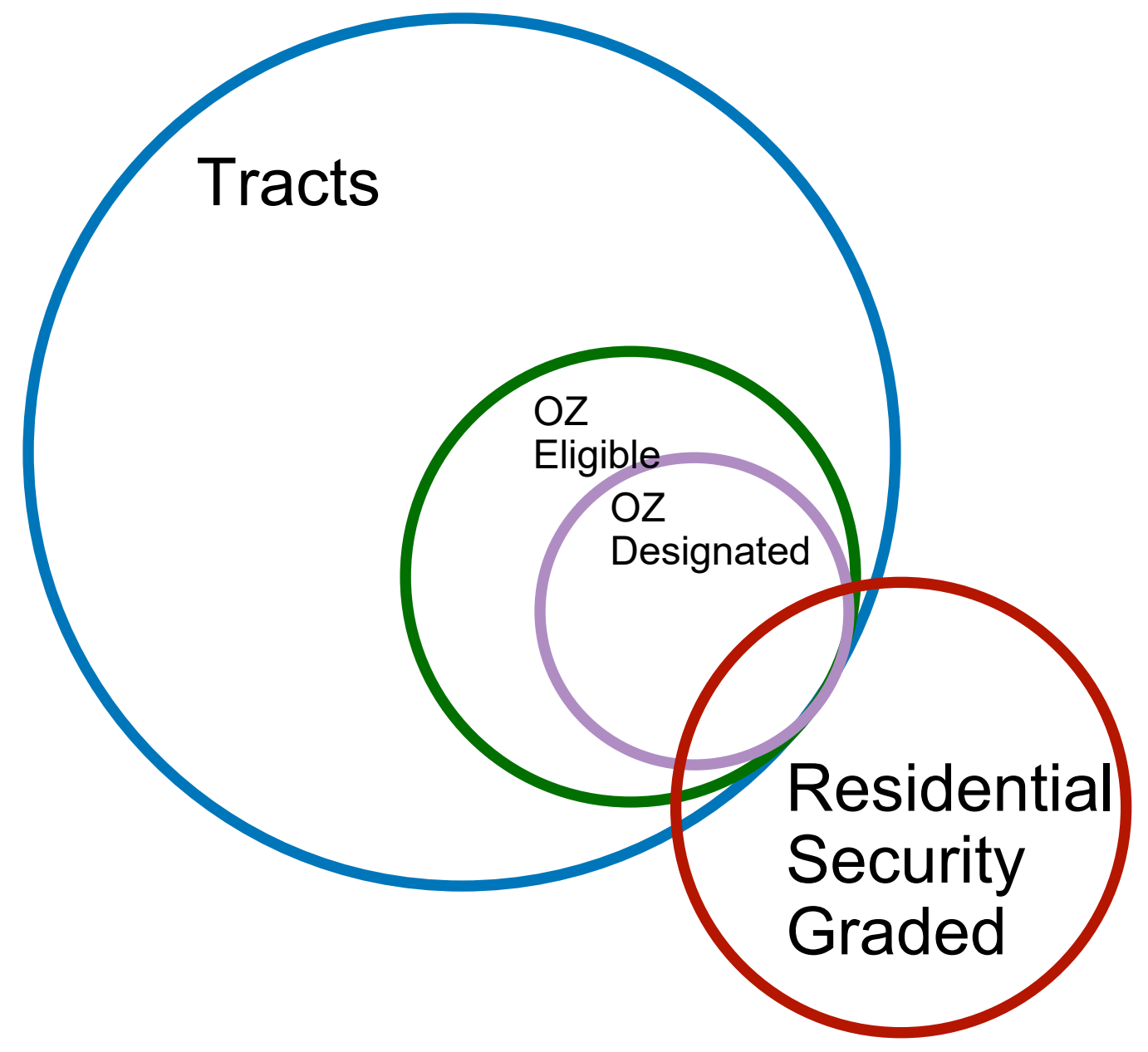
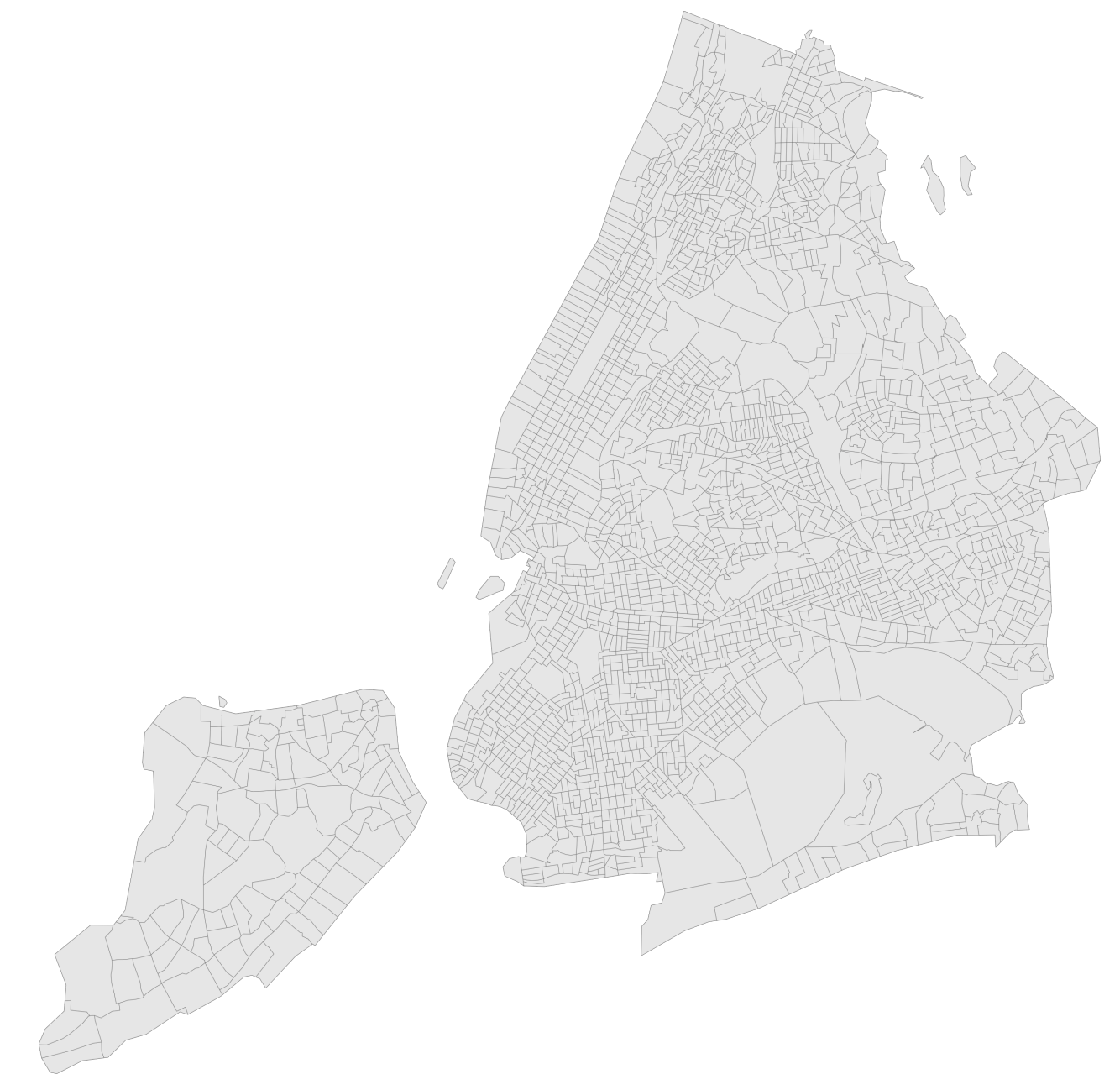
Detroit



