NEW YORK METROPOLITAN REGION

ONE REGION

Promoting Prosperity Across Race

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CENTER FOR SOCIAL INCLUSION

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ONE REGION:
Promoting Prosperity Across Race

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The Center for Social Inclusion
The Center for Social Inclusion (CSI) is a national policy advocacy organization. CSI's mission is to build a fair and just society by dismantling structural racism, which undermines opportunities for all of us. CSI partners with communities of color and other allies to create strategies and build policy reform models to promote opportunities by understanding the role that race plays in preventing them. With our partners we conduct applied research, translate it, teach our communities, inform the public, convene stakeholders, nurture multiracial alliances, and support advocacy strategies.

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The country and the New York region[1] are in crisis. Wall Street is the epicenter of the financial earthquake rocking our people, nation, and world. Home foreclosure rates are skyrocketing while families struggle to meet a rising cost of living in the face of lost or reduced earnings. Retirees' pensions are threatened and college is becoming less affordable as banks are less willing to make student loans. The states and cities in the region face huge fiscal crises and search for budget items to cut. These are hard realities, but we can make things better.

The choices we make now and the ideas and strategies we identify will either be stepping stones toward resilient, healthy communities or stumbling blocks that will cause us to falter again in the future. To make the right choices we need to look at the entire region and identify communities with limited opportunities. This will tell us where to make investments. This report looks at opportunity in New York City and the surrounding region to identify directions toward a thriving region for everyone.

There is not one path to opportunity. Opportunity is a complex system of interconnected roads, bridges, and highways. It is a set of relationships between varieties of investments in people. If we live in a neighborhood with good public schools, it puts our children on the road to college and graduate school. The higher our educational attainment, the more likely we are to have a strong social network that connects us to employment opportunities as well as the skills to make and remake ourselves in a rapidly changing and technology-driven economy. But even for those of us in communities with many pathways to educational or economic opportunity, the current economic crisis has shown us that our opportunity system needs repair. We will not be able to prevent collapse unless we inspect the infrastructure. To do that we must locate systemic weaknesses where things have been allowed to decay, and build stronger supports.

This report looks at opportunity regionally because systems of opportunity span the entire region. It takes a regional approach to understand how suburban sprawl and decentralized growth have made all communities more vulnerable. And while municipal and tax boundaries may separate jurisdictions on a map, the fates of cities and suburbs are connected.[2]

The region faces many challenges. We are in a vicious cycle of extreme – and widening – inequality, which is threatening the region's vitality as a whole.[3] Unfortunately, but not surprisingly, race is all too often a marker of low opportunity. The region's second-ring suburbs are high-opportunity areas and remain overwhelmingly White, while the large majority of people of color and immigrants live in urban areas, or older, declining, inner-ring suburbs, where jobs are scarce, transit is inadequate, housing is of poor quality, schools are failing, environmental health is declining, and credit and other capital investment are scarce. These low-opportunity areas also have smaller tax bases and struggle to build infrastructure to support a vibrant economy or provide needed services.[4] Suburban-driven development

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[1] For this report, we define the "New York Region" as the New York-Newark-Bridgeport, NY-NJ-CT-PA Combined Statistical Area. More information on the region can be found in the research methodology appendix.

[2] Manuel Pastor et al., *Regions That Work: How Cities and Suburbs Can Grow Together* (University of Minnesota Press, 2000), 3.

[3] John Vidal "Wealth gap creating a social time bomb" *The Guardian*. October 23, 2008.

[4] Robert D. Bullard, ed., *The Black Metropolis in the Twenty-First Century: Race, Power, and Politics of Place* (Maryland: Rowman and Littlefield Publishers, Inc, 2007), 97.

has made the region's economy over-dependent on polluting, expensive cars and highways, rather than on sustainable public transit.[5]

This report examines the overlooked roots of our current crisis, including racial inequity, shows where opportunity is high and where it is low, and examines key indicators from housing and jobs to education and community health. It also includes policy directions for a more inclusive and thriving region.

Research has shown that efforts to address inequality by investing in a region's poor communities have lowered poverty and spurred economic growth throughout the region.[6] Business analysts have pointed out that for the U.S. to remain competitive in the global economy, we must increase productivity by investing in communities of color.[7] Both businesses and the workforce benefit when everyone is able to participate in innovation.[8] Racial equity also goes hand in hand with stronger environmental policy.[9]

Therefore, this report recommends that we:

- Create incentives for opportunity-based housing
- Make communities of color partners in the regional economy
- Develop fiscal policies that build regional opportunity for those in greatest need
- Invest in healthier communities

Sharing the burdens and benefits of public policy is not only fair, but can ensure a strong economy and healthy environment for everyone.

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[5] *Tri-State Transportation Campaign*, "It's the Sprawl Stupid! What's Driving Connecticut's Traffic Congestion," 2007.

[6] Pastor et al., 123.

[7] Andrew B. Bernard and Matthew J. Slaughter, "The Life Cycle of a Minority-Owned Business: Implications for the American Economy," National Minority Business Enterprise Week, 2004 Conference, Washington D.C.

[8] Chicago Metropolis 2020 Website: http://www.chicagometropolis2020.org/ (Accessed February 5, 2009)

[9] James K. Boyce, "Inequality and Environmental Protection," *Political Economy Research Institute Working Paper Series,* No. 52 (1993). Racial equity in this study was measured across four variables: voter participation, educational attainment, Medicaid access, and tax fairness. Higher voter participation and educational attainment suggest greater ability to influence policy based on a link between information and social and political inclusion. Access to the Medicaid program and a composite measure of tax fairness are taken to reflect disparities on the expenditure and revenue side of state fiscal policies, respectively 3

Americans believe deeply that everyone deserves the opportunity to thrive. We assume that in the greatest nation in the world opportunity is fairly distributed and anyone who works hard can succeed. As our current economic crisis reveals, however, the promise of opportunity falls short of our national expectations. This report examines where opportunities, like affordable housing, well-paying jobs, and good schools, are located in the New York region. The data draw an unacceptable picture.

Our opportunities are not sufficiently robust, nor are they structured to include communities of color. These two problems are connected. Our current economic crisis has shown that when our structures fail the most vulnerable of us, they are actually failing us all. It is a window into how deeply our fates are linked across race and, therefore, why we must pay attention to the well-being of communities of color in order to ensure well-being broadly. Nationally, foreclosure rates are at their highest since the 1929 Great Depression, which has had sweeping effects on national and global economies.[10] Over 2 million are projected to lose their homes in the coming year and over 40 million neighboring homes will suffer declines in value (a total of $352 billion in lost home equity nationally).[11] This is a human tragedy and a fiscal nightmare. Municipalities, reliant on property taxes, are watching revenue dwindle. States are facing serious fiscal crises. The mortgage market collapse has triggered the tightening of credit for businesses and education, as banks refuse to lend money. We are all harmed.

This crisis has many complex and interrelated causes, but one factor is predatory lending practices and their prevalence in the under-regulated subprime market, both of which have their roots in mortgage discrimination, or redlining, in communities of color. National research has shown that up to 35% of those with subprime loans could have qualified for normal, prime mortgages.[12] Blacks and Latinos are much more likely to have subprime mortgages than their White counterparts even when they have the same income.[13] In fact, there is a larger subprime/prime gap between Blacks and Whites at higher income levels.[14]

Policy decisions made over the years have helped make communities of color much more vulnerable to unfair practices. New Deal and post-World War II policies created the middle class by making homeownership much more affordable. Yet those policies also discriminated against people of color. Between 1945 and 1954, over 13 million new homes were added to the nation's housing stock. During this period, the Veterans Administration (VA) supported over 40% of new mortgages through the GI Bill. People of color were often ineligible for these government-supported mortgages because of discrimination during both entry into the armed forces and in distributions of veterans' benefits.[15] According to Meizhu Lui and others, "Of the 67,000 mortgages insured under the GI Bill in New York and the suburbs of northern New Jersey, over 66,900 went to White veterans."[16] Government policies also

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[10] "Subprime Mortgage Market Meltdown" Center for Responsible Lending http://www.responsiblelending.org/issues/mortgage/subprime-mortgage-crisis.html Accessed February 2, 2009

[11] "Updated Projections of Subprime Foreclosures in the United States and Their Impact on Home Values and Communities" Center for Responsible Lending, September 23, 2008.

[12] Christy Rogers, john a. powell, Andrew Grant-Thomas. "Subprime Loans, Foreclosure, and the Credit Crisis What Happened and Why? - A Primer," Kirwan Institute for the Study of Race and Ethnicity at the Ohio State University. December, 2008.

[13] Allen J. Fishbein, Patrick Woodall, "Subprime Locations: Patterns of Geographic Disparity in Subprime Lending", Consumer Federation of America, September 5, 2006.

[14] Debbie Gruenstein Bocian, Keith S. Ernst and Wei Li, "Unfair Lending: The Effect of Race and Ethnicity on the Price of Subprime Mortgages," Center for Responsible Lending, May 31, 2006.

[15] Ira Katznelson, When Affirmative Action Was White (New York: W.W. Norton and Company, Inc, 2005), 116,129,163

required or created incentives for private discrimination. In the 1930s, the Home Owners Loan Corporation (HOLC) and later, the Federal Housing Administration (FHA), the VA, and private banks, deemed communities of color unfit for home loans. The HOLC gave poor lending ratings to communities of color. FHA manuals encouraged protection against "racial infiltration" and labeled "pigpens and unwelcome races…as equally objectionable." The VA also embraced these discriminatory lending practices.[17]

Not only did these policies prevent people of color from becoming homeowners, they helped propel rapid suburbanization that was highly segregated by race.[18] The FHA, for example, purposefully directed home loans away from cities and to suburbs.[19] Federal subsidies for highways and suburban infrastructure also fueled suburbanization. By 1980, over 31% of Whites in the New York metropolitan area lived in suburbs, but only 8% of Blacks did.[20]

Jobs and other services and amenities also moved to the suburbs. Between 1958 and 1987, most of the older central cities lost half of their manufacturing jobs, and the U.S. Department of Housing and Urban Development reported that by 1970 suburbs were the principal sources of employment in the 15 largest metro areas, including the New York metropolitan region.[21] In addition to barriers to homeownership, rapidly developing suburbs were largely built without affordable rental housing for low-income residents, who were disproportionately people of color. These development trends ensured that people of color would also be disproportionately isolated in communities without jobs, parks, and other services and amenities.

Thanks to generations of bad policies, today communities of color are the most financially vulnerable and credit-starved, which helped create a market for the subprime mortgage industry. It should be no surprise that subprime loans and foreclosures have hit communities of color particularly hard.

We must look to communities of color and low-opportunity areas to understand what we can do differently to produce opportunity structures, such as healthy credit markets, across communities. We must also ensure that well-intentioned policies do not harm or fail to help communities of color. For example, research on the Housing Choice Voucher Program in Southern California found that people of color who participated in the program ended up living in neighborhoods with higher poverty than White participants, even when controlling for factors like rent and mobility.[22] In other words, even though a policy is race-neutral on its face, its impact can be different across race.

In this report, we look at opportunity by race through a multi-institutional lens to identify what is working, what is not working, and how we should invest our resources for a more resilient region. To build opportunity for everyone in the region, we must look to

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[16] Meizhu, Lui, et. al. *The Color of Wealth: The Story Behind the U.S. Racial Wealth Divide* (New York: The New Press, 2006), 257.

[17] David Roediger, *Working Towards Whiteness: How America's Immigrants Became White* (New York: Basic Books, 2005),227, 229

[18] Roediger, 224-229.

[19] Melvin L. Oliver, "The Social Construction of Racial Privilege in the United States: An Asset Perspective, in Beyond Racism" 258-61 (Charles V. Hamilton et al. eds. 2001)

[20] Douglas Massey and Nancy A Denton, *American Apartheid: Segregation and the Making of the Underclass* (Cambridge: Harvard University Press, 1993), 69

[21] E. Fuchs, *Tales of the City*, Slate.com (Oct. 29, 1997).

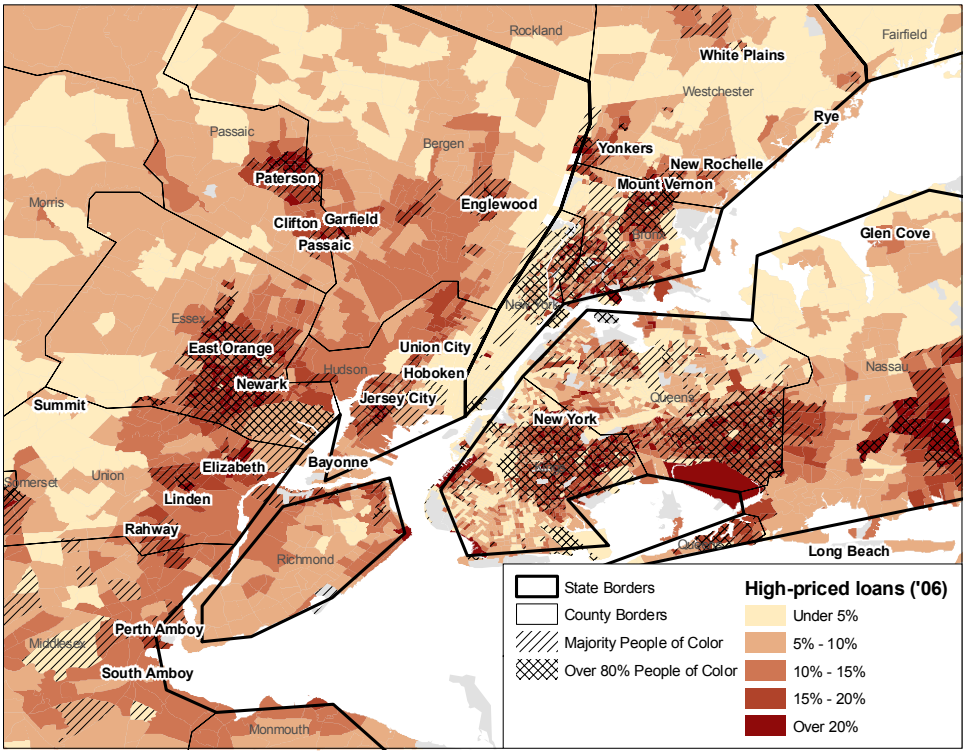
[22] Victoria Basolo, Mai Thi Nguyen. "Does Mobility Matter? The Neighborhood Conditions of Housing Voucher Holders by Race and Ethnicity" *Housing Policy Debate* 16, no 3/4 (2005): 297.

how our institutions, systems and policies are working. By looking at where they fail, we can strengthen them for everyone.

The U.S. Census Bureau projects that by the year 2042 the majority of Americans will be people of color. People of color already make up the majority of New York City, and the fact that more than half of new residents (both by birth and migration) are people of color suggests that the region needs to start thinking about Blacks, Asians, and Latinos not as minorities, but as the emerging or "new" majority, a term we will use in this report.

As stated earlier, Blacks and Latinos are much more likely to have subprime mortgages than their White counterparts even when they have the same income.[23] In New York City, African American borrowers were twelve times more likely and Latino borrowers almost eight times more likely than Whites to receive a higher-cost home purchase loan.[24] In New Jersey, African American borrowers were two-and-a-half times more likely than Whites to receive higher-cost loans.[25] Map 1 shows that high-priced home loans are much more common in communities of color. Areas where over 20% of loans were high-priced in 2006, such as Paterson and Newark, NJ, Eastern Queens and Brooklyn, and Suffolk/Nassau counties, are also over 80% people of color.

The subprime market is relatively new. Between 1994 and 2005, subprime loans jumped from 5% to 20% of the entire mortgage market,[26] and subprime lending grew from a $90 billion industry in 1996 to a $401 billion one by 2004.[27] Had poor communities had fair and equitable access to credit, the market would have been smaller.



Map 1: High-cost mortgages and communities of color in New York City and Newark

[23] Allen J. Fishbein, Patrick Woodall, "Subprime Locations: Patterns of Geographic Disparity in Subprime Lending", *Consumer Federation of America*, September 5, 2006.
[24] Jim Campen et al., "Paying More for the American Dream: A Multi-State Analysis of Higher Cost Home Purchase Lending," *California Reinvestment Coalition*, March 2007, ii.
[25] Ken Zimmerman, Elvin Wyly, and Hilary Botein. "Predatory Lending in New Jersey: The Rising Threat to Low-Income Homeowners" *New Jersey Institute for Social Justice*. February 2002
[26] 26 Tom Acitelli, "Foreclosure Doomsday? Not in Manhattan," *The New York Observer*, March 25, 2007.
[27] Theresa Singleton et al., "Subprime and Predatory Lending in Rural America," *The Carsey Institute*, Fall 2006.

