It’s “And” Not “Or”
A Discussion of People- and Place-Based Policies
Outline

- Defining terms and titles
- Understanding the context
- Frameworks for policy and practice
<table>
<thead>
<tr>
<th>AT</th>
<th>AU</th>
<th>AV</th>
<th>AW</th>
<th>AX</th>
<th>AY</th>
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<td>Model 2</td>
<td>Model 3</td>
<td>Model 4</td>
<td>Model 5</td>
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<td>Model 2</td>
<td>Model 3</td>
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<tr>
<td>5</td>
<td>Family Income</td>
<td>-0.0016</td>
<td>-0.0015</td>
<td>0.0016***</td>
<td>0.0016***</td>
<td>0.0013*</td>
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<tr>
<td>6</td>
<td>Percent Black</td>
<td>0.2628**</td>
<td>0.2808</td>
<td>-0.0765</td>
<td>-0.0767</td>
<td>-0.2130</td>
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<tr>
<td>7</td>
<td>Percent Hispanic</td>
<td>0.8591*</td>
<td>0.8907</td>
<td>-0.1034</td>
<td>-0.1223*</td>
<td>0.0526</td>
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<tr>
<td>8</td>
<td>Percent Asian</td>
<td>0.1728</td>
<td>0.2298</td>
<td>0.1557*</td>
<td>0.1568</td>
<td>0.2779**</td>
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<tr>
<td>9</td>
<td>Percent White</td>
<td>-0.8094</td>
<td>-0.7276*</td>
<td>0.0547</td>
<td>0.0551</td>
<td>-0.2117</td>
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<tr>
<td>10</td>
<td>Percent Women</td>
<td>0.0058</td>
<td>0.0061</td>
<td>0.0026</td>
<td>0.0027</td>
<td>-0.0020</td>
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<tr>
<td>11</td>
<td>Percent under age 35</td>
<td>0.0000</td>
<td>0.0002</td>
<td>0.0005***</td>
<td>0.0005***</td>
<td>0.0001</td>
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<tr>
<td>12</td>
<td>Percent Unemployed</td>
<td>-0.0226**</td>
<td>-0.0210**</td>
<td>0.0063</td>
<td>0.0064</td>
<td>-0.0025</td>
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<td>13</td>
<td>Percent below Poverty Line</td>
<td>0.0007</td>
<td>0.0002</td>
<td>0.0018</td>
<td>0.0018</td>
<td>-0.0006***</td>
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<tr>
<td>14</td>
<td>Commuting Time</td>
<td>-0.5961</td>
<td>-0.6205*</td>
<td>0.0513</td>
<td>0.0507</td>
<td>0.0222</td>
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<tr>
<td>15</td>
<td>County Population</td>
<td>-0.0577**</td>
<td>-0.0034</td>
<td>0.0119*</td>
<td>0.0091</td>
<td>0.0307</td>
</tr>
</tbody>
</table>

17 Not significant

18 ***

19 **

20 *

21 Text
Policy Summit 2019:
Connecting people and places to economic opportunity
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Connecting people and places to economic opportunity
The Policy Summit is the Cleveland Fed’s premier regional conference that explores solutions, at both the practitioner level and the policy level, to challenges that low- and moderate-income communities face.
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Helping people through helping places

Frameworks for advancing economic mobility in lower-income communities

Alan Berube
Brookings Metro
June 20, 2019
Outline

- Defining terms and titles
- Understanding the context
- Frameworks for policy and practice
Can Buffalo Ever Come Back?

Probably not—and government should stop bribing people to stay there.

At the onset of the Great Depression, Buffalo had 573,000 inhabitants, making it the 13th-largest city in America. In the 75 years that followed, this once-mighty metropolis lost 55 percent of its population, a decline most dramatic in its blighted inner city but also apparent in its broader metropolitan area, one of the 20 most quickly deteriorating such regions in the nation. Twenty-seven percent of Buffalo’s residents are poor, more than twice the national average. The median family income is just $33,000, less than 60 percent of the nationwide figure of $55,000. Buffalo’s collapse—and that of other troubled upstate New York cities like Syracuse and Rochester—seems to cry out for a policy response.Couldn’t Senators Hillary Clinton and Charles Schumer use their influence on Capitol Hill to bring some needed relief?

The truth is, the federal government has already spent vast sums of taxpayer money over the past half-century to revitalize Buffalo, only to watch the city continue to decay. Future federal spending that tries to revive the city will likely prove equally futile. The federal government should instead pursue policies that help Buffalo’s citizens, not the city as a geographical place. State and local policymakers could take steps that might—might—help Buffalo stave off its demise, if they avoid the errors of the past. But make no mistake: Buffalo faces long odds.

The history of Buffalo helps us understand why it continues to lose people and why it will be hard to reverse the trend. Historians often overstate the
Chinese Aspirations in Antarctica Fuel Concerns

By JANE PERELZ

HOBART, Tasmania — Few places seem out of reach for China’s leader, Xi Jinping, who has traveled from European capitals to obscure Pacific and Caribbean islands in pursuit of his nation’s strategic interests.

So it was not surprising when he turned up last fall in this city on the edge of the Southern Ocean to put down a long-distance roadway in another faraway region, Antarctica, 2,800 miles south of this Australian port.