Los Angeles

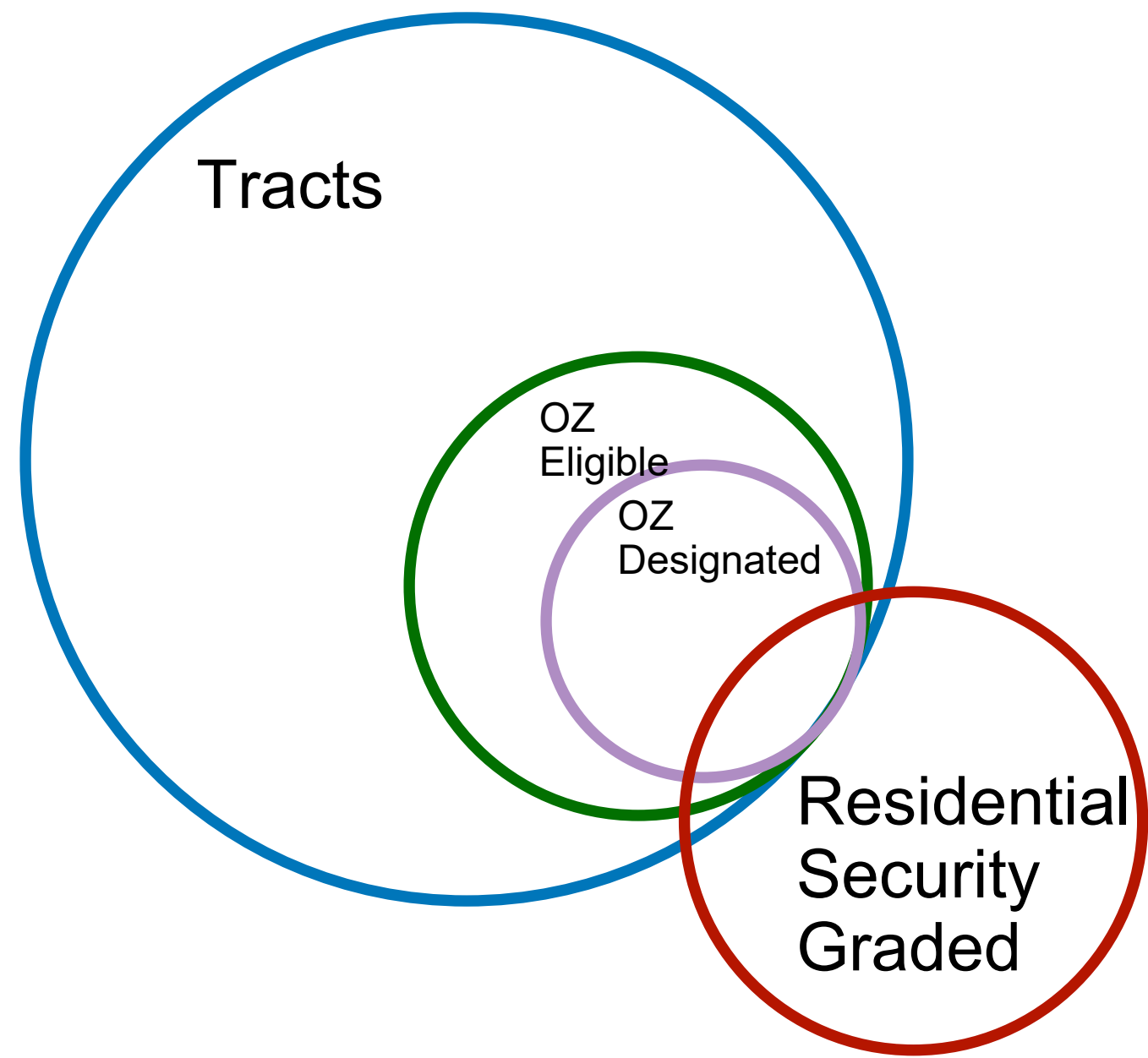


New York

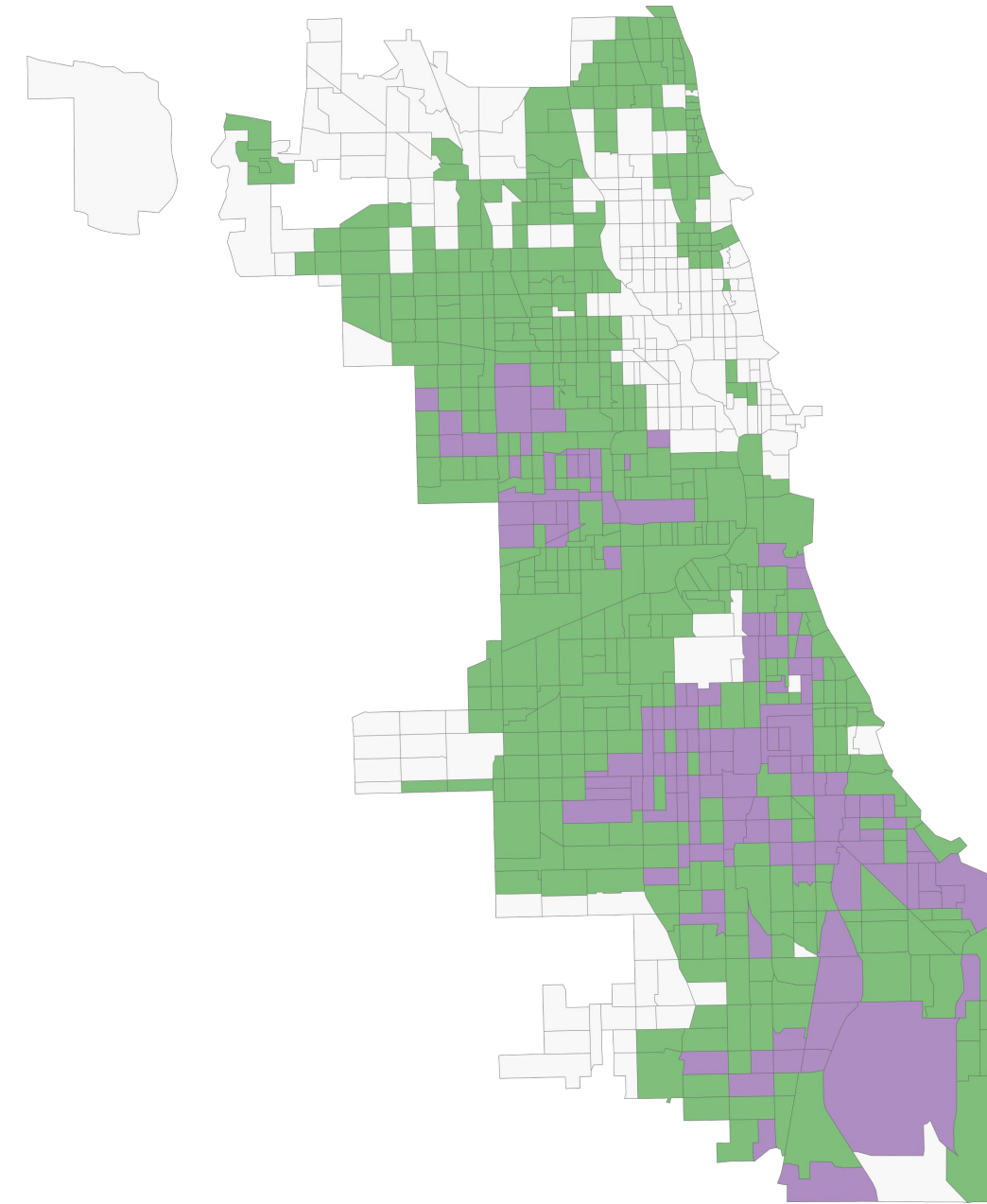


Tracts

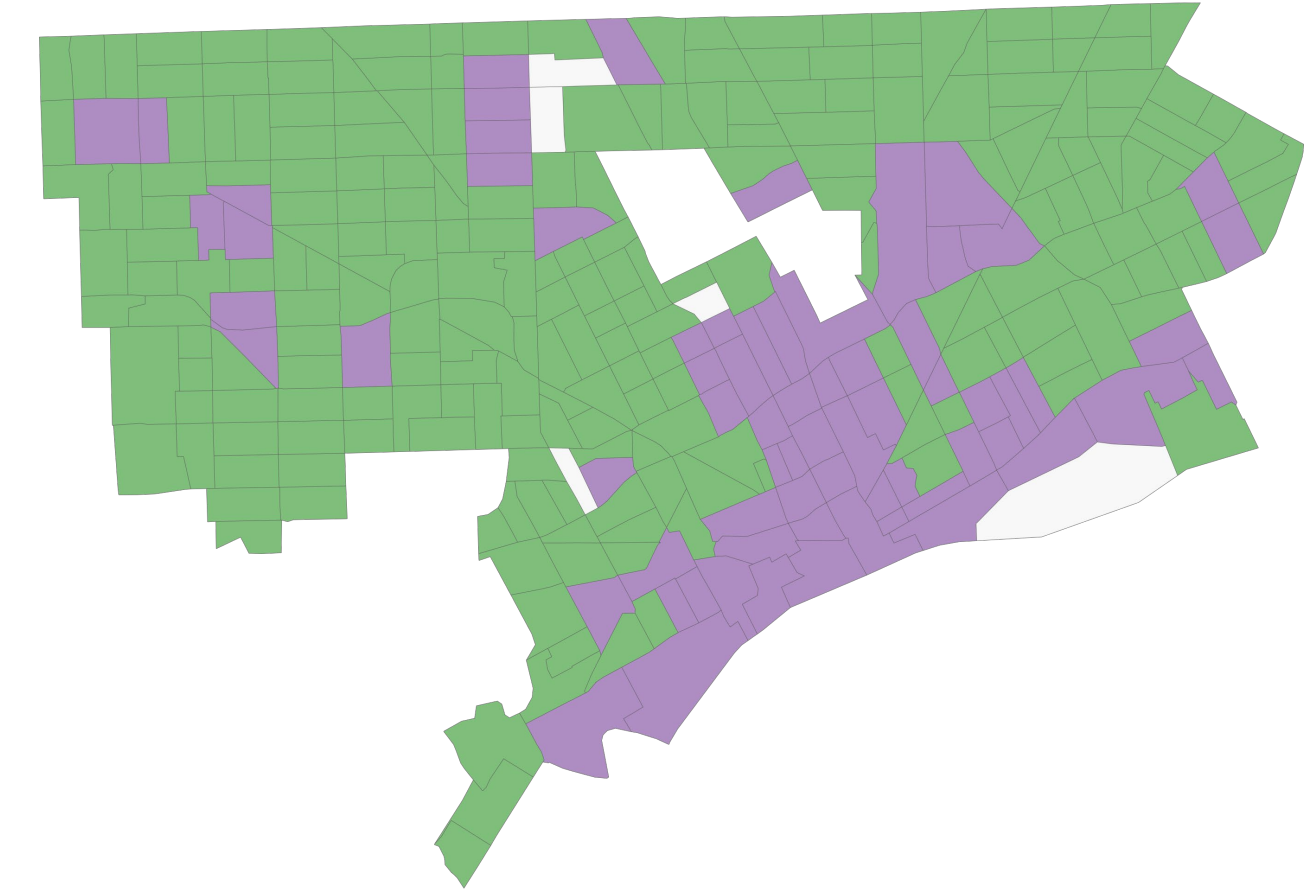
- Total: **73,874 (12%B, 39%NW)**
- OZ Eligible: **42,164**
 - OZ Designated: **8,762**
 - OZ Not Designated: **33,402**
- Residential Security Graded: **11,399**