Because subprime loans are often predatory, they are more likely to lead to home foreclosure than are prime loans.[28] These foreclosures impact the ability of affected homeowners to accrue wealth. Because people of color were more likely to be offered high-cost loans, regardless of their credit-worthiness, and more likely to go into foreclosure, the loss of home equity more severely harms people of color and their communities. Research by United for a Fair Economy estimates that between $164 billion and $213 billion in wealth has been stripped from people of color in the past eight years thanks to subprime loans.[29] This is the greatest loss of wealth in communities of color in modern history.[30]

Blacks, Latinos, and Asians have significantly less asset wealth than Whites, even when controlling for income. The net worth of a typical person of color is 14% of the typical White person's net worth.[31] Today, the number of mortgage loans granted to Blacks and Latinos is falling, robbing many of the opportunity to build a financial safety net.[32] To make matters worse, credit card companies are now more risk-averse and are denying consumers an opportunity to build the credit history necessary to qualify for an affordable home or education loan.[33] Foreclosures also cause home values and the tax base of communities to decline, compromising important public services, such as public schools and infrastructure.[34] This harms the short and long-term health of the economy and the region because, as the current economic crisis makes clear, access to homeownership is critical to economic and social sustainability.

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[28] *Center for Responsible Lending*, "Subprime Lending: A Net Drain on Homeownership." CRL Issue Paper No. 14. March 27, 2007.

[29] Amaad Rivera, et. al., "Foreclosed: State of the Dream 2008," *United for a Fair Economy*, 2008.

[30] *Ibid*

[31] Lui, 3

[32] Jennifer Lee, "Study Notes Fewer Loans to Hispanics and Blacks," *New York Times*, October 27, 2008.

[33] Eric Dash, "Consumers Feel the Next Crisis: It's Credit Cards," *New York Times,* October 28, 2008 and "Credit-card industry may cut $2 trillion lines" *Reuters*, December 1, 2008.

[34] Jenny Schuetz, et. al. "Neighboring Effects of Concentrated Mortgage Foreclosures," *Furman Center for Real Estate and Urban Policy*, October 1 2008.

THE OPPORTUNITY INDEX MEASURES WELLBEING ON THE NEIGHBORHOOD LEVEL

Opportunity is a complex system of interconnected roads, bridges and highways. It is a set of relationships between varieties of investments in people. Living in a neighborhood with good public schools helps put our children on the road to college and graduate school. The higher our educational attainment, the more likely we are to have a strong social network that connects us to employment opportunities as well as the skills to make and remake ourselves in a rapidly-changing and technology-driven economy. To understand the relationship between the individual parts of this system – housing, education, jobs, health, etc. – CSI developed an Opportunity Index, which measures wellbeing on the neighborhood level. The index aggregates almost three dozen variables into one comprehensive measure, which shows how all of these issues overlap to create avenues of opportunity for some and barriers to opportunity for others.[35] These variables are organized into six sub-indices, shown below:

Each neighborhood is given an opportunity score.[36] Neighborhoods are then organized into five categories, from very low opportunity to very high opportunity. Low-opportunity communities do not have access to the services they need to thrive, such as good housing, well-paying jobs, a healthy environment, and good schools. High-opportunity areas, compared to others in the region, do have good housing, access to jobs with career ladders, and schools that prepare children to participate in civic life and in the economy. By mapping this index and overlaying it with race, immigration, and other variables, we can begin to understand the geography of opportunity in the New York region.

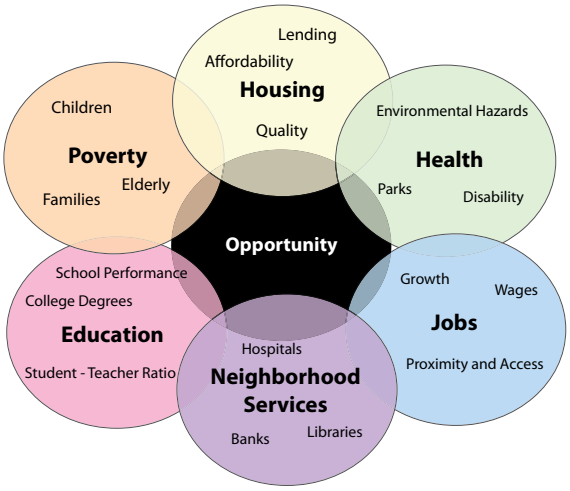
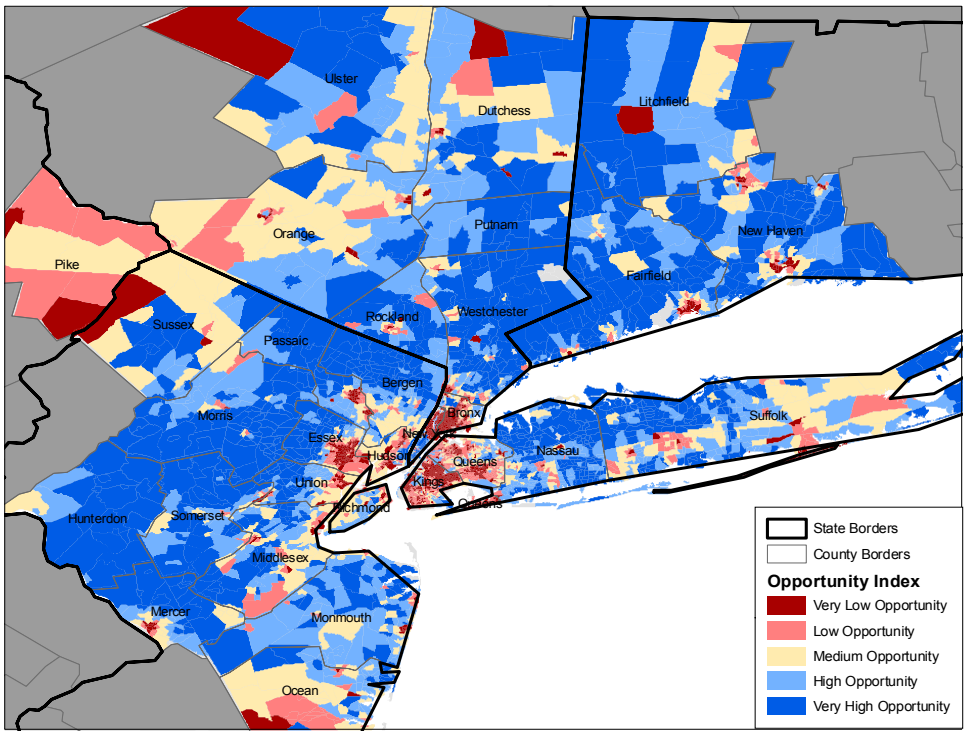


Figure 1: Makeup of the Opportunity Index

[35] A complete methodology is available in the research methodology appendix
[36] In this analysis, neighborhoods are measured as census tracts

Map 2: Regional map of the Opportunity Index



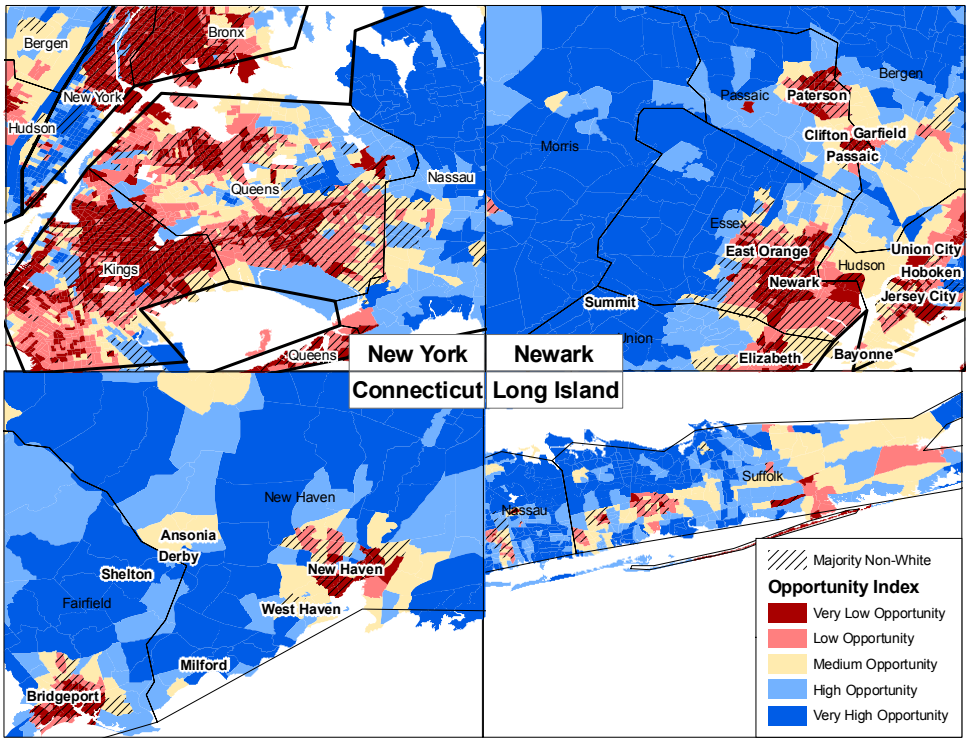
The Opportunity Index makes visible the dramatic differences in opportunity across the region. Most high-opportunity areas are in second-ring suburbs in Northern New Jersey, Long Island, Downstate New York, and Connecticut. Urban areas in the region, with a few exceptions (Lower Manhattan and parts of Brooklyn, for example), are characterized by low-opportunity as are some rural areas north and west of the city and parts of Long Island.

THE NEW MAJORITY AND IMMIGRANTS LIVE IN LOW-OPPORTUNITY NEIGHBORHOODS

By zooming in to examine a few specific places in the region, we can see more clearly the role race plays in determining opportunity. Communities of color and low-opportunity areas almost completely overlap. People living in these areas don't have access to good jobs, housing, schools, or a healthy environment.

Residents of low-opportunity areas are often completely cut off from high-opportunity areas. Many are literally transit-stranded, lacking a private vehicle or decent public transit options.[37] Others are economically-stranded, starved of an education, working in low-wage jobs with little, if any, opportunity to climb a career ladder. High-opportunity areas typically lack affordable housing, which means individuals living in low-opportunity areas cannot afford to move to high-opportunity areas.

[37] Joan Byron, "Bridging New York's Transit Gap," *Gotham Gazette*, April 21, 2008.



Map 3: Local maps of the Opportunity Index in New York City, Newark, Connecticut, and Long Island

The Opportunity Index shows a clear regional trend: Whites are more likely to live in newer, second-ring suburbs and have greater access to opportunity, while new majority and immigrant residents are largely trapped in low-opportunity urban environments and inner-ring suburbs. Blacks, Latinos, and Asians made up 44% of the region's population in 2006, but 88% of the region's very low-opportunity areas and 64% of low-opportunity areas. Whites, who represent 54% of the region's population, account for 88% and 81% of very high-and high-opportunity areas, respectively.

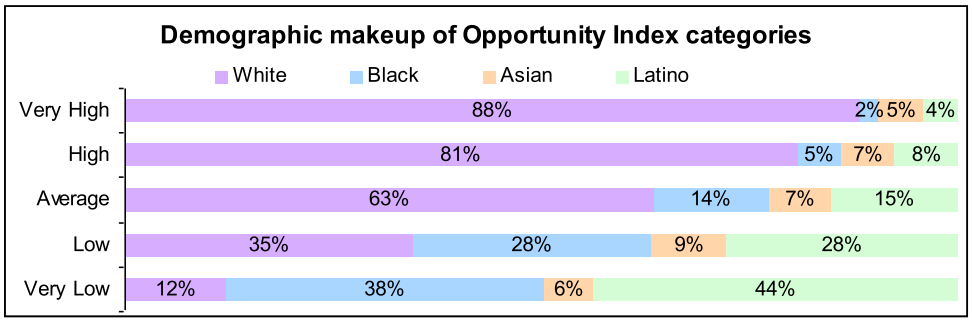
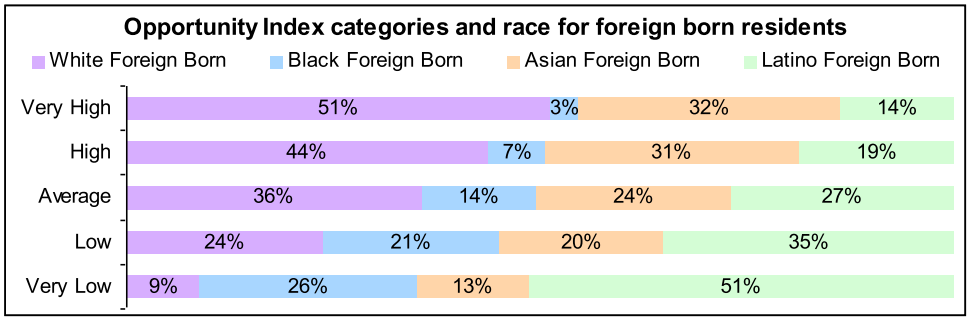


Figure 2: Demographic makeup of Opportunity Index categories

A similar pattern exists for the region's foreign-born residents. While immigrants as a whole typically live in lower-opportunity areas than U.S.-born residents in the region, neighborhood opportunity level varies a great deal across immigrant groups by race. Some White immigrants live in low-opportunity areas, such as southwest Brooklyn, but a disproportionate number live in high- and very high-opportunity areas compared to their new majority counterparts. The distribution of Asian immigrants is also mixed, with many living in New York's low-opportunity areas and many in high-opportunity suburbs. The foreign-born Asian population holds a larger share of high- and very high-opportunity areas. Black and Latino immigrants are almost exclusively confined to low- and very-low opportunity urban neighborhoods in the Bronx, Brooklyn, Newark, etc.[38]

Figure 3: Opportunity Index categories and race for foreign born residents



Not surprisingly, neighborhoods of color generally have scores much lower than typical majority White neighborhoods across the board. The average scores of Latinos and Blacks in the region are consistently lower than those for other groups. Whites have considerably higher scores, especially in education and jobs. Asians generally fall in the middle.

Table 1: Opportunity scores by resident demographic

Resident Race/ Ethnicity	Opportunity Index	Sub-indices					
		Education	Health	Housing	Jobs	Services	Poverty
Black	Low	Low	Low	Average	Low	Low	**Very Low**
Asian	Average	Average	Average	Average	Average	Average	Low
Latino	Low	Low	Low	Low	Low	Average	**Very Low**
White	High	High	High	High	High	Average	Average

[38] The diversity within each racial group is also missing from the analysis. It is likely that there are differences in opportunity levels across individual communities. For example, a Bangladeshi community might look very different from an Indian community, just as Puerto Rican may look very different from Mexican. Unfortunately, we were unable to capture these nuances because of data limitations.

While immigrants as a whole tend to live in low-opportunity neighborhoods, differences in average scores across races of immigrants mirror those of the entire population. Black and Latino immigrants have low scores almost across the board. Asian immigrants are doing slightly better, but still experience high poverty. Foreign-born Whites are doing better than any other immigrant groups, but still score lower than U.S.-born Whites.

Race for foreign-born residents	**Opportunity Index**	**Sub-indices**					
		Education	**Health**	**Housing**	**Jobs**	**Services**	**Poverty**
All Foreign Born	Low	Low	Average	Low	Average	Average	Low
Black Foreign Born	Low	Low	Low	Average	Low	Low	Low
Asian Foreign Born	Average	Average	Average	Average	Average	Average	Low
Latino Foreign Born	Low	Low	Low	Low	Low	Average	**Very Low**
White Foreign Born	Average	Average	Average	Average	Average	Average	Average

Table 2: Opportunity scores by race for foreign born

In a time when living in a "good" neighborhood is increasingly important to accessing and creating more opportunities,[39] new majority and immigrant residents disproportionately live in low-opportunity communities, lacking good jobs, schools, and housing.

[39] de Souza Briggs, 7

Policy makers, business leaders, and all residents, no matter their race, should be concerned about the unequal distribution of opportunities in the region because the region's population growth is in low-opportunity areas, as evidenced by the following.

Across the region:

- The population grew by 3.7% from 2000 to 2006.[40]
- New York City accounted for 26.6% of growth. Of the three largest cities in the region, it was the only one to post growth during that period. The other two, Bridgeport, CT and Newark, NJ, both lost over 2% of their population.[41]
- Only three counties, Essex and Hudson in New Jersey and Nassau in New York, lost population during this time period.[42]

In New York City:

- All five boroughs grew between 2000 and 2006, with the largest percentage growth in Staten Island and Manhattan – both way above the average growth for the City and the Region.[43]
- Manhattan alone accounted for almost 10% of the region's total growth.[44]
- Brooklyn and Queens both experienced small, but noticeable growth during this period.[45]

Despite the recent growth of anti-immigrant sentiment across the country, New York City continues to be a destination for immigrants. People are drawn to the City because of its reputation as an economic engine, its racial diversity, perceived opportunity, and familial connections.

For immigrants:

- Immigration explains much of the population growth. The increase in foreign-born population greatly outpaced that of the entire population.[46]
- Since 1980, New York City alone has added 1.3 million new foreign-born residents.[47]
- New York City's native-born population declined by almost 200,000 over that same time period.[48]

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[40] U.S. Census Decennial Census 2000 Summary File 3 and U.S. Census 2006 American Community Survey
[41] *Ibid*.
[42] *Ibid*.
[43] *Ibid*.
[44] *Ibid*.
[45] *Ibid*.
[46] U.S. Census 2006 American Community Survey
[47] *Fiscal Policy Institute* "Working for a Better Life: A Profile of Immigrants in the New York State Economy - New York City PowerPoint Presentation."
[48] *Ibid*.