Standing on the deck of an icebreaker that berthed Chinese scientists from this last stop before the frozen continent, Mr. Xi pledged that China would continue to expand in one of the few places on Earth that remain unspoiled by humans.

He signed a two-year accord with the Australian government that allows Chinese vessels and, in the future, drone to resupply the fuel and food before heading south. That will help secure access to a region that is believed to have vast oil and mineral resources, huge quantities of high-protein sea life, and for those of possible future human settlement, fresh water contained in icebergs.

It was not until 1985, about seven decades after Robert Scott and Roald Amundsen raced to the South Pole, that a team representing Beijing thanked the Chinese flag over the nation’s new Antarctic research base, the Great Wall Station on King George Island.

But now China seems determined to catch up. As it has before focusing on Antarctica research, and as the country builds up, especially the United States and Australia, and others are deploying big ship, there is growing concern about its intentions.

Chinese operations on the continent – it opened its fourth research station last year, China's - is increasing its efforts on the place the US Navy and the National Guard began pulling out its troops on a "day of prayer and peace".
Saving the heartland: Place-based policies in 21st Century America

Benjamin Austen, Edward Glaeser, and Lawrence Summers - Thursday, March 8, 2018

Editor’s Note: This paper is part of the Spring 2018 edition of the Brookings Papers on Economic Activity, the leading conference series and journal in economics for timely, cutting-edge research about real-world policy issues. Research findings are presented in a clear and accessible style to maximize their impact on economic understanding and policymaking. The editors are Brookings Nonresident Senior Fellow and Northwestern University Economics Professor Janice Eberly and James Stock, Brookings Nonresident Senior Fellow and Harvard University economics professor. Read summaries of all six papers from the journal here.

ABSTRACT

America’s regional disparities are large and regional convergence has declined if not disappeared. This wildly uneven economic landscape calls for a new look at spatially targeted policies. There are three plausible justifications for place-based policies—agglomeration economies, spatial equity and larger marginal returns to targeting social distress in high distress areas. The second justification is stronger than the first and the third justification is stronger than the second. The enormous social costs of non-employment suggests that fighting long-term joblessness is more important than fighting income inequality. Stronger tools, such as spatially targeted employment credits, may be needed in West Virginia than in San Francisco.
Regional divergence

FIGURE 1

Indexed average annual wages
1969 - 2016 (1969 = 100)

Indexed employment level
1969 - 2016 (1969 = 100)

Source: Hendrickson, Muro, and Galston, “Countering the Geography of Discontent” (2018)
Persistent poverty

Share of population in poverty, 1990 and 2017

Source: Brookings analysis of NHGIS data
Persistent poverty

Share of poor people by neighborhood poverty rate, 2000, 2006-10, and 2013-17


Source: Brookings analysis of US Census Bureau data
Racial segregation

Black-white segregation in US metro areas
2013-2017*

Source: Frey, "Black-white segregation edges downward since 2000, census shows" (2018)
Racial segregation

Homeownership while black
The devaluation of assets in black neighborhoods

In U.S. metropolitan areas, 10 percent of neighborhoods are majority black

50% LESS
homes in majority-black neighborhoods are undervalued compared to homes in neighborhoods with no black residents

Majority-black neighborhoods at a glance:
- 37% of the U.S. black population live in these communities
- $609 billion in owner-occupied housing assets
- 10,000 public schools
- 3 million businesses

Differences in home and neighborhood quality do not fully explain the devaluation of homes in majority-black neighborhoods

$48,000 average loss in home market value
Amounting to $156 billion in cumulative losses

Homes of similar quality in neighborhoods with similar amenities are worth 23% less in majority-black neighborhoods

Source: Perry, Rothwell, and Harshbarger, “The devaluation of assets in black neighborhoods” (2018)
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- Defining terms and titles
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- Frameworks for policy and practice
people-based policies (adj., n.): policies that invest in human needs/assets to enhance economic well-being, without regard to the location of beneficiaries
place-based policies (*adj.*, *n.*): policies that invest in **local-area assets** to enhance economic well-being, without regard to the **incomes** of beneficiaries
people-place strategies (n., n., n.): approaches that invest in human needs/assets in focused locations to maximize coordination and/or impact
If helping people through helping places makes sense, why don’t more of our policies embrace it?
Time to measurable return
## Tax Credit Equity

<p>| | |</p>
<table>
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<tbody>
<tr>
<td>Eligible Costs</td>
<td>14,405,812</td>
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<td>QCT/DDA Boost (130%)</td>
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<td>Eligible Basis</td>
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<td>Applicable Fraction</td>
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<td>Qualified Basis</td>
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<td>Applicable Percentage</td>
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<td>Annual LIHTC Eligible</td>
<td>1,296,523</td>
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<td>10 years</td>
<td>x 10</td>
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<tr>
<td>Total LIHTCs Over Period</td>
<td>12,965,231</td>
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<tr>
<td>Investor Ownership %</td>
<td>x 99.92%</td>
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<td>Total Investor LIHTCs</td>
<td>12,943,934</td>
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<td>Tax Credit Price</td>
<td>x 95</td>
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<td>Tax Credit Equity</td>
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Do leaders believe that people in lower-income communities are worth investing in?