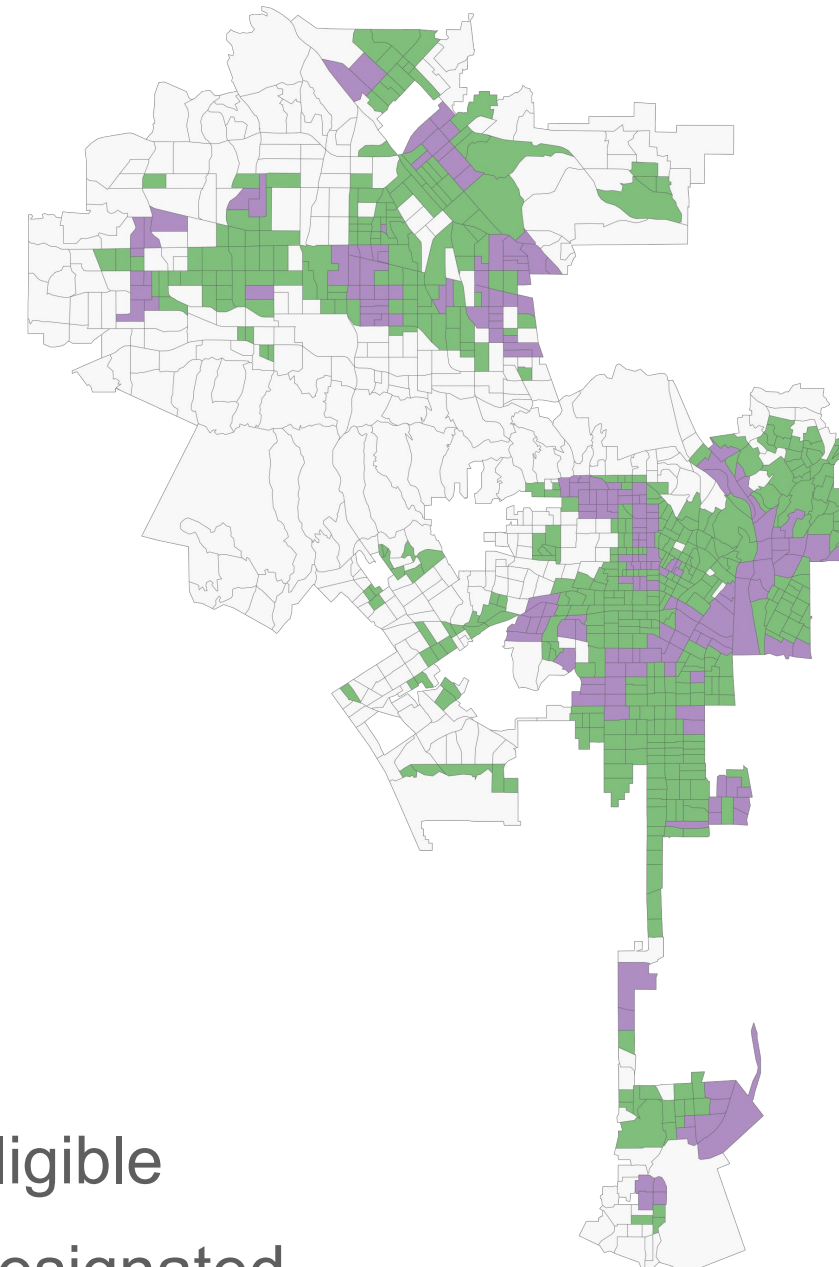
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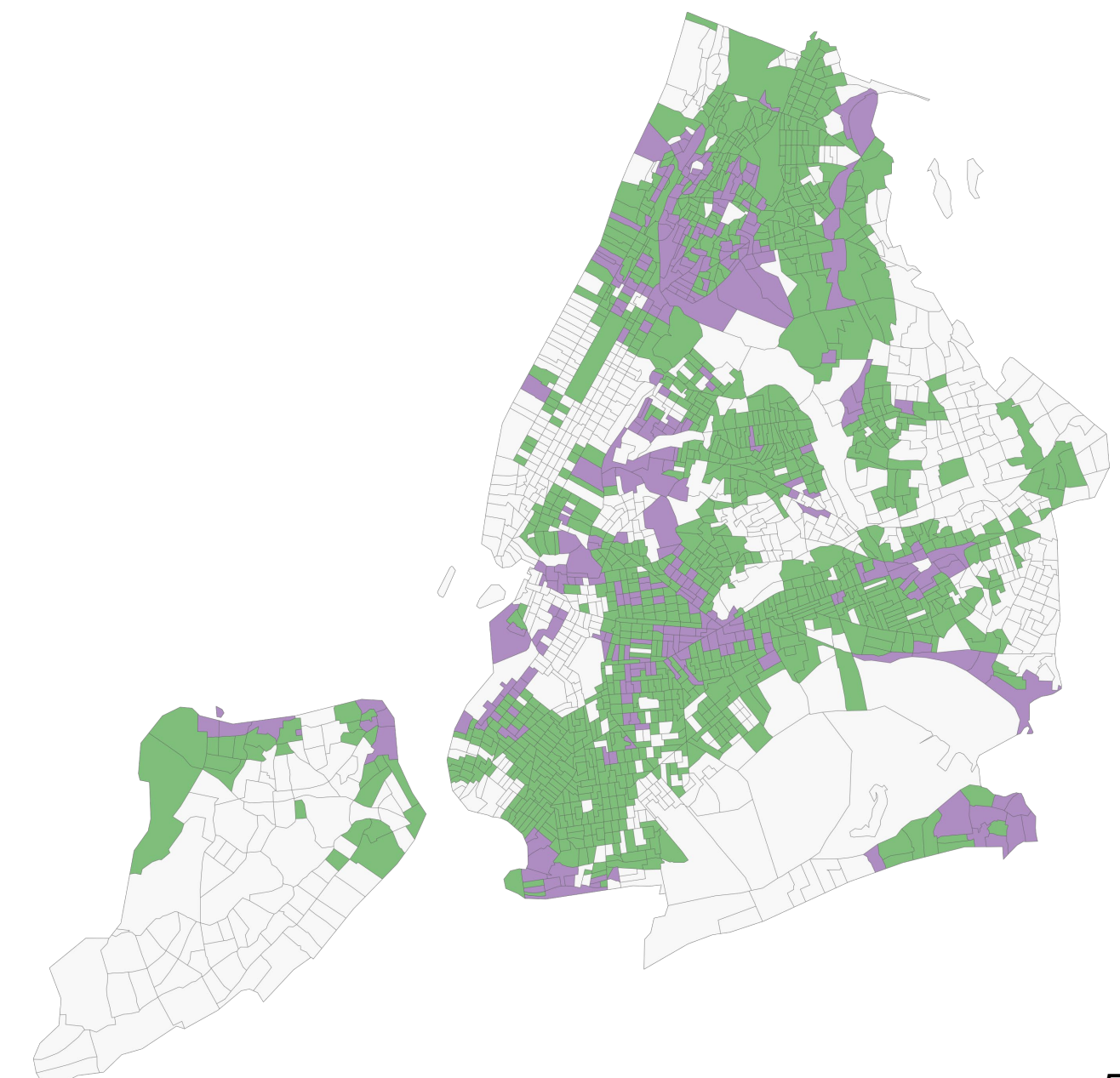
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Los Angeles