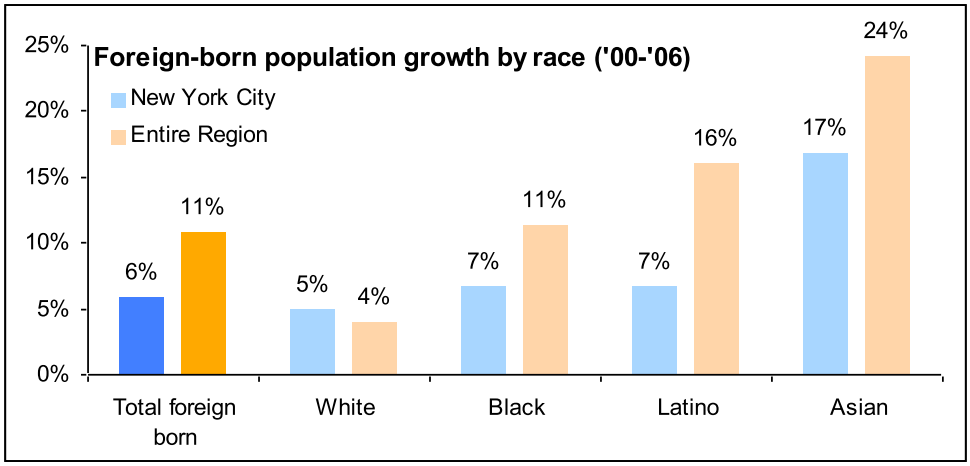

Figure 4: Foreign-born population growth by race (U.S. Census 2000, 2006)

New York City is also experiencing dramatic demographic shifts, which largely mirror those in the surrounding region. Both Asian and Latino populations experienced the largest growth-the White population grew slowly, and the Black population declined slightly. While growth in Black immigrant communities continues to be strong, many native-born Blacks are leaving New York City. Increases in cost of living, led by skyrocketing housing prices, are forcing many to leave. At the same time, unlike trends in other major cities where Blacks are moving to surrounding suburbs, many Blacks are leaving New York for faster growing and more affordable places, such as Georgia, Washington D.C., or Virginia.[52] The City lost almost 95,000 native-born Black residents between 2000 and 2006.[53] This is a reverse of the 1990s trend, when the native-born Black population was growing.[54]

Changing demographics of the region:

- Between 2000 and 2006, Asian and Latino population growth accelerated. By comparison, the Black and White populations changed little over the same time period.
- The percentage of the region's White population fell from 56.4% of the entire population to 54.1%.[49]
- Black population, as a percentage of the region, also fell slightly from 16.1% to 15.8%.[50]
- Both the Asian and Latino populations increased their shares of the region's population by 1.7%-Asians from 6.7% to 8.4% and Latinos from 18.2% to 19.9%.[51]

[49] U.S. Census Decennial Census 2000 Summary File 3 and U.S. Census 2006 American Community Survey.
[50] *Ibid.*
[51] *Ibid.*
[52] Eliot Brown, "Census Finds Black Exodus From City," *The Sun*, August 9, 2007
[53] U.S. Census Decennial Census 2000 Summary File 3 and U.S. Census 2006 American Community Survey
[54] Brown.

The gap between White and all other poverty is likely going to widen as the foreclosure crisis and job losses continue to unfold.

THE NEW MAJORITY ARE ISOLATED AND OFTEN IN HIGH-POVERTY AREAS

The New York City region has the fourth-highest "spatial mismatch" between Black residents and jobs, compared to the nation's other large metropolitan regions.[55] Simply stated, Black residents live too far from job centers. Limited transportation options, diminishing affordable housing, and other significant challenges make it difficult for residents of Black and other excluded communities to commute or move to job centers. Disinvestment and deteriorating infrastructure make it difficult for those in low-opportunity areas to escape isolation since job seekers live farther from jobs than they once did.[56]

Immigrant and non-immigrant communities fall into similar, racialized residential patterns. As with native-born Blacks and Latinos, foreign-born Blacks and Latinos tend to be more geographically concentrated than White or Asian immigrants. Blacks and Latinos are largely confined to a few communities in New York City and in inner-ring suburbs, such as Newark and Paterson, NJ. While dense pockets of White and Asian immigrants do exist within low-opportunity areas within New York City, such as Astoria, Bensonhurst, the Upper East Side, and Chinatown, they are more likely to live in high-opportunity suburbs farther from the City than are Black or Latino immigrants.

Resident Race/ Ethnicity	Opportunity Index	Poverty Sub-Index
Black	Low	**Very Low**
Asian	Average	Low
Latino	Low	**Very Low**
White	High	Average

Table 3: Poverty Sub-Index

While poverty is falling across races, the lack of opportunity in communities of color results in drastically different poverty rates by race. Black and Latino poverty, for example, is three times higher than White poverty in the region. Foreign-born poverty is also higher than average, at 14%.[57] The gap between White and all other poverty is likely going to widen as the foreclosure crisis and job losses continue to unfold. Nationally, the new majority is expected to lose between $164 billion and $213 billion due to foreclosures.[58] On top of that, the new majority, and Blacks in particular, are hardest hit in the current economic downturn. Black unemployment has increased by 2.8% over the past year, compared to a national increase of only 2%.[59]

Not only are the members of the new majority more likely to be poor, they are more likely to live in concentrated poverty neighborhoods, even if they are not poor.[60] A neighborhood has a "concentration of poverty" if over 40% of residents live at or below the federal poverty level (20% in rural areas). Neighborhoods of concentrated poverty invariably lack good employment opportunities and tend to be saddled with inadequate schools, overcrowded medical facilities, high crime rates, and dilapidated housing.[61]

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[55] Spatial mismatch is a measure of geographic isolation. It can be interpreted as the percent of Blacks (in this case), that would have to relocate so members of all races have equal proximity to jobs. Bullard, "The Black Metropolis," 135

[56] de Souza Briggs, 7

[57] U.S. Census 2006 American Community Survey

[58] Rivera, et al.

[59] Mary M. Chapman, "Black Workers Hurt by Detroit's Ills," *The New York Times*, December 29, 2008.

[60] U.S. Census 2006 American Community Survey

[61] Martha Paskoff and Libby Perl, "Poor Excuses: How Neglecting Poverty Costs All Americans," *The Century Foundation*, 2004; Paul Jargowsky, "Ghetto Poverty among Blacks in the 1980s," *Journal of Policy Analysis and Management* (1997): 288 (noting connection between concentrated poverty and low-performing schools); Robert J. Sampson, Stephen W. Raudenbush, and Felton Earls, "Neighborhoods and Violent Crime: A Multi-Level Study of Collective Efficacy," Science (1997): 277, 918-24 (linking high levels of racial isolation with higher violent crime rates); Cong. "The Technological Reshaping of Metropolitan America," *Office Of Tech. Assessment* (1995): 222, (noting the difficulty residents of inner cities have accessing information about job openings and support for the application process)

In New York City, over 30% of the entire population is White, while only 8% of the population living in concentrated poverty neighborhoods is White. Blacks, on the other hand, comprise around a quarter of the City and half of those living in concentrated poverty. Of the 248 concentrated poverty census tracts in the city (11% of all census tracts), 88% are over 80% new majority. Only 3% are over 80% White. This shows that poor Whites are more likely to live in mixed-income, and typically higher-opportunity, neighborhoods than poor members of the new majority.[62] Conversely, Blacks and Latinos below the poverty line are much more likely to live in concentrated poverty neighborhoods that lack good jobs, good schools, and other crucial opportunities.

Not only are the members of the new majority more likely to be poor, they are more likely to live in concentrated poverty neighborhoods, even if they are not poor.

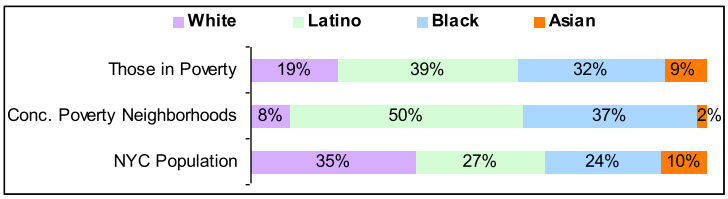
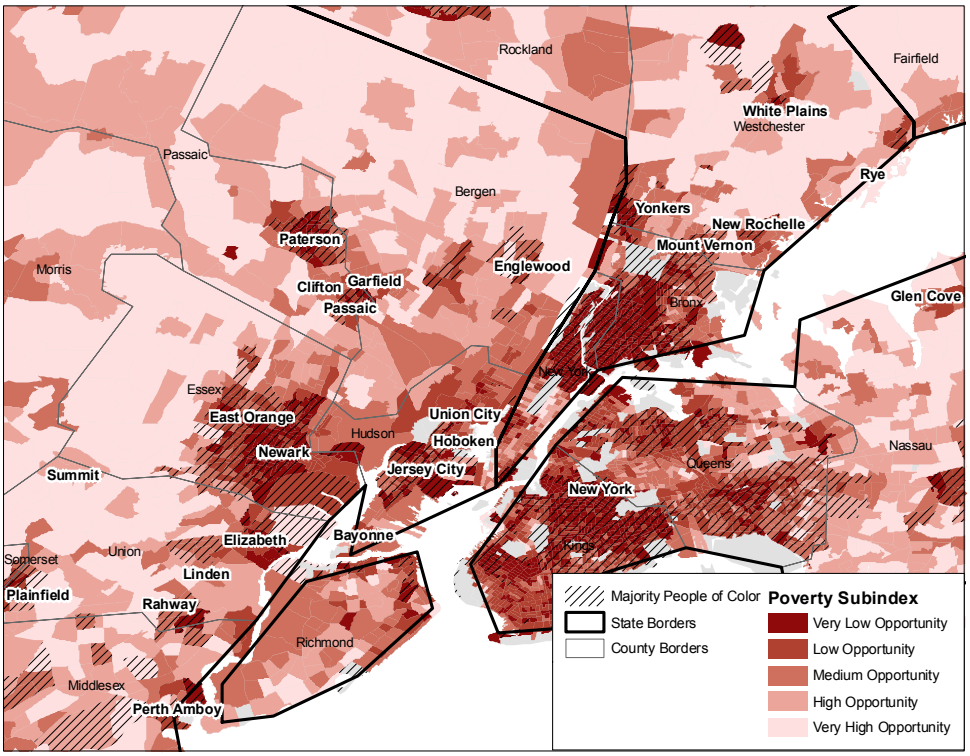


Figure 5: Racialized concentrated poverty in New York City (U.S. Census 2000)

As Map 4 shows, race and poverty are linked. In Upper Manhattan, the South Bronx, Newark, parts of Brooklyn, and some inner-ring suburbs such as Paterson, Passaic and Elizabeth, high-poverty neighborhoods are almost always majority new majority neighborhoods. Low-poverty neighborhoods, such as Lower Manhattan and many of the region's second-ring suburbs, are almost always majority White.



Map 4: Map of Poverty Sub-Index and communities of color in and around New York and Newark

[62] U.S. Census Decennial Census 2000 Summary File 3

Poverty rates for women of all races are higher than for their male counterparts, but especially so for women of color. Latina women have a 25% poverty rate, which is more than twice the regional average and four times higher than White, male poverty. For Black women, poverty is only slightly lower, at 21%.[63]

There are many reasons women are more likely to live below the poverty line. Women in the New York region are paid less than men. Median income for a woman working full-time in 2006 was $41,724, almost $10,000 less than for a man. This pay difference is due, in part, to location in the economy. Women are more likely to be tracked into lower-earning, service-sector jobs, such as child care, cleaning, and nursing. 20% of women over the age of 16 work in service-sector jobs, compared to 16% of working men.[64] Black women, in particular, face unique challenges, such as weaker social networks when trying to get top jobs, and they only make up 1% of senior corporate officers.[65] Women are also more likely to be penalized in the economy for child rearing as it can mean stilted educational opportunities and the need for jobs that balance child care responsibilities. When it comes to poverty, the gap between men and women is higher in the United States than in any other developed country.[66]

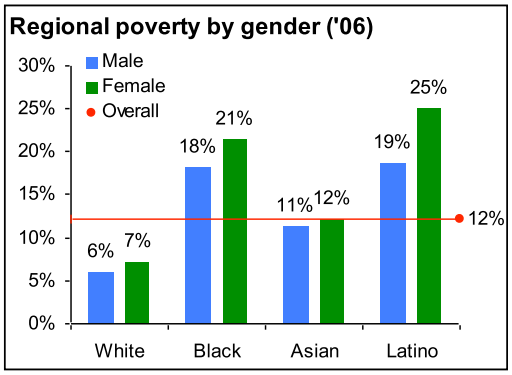


Figure 6: Regional poverty by race and gender (U.S. Census 2006)

Children are victims of our collective failure to distribute opportunity. Child poverty in communities of color is shocking. Regionally, around 40% of Black and Latino children under the age of 18 live in poverty. White child poverty is one fifth of that (8%) and half of Asian child poverty (17%).[67] Research has shown that the stress of growing up in poverty can alter brain development in the area responsible for problem-solving, reasoning, and creativity.[68]

[63] U.S. Census 2006 American Community Survey
[64] *Ibid.*
[65] Jesse Washington, "Top jobs not welcoming for black women, study says," The Associated Press, January 7, 2009.
[66] Alexandra Cawthorn, "The Straight Facts on Women in Poverty," Center for American Progress, October 8, 2008.
[67] U.S. Census 2006 American Community Survey
[68] Linda Jacobson, "Scientists Track Poverty's Links to Cognition," Education Week, January 7, 2009

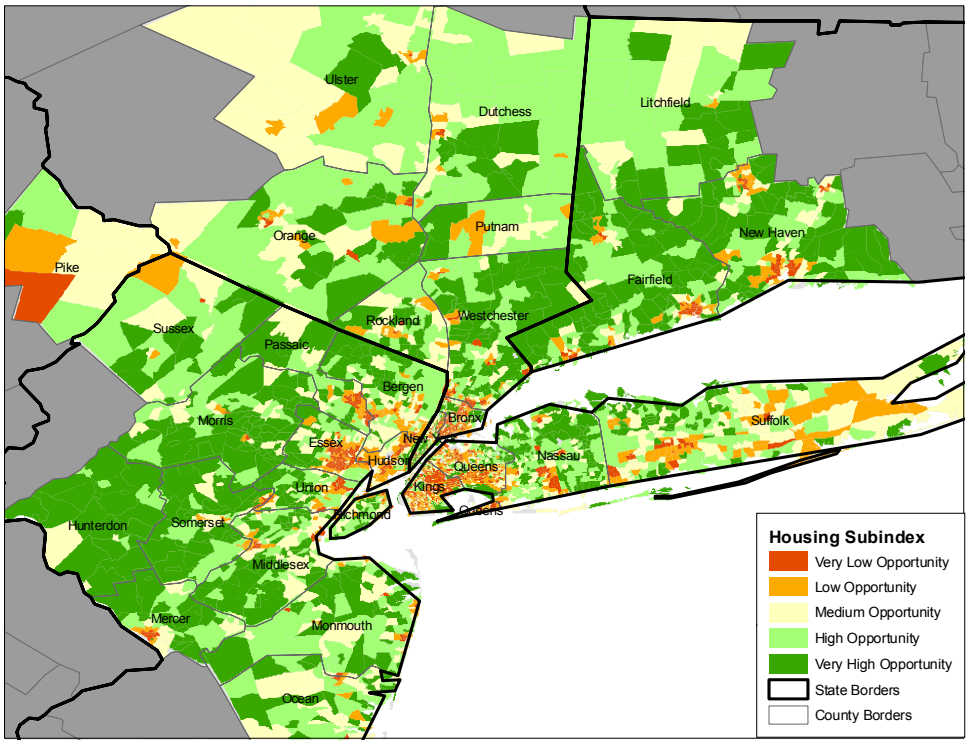
Resident Race/ Ethnicity	Opportunity Index	Housing Sub-Index
Black	Low	Average
Asian	Average	Average
Latino	Low	Low
White	High	High

Table 4: Housing Sub-Index

In the New York region, access to quality and affordable housing is not race-neutral. The Housing Sub-Index measures both housing quality and affordability. It shows that Whites experience high housing opportunity compared to Asians and Blacks, who experience average housing opportunity, and Latinos, with low housing opportunity. Second-ring suburbs, such as Livingston, Millburn, and Ridgewood, tend to have high housing opportunity. Metropolitan centers, such as Brooklyn, Upper Manhattan, Newark, and Paterson, as well as inner ring suburbs, tend to have low to very low housing opportunity (see map 5). This section explains some of the barriers to quality and affordable housing in the region.

HOUSING IS INCREASINGLY UNAFFORDABLE FOR EVERYONE

Our ability either to afford rent or purchase a home affects our social and economic mobility. Extremely low vacancy rates are often an indicator of especially high rents and housing prices.[69] As of 2005, New York City's net vacancy rate was 3.1%[70] and counties such as



Map 5: Housing Sub-Index of the Opportunity Index of the region

The burden of rising rents falls disproportionately on the new majority. Across the region, Blacks, Latinos, and Asians have much higher rates of rent stress.

Suffolk, Rockland, Nassau, and Westchester are experiencing vacancy rates of only 2.1-3%, much lower than the average rate of the 7.1% in Northeastern United States.[71] Although in recent years the region has benefited from a housing boom (permits for residential construction tripled between 1997 and 2005 in New York City alone),[72] the boom has largely built high-end, luxury housing. The poor, working and middle classes alike are getting squeezed out as affordable housing continues to disappear.[73]

The recent economic crisis has exacerbated the squeeze. The construction boom is likely to slow down in coming years,[74] and financing has been delayed for many of the 165,000 units of low- and moderate-income housing that New York City Mayor Bloomberg had plans for.[75] The growing population and shrinking pool of affordable housing options, particularly amidst the economic crisis that is leaving many unemployed, compromises the economic sustainability and the wellbeing of the region. These trends are made worse by rising energy costs and public transit fares facing many poor and middle class people forced to travel farther and farther to get to work.

The burden of rising rents falls disproportionately on the new majority. Across the region, Blacks, Latinos, and Asians have much higher rates of rent stress and typically pay more of their income in rent than Whites. Figure 7 shows that regionally, 41% of Blacks and 43% of Latinos spend over 30% of their income in rent, compared to 37% of Whites.[76]

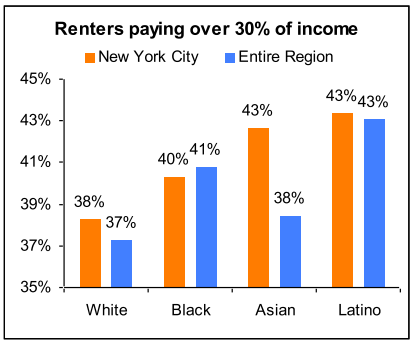


Figure 7: Rent stress by race (U.S. Census 2006)

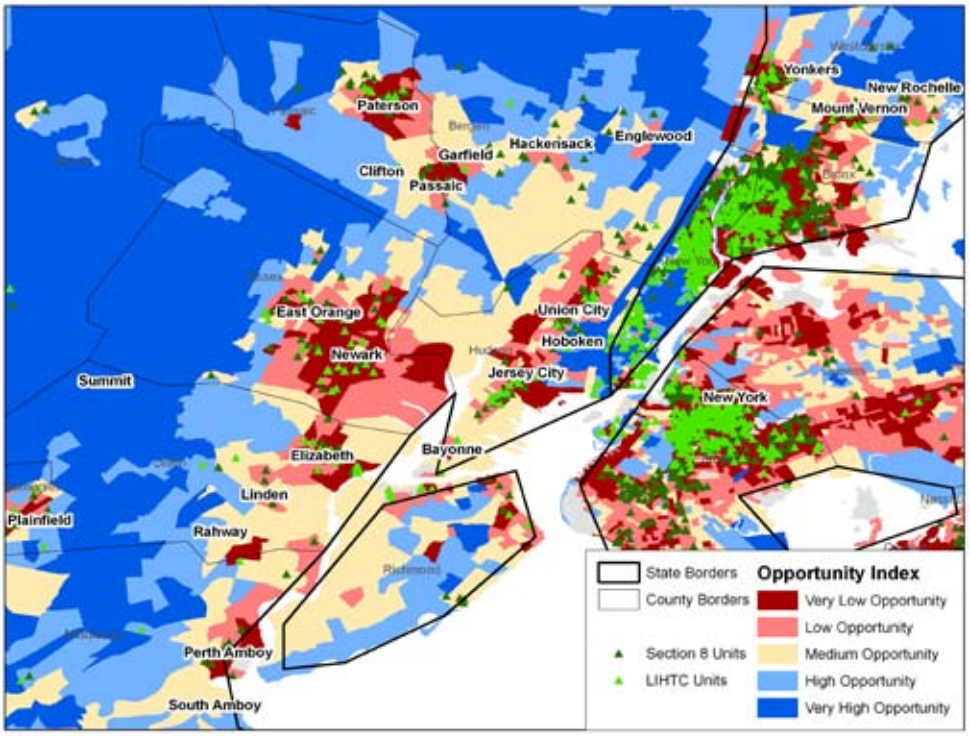
Despite the well-recorded loss of affordable subsidized housing, no comprehensive policies exist to address this looming catastrophe.[77] Public programs that support affordable housing, like the Mitchell-Lama and Section 8 housing voucher programs, are expiring or weakening. From 2000 to 2006, New York City lost over 250,000 (one of every three) multi-bedroom apartments renting for under $1,000 a month. Regionally, almost 40% of affordable stock, or 500,000 units, have been lost.[78] Between 2000 and 2006, second-ring suburbs (such

[69] CitiHabitats, "West Village Most Desirable Neighborhood in Manhattan" March 31, 2005.
[70] Lee, Dr. Moon Wha "Selected Findings of the 2005 New York City Housing and Vacancy Survey," New York City Department of Housing Preservation and Development, February 10, 2006.
[71] *New York State Platform*, "Housing New York's Future: Community Development and Homes for All New Yorkers," July 2006, 4 and Natalia Siniavskaia, "Local Vacancy Rates in Government Databases," *National Association of Homebuilders*, October 13, 2007.
[72] Office of the New York City Comptroller William Thompson "Economic Notes" Vol. XV, No. 2, April 2007, 3.
[73] Waters, Tom "As City Grows, Affordable Housing Shrinks" *Gotham Gazette*, April 21, 2008.
[74] Charles Bagli, "End Seen to New York Building Boom," *New York Times*, October 14, 2008.
[75] Manny Fernandez, "New York Housing Plan Is Delayed," *New York Times*, January 5, 2009.
[76] U.S. Census 2006 American Community Survey
[77] Andrew Beveridge, "A Shift in Albany Could Avert Higher Rents," *Gotham Gazette*, October 2008. City
[78] U.S. Census Decennial Census 2000 Summary File 3 and U.S. Census 2006 American Community Survey Association of Homebuilders, October 13, 2007.

as Morris County in New Jersey and Suffolk County in Long Island), which tend to be higher in opportunity, lost the highest percentages of affordable housing in the region.[79]

The dramatic loss of affordable housing is a result of the lack of investment by federal, state, and city governments. According to a report by PolicyLink and the Pratt Institute's Center for Community and Environmental Development, funds dedicated to affordable housing in New York City have declined by 72% since 1989.[80] Mayor Bloomberg's plan to build or preserve 165,000 affordable housing units by 2013 is laudable, but unless we protect Mitchell-Lama, rent-stabilized, rent-controlled, and public housing units (which house 400,000 low-income residents) from conversion to market-rate housing, the crisis will grow.[81]

Not only is the number of affordable housing units shrinking dramatically, but those that do exist are generally located in areas without quality transportation, jobs, or schools that can help residents escape poverty. As shown in Map 6, federal programs, such as Section 8 and Low Income Housing Tax Credits, which exist to provide low- and moderate-income households affordable housing, are located in low-opportunity areas. Sarah Lansdale, Executive Director of Sustainable Long Island, works in part in Nassau-Suffolk County, which is the 3rd most



Map 6: HUD Housing and the Opportunity Index in New York City and Newark

[79] U.S. Census Decennial Census 2000 Summary File 3 and U.S. Census 2006 American Community Survey Association of Homebuilders, October 13, 2007.

[80] Kalima Rose et al., "Increasing Housing Opportunity in New York City: The Case for Inclusionary Zoning," Report Prepared by PolicyLink and *The Pratt Institute Center for Community and Environmental Development*, Fall 2004, 11. According to the New York City Department of Housing Preservation and Development, the number of rent-controlled housing units declined by 27% between 2002 and 2005 alone (Moon Wha Lee, "Selected Findings of the 2005 New York City Housing and Vacancy Survey" *New York City Department of Housing Preservation and Development*, February 10, 2006, 2).

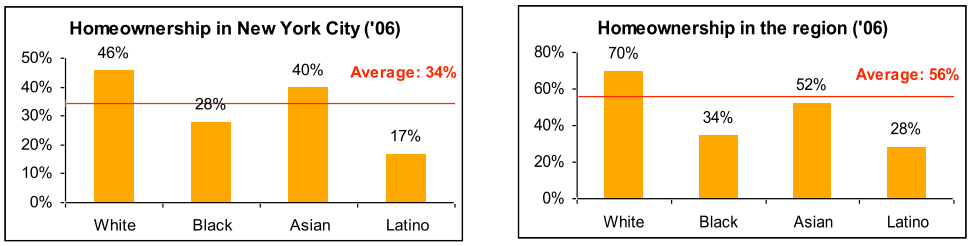
[81] Nicholas Dagen Bloom, "Preserving Public Housing that Works," *Gotham Gazette*, June 2008.

segregated suburban area of the United States.[82] She recounted that counties in Long Island tend to locate publicly subsidized housing developments in economically distressed communities, which further leads to a growing concentration of low-income housing in poor areas. What is more, land acquired and then auctioned by counties for the development of affordable housing is often located in already distressed communities, thus reinforcing the cycle of economic isolation for those living there.[83]

LOWER HOMEOWNERSHIP RATES IN NEW MAJORITY COMMUNITIES MEANS LESS ASSET WEALTH

Homeownership is widely considered a springboard into America's middle class because of its ability to create asset wealth. Due to a history of policies that prevented homeownership in communities of color, today Whites have significantly higher homeownership rates than the new majority. Figure 8 shows that in New York City, White homeownership rates are 46% versus only 40% for Asians, 20% for Blacks, and 17% for Latinos. Regionally, the gaps are worse: Asian, Black, and Latino communities all have below average homeownership rates (56%) whereas White homeownership rates are well above the average (70%).[84]

Figure 8: Homeownership rates in New York City and the region by race (U.S. Census)



Homeownership in and of itself does not create wealth. Not all homeowners live in communities with the infrastructure and amenities to build home value. Because of the historical legacies of redlining and housing discrimination that relegated people of color to neighborhoods with poorer quality homes and worse amenities than those of their White counterparts, Black homeowners on average receive less value for their homes than do White homeowners, even when controlling for income.[85] Moreover, the more racially isolated a neighborhood, the wider the gap in home value between Black and White households.[86] This suggests that the lack of connection to good jobs, good schools, and other amenities may reduce new majority communities' ability to build home equity and thus asset wealth.

The subprime mortgage crisis makes matters much worse. As mentioned earlier, the subprime crisis has stripped shocking amounts of wealth from new majority communities. This wealth stripping, in turn, influences a family's ability to pay for children's college tuition or retirement, finance a small business, or meet financial obligations in hard times.

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[82] *Institute on Race and Poverty*, "Racism and the Opportunity Divide on Long Island," Prepared for the ERASE Racism Initiative of the Long Island Community Foundation, July 2002, 11.
[83] Interview with Sarah Lansdale, Executive Director of Sustainable Long Island. August 27, 2008.
[84] U.S. Census 2006 American Community Survey
[85] David Rusk, "The 'Segregation Tax': The Cost of Racial Segregation to Black Homeowners," *Brookings Institute*, 2001.
[86] *Ibid.*

Caught in Homelessness

The rising rates of homelessness in the region are a result of our failure to ensure accessible quality and affordable housing for everyone. Moreover, the approach that has been used by local government to "warehouse" those affected by homelessness fails to adequately address root causes. This is one person's story.

Brian never imagined he would be homeless. He had always been employed in jobs that challenged and interested him until a series of unfortunate events forced him to separate from his family and rent a room in a friend's apartment.

Brian's relationship with his roommate turned sour when Brian discovered that his roommate's girlfriend had been stealing from him. "I filed a police report and was promptly locked out of my apartment. My friend had changed the locks." Brian's name was not on the lease so he had no legal recourse to challenge the eviction.

Even though Brian was working full time, he found it difficult to find an apartment he could afford. After sleeping in the park for a few weeks, Brian ended up in the shelter system at the 30th Street Men's Shelter at Bellevue Hospital. "From there I was transferred to Camp La Guardia,[87] a shelter 80 miles from the city, because you can only stay at Bellevue for so long." Brian was one of the many working homeless at the camp. "I had a job, but getting to the city was almost impossible." Each morning Brian fought to get on one of the few free (and very crowded) buses going to Manhattan provided by the camp. "Otherwise, I had to pay $20 for a public bus. I was regularly late for work and increasingly absent."

The camp provided job skill training for the residents, but "many of the classes were too elementary to help trainees compete in the job market. The camp received funding based on the number of students, so they encouraged us to take classes whether we needed the training or not. Asking residents what training they need and providing classes to meet those needs would be better."

Brian believes there is a stereotype of the homeless as "lazy, dangerous, or on drugs," even though most of the men he met in the shelter were employed. This stereotype drove former Mayor Giuliani's deep cuts to the Department of Homeless Services, which now has swelled waiting lists for housing. "The city is hiding the homeless to make it seem like there is no longer a problem." Add to this the rising cost of housing and you have, as Brian expresses, "generations being pushed out of neighborhoods and ending up either on the street or in the shelter system." The number of homeless families has reached record highs in recent years, and in the face of the current downturn, is likely to worsen.[88]

The stereotype-driven policy of hiding the homeless is expensive and ineffective. As Brian explains, "For the $3,000 a month spent to keep me in a shelter, they could provide me with $500, which would help me get an apartment in the city and find a job." By creating pipelines to good jobs and quality affordable housing, the city could provide the necessary aid so many in the system need to escape homelessness, at a fraction of the cost. Instead, many remain in a cycle of homelessness, with few opportunities to escape it.

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[87] Camp LaGuardia closed in June 2007

[88] Trymaine Lee, "Homeless Families in City Shelters Hit Record, Despite the Mayor's Efforts," *New York Times*, March 8, 2007.

POLICY RECOMMENDATIONS: CREATE INCENTIVES FOR OPPORTUNITY-BASED HOUSING

Leverage the Low Income Tax Credit (LIHTC) program

The federal government, through the US Department of Housing and Urban Development, provides tax incentives for the construction of affordable housing – The Low Income Housing Tax Credit program (LIHTC). Thanks to this program, in the 1990s developers built over 800,000 affordable units.[89] But more than half of that housing was built in neighborhoods lacking opportunities, like good jobs and good schools.[90] Public housing authorities in the region should work together to consider how to support the location of LIHTC units in high-opportunity areas, as identified by the Opportunity Index. By giving low-income people of color choices about where to live, we create opportunities for them to increase their access to decent jobs and schools.[91]

The Kirwan Institute for the Study of Race and Ethnicity at The Ohio State University (Kirwan Institute) suggests linking LIHTC siting criteria to data collected under the federal No Child Left Behind Act (NCLB) that shows where schools are performing well.[92] Identifying good schools should not be limited to using NCLB data, but it is a good starting point. In some cases, NCLB data may be misleading. NCLB rates performance based on whether schools meet Adequate Yearly Progress (AYP). Many high-performing schools can fail AYP if struggling sub-groups of students do not meet improvement targets.[93] Siting criteria should reflect the range of factors that influence access to opportunity: whether an area has job centers and critical amenities; whether there is already a concentration of LIHTC units in the area; educational attainment levels of adults who live in the area; socioeconomic diversity measured by poverty level in schools.[94]

Research by the Kirwan Institute and the Poverty and Race Research Action Council tracking states that have been revising their site testing criteria may be instructive for the New York region.

- Wisconsin prioritizes zip codes with recent job growth
- Minnesota includes population growth and job growth
- Illinois has "live near work" criteria to prioritize suburban areas with job growth and labor shortages
- California gives bonus points for high-income, high job growth locations with inclusionary zoning
- Several states consider distance to childcare, access to public transit, and access to nearby services, like grocery stores and medical facilities[95]

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[89] "Siting Affordable Housing: Location and Neighborhood Trends of Low Income Housing Tax Credit Developments in the 1990's" (Brookings Institute 2004).

[90] *Ibid*.

[91] john a. powell et al., Communities of Opportunity: A Framework for a More Equitable and Sustainable Future for All (2007).

[92] john a. powell, "Creating Communities of Opportunity for African Americans and Latinos," (working paper for the National Black Latino Policy Summit), http://www2.nationalblacklatinosummit.org/bls_education.pdf

[93] Education Trust, The ABCs of "AYP": Raising Achievement for All Students (2004); Northwest Regional Educational Laboratory, Making Sense of Adequate Yearly Progress (2004)

[94] Powell et al., Communities of Opportunity.

[95] Kirwan Institute, "Fair Housing and the LIHTC Program: Can we use LIHTC to connect more people to opportunity?" (presentation by john a. powell at Fair Housing Law and Practice, Seattle University, School of Law) (March 2007).

Implement mandatory inclusionary zoning

Inclusionary zoning takes the form of a local ordinance that requires builders to include a certain amount of housing units affordable for low- and moderate-income households in their market-rate housing developments. In exchange, builders get a density bonus, which allows them to build more units than the number allowed by the zoning ordinance. Inclusionary zoning laws can be either voluntary or mandatory.