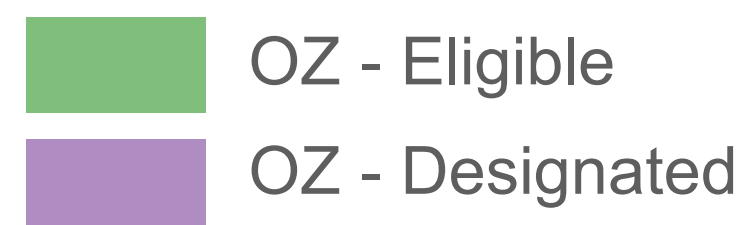


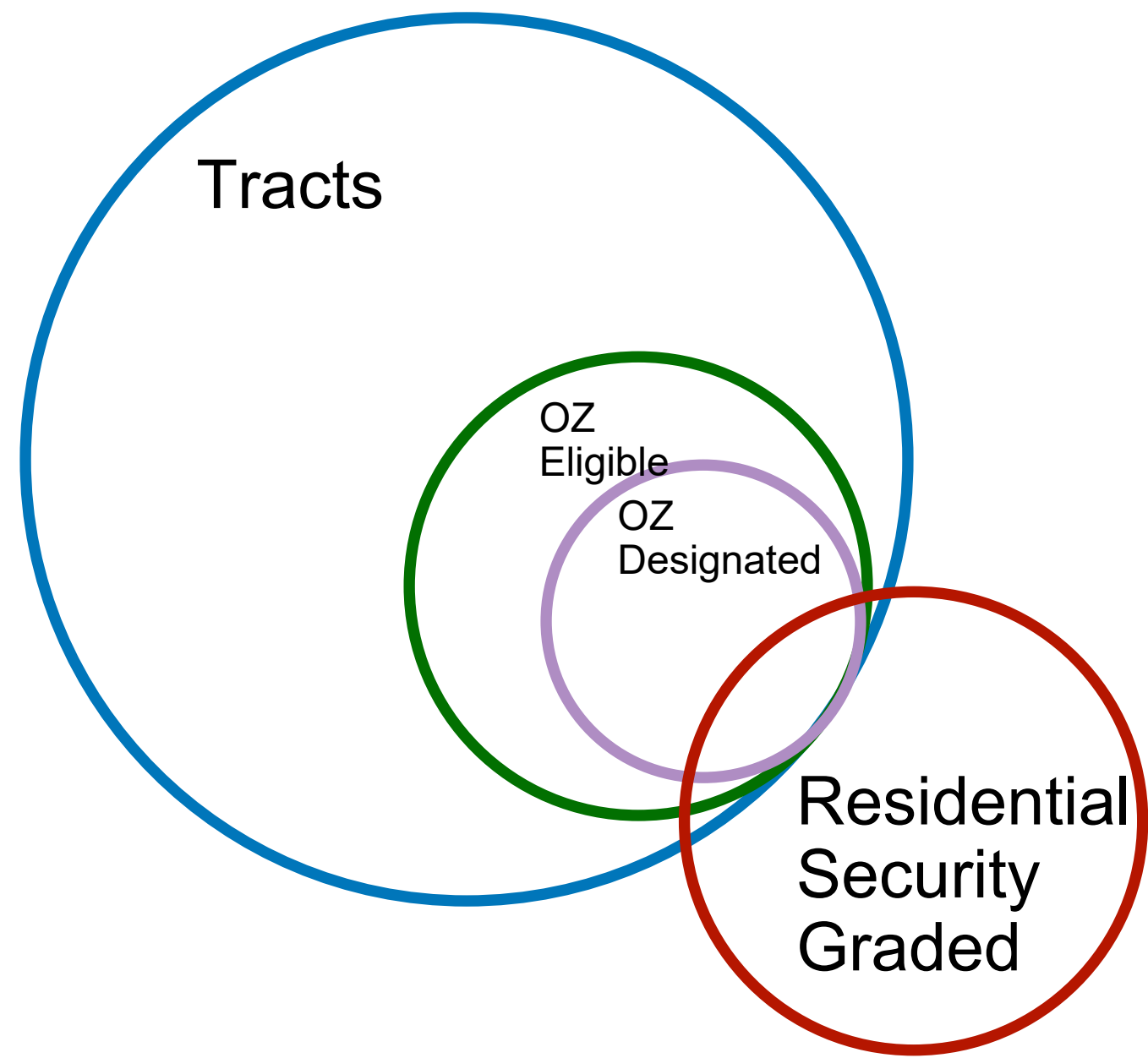
New York



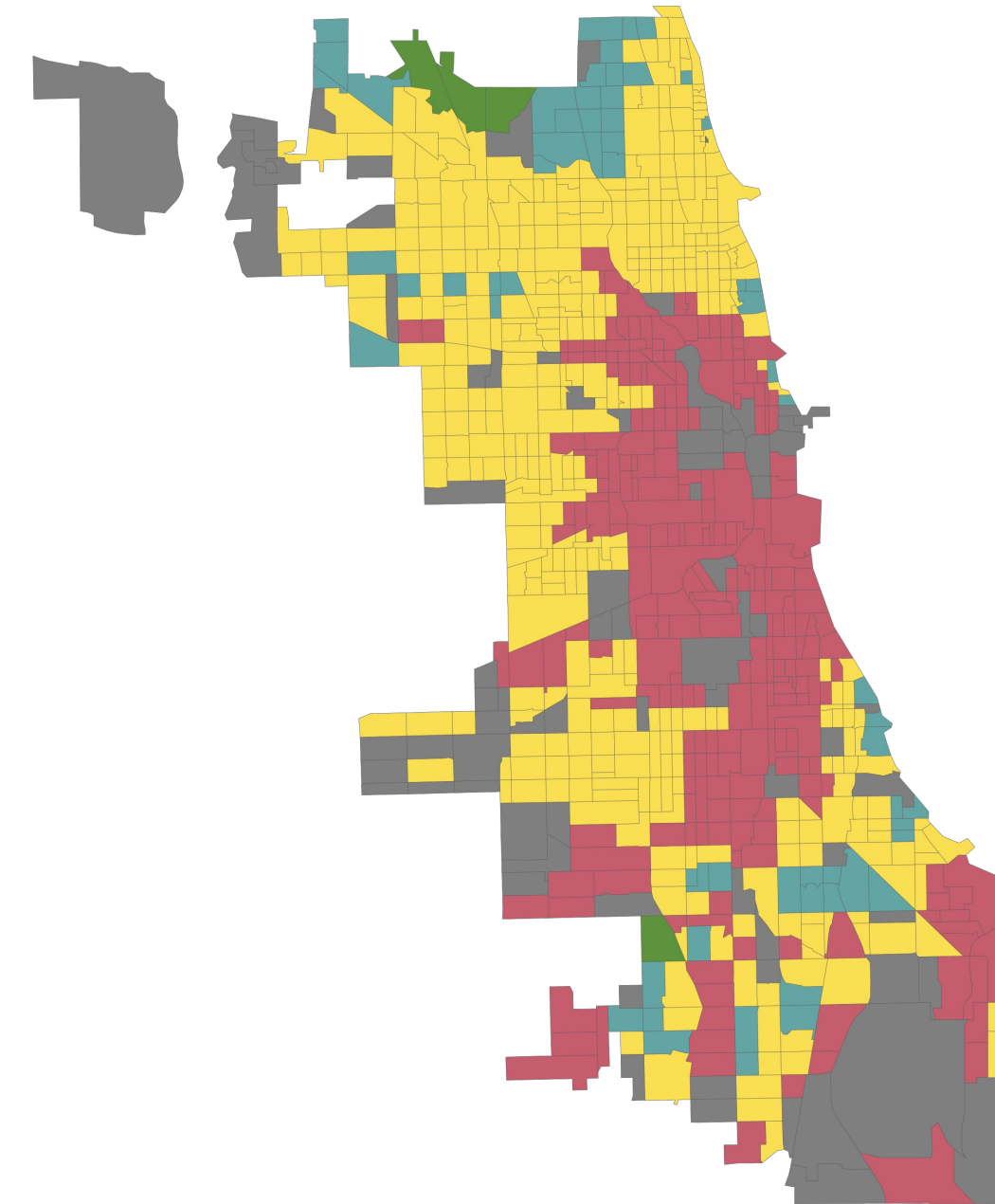
Tracts

- Total: **73,874** (12%B, 39%NW)
- OZ Eligible: **42,164** (17%B, 49% NW)
- OZ Designated: **8,762** (21%B, 60% NW)
- OZ Not Designated: 33,402 (16%B, 46%NW)
- Residential Security Graded: **11,399**