Mandatory programs are generally more effective. They produce more affordable units for low- and very low-income households. Voluntary programs can be highly effective but generally not without substantial federal, state, and local subsidies to create a sufficient amount of incentives.[96] To create housing that is truly affordable for low- and moderate-income residents, affordability must be defined in relation to the local context of real median wages and the local housing market.[97] Housing must also remain permanently affordable and keep pace with changing market conditions, as opposed to many current inclusionary zoning programs, which are designed to expire after a defined time period.[98]

The Pratt Center for Community Development echoes these recommendations for New York City. In a 2004 report co-authored with Policy Link, they recommended that mandatory inclusionary zoning be part of all future neighborhood-wide zoning changes. They also suggested offering inclusionary zoning incentives in high-density residential neighborhoods and connecting inclusionary zoning to other affordable housing resources, such as the Housing Choice Voucher Program (formerly Section 8).[99]

Establish housing trust funds

Linkage fee programs (also known as housing trust funds) also have been effective in creating affordable housing. Typically, linkage fee programs are enacted through local legislation and administered by city staff. The local agency that issues building permit applications and zoning variances typically collects the fees and ensures that developers are in compliance. Fees are placed into a housing trust fund or the general budget. Developers of new commercial structures contribute, either through fees or actual construction, to the affordable housing stock or to other community needs such as job training, public transportation, or childcare. Beyond this general structure, there are significant variations among linkage fee programs depending on political and economic contexts.[100]

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[96] Nicholas Brunick, Lauren Goldberg, and Susannah Levine, Business and Professional People for the Public Interest, *Voluntary of Mandatory Inclusionary Housing? Production, Predictability, and Enforcement* (2004).

[97] *Ibid*.

[98] Nicholas Brunick, Lauren Goldberg, and Susannah Levine, Business and Professional People for the Public Interest, *Voluntary of Mandatory Inclusionary Housing? Production, Predictability, and Enforcement* (2004).

[99] Policy Link and the Pratt Center for Community Development, Increasing Housing Opportunity in New York City: The Case for Inclusionary Zoning (2004)

[100] Policy Link, "Commercial Linkage Strategies" http://www.policylink.org/EDTK/Linkage/ (Accessed February 5,

Resident Race/ Ethnicity	Opportunity Index	Jobs Sub-Index
Black	Low	Low
Asian	Average	Average
Latino	Low	Low
White	High	High

Table 5: Jobs Sub-Index

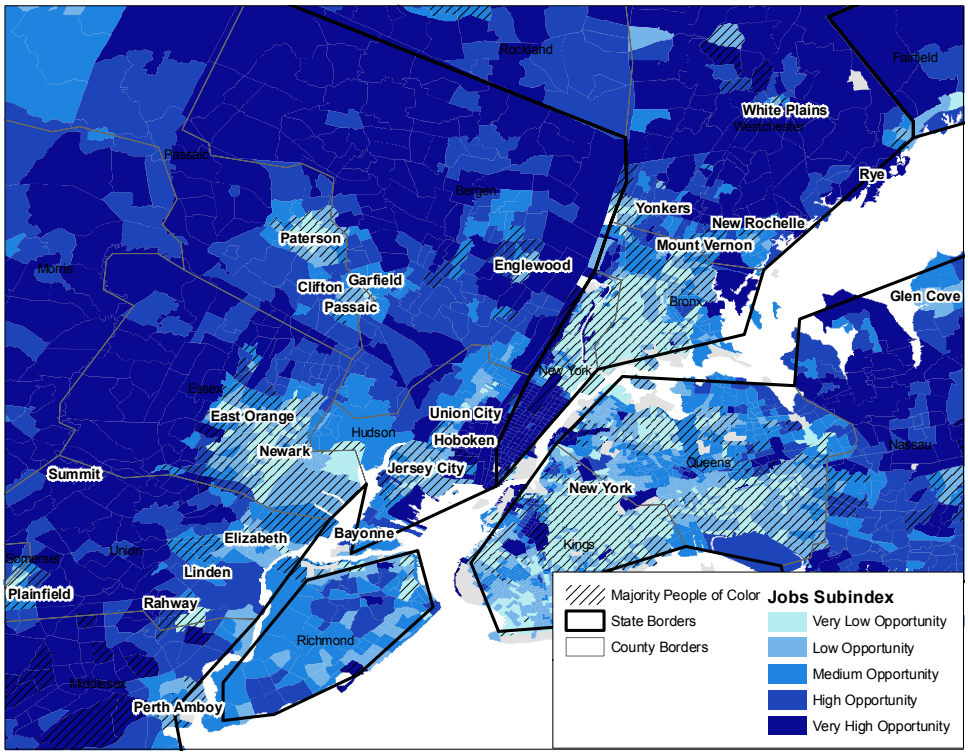
Infrastructure, both physical (public transit, telecommunications lines, etc.) and social (education etc.) are essential to a strong, sustainable economy. Too many residents, however, do not have access to these crucial pathways to opportunity. The Opportunity Index shows that White residents have high job opportunity while Blacks and Latinos have low job opportunity. Asians in the region fall in the middle and have average job opportunity. This section explores some of the structural causes of job inequity.

ECONOMIC INEQUALITY IS WIDENING

Economic opportunity – especially for the poor – is dwindling as we move more towards a two-tiered, service-sector economy. Inequity in New York City is worse than almost anywhere else in the world. Research by the United Nations found that the City is the ninth most unequal city in the world thanks to racial exclusion.[101] The top 5% of income earners in the region earn over 25% of the region's income, the highest income concentration in the country's 50-largest metropolitan areas. Only 10.8% of earnings go to the lowest 40% of income earners – the lowest percentage among the largest metro areas.[102] Research suggests that these indicators have recently gotten worse.[103]

While Whites occupy a disproportionate amount of high-wage jobs, members of the new majority are much more likely to work low-wage, service-sector jobs without benefits or a scalable career ladder. For every $1 earned by a White household, Latino households earn just over 50 cents and Black households earn fewer than 60 cents. These gaps have widened since 2000.[104] The importance of these gaps is also growing as the cost of living continues to rise, especially housing, utilities, and medical costs.[105] Given the region's persistent educational opportunity gap, earnings inequality will likely continue to expand.[106]

[101] Vidal, "Wealth gap creating a social time bomb."
[102] U.S. Census 2006 American Community Survey
[103] David Jason Fischer, "State's Working Poor Face Low Pay and High Costs" *City Limits Weekly*, no. 660 (October 20, 2008).
[104] U.S. Census Decennial Census 2000 Summary File 3 and U.S. Census 2006 American Community Survey
[105] U.S. Bureau of Labor Statistics 2008
[106] See section entitled: The region needs a strong public school system that works for all communities



Map 7: Jobs Sub-Index and communities of color in New York City and Newark

ECONOMIC OPPORTUNITY IS LIMITED IN NEW MAJORITY COMMUNITIES

Where housing is affordable matters as much as whether it is affordable. Most job growth and good jobs are in newer and more affluent second-ring suburbs. These often racially homogenous communities are, by most indicators, doing better economically than urban areas and older, more diverse inner-ring suburbs.[107] They are also often lacking affordable housing. As Map 6 shows, (see page 23) there are very few HUD-subsidized housing units in high opportunity areas. This also harms suburban communities in need of labor to fill local jobs.

Where housing is affordable matters as much as whether it is affordable.

While New York City remains very important to the region's economic vitality, suburban jobs (largely occupied by Whites) are growing. Since 1975, New York City's share of the region's jobs shrank as suburban economies took off. A study that looked at the City and the 12 nearest counties in New York and New Jersey found that the percentage of regional jobs located in the five boroughs fell from 53% to 47%.[108] Members of the new majority were unable to access new jobs outside of the City because of the lack of affordable housing in growing suburbs.

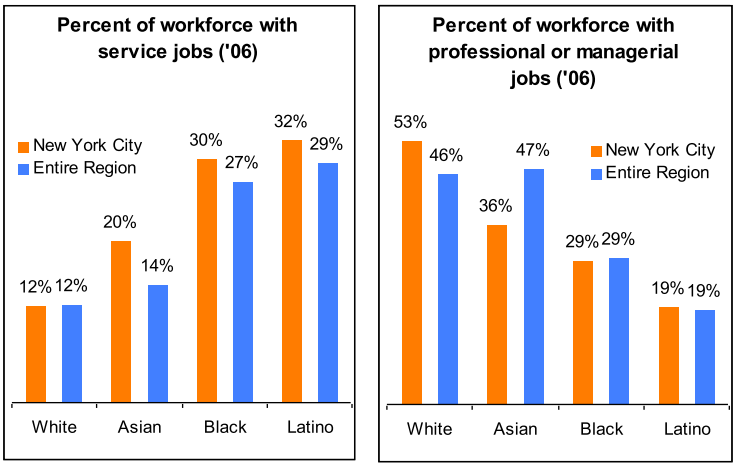
The types of jobs available to low-skill workers in New York City are less sustaining than they once were. Middle-class manufacturing jobs are leaving the City and low-wage, service-sector jobs are replacing them. Between 1990 and 2007, the City lost 62% of manufacturing jobs while retail jobs increased by 13% and food service jobs jumped by 33%.[109]

[107] de Souza Briggs, 7.
[108] Jonathan Bowles and Qianqi Shen, "New York by the Numbers: Economic snapshots of the five boroughs," *Center for an Urban Future*, vol. 1 (October 2008).
[109] U.S. Bureau of Labor Statistics 2008

These sectors are unlikely to provide basic benefits, such as paid sick leave,[110] and often pay below minimum wage.[111] Many of the lost manufacturing jobs were also unionized, and research found that metro areas with higher union participation had higher wages.[112]

The disappearance of manufacturing jobs and explosion of low-wage, service-sector jobs has disproportionately hurt new majority communities. Across the region, and particularly in New York City, the new majority are much more likely to hold service jobs and much less likely to hold professional or managerial jobs. In fact, even when controlling for education, skills and experience, members of the new majority are more likely to work in the service sector.[113] This is especially true for Latinos, who are almost three times as likely as Whites to have service jobs and less than half as likely to have managerial jobs. Blacks are slightly less likely to work in the service sector than are Latinos. Similar to Blacks and Latinos, Asians living in New York City are under-represented in the professional sector, while suburban Asians actually have the highest representation.[114]

Figure 9: Industry participation by race (U.S. Census 2006)



A typical service sector income in the region is under $21,000 whereas the median income for a professional or managerial job is over $52,000.[115] The number of foreclosures in communities of color speaks not only to the housing crisis, but also to declining wages. Because incomes are not keeping up with increasing cost of living, many homeowners are finding it increasingly difficult to afford mortgage payments.[116]

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[110] Elisabeth Ryden Benjamin and Jeremy Reiss, "The Unheard Third Survey of Low-Income New Yorkers," *Community Service Society*, 2007.

[111] Remy Kharbanda and Andrea Ritchie et. al., "Behind the Kitchen Door: Pervasive Inequality in New York City's Thriving Restaurant Industry," *Restaurant Opportunities Center of New York*, 2005

[112] Todd Swanstrom, "The Road to Good Jobs: Patterns of Employment in the Construction Industry," *Transportation Equity Network*, September 30, 2008.

[113] Laura Limonic "Where Do Latinos Work? Occupational Structure and Mobility within New York City's Latino Population 1990—2006" *Latino Data Project*, Report 23 (2008).

[114] U.S. Census 2006 American Community Survey

[115] U.S. Census 2006 American Community Survey

[116] Adrienne Shropshire, interview, August 29, 2008.

COMMUNITIES OF COLOR LACK TRANSPORTATION OPPORTUNITIES

Because jobs have been moving to the suburbs, transportation options are an even more important factor in whether people who need the jobs can get to them. Public transit can connect workers to job centers at an affordable cost, preserve resources (such as fuel and open space) and boost an economy.[117] But much of our regional transportation infrastructure has been developed to serve suburban car owners by building highways rather than providing a comprehensive public system of trains and buses. Since 1935, the region added around 1,600 miles of highways. Post-World War II suburbanization spurred the highway system's fastest-growing period. Between 1949 and 1974, the region added an average of 54 new miles of highway per year to accommodate the suburbs' growing, car-dependent and largely White population.[118] Long Island alone grew by nearly two million residents during this period.[119] Poor new majority of color families were always less likely to have access to a car and so were often stranded with little ability to commute to jobs throughout the region.[120]

While the New York region's transit system is better than most, there are still many poor communities without access to the rail network. Many of these neighborhoods have the population density to support public transportation and would likely use it because they have lower rates of car ownership.[121] Only half of new majority residents living in the region are able to drive or carpool to work, while over 70% of Whites are.[122] Since poor commuters spend more of their income on gas, recent increases in the price of gasoline have also hurt the poor more and pushed vehicle ownership even further out of reach.[123] Overreliance on cars is also increasing air pollution and costing the region hundreds of millions of dollars in productivity lost in longer, congested commutes.[124]

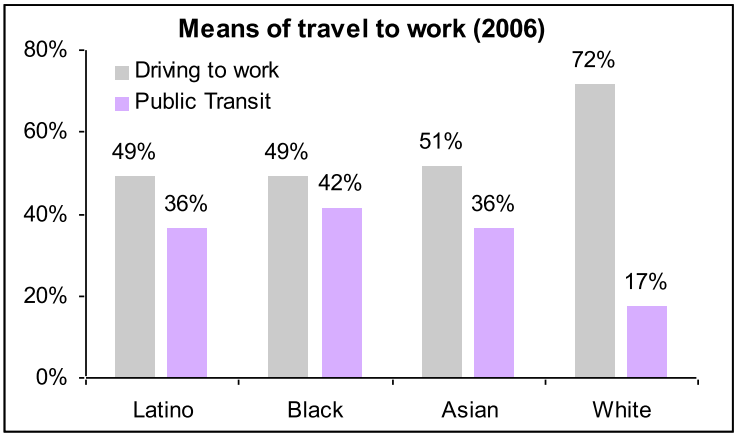

Figure 10: Transportation options by race (U.S. Census 2006)

[117] *Tri-State Transportation Campaign*, "It's the Sprawl Stupid! What's Driving Connecticut's Traffic Congestion - factsheet," 2007.
[118] Jeffrey M. Zupan et al., "Tomorrow's Transit: New Mobility for the Region's Urban Core," Regional Plan Association, October 2008.
[119] *Ibid*.
[120] Robert D. Bullard, ed., *Highway Robbery: Transportation Racism and New Routes to Equity* (South End Press, 2009).
[121] Zupan et al.
[122] U.S. Census 2006 American Community Survey
[123] Christopher Hayes, "Impact of Rising Gas Prices on Below-Poverty Commuters," Urban Institute, September 1, 2008
[124] *Tri-State Transportation Campaign*

Between 1935 and 2000, the region added 1,600 miles of highway. At the same time, New York City grew by over one million new residents and removed more subway track than it added.[125] Much of the demolished track was in poor communities of color, such as the Third Avenue elevated line in the Bronx, which was torn down in 1973.[126] Although the City's population and ridership have grown over the years, the Metropolitan Transportation Authority (MTA) has not made any significant upgrades over the past 70 years. In the last 10 years alone, the subway system has added half a billion trips annually.[127] The current economic crisis is forcing the MTA to make severe cuts in service throughout the City and consider increasing fares.[128] This is likely to most significantly impact communities of color, which already have the longest commutes and the least financial flexibility with which to handle fare increases.[129]

Even within New York City, White city residents have shorter work commutes (36 minutes) than do the new majority. Latinos and Asians travel to work an average of 41 and 42 minutes, respectively. Blacks have the longest average commute in the city – 47 minutes.[130] In fact, workers commuting from the Bronx often have longer commutes than those coming from northern New Jersey and Downstate New York suburbs to work in lower Manhattan.[131] And while many living in and around New York City accept long commutes, the additional burdens, such as finding childcare, make the logistics of a long commute much more challenging, particularly for poor women.[132] Similarly, if a commute requires several transfers between buses and trains, the chance of a breakdown or missed connection rises, and with it the chance of being late for work or late to meet one's child.

Two-thirds of New York City workers who commute for over an hour earn under $35,000 a year.[133] The skyrocketing cost of housing in many areas with good transit access is making matters worse for the poor. Many low-income families are being pushed from neighborhoods such as Harlem and Williamsburg to East Flatbush and Soundview, where transportation options are sparse and commutes are longer. To make matters worse, public housing is in isolated areas, often far from adequate transit options.[134]

From downstate New York and Long Island to Connecticut and New Jersey, low-income and new majority communities have a much harder time getting to job centers in other parts of the region.

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[125] Zupan et al.

[126] This line was replaced by a bus service that connects to the subway, but leaves the poor community of color without a direct connection to job-rich Manhattan

[127] Zupan et al

[128] William Neuman, "M.T.A. Warns of Service Cuts and Fare Increases," *New York Times*, November 20, 2008

[129] Thomas W. Sanchez, Rich Stolz, and Jacinta S. Ma. "Moving to Equity: Addressing Inequitable Effects of Transportation Policies on Minorities" The Civil Rights Project and the Center for Community Change, June 2003.

[130] *Pratt Center Transportation Equity Project,* "Racial and Income Disparities in Commute Times of New York City Residents"

[131] U.S. Census 2006 American Community Survey

[132] Larry Tung, "The Quest for Childcare: Few Spaces, Little Information." *Gotham Gazette*, June 2008.

[133] Byron, , "Bridging New York's Transit Gap"

[134] *Ibid*.