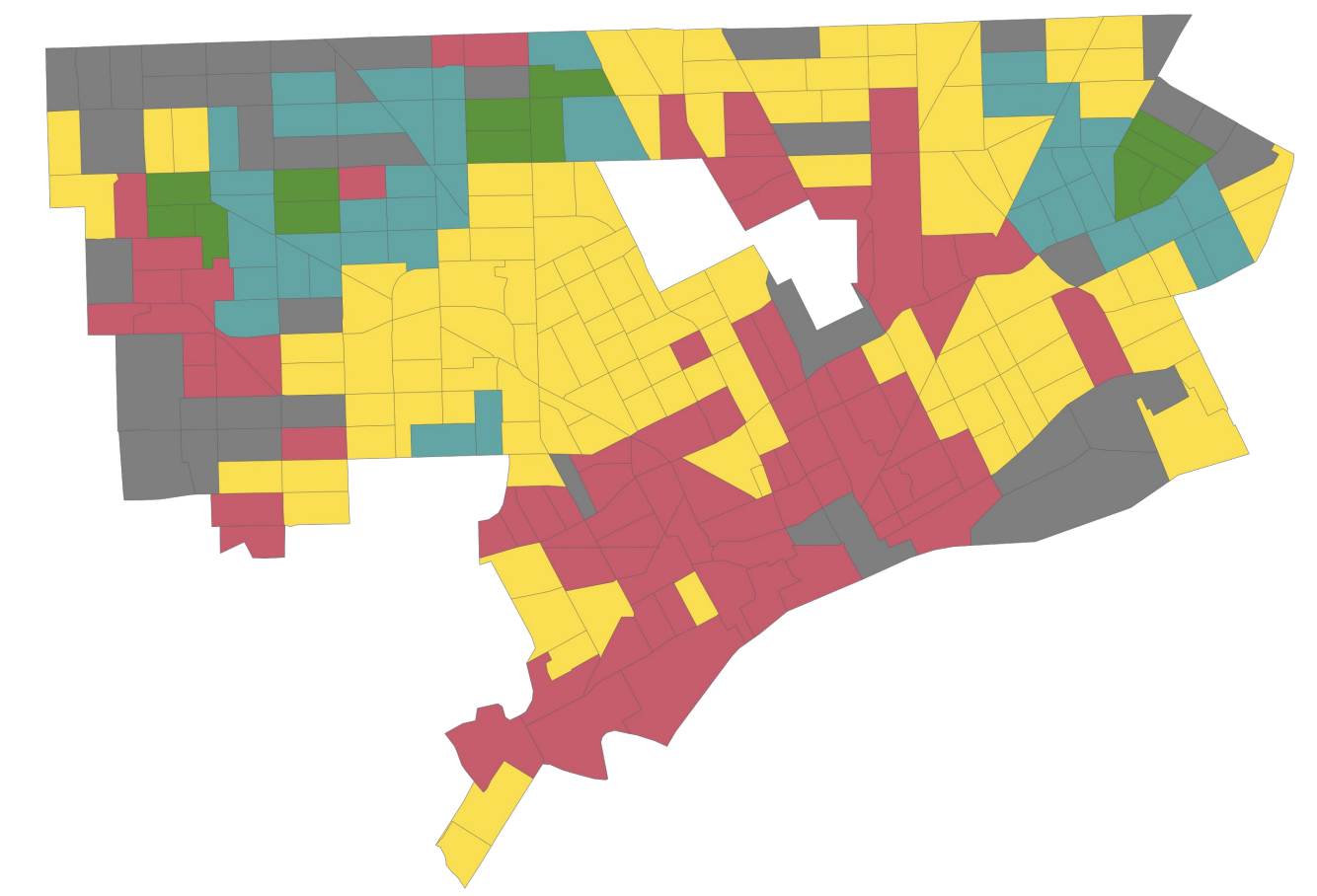




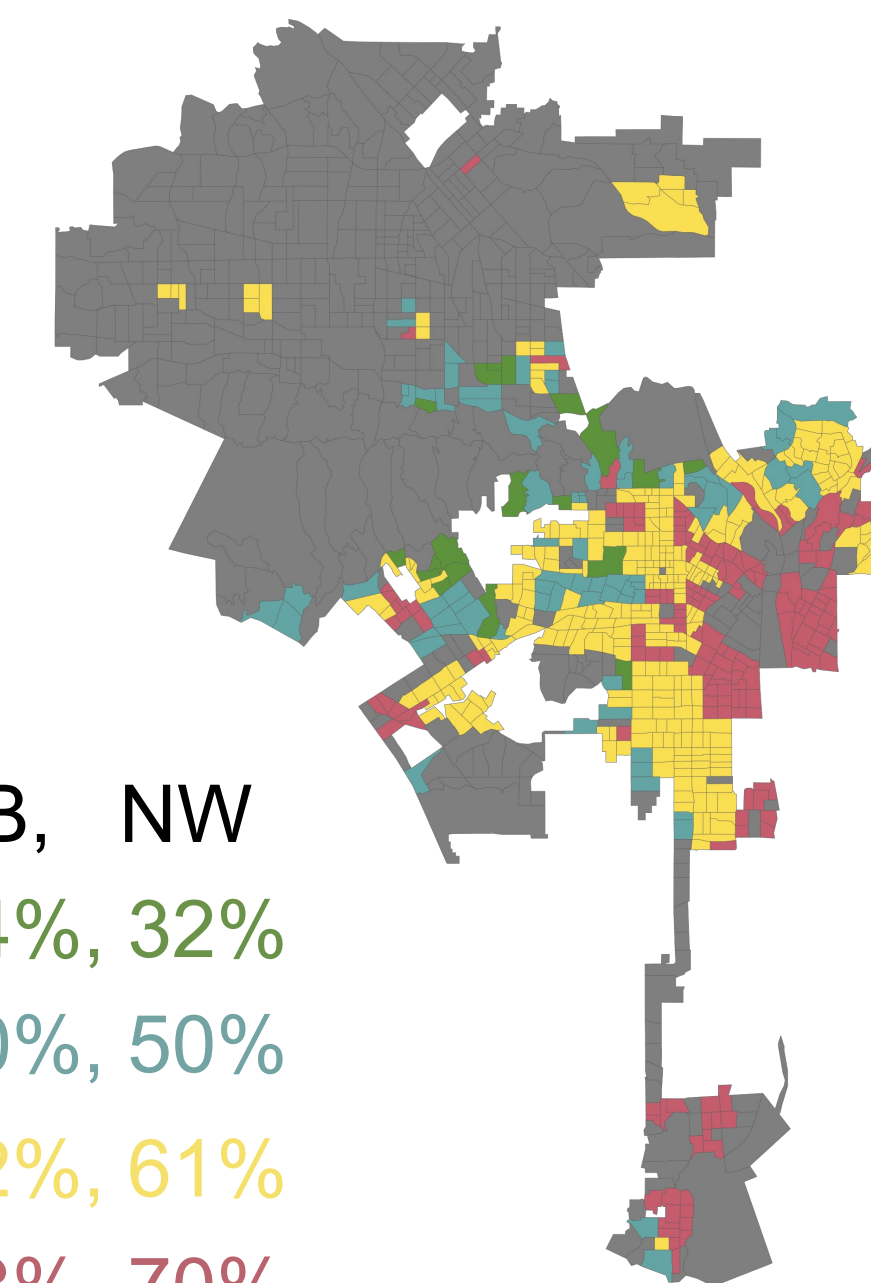
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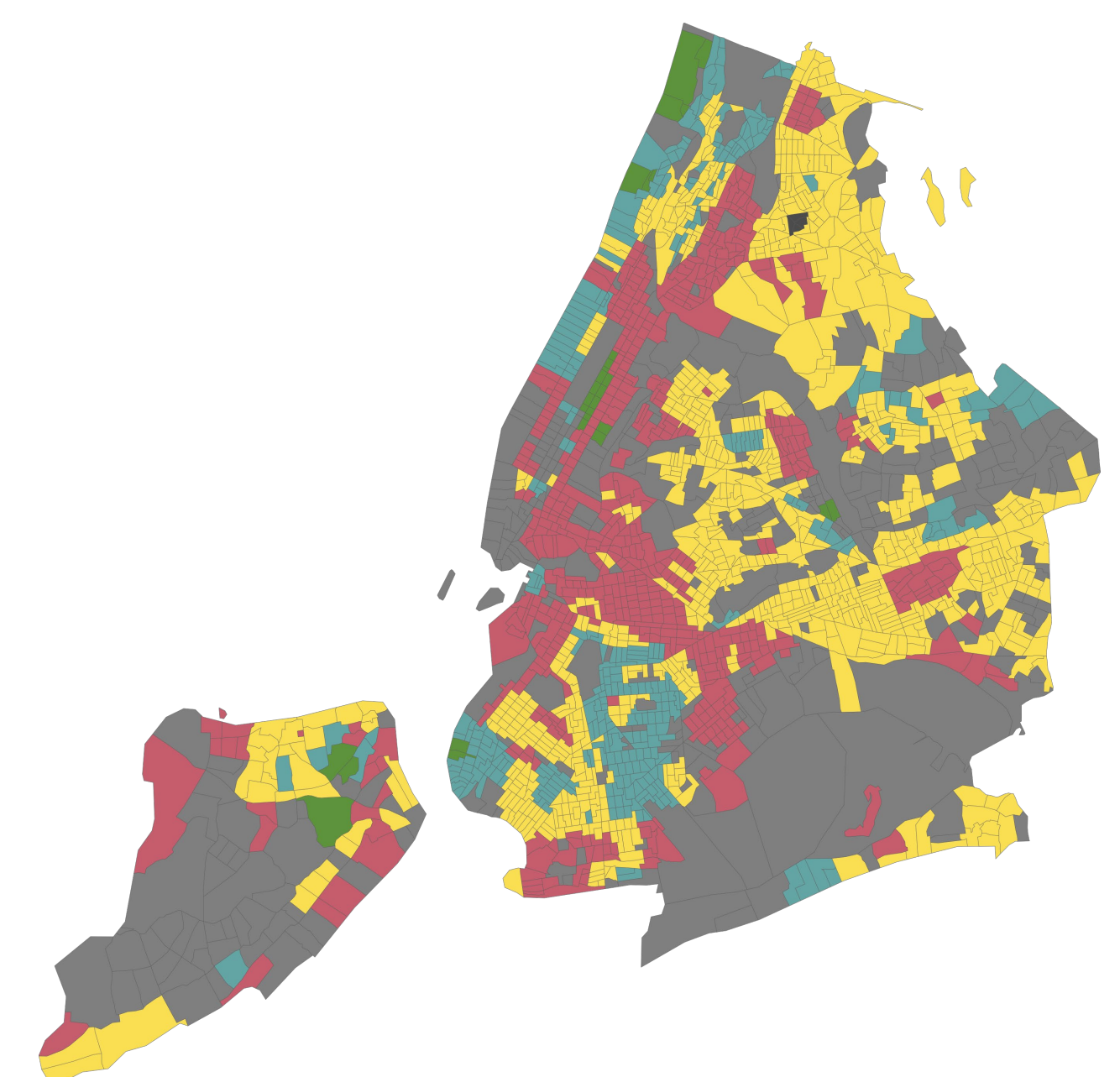
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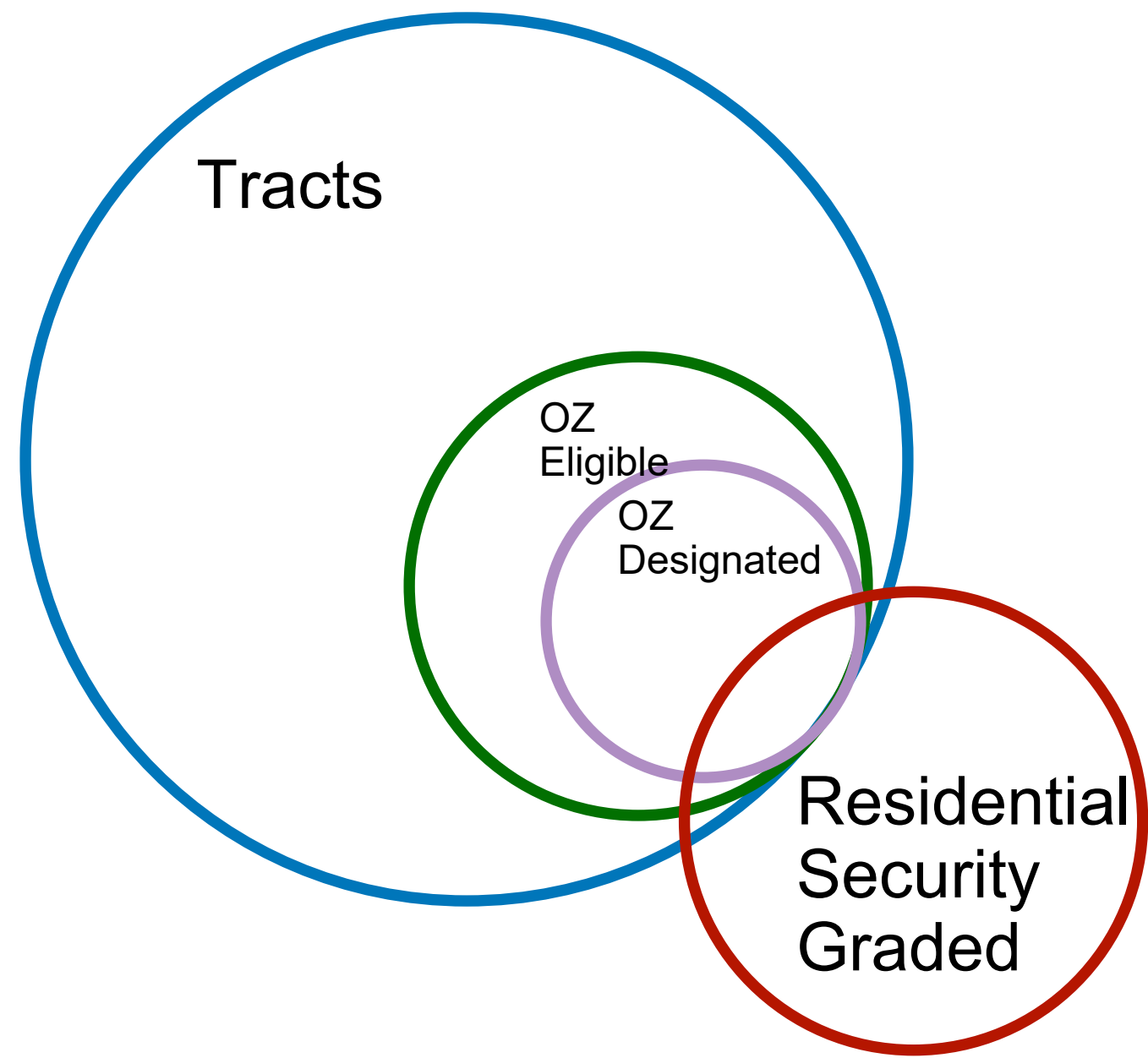
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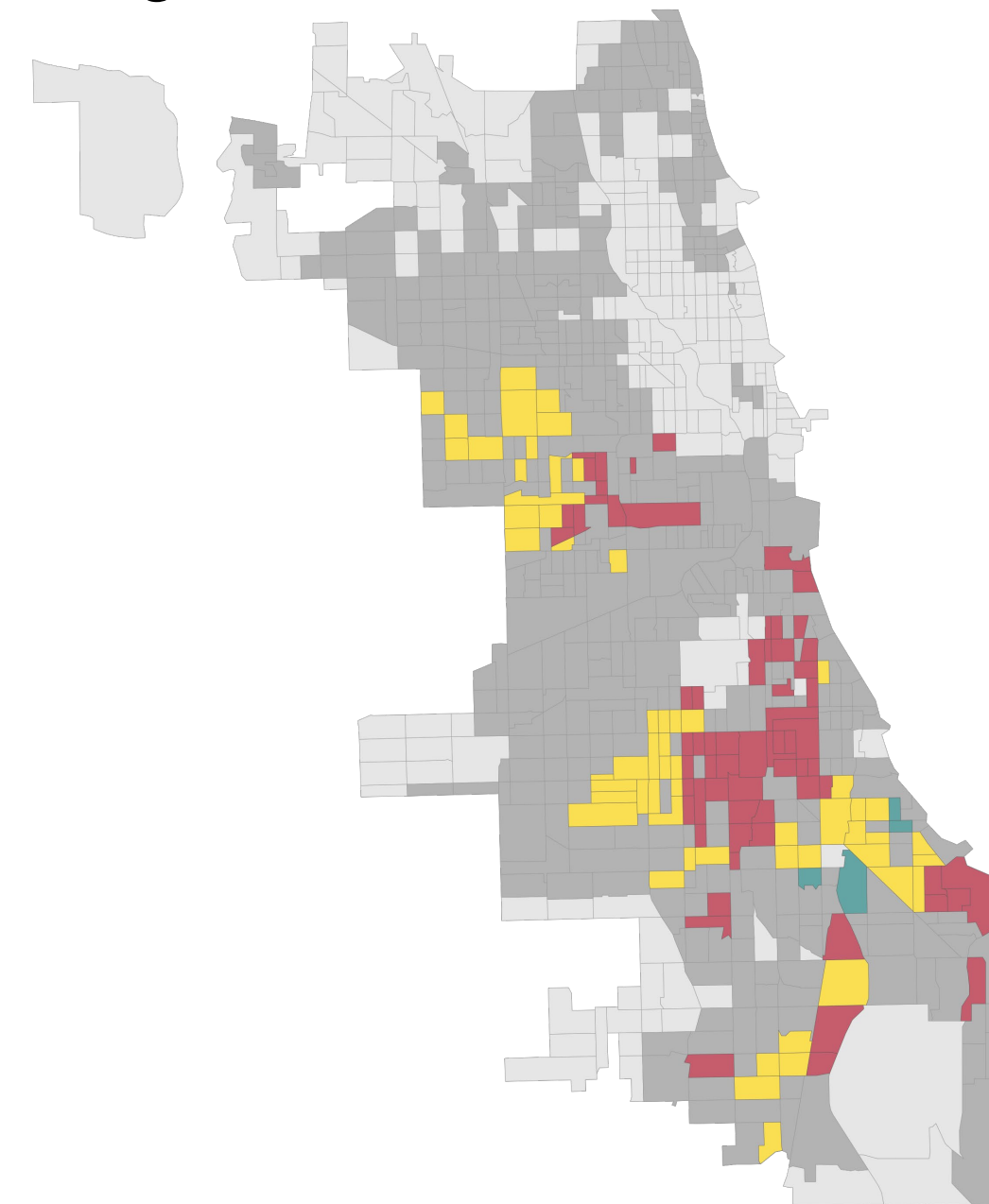
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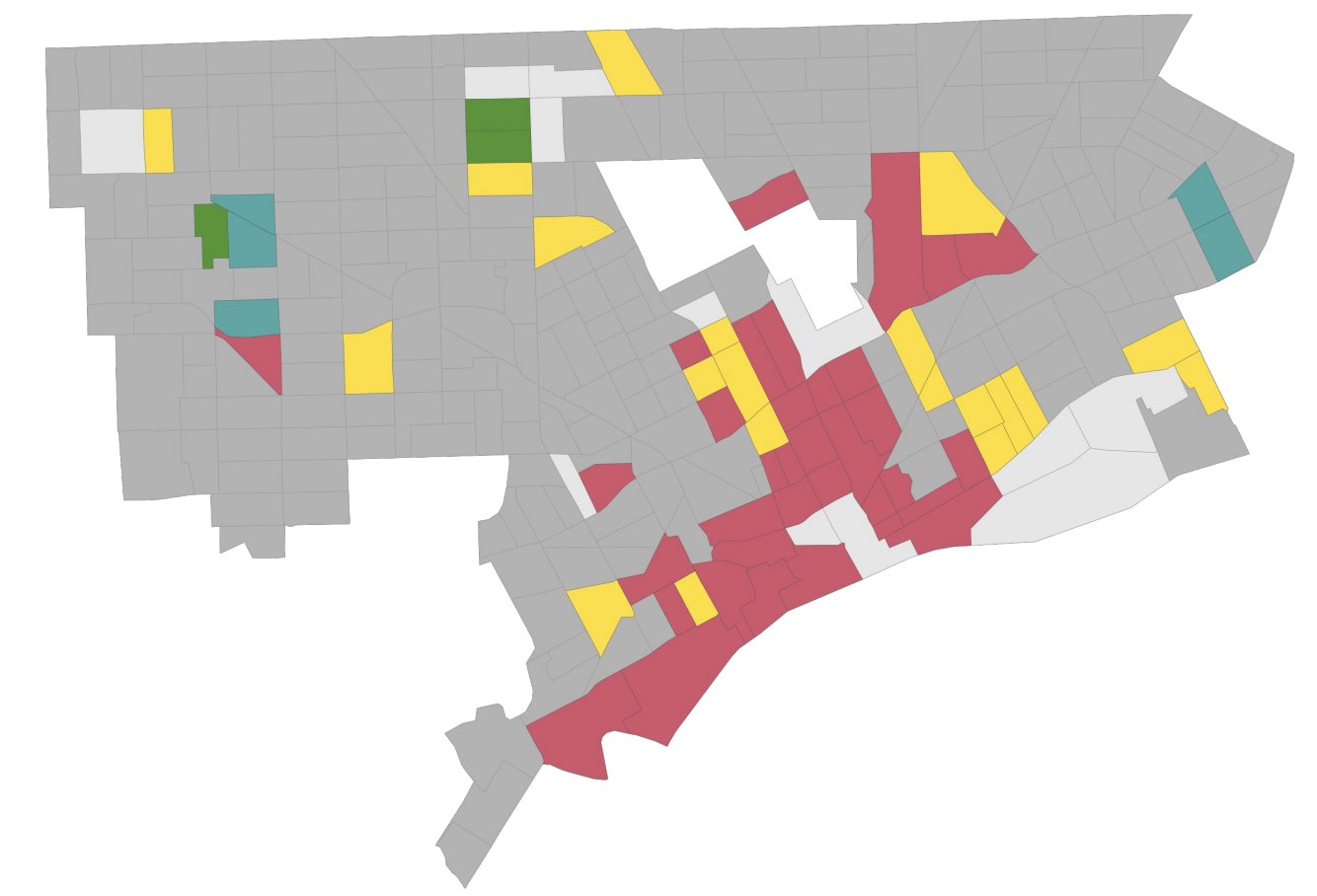
	B	NW
A	14%	32%
B	20%	50%
C	22%	61%
D	28%	70%



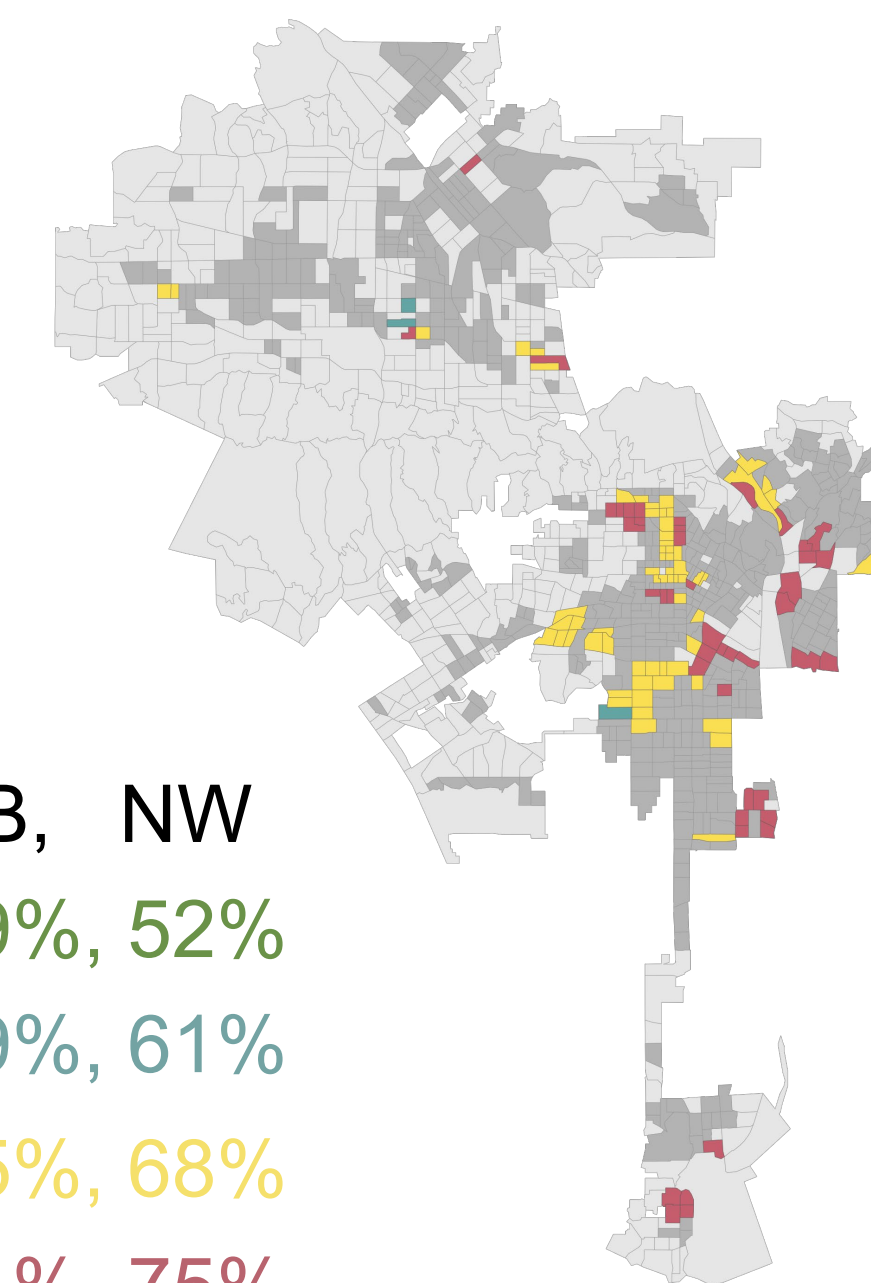
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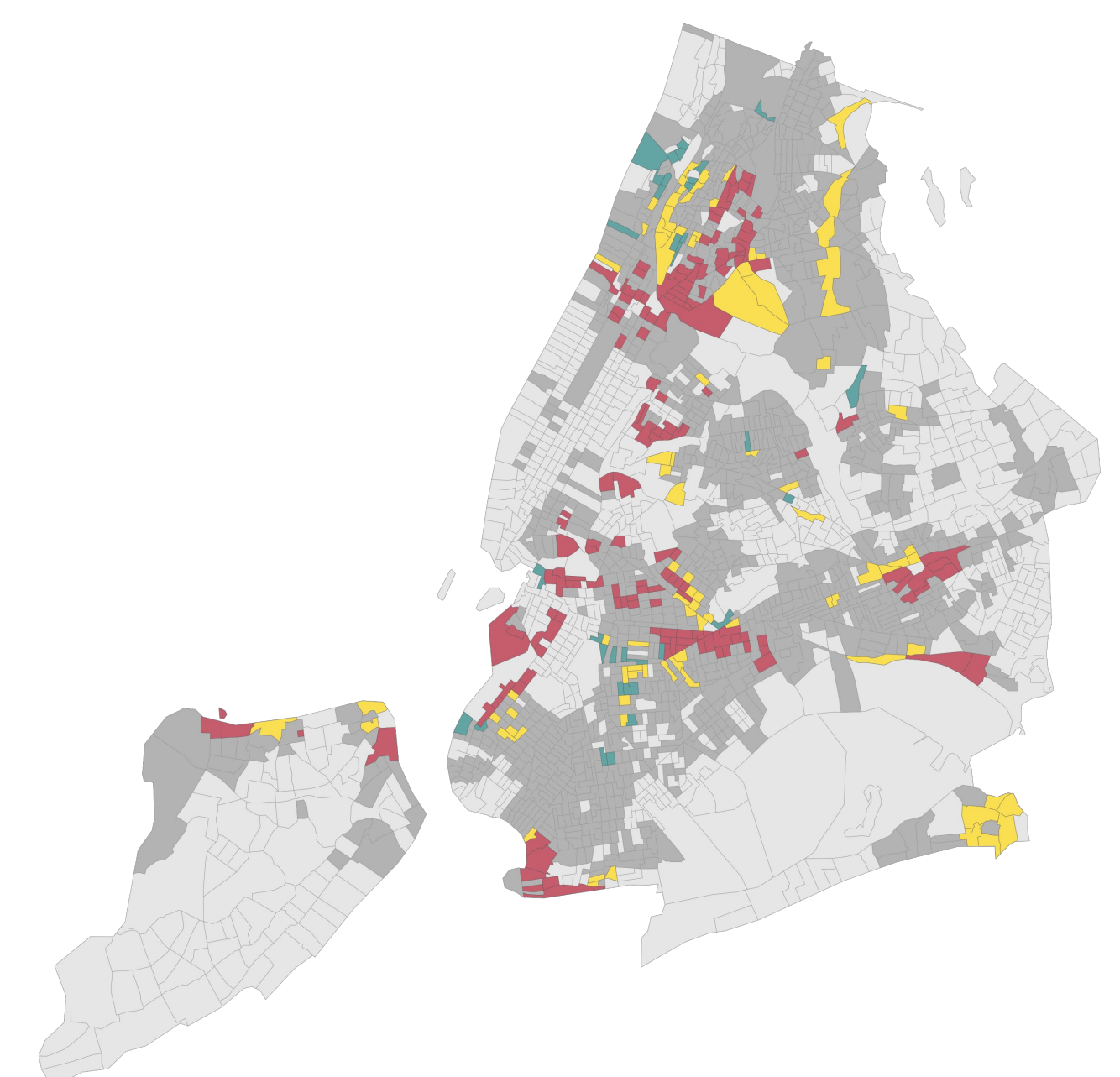
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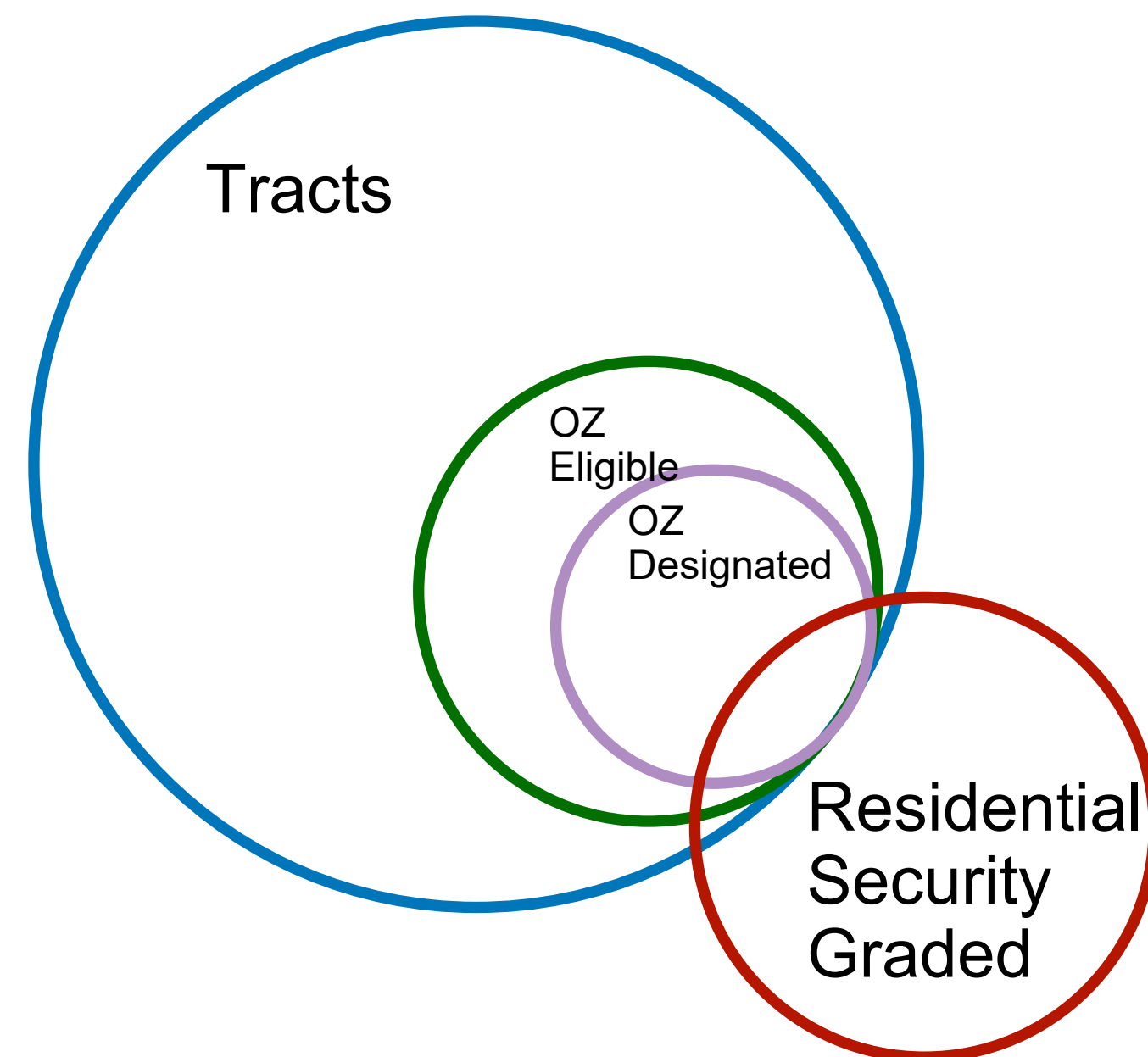
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B, NW