Downstate New York Transportation

In the Tappan Zee Corridor north of New York City, the large majority of commuters rely on private vehicles to get to work; only 9% of Rockland County and 21% of Westchester County commuters use public transportation.[135] There is some mass transit infrastructure, but it is largely dedicated to carrying people to and from Manhattan on rail lines rather than relieving congestion caused by traffic between Rockland and Westchester. Most people crossing the Tappan Zee Bridge during rush hour are traveling between sprawling and disconnected residential and commercial areas. [136]

Long Island Transportation

On Long Island, public transportation is largely built to connect wealthy residential communities to jobs in New York City. The Long Island Rail Road (LIRR) operates on an East-West line and can cost a commuter between $185 and $365 for a monthly pass, or up to $21 for a one-way ticket during rush hour.[137] This is a substantial amount of money for poor households. Those traveling North-South or between areas off the rail line rely on an inadequate system of buses. Bus routes on Long Island provide insufficient transportation to job sites during limited hours (some routes are only open until 6:00 pm) and are not effectively coordinated with the LIRR. As Long Island's population grows, particularly within low-income, Latino immigrant communities, ridership is increasing and the problems associated with the under-funded, poorly-planned system become greater.[138]

Connecticut Transportation

Between 1985 and 2000, Connecticut spent almost four times as much on highways as on public transit.[139] While the State does plan to increase the share of transportation dollars dedicated to public transit to 37%, the majority (59%) is still going to highways and bridges.[140] And while commutes are shorter in the Constitution State than in New York or New Jersey, traffic congestion around the State's major cities – Bridgeport, Stamford, Hartford, and New Haven – is a serious problem. Research by the Tri-State Transportation Campaign found that commuting traffic around those cities costs the state $477 million each year in lost productivity, higher shipping costs, and wasted fuel. Severe traffic congestion also lowers quality of life by generating air and noise pollution and limits the amount of time commuters spend with their families. The Campaign points to uncoordinated and sprawling development as a fundamental cause of traffic congestion.[141]

New Jersey Transportation

In New Jersey, use of public transit is growing faster than use of private vehicles. However, since cars are still the primary method of transportation for most commuters, gasoline consumption, carbon emissions, and congestion continue to rise. Residents of the Garden State spend over 500 million hours each year in traffic. Long commutes result from poor planning and development that does not take public transportation options into account. Only 3% of New Jersey residents live near an NJTransit, PATCO, or PATH rail station, and even fewer New Jersey-based jobs are located near rail stations – 1.4%. Bus access is better. Just over half of New Jersey residents and 81% of jobs are located near a bus station. Buses, however, are more susceptible to traffic congestion, travel shorter distances, and break down more frequently than trains.[142]

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[135] U.S. Census 2006 American Community Survey

[136] Tri-State Transportation Campaign "Getting Up to Speed: A Case for Bus Rapid Transit and Transit-Oriented Development in the Tappan Zee/I-287 Corridor" October 2007.

[137] Metropolitan Transportation Authority "Fares Effective March 1, 2008"

[138] Institute on Race and Poverty "Racism and the Opportunity Divide on Long Island" July 2002.

[139] U.S. Bureau of Transportation Statistics

[140] *Tri-State Transportation Campaign*, "Reform: The Road Not Taken: A Review of Projected Transportation Spending in Connecticut, 2007-2010" May 2007.

[141] *Tri-State Transportation Campaign*, "It's the Sprawl Stupid! What's Driving Connecticut's Traffic Congestion," 2007.

[142] *Tri-State Transportation Campaign* "The State of Transportation 2006: Benchmarks for Sustainable Transportation in New Jersey," December 2006.

POLICY RECOMMENDATION: INVEST IN TRANSIT

"In every recent recession, government has invested in transit and infrastructure to spur recovery."

– Thomas K. Wright, Executive Director, Regional Plan Association[143]

"A coherent program of staged transit investments" is the foundation to building a strong, regional transit infrastructure.[144] The region should invest in connecting those in low-opportunity areas to some of the critical infrastructure in high-opportunity areas by expanding quality transit to those parts of the region that are off of the quality transit grid to ensure they have access to fast and well-connected transit. The region can do this relatively cheaply by expanding bus services. As New York City Councilmember John Liu points out "Unlike subway lines, …buses [do not] need huge multimillion dollar capital output." Also, any federal stimulus dollars New York State receives should offset cuts in transit and fare hikes to help ensure improvements to transit access.

Brad Lander, Executive Director of the Pratt Institute, has pointed out many areas that are transit-poor in this transit-rich region. COMMUTE! (Communities United for Transportation Equity), a coalition of community groups coordinated by the Pratt Center for Community and Economic Development, is urging more routes that would better connect the five boroughs. Our opportunity mapping indicates areas of Upper Manhattan, the Bronx, and Northeast Brooklyn as areas with low rates of car ownership, the longest commutes in the city, high poverty, substantial people of color populations and a high concentration of low-income housing (specifically federal public housing). Other parts of the region which need targeted investment are poor communities of color in East Orange, NJ, and possibly Newark and Paterson, NJ, linked where car ownership is low though commutes are shorter.

INEQUITABLE AND UNSUSTAINABLE DEVELOPMENT PATTERNS NEGLECT COMMUNITIES OF COLOR

"Development is rarely linked to broader economic strategies, such as workforce training and regional planning. Providing the infrastructure for growth in the right locations — transit, housing, education — can have an even greater impact on jobs and prosperity than large development projects."

- Christopher Jones, Vice President for Research, Regional Plan Association[145]

Often-proposed economic development strategies are massive development projects in the form of new stadiums, condominium and cooperative housing developments, and big box stores. These projects rely heavily on eminent domain and hefty public subsidies, yet the public benefits are not proven to justify the public investment.

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[143] Regional Plan Association, Tomorrow's Transit: New Mobility for the Region's Urban Core (October 2008).
[144] *Ibid*.
[145] Christopher Jones, interview, Regional Plan Association, August 11, 2008.

Development is rarely linked to regional planning around housing, transit, or education, and there are few, if any, accountability mechanisms to ensure developers deliver on their promises.[146] In 2005, for example, companies subsidized by the New York State Industrial Development Agency (IDA) program promised to create 217,000 new jobs. These companies generated about one-third of what was promised. More than two-thirds of publicly subsidized companies actually cut jobs. While there is no requirement for these companies to disclose wage information for jobs generated by public funds, many IDA subsidies have gone to low-wage employers such as Wal-Mart.[147] Adrianne Shropshire, former Executive Director of New York Jobs with Justice, called the subsidy of companies that don't create jobs (or even lose jobs) a "black hole of public investment" in communities that need the most help.[148]

Adrienne Shropshire, former Executive Director of New York Jobs with Justice, called the subsidy of companies that don't create jobs (or even lose jobs) a "black hole of public investment" in communities that need the most help.

Upzoning - defined as the increase in height or floor to area ratio limits and/or the removal of density constraints - can enhance or reduce access to opportunity. Residential upzoning often substantially increases the population in neighborhoods, which can strain existing infrastructure, such as schools, police, sanitation, and other public services. Upzoning usually does not come with resources to improve or build new schools. Long-time residents are often displaced because new, often luxury, housing is not affordable to them, and they are unable to keep up with rising rents spurred by new development.

A flourishing industry of site consultants pitting one community against another, politicians who are susceptible to lobbying pressure, and the lack of uniform standards on the allocation of tax breaks and public financing have caused what Bettina Damiani of Good Jobs New York calls an "economic war among states and local municipalities" competing for business investment by cutting bad deals. Supreme Court rulings allowing liberal use of eminent domain (the authority to appropriate privately-owned land) have also facilitated bad development in some places.[149]

These projects often displace residents and further isolate them from opportunity. Ed Ott, Executive Director of the New York City Central Labor Council, said the City has rezoned a lot of industrial land to commercial without discussing the issue with the people living in the neighborhood. Many communities don't find out about plans until after they have already been developed.[150] The large majority of economic development subsidies in Manhattan are in the lower half of the island in areas that already have high job opportunity.[151] By and large, the same is true for economic development subsidies in Queens[152] (see maps on page 36). Development that does take place in poor communities of color often leads to displacement, as it has in Prospect Heights,[153] Park Slope,[154] and Manhattan's Chinatown.[155]

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[146] Sadaf Khartri and Carl Lipscombe, interview, New York Jobs With Justice, September 5, 2008. Bettina Damiani, interview, Good Jobs First, July 29, 2008.

[147] *New York Jobs With Justice* "Getting Our Money's Worth: The Case for IDA Reform in New York State," May 2007.

[148] Adrienne Shropshire, interview, August 29, 2008.

[149] Damiani.

[150] Ed Ott, interview, New York City Central Labor Council, September 3, 2008.

[151] Good Jobs New York and the New York City Economic Development Corporation.

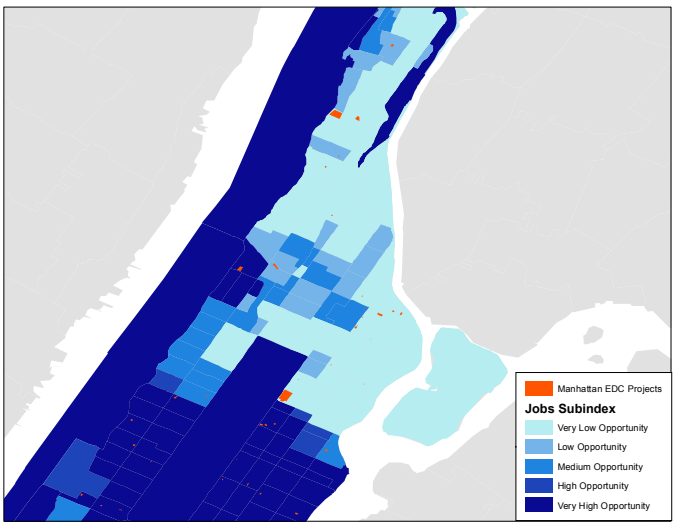
[152] Data for other boroughs was not available in time for this report.

[153] Nicole Brydson, "Brooklyn, The Borough: A Case of Gentrification," *The New York Observer*, May 23, 2008.

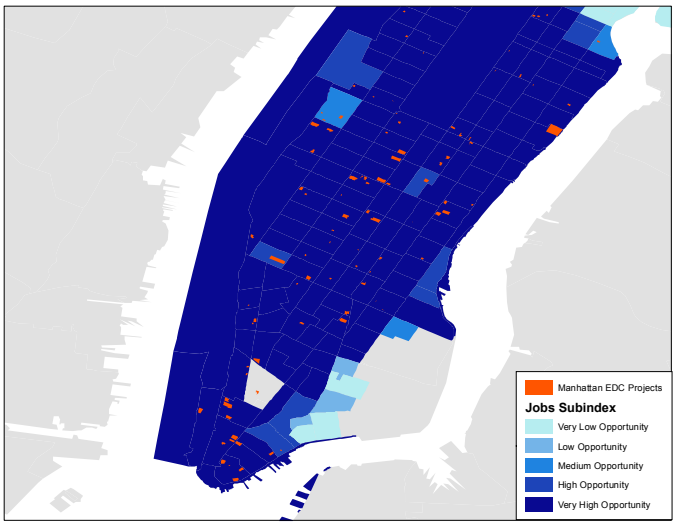
[154] David Barstow, "Blurred Battle Lines Over Gentrification; Son of Park Slope Seeks Share Of Boom, but Poor Have to Move" *New York Times*, July 22, 2000.

[155] CAAAV: Organizing Asian Communities "Chinatown Justice Project".

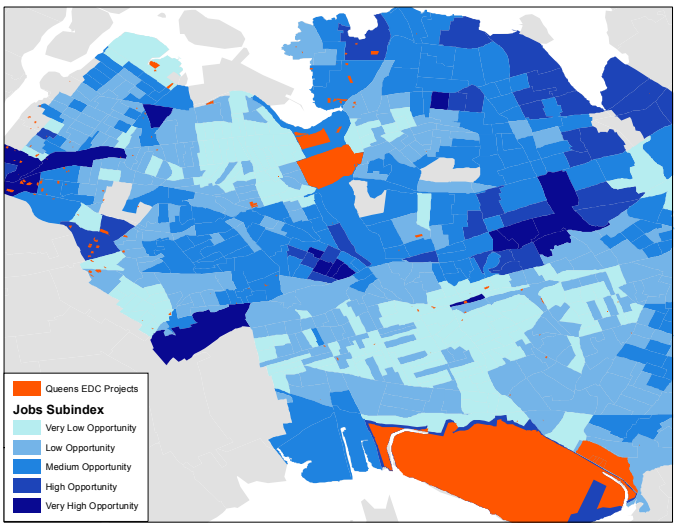
Map 8A: Upper Manhattan economic development subsidies and Jobs Sub-Index (Good Jobs First)



Map 8B: Lower Manhattan economic development subsidies and Jobs Sub-Index (Good Jobs First)



Map 9: Queens economic development subsidies and Jobs Sub-Index (Good Jobs First)



In diverse and thriving Downtown Brooklyn, development has put 100 businesses and 1,700 jobs at risk of displacement.[156]

No one can dispute the importance of creating more jobs for our economy. However, the types of jobs created or retained by these subsidies do not necessarily benefit communities that need them the most and can actually drive inequity. Many good-paying jobs require applicants to have very high-skill levels (e.g. finance, consulting, etc.). Poor job seekers often cannot compete because they have a limited number of social connections, or inadequate education qualifications and skills. At the same time, public subsidies help to create many very low-skill jobs without career ladders (e.g. janitorial, food services, etc.). Research by the advocacy group New York Jobs with Justice shows that numerous subsidies have gone to low-wage employers such as Wal-Mart, Burger King, and McDonald's.[157] Using public funds and powers to create hard-to-get high-wage jobs and low-wage jobs with limited mobility and no benefits further widens the gap between rich and poor and fails to meet the long-term economic interests of the region.

Death by Development

Along with development projects and new construction, New York City has seen an alarming increase in the number of construction accidents. The jump in fatal accidents is particularly distressing, as is the fact that Latino immigrants disproportionately end up the victims.[158] From 1997 to 2006, the number of Latino construction-related deaths in New York City rose by 260%. Of the 43 construction workers who died in 2006, 22 were Latino.[159]

Construction is the most dangerous profession, accounting for 21% of workplace deaths nationally.[160] In New York City, 70% of construction laborers are immigrants.[161] Immigrants are more likely to work in the most dangerous jobs at the least safe job sites. Poor English skills limit immigrants' ability to learn about workplace safety issues, advise an employer about an unsafe situation, or join a union.[162] Many immigrants also fear deportation.[163]

New York City is exploiting Latino immigrant labor to build its future. Ironically, this is a future many immigrants will not be able to afford. Abuse of this disenfranchised population not only hurts the workers, but damages public institutions. Immigrant workers are often hired under illegal employment practices off the books or purposefully misclassified so the employer does not have to contribute to Social Security or Medicare.[164]

According to Oscar Paredes-Morales, Executive Director and Fundraiser Director of the Latin American Workers Project, Inc. (LAWP), day laborers, and scaffold workers in particular, are at great risk for injury every day. Legal protection for the workers building the new New York is inadequate. LAWP advocates for stronger safety laws on construction sites and works to educate day laborers and scaffold workers about their rights.[165]

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[156] *Pratt Center for Community Development* "Downtown Brooklyn's Detour: The Unanticipated Impacts of Rezoning and Development on Residents and Businesses," July 2008.

[157] *New York Jobs With Justice*, "Getting Our Money's Worth: The Case for IDA Reform in New York State," May 2007.

[158] Sewell Chan, "Fatal Construction Accidents in the City Rise Sharply Over 12 Months," *New York Times*, November 22, 2006.

[159] Cristian Salazar, "Amid a building boom, construction deaths soar in NYC" *The Boston Globe*, October 21, 2007

[160] U.S. Bureau of Labor Statistics 2008.

[161] *Fiscal Policy Institute*, "Working for a Better Life: A Profile of Immigrants in the New York State Economy," November 2007.

[162] *New York State Trial Lawyers Association*, "New York's 'Scaffold Law': An Essential Protection for Immigrant Construction Workers," June 2004.

[163] Susan James Donaldson, "Construction Worker Deaths Spike," *ABC News*, January 16, 2008.

[164] Fiscal Policy Institute, The Underground Economy in the New York City Affordable Housing Construction Industry," April 2007.

[165] Oscar Paredes-Morales, interview, Latin American Workers Project, Inc., August 28, 2008.

NEW MAJORITY-OWNED BUSINESSES DO NOT RECEIVE FAIR FINANCIAL SUPPORT

Another avenue to economic wellbeing is entrepreneurship. From 1990 to 2000, the number of small businesses owned by native-born individuals in New York City decreased by 7%. During that same time period, the number of small businesses with foreign-born owners grew by 54%. While much of the city and region experienced job loss immediately following September 11, 2001, several immigrant communities in New York City continued to experience small business growth, including Flushing-Murray Hill (16%), Elmhurst (11%), Sunset Park (11%) and Jackson Heights (8%).[166]These businesses are crucial to sustaining and growing the regional economy.

Banking on Poverty

New majority communities lack adequate financial services, such as banks. Map 10 shows that often-predatory check cashers, rather than banks, are the typical financial institutions in communities of color. For example, the South Bronx, Bedford-Stuyvesant, and Upper Manhattan in New York City – all home to large Black and Latino communities – are flush with check cashing locations while traditional banks are absent. Similarly, check cashers are prevalent and banks are rare in communities of color in Paterson, Newark, and Elizabeth, NJ. The same pattern is present throughout the region.

Proximity matters. Research by Neighborhood Economic Development Advocacy Project (NEDAP) shows that people generally choose a particular financial institution based on how far it is from home.[167] NEDAP also found that new majority communities in New York City are the most under-banked, and that many majority-people of color zip codes have no banks at all.[168] The lack of access to full and legitimate financial services hinders wealth accumulation for these communities.