	A	29%, 52%
	B	29%, 61%
	C	25%, 68%
	D	31%, 75%

National Picture



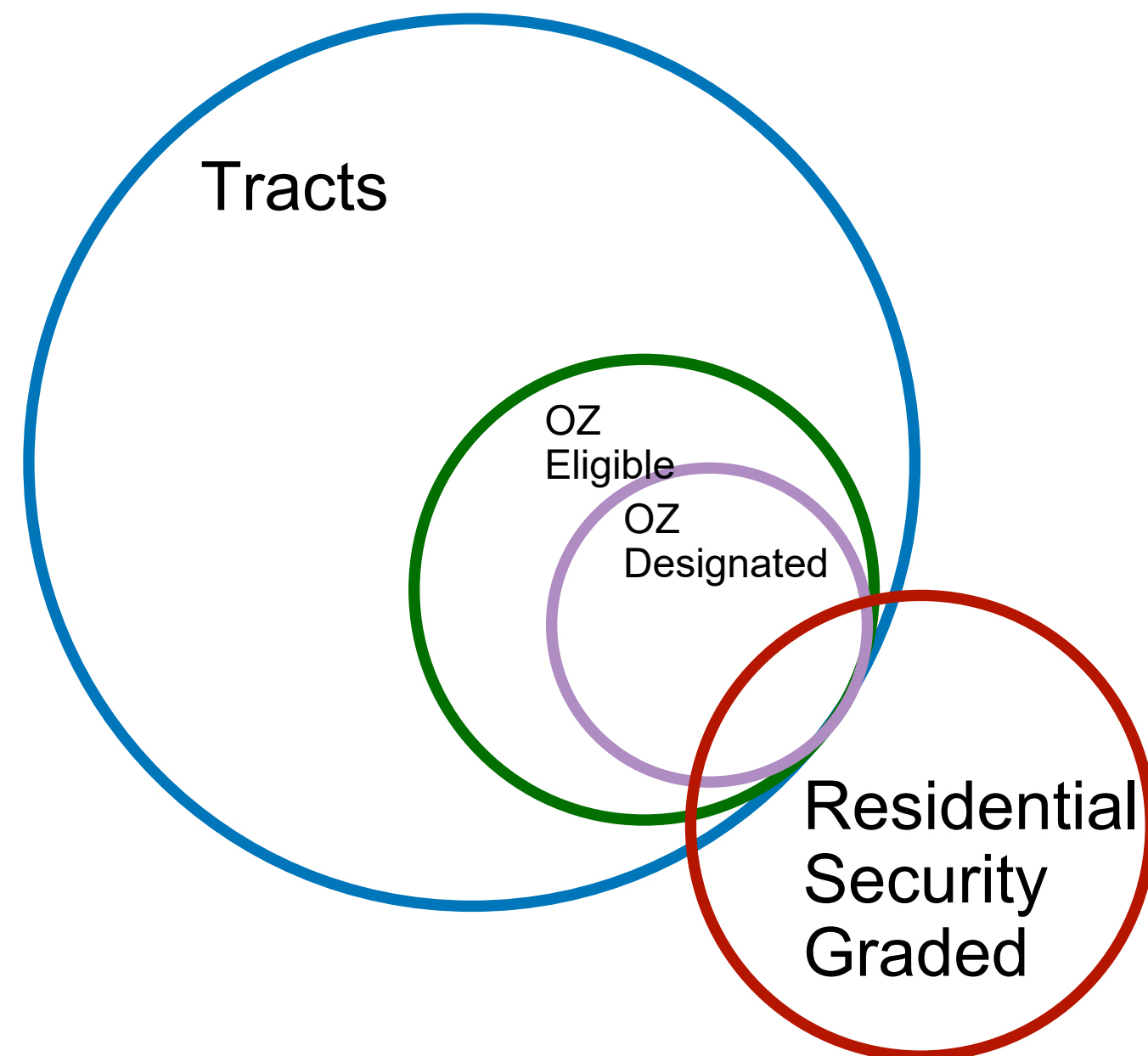
Tracts

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 - OZ Not Designated: 33,402
- Residential Security Graded: 11,399
 - Graded and OZ Eligible: 8,566
 - Graded and OZ Designated: 1,988