Aside from not offering savings accounts, fair credit, or other legitimate means of growing assets, check cashers often leech money from these already-disadvantaged neighborhoods. A national scan of check cashing locations by the Brookings Institution found that full-time workers pay an average of $40 to cash a check. The study estimated that a full-time worker relying on check cashers rather than a typical checking account pays an additional $40,000 in fees over a career. That same money, if invested in a low-cost, exchange-traded fund, could generate up to $360,000 over the same 40-year career.[169] Check-casher fees are typically far higher than what commercial banks charge.[170] In many communities, this problem is growing as the number of banks (especially small ones) in New York City falls[171] and the number of check cashers rises.[172]

Parasitic economic practices, such as predatory lending, develop in communities without access to legitimate financial services. Neighborhoods that are typically served by check cashers rather than banks are also susceptible to high-priced home loans. This relationship disproportionately harms communities of color and immigrants.

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[166] Eva Sanchis, "Immigrants boost local economy, says report," *El Diario / La Prensa*, February 6, 2007.

[167] Deyanira Del Rio et. al, "East Harlem Community Banking Study," Neighborhood Economic Development Advocacy Project (NEDAP), February 2006.

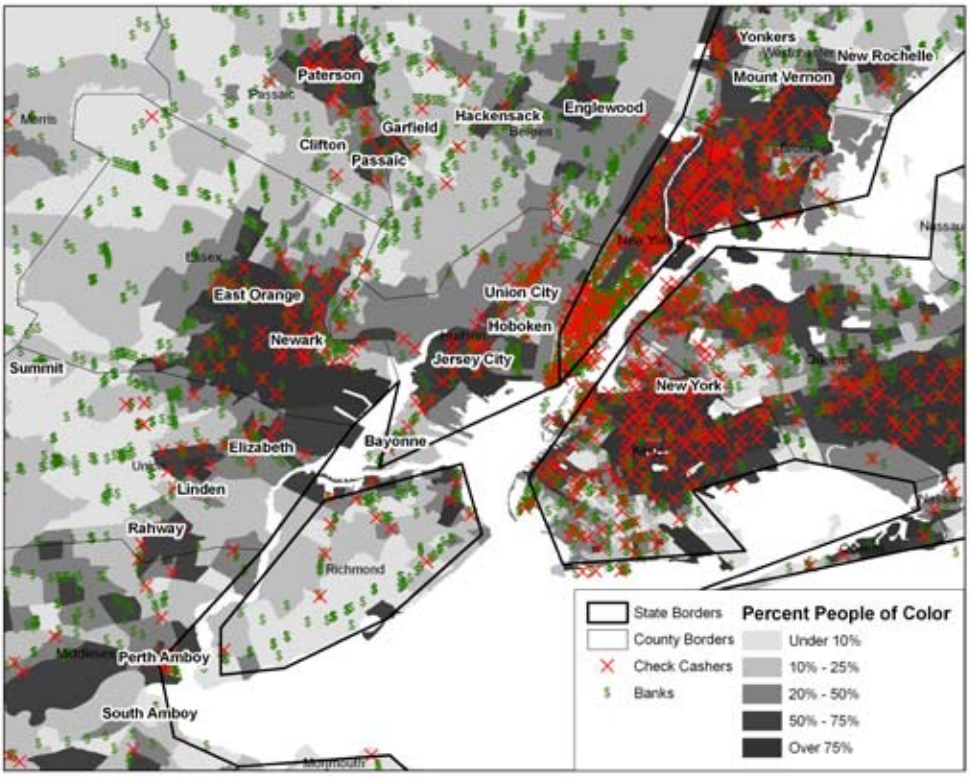
[168] "Absence of Bank Branches in Predominantly Non-White Neighborhoods, NYC, 2000," Neighborhood Economic Development Advocacy Project (NEDAP).

[169] Matt Fellowes, and Mia Mabanta, "Banking on Wealth: America's New Retail Banking Infrastructure and Its Wealth-Building Potential," The Brookings Institution, January 2008.

[170] Howard Karger, "America's Growing Fringe Economy: Financial services for the poor and credit-challenged are big business," *Dollars & Sense Magazine*, iss. 268, November/December 2006.

[171] *Center for an Urban Future*, "A World of Opportunity," February 2007.

[172] Karger.



Map 10: Communities of color and financial institutions in New York City and Newark (FDIC, Various State Banking Departments, ESRI, Inc.)

Despite their importance, Black, Latino, and Asian businesses are not receiving adequate or fair access to capital. New majority-owned businesses receive only 2% of all private equity and 3% of all small business investment dollars.[173] While most small businesses have difficulty acquiring capital to start up, grow, or even sustain operations, immigrant entrepreneurs face unique challenges. Like many native-born people of color, they do not have the collateral or credit history to qualify for the typical business loan, but they also face language and cultural barriers. Operating off the books, which is common for many immigrant business owners, also often makes banks reluctant to lend.[174]

Many small businesses have already suffered severe losses from the current downturn in the economy. With fewer customers, fewer sales, and more declined credit cards, many are being forced to cut wages.[175] To make matters worse, the financial crisis has reduced access to needed credit for purchasing goods, making repairs, keeping the lights on, and growing. Some small business owners are resorting to carrying high-interest debt on dozens of credit cards to cover needs—an unsustainable practice that is bad for the business owner and the economy.[176]

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[173] The Minority Business Challenge, Milken Institute, U.S. Dept. of Commerce, September 2000.
[174] *Center for an Urban Future* "A World of Opportunity" February 2007.
[175] Oren Yaniv, "Hard times have already hit many small New York businesses," *Daily News*, October 10th 2008.
[176] Ken Belson, "Even Healthy Retailers Fear Loss of Credit Lifeline," *New York Times*, September 30, 2008.

POLICY RECOMMENDATIONS: MAKE COMMUNITIES OF COLOR PARTNERS IN THE REGIONAL ECONOMY

"The long-term health and strength of the nation's economy depends… on the country's capacity for growth and innovation."
MICHAEL BLOOMBERG, NOVEMBER 2008[177]

Investing in communities of color as regional business partners is key to spurring the innovation necessary to diversify the economy and compete globally. To take advantage of growing market opportunities and promote healthy growth, the region should prioritize investments in entrepreneurship and labor in low-opportunity communities. By identifying where communities of color with little job opportunity exist, the Opportunity Index can help identify where investments in small business would make a significant difference. Within New York City, neighborhoods such as Crown Heights, Harlem, the South Bronx and others have growing populations and limited job opportunity. Newark and Passaic in New Jersey, Bridgeport and New Haven in Connecticut, and parts of Long Island are also examples of communities of color where investments in small business ownership would lift many out of poverty and strengthen the regional economy as a whole.

Promote small business development in communities of color and immigrant communities

In the midst of near-economic meltdowns, Los Angeles and Houston, in the 1980s and 1990s, revived their economies thanks in large part to investment in immigrant and "minority-owned" businesses.[178] New banks, run by people of color, pumped new life into these economies. "Dependent even more on energy than New York is on Wall Street, Houston's economy disintegrated when energy prices plummeted."[179] Houston re-invented itself by investing in the city's entrepreneurial culture and substantial immigrant community. Los Angeles took a similar approach, investing in the growth of immigrant-run businesses that moved in when older firms moved out. By nurturing the entrepreneurial talent of their communities of color, both cities have seen much less severe job losses even in a bad economy and despite state budget crises.[180]

Local and state governments must create incentive programs to help small, locally owned-businesses in low-opportunity communities get the capital investments they need. See recommendations made by Brooklyn-based Families United for Racial and Economic Equality (FUREE) (page 42)."

Stimulus projects must empower and develop workforces in communities of color

Economic stimulus investments from the federal government offer opportunities for changing, for the better, how we develop our neighborhoods, cities, and regions. The investment plan is likely to go mostly to construction and repair projects that have been on the to-do lists of

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[177] Michael Bloomberg, The Right Way Back, Newsweek, November 3, 2008.
New York ACORN, "Secret Apartheid II: Race, Regents, and Resources," 1997.

[178] Center for the Urban Future, *Engine Failure: With Economic Woes That Go Well Beyond 9/11, New York Needs a Bold New Vision to Renew the City's Economy* (September 2003), http://www.nycfuture.org.

[179] *Ibid.*

[180] *Ibid.*

state highway departments for years.[181] Because people of color are under-represented in construction jobs,[182] "shovel ready" projects funded by a stimulus package will not benefit many unemployed people of color without specific incentives and enforcement tools to ensure fair access to these opportunities. Development projects funded by the stimulus package should require local resident hiring and create a link to community-based groups to be first in line for construction jobs. Incentives that expand apprenticeship programs should be discussed with unions, whose members will benefit from the stimulus package. "One City/One Future: A Blueprint for Growth That Works for All New Yorkers" suggests that first source programs should focus on "connecting employers with those populations traditionally excluded from the workforce development process, including people with criminal records, immigrants, disconnected youth (neither employed nor in school), public assistance recipients, and those without a high school diploma."[183]

There are many examples of successful local-hire programs across the country, such as the Port of Oakland Maritime and Aviation Project Labor Agreement regarding the $1.2 billion modernization of the airport and maritime port in Oakland, CA. The agreement stipulated a goal of 50% of construction hours assigned to local area residents. From 2000 to 2007, 60% of total hours were worked by local residents.[184]

Establish land use policies to protect and empower residents

Land use planning processes must facilitate meaningful community participation. This means providing information, resources, and mechanisms that empower communities to provide informed input about land use proposals. It also means that development must be connected to the regional economy and prioritize community needs and vision. Specifically, planning should ensure that locally owned businesses and low-income residents will benefit from zoning ordinances, zoning exceptions, and development plans.

Municipalities should also consider the long-term impacts zoning decisions will have on building or eroding opportunities in a neighborhood. For example, one common result of upzoning in New York City has been overcrowding of schools, creating substandard learning environments and hastening the need for costly new school construction, which new developments usually don't pay for.[185]

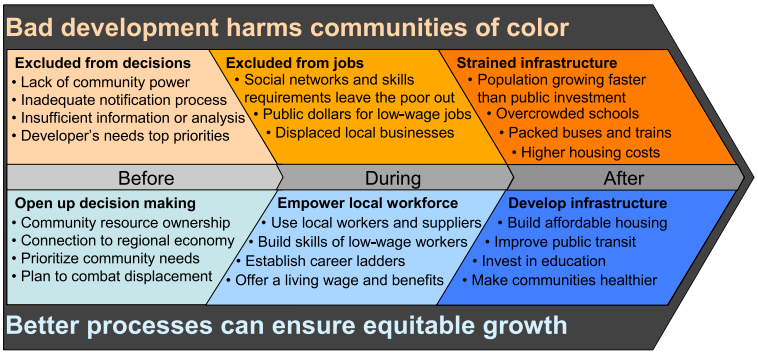

Figure 11: Bad development harms communities of color

[181] MacGillis, Alec and Michael D. Shear "Stimulus Package To First Pay for Routine Repairs" Washington Post December 14, 2008.

[182] U.S. Census

[183] "One City/One Future: A Blueprint for Growth That Works for All New Yorkers".

[184] Port of Oakland "Port of Oakland Maritime and Aviation Project Labor Agreement Progress Report January 1, 2007 through June 30, 2007" November 26, 2007.

[185] In fact, school construction is often the single largest cost created by new developments. Elena Irwin and Dave Kraybill, "Costs and Benefits of New Residential Development," Department of Agricultural, Environmental, and Development Economics, Ohio State University, August 1999.

Redevelopment in Downtown Brooklyn threatens new majority-owned small businesses

Many immigrant- and new majority-owned businesses are being forced to leave neighborhoods in which they have operated for many years. The Brooklyn-based Families United for Racial and Economic Equality (FUREE) surveyed 61 small businesses in the vibrant and diverse Downtown Brooklyn neighborhood. Of these businesses, nearly two-thirds were owned by the new majority, a quarter by women, and three-quarters by immigrants from over 25 countries. On average, surveyed businesses had been in the area for 14 years. Many, however, are now facing displacement thanks to recent rezoning, rising rents, and demolitions. FUREE points to skyrocketing real estate prices and a lack of commercial rent regulation as primary causes of small business vulnerability.[186]

Development in Downtown Brooklyn is pushing out small businesses for luxury housing and high-end retail. Existing redevelopment plans in Downtown Brooklyn, for example, are projected to put 100 businesses and 1,700 jobs at risk.[187] With 100,000 daily shoppers and $100 million in total annual sales, Downtown Brooklyn is the third most profitable commercial area in the City and crucial to the economy.[188]

FUREE recommends:

- Creating a small-business assistance fund
- Securing affordable commercial space specifically for small businesses
- Ensuring community and small business participation in development decisions
- Implementing long-term protections for small businesses, such as rent control, limits on big box store construction, and outlawing the use of eminent domain for private development

DEVELOP FISCAL POLICIES THAT BUILD REGIONAL OPPORTUNITY FOR THOSE IN GREATEST NEED

"To pull us out of this downward spiral, the federal government will have to provide economic stimulus in the form of higher spending and greater aid to those in distress…"

—Paul Krugman, New York Times, November 14, 2008

Share Revenues Fairly

The region needs to create new fiscal policies that distribute public revenues in ways that build regional prosperity. Fiscal policies that focus on strengthening the region benefit all municipalities because they reduce competition within the region and increase its capacity

[186] *Families United for Racial and Economic Equality and the Urban Justice Center* "Out of Business: The Crisis of Small Business in Rezoned Downtown Brooklyn," July 2008.

[187] *Pratt Center for Community Development* "Downtown Brooklyn's Detour: The Unanticipated Impacts of Rezoning and Development on Residents and Businesses" July 2008.

[188] *Families United for Racial and Economic Equality and the Urban Justice Center*, "Out of Business".

to attract and retain quality business growth and development.[189] In Minneapolis-St. Paul, MN, for example, where they have had revenue sharing since 1971, estimates show that the region's revenue sharing policy has saved nearly 30 billion in transportation dollars since it was implemented. In Northeast Ohio, local governments are cooperating to develop a revenue sharing model because they recognize none of them can thrive unless the region thrives, and the region cannot thrive unless it invests in the ability of all communities and municipalities to build strong tax bases.[190] Done right, revenue sharing can attract good development and good jobs, reduce long-term fiscal costs, and improve intergovernmental cooperation, as it has done in the Twin Cities.[191]

The state should amend its property tax policy to make property tax relief fairer.[192] One suggestion is that New York State amend its School Tax Relief (STAR) program. As New York's Fiscal Policy Institute (FPI) points out, STAR tends to provide greater relief to those who need it the least (those whose property tax is a fairly small percentage of their income). It also provides much more state revenue per pupil to schools in the New York City suburbs than to schools in the City's urban districts. FPI suggests modifying the benefit to consider the relationship between income and property tax bills.[193]

State revenues, including any federal stimulus funds, should also support the nonprofit sector. Community-based organizations are employers, lenders, trainers, connectors and community-stabilizers. The nonprofit sector in the U.S employs a steadily increasing segment of the country's working population. The average annual growth rate in employment for nonprofits (2.5%) was significantly higher than for business (1.8%) or government (1.6%) in 2001. In fact, the number of Americans employed in the nonprofit sector has doubled in the last 25 years. Nonprofit employment represents 9.5 percent of total employment in the United States, with total employees numbering 12.5 million.[194] Any state implementation of stimulus money can include stipend grants and loan pool programs to enable community organizations to put residents to work on meeting community needs. The state should also make stimulus money available to support loan funds and other financing support services to help small entrepreneurs in disadvantaged communities get access to credit and other supports for business success.

Any state implementation of stimulus money can include stipend grants and loan pool programs to enable community organizations to put residents to work on meeting community needs.

Finally, New York state and local budgets should make improvement of public infrastructure in low-opportunity communities a priority. Transit and school facilities, as well as vital social infrastructure, such as school quality (instruction, supplies, etc.) are critical infrastructure that if sufficiently invested in, can build opportunity.

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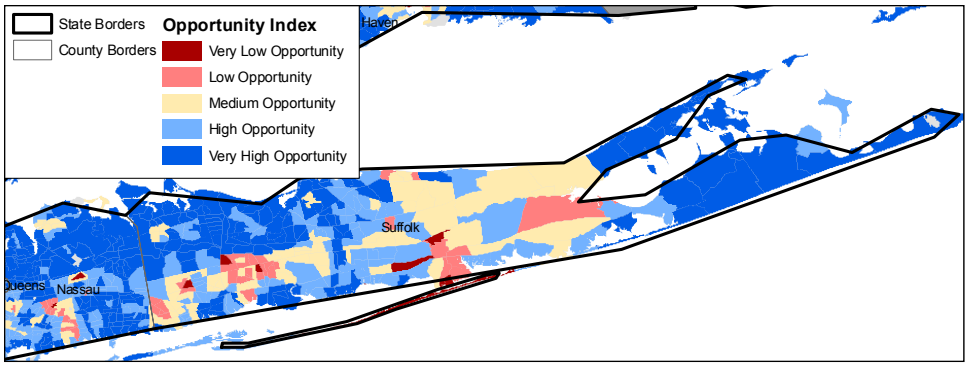
[189] Myron Orfield, Thomas Luce & Amerigis LLC, Northeast Ohio Economic Revenue Study (February 2008).
[190] Mark Frenchick, "Towns Start to Cooperate: State readies incentives to reinforce that cities benefit when region grows," *Columbus Dispatch*, May 27, 2008.
[191] Orfield, Luce and Ameregis.
[192] Fiscal Policy Institute, Balancing New York State's 2007-2008 Budget in an Economically Sensible Manner (February 2007).
[193] *Ibid*.
[194] U.S. Bureau of Labor Statistics, 2001 (as cited by the Independent Sector, Nonprofit Almanac: Facts and Findings, Employment in the Nonprofit Sector).