Population

- Total: 326,289,971
- OZ Eligible: 175,708,484
 - OZ Designated: 34,799,298
 - OZ Not Designated: 140,909,186
- Residential Security Graded: 41,012,328
 - Graded and OZ Eligible: 30,159,960
 - Graded and OZ Designated: 6,671,097

Graded Places



Tracts

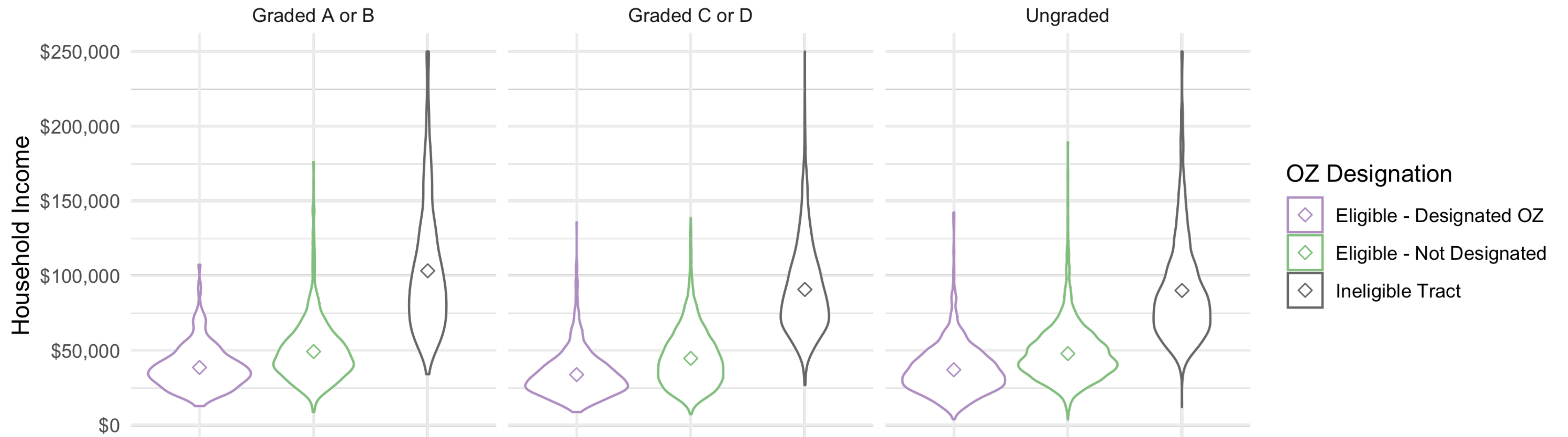
- Total: 19,834
- OZ Eligible: 13,613
 - OZ Designated: 2,874
 - OZ Not Designated: 10,739
- Residential Security Graded: 11,182
 - Graded and OZ Eligible: 8,465
 - Graded and OZ Designated: 1,970

Population

- Total: 77,772,533
- OZ Eligible: 51,974,051
 - OZ Designated: 10,078,246
 - OZ Not Designated: 41,895,805
- Residential Security Graded: 40,071,680
 - Graded and OZ Eligible: 29,750,218
 - Graded and OZ Designated: 6,589,380

Income

Designation	Graded A or B	Graded C or D	Ungraded	Difference
Eligible - Designated OZ	\$38,628	\$33,850	\$37,105	-\$3,256
Eligible - Not Designated	\$49,291	\$44,736	\$47,906	-\$3,171
Ineligible Tract	\$103,306	\$90,812	\$90,116	\$695



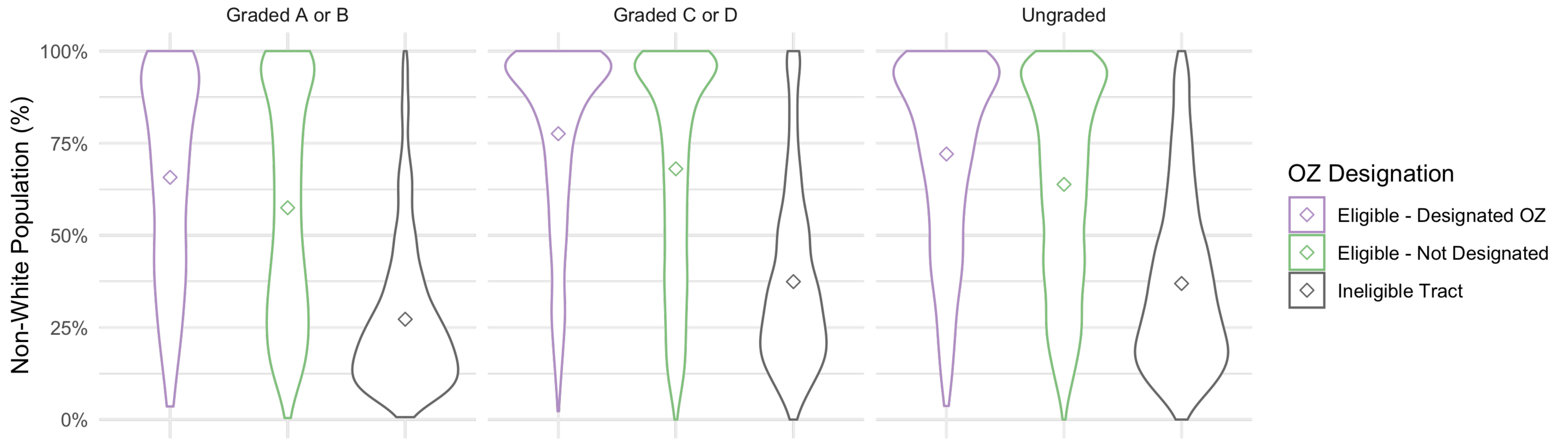
Poverty

Designation	Graded A or B	Graded C or D	Ungraded	Difference
Eligible - Designated OZ	27.9%	34.0%	31.2%	2.8%
Eligible - Not Designated	21.5%	25.4%	21.7%	3.7%
Ineligible Tract	7.1%	8.6%	7.6%	1.1%



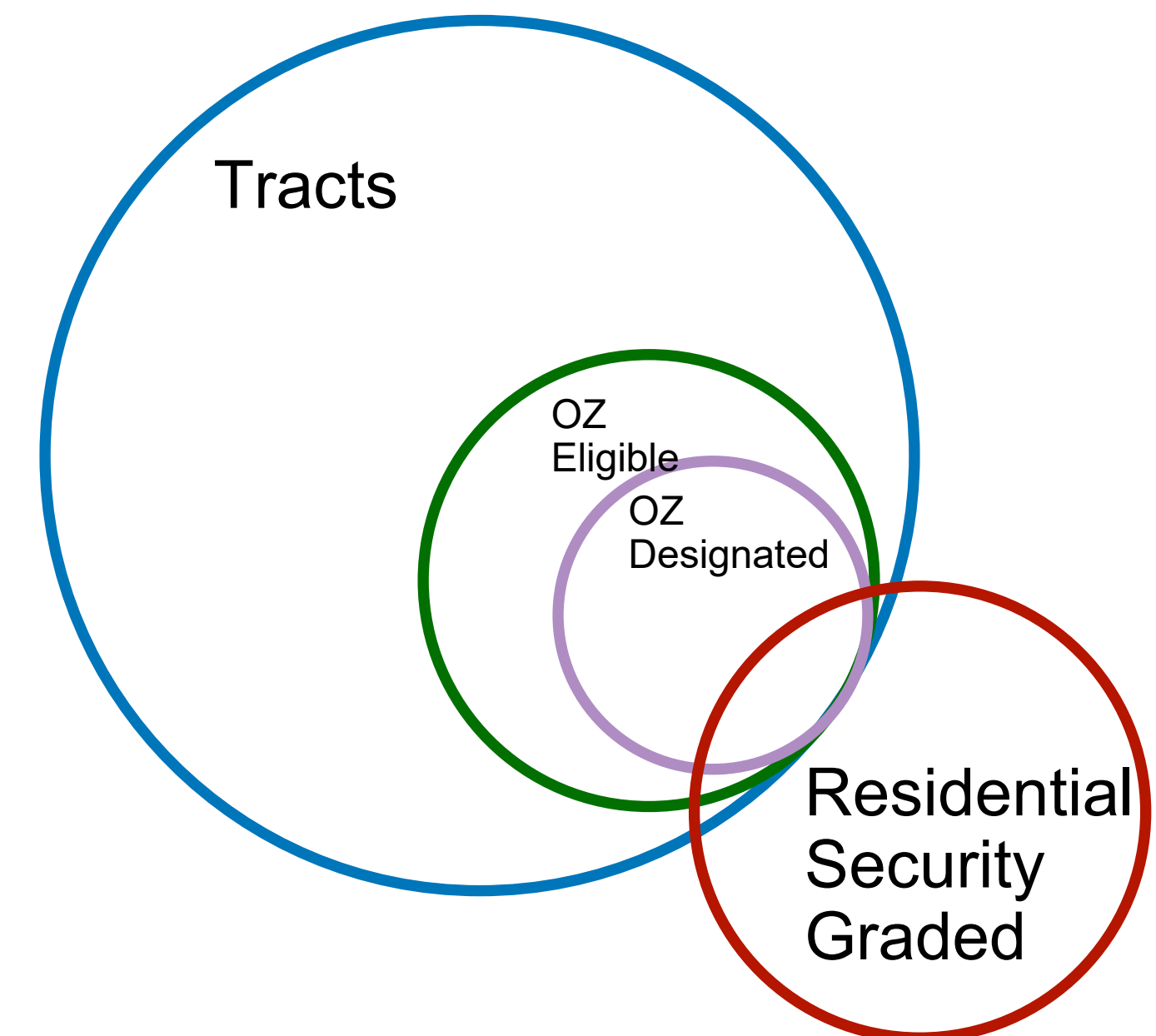
Nonwhite Population

Designation	Graded A or B	Graded C or D	Ungraded	Difference
Eligible - Designated OZ	65.7%	77.6%	72.1%	5.5%
Eligible - Not Designated	57.5%	68.1%	63.8%	4.2%
Ineligible Tract	27.2%	37.4%	36.9%	0.5%



Summary

- Focusing on the intersection between OZ-eligible places that have residential security grades yields a smaller subset of higher-need locations.
- The legacy of redlining remains evident in radicalized neighborhood disparities, even within OZ-eligible places.
 - Evidence for heightened disadvantaged based upon less favorable residential security ratings.
- (Re)targeting of OZ capital to historically redlined neighborhoods could simultaneously meet program goals and address the deep legacy of state-sponsored disinvestment through revitalization.



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