Map 11: Opportunity Index on Long Island



Waiting for Water

Water and sewer infrastructure are critical both for public health reasons and for attracting development that builds a tax base. Communities under-served by sewer infrastructure rely on cesspools to collect waste. This is a health risk, increasing contaminants in ground water.[195] Cesspool reliance also increases the amount of land needed to build housing or develop a commercial center because cesspools take up space sewers would not. It raises costs of development and hinders diversity of housing types. The result is harm to the environment and perpetuation of racial exclusion by skewing housing development to the high-end. By increasing the cost of investing in business, lack of water and sewer services severely limits economic opportunity.[196]

In wealthier Nassau County, Long Island, over 80% of the county has access to sewer lines. In poorer Suffolk County, only 30% of homes and businesses have access to sewer lines. Much of this infrastructure was built in the 1950s and 1960s, intentionally avoiding communities of color, reducing economic and housing development in those communities, and making development in White neighborhoods more attractive. Because federal funds for sewers have dried up, new majority communities often struggle to afford this crucial infrastructure,[197] and thus many eastern Long Island areas receive "low-opportunity" scores on the Opportunity Index (See map 11).

[195] U.S. Environmental Protection Agency (EPA) "Ban on Large-Capacity Cesspools to Protect Public Health in Hawaii" May 2004.
[196] Sarah Lansdale, interview, Sustainable Long Island, August 27, 2008.
[197] *Ibid.*

Resident Race/ Ethnicity	Opportunity Index	Education Sub-Index
Black	Low	Low
Asian	Average	Average
Latino	Low	Low
White	High	High

Table 6: Education Sub-Index

As the Education Sub-Index shows, educational opportunity is low to average for people of color. And yet, now more than ever, educational opportunity is essential to a strong economy. Good-paying manufacturing jobs have been disappearing and 90% percent of high growth jobs in the U.S. require a college education.[198] Education administration policies, as well as fiscal and development policies, however, have created racial opportunity gaps, compromising educational quality for all students. This section discusses some of the structural barriers to educational opportunity for students of color and describes the policies that have erected those barriers.

EDUCATIONAL OPPORTUNITY IS SHRINKING

"In New York City, the best schools are some of the best in the country, while the worst schools are some of the worst in the country."

—Dennis Parker, Director, ACLU Racial Justice Project[199]

Well-funded, racially diverse schools can help all of our children gain the critical thinking skills they need to do well in college and become active members of our society and innovators in our economy.[200] Yet New York City's public schools are very racially isolated. Among the country's top 50 metropolitan areas, the City's public schools are the sixth most isolated for Black students, and the third most isolated for both Latino and Asian students.[201] Black, Latino, and many Asian students in the city are not just isolated, but isolated in severely under-resourced schools that tend to produce poorer educational outcomes.

The opportunity gap shows up during early primary school. For example, in 2005, 36% of White 4th graders achieved reading proficiency, compared with 16% of Black 4th

[198] Eric Hanushek, "The Seeds of Growth," *Education Next*, vol. 2, no.3 (Fall 2002).

[199] Interview with Dennis Parker, American Civil Liberties Union Racial Justice Project, September 3, 2008.

[200] Brief of the American Educational Research Association as Amicus Curiae in Support of Respondents, "Parents Involved in Community Schools v. Seattle School District No. 1 et al." Schools, however, that have to comply with court desegregation orders have better results. For example, thirty years after a court desegregation order, Mark Twain, a high performing middle school in Brooklyn, has increased racial diversity. "Not Integrated Enough: New York City Schools," Supreme Court – School Integration Clearinghouse, NAACP LDF, June 26, 2007.

[201] John Logan et al., "Choosing Segregation: Racial Imbalance in American Public Schools 1999-2000," at 9 Lewis Mumford Center for Comparative Urban and Regional Research, University of Albany, Mar. 29, 2002.

graders and 15% of Latino 4th graders.[202] In 2008, 73% of Black 4th graders compared to 91% of White 4th graders scored proficient on the state math test.[203] Students of color are also concentrated in sub-par middle schools and thus less able to compete for access to good and competitive high schools.[204] For example, student of color enrollment in New York City's elite high schools has been dropping. At Bronx Science, Black student enrollment in 2005 was 4.8%, down from 11.8% in 1994; at Brooklyn Technical High, it was 15%, down from 37.3%; and at Stuyvesant, the most selective of the schools, only 2.2% of enrolled students were Black, down from 4.4%, according to the New York City Department of Education (DOE).[205]

Parents in new majority communities do not receive the same information about selective high schools. ACORN, a community organizing group, ran paired tests in the late 1990s, finding race-based discrimination. Their tests found that testers of color had a harder time getting information about the application process to selective public schools and gifted programs compared to White testers.[206]

FLAWED POLICIES CREATED THE OPPORTUNITY GAP

There are substantial fiscal disparities between the City school system and that of its neighboring New York suburbs, like Long Island.[207] Unlike its counterparts in the rest of the state, the DOE has no power to levy taxes for the public schools. The mayor decides how much the DOE gets. This means that schools compete with other essential services like ambulances and garbage pick-up for city funds.[208] Poor children may require more educational resources to support their educational opportunity, particularly since they may have higher levels of lead poisoning, poorer nutrition, and other symptoms of life in low-opportunity communities. Public schools with the highest percentages of children of color are substantially under-resourced and "have the least experienced teachers, the most uncertified teachers, the lowest-salaried teachers, and the highest rates of teacher turnover."[209]

Funding inequities have their roots in policies that created a locally-funded taxing system for education,[210] coupled with racial segregation and disinvestment in new majority communities.[211] Though Northern states did not have Jim Crow, they did have laws that segregated by race, especially as Black migration from the South increased.[212] These laws included racial zoning laws, New Deal housing policies that required White homeowners to

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[202] David Herszenhorn, "City's Schools Cut Racial Gaps in Test Scores," *New York Times*, Dec. 2, 2005.

[203] Elizabeth Green, "'Achievement Gap' in City Schools is Scrutinized," *New York Daily Sun*, August 5, 2008.

[204] *New York City Coalition for Educational Justice*, "New York City's Middle-Grade Schools: Platforms for Success or Pathways to Failure?" January 2007.

[205] Christine Kiernan, "Bringing Diversity to New York Elite High Schools," *Gotham Gazette*, August 2007 (cited by the New York City Department of Education (2004)).

[206] *New York ACORN*," Secret Apartheid: A Report on Racial Discrimination Against Black and Latino Parents and Children in the New York City Public Schools," 1996.
New York ACORN, "Secret Apartheid II: Race, Regents, and Resources," 1997.

[207] *Campaign for Fiscal Equity, Inc.*, "Running on Empty: High Standards and Missing Resources in New York City Public Schools," March 1999.

[208] Jessica Wolff, "Albany's Sway Over City Schools," *Gotham Gazette*, July 2002.

[209] "Not Integrated Enough: New York City Schools," Supreme Court – School Integration Clearinghouse, NAACP LDF, June 26, 2007.

[210] Massey and Denton, *American Apartheid*.

[211] David Rusk, "The 'Segregation Tax': The Cost of Racial Segregation to Black Homeowners," *Brookings Institute*, 2001.

[212] Harvey Kantor and Barbara Benzel, "Urban Education and the 'Truly Disadvantaged': The Historical Roots of Contemporary Crisis, 1945-1990," in *The "Underclass" Debate*, ed. Michael B. Katz, 366-402 (Princeton University Press, 1993).

agree not to sell their homes to Blacks, and federal "redlining" practices that deemed racially heterogeneous neighborhoods a risky investment for lenders, thus fueling the creation of racially segregated neighborhoods.[213] As a result, suburbs, particularly newer, outer-ring suburbs, tend to have more resources for public education and higher quality schools today.[214]

Schools with higher income and better-networked parents have more of an ability to fundraise from other public and private sources.[215] Before the financial crisis, even some relatively wealthy districts had to fundraise to help pay teacher salaries, or in the case of some middle-class districts, ask parents to donate essential supplies, like pencils and paper.[216] In a 2002 opinion editorial, *New York Times* columnist Bob Herbert noted, "parents on Manhattan's Upper West Side, for example, have been paying many school expenses 'out of their own pockets,' taking up 'collections' even to meet classroom salaries or pay for a librarian."[217]

TIGHT BUDGETS FURTHER STRAIN DISTRICTS AND SCHOOLS

Financing reform could improve educational quality in New York City schools. The Campaign for Fiscal Equity, a statewide coalition of parent organizations, community school boards, concerned citizens, and advocacy groups, in 2006 won an important state court action in Campaign for Fiscal Equity, Inc. vs. State of New York. The court ruled that New York's students have a state constitutional right to a "sound basic education," which includes "opportunity for a meaningful high school education." They also held that the state had to change its school funding system to ensure that all schools in the state get the money necessary for a sound, basic education.[218] The court directed the State to give an additional 5.6 billion dollars a year to the City school system.[219]

Unfortunately, a series of severe budget cuts, as well as an inadequate enforcement mechanism for the court's ruling, means schools remain under funded. As Billy Easton, Executive Director of Alliance for a Quality Education, points out, "city budget cuts have meant that the money is being used to fill budget gaps rather than go to schools in need, as the lawsuit intended."[220] These cuts were some of the largest budget cuts in recent history, with estimated losses at about $1 billion between Spring and Summer of 2002. The result is that poor schools have had to choose "between seats and libraries."[221] At the same time, the student population is growing, and the city has cut its capital budget and reduced the number of new schools it will build, increasing classroom over-crowding.[222]

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[213] "The Bankruptcy of Virtuous Markets: Racial Inequality, Poverty, and 'Individual Failure,'" in *White-Washing Race: The Myth of a Color-Blind Society*, eds. Michael K. Brown et al., 66-103 (Berkeley and Los Angeles: University of California Press, 2003).

[214] Myron Orfield, "American Metropolitics: The New Suburban Reality," (Brookings Institution Press, 2002).

[215] Sandra J. Winn Tutwiler, *Teachers as Collaborative Partners: Working with Diverse Families and Communities*, 90 (New York: Routledge, 2005).

[216] Abby Goodnough, "Teachers Dig Deeper to Fill Gap in Supplies," *New York Times*, Sept. 21, 2002; Anemona Hartocollis, "At a Public School, Parents Rally With Money to Keep a Teacher," *New York Times*, Sept. 20, 1997.

[217] Bob Herbert, "In Search of Magic," *New York Times*, March 21, 2002.

[218] Campaign for Fiscal Equity, Inc. v. State of New York, 2006 NY Slip Op. 08630, Nov. 20, 2006.

[219] *Ibid*.

[220] Interview with Billy Easton, Alliance for a Quality Education, Oct. 13, 2008.

[221] Jonathan Kozol, "Malign Neglect: Children in New York Public Schools are Being Shortchanged – Again," *The Nation*, June 10, 2002 (quoting former Schools Chancellor Harold Levy).

[222] *A Better Capital Plan* (report from the Campaign for a Better Capital Plan, The Manhattan Task Force on School Overcrowding, Class Size Matters, the United Federation of Teachers, the Center for Arts Education) (October 2008).

Higher education has also been the victim of funding cuts, disproportionately harming students of color. Twenty percent of SUNY students and 69% of CUNY students are new majority. Since the early 1990s, state aid to SUNY's four-year colleges and graduate schools sank by five percent per student, and at CUNY by 14%. At community colleges, the situation is bleaker – funding is down by 12% at SUNY and 26% at CUNY.[223] These and other funding cuts in public education not only threaten the region's ability to build a strong public school system and regional economy, but also undermine the health and wellbeing of the new majority.

POLICY RECOMMENDATION: INVEST IN EDUCATION

The State must prioritize funding, including any new funding, for the schools and students in greatest need, in keeping with the State court's decision that all students in New York are entitled to a sound, basic education.[224] Per the court's decision, this includes promoting high-quality teaching, smaller class sizes, and providing adequate tools for learning, such as classroom supplies, textbooks, libraries, and computers.[225] Teachers also need instructional support, particularly in schools with high numbers of special needs students. Public education departments can work to organize teaching colleges or programs to connect student teachers to schools where overcrowding reduces the classroom teacher's ability to meet the educational needs of all his or her students.

One step states and cities can take to improve educational quality is greater investment in school construction to reduce class size. Municipalities should target school construction in communities with rapidly growing populations and overcrowded schools. In addition to shrinking class sizes, which helps improve educational outcomes, these investments would also provide much needed jobs in teaching and construction. These investments are consistent with the City's goals, as stated in its current five year school capital plan, adopted in June 2005: eliminate overcrowding so that no school would remain at over 100% use and no school would be forced to hold double and triple shifts (scheduling students to attend classes over staggered time periods); remove all trailers and temporary classroom units; and reduce class sizes in grades K-3 in all schools to twenty or less.[226] The Campaign for a Better Capital Plan, and allied advocacy groups,[227] urged the City to raise its share of capital spending to 20%.[228]

In the wake of pledges to cut the state budget on education, the Keep the Promises Coalition, a coalition of education advocacy groups, community organizations, clergy, labor unions and elected officials, has urged full restoration of all state funds promised under the court's decision; restoration of this year's city education budget and full funding for next year; and no delay in state reimbursement for the school system's capital fund for school construction.[229]

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[223] Fiscal Policy Institute, "New York State's Underinvestment in Public Higher Education," January 15th, 2009.

[224] J. Pigott, Court of Appeals of the State of New York, 2006 NYSlipOp 08630, Campaign for Fiscal Equity, Inc. et al. v. State of New York et al., November 20, 2006.

[225] J. Pigott, Court of Appeals of the State of New York, 2006 NYSlipOp 08630, Campaign for Fiscal Equity, Inc. et al. v. State of New York et al., November 20, 2006.

[226] *A Better Capital Plan* (report from the Campaign for a Better Capital Plan, The Manhattan Task Force on School Overcrowding, Class Size Matters, the United Federation of Teachers, the Center for Arts Education) (October 2008).

[227] *Ibid*.

[228] *Ibid*.

[229] Michael Hirsch, "'Keep the Promises' Coalition forms to reverse city, state ed funding cuts," *New York Teacher*, Feb. 14, 2008.

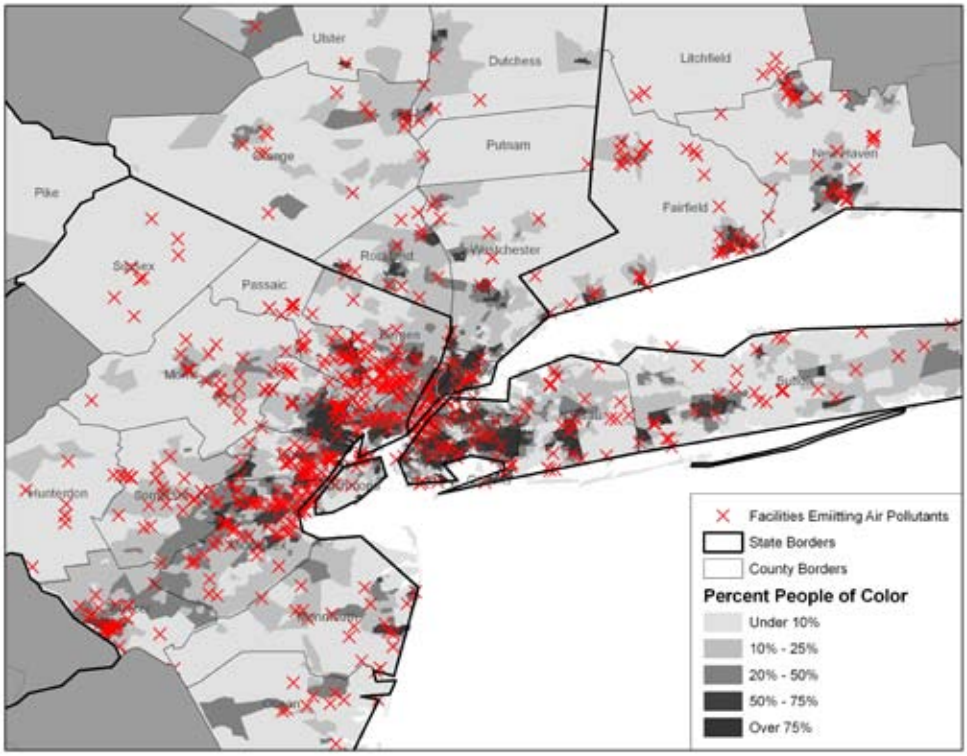
School districts in the region can also take budget-neutral steps that would substantially improve educational outcomes across race. Policies to eliminate academic tracking in middle schools and high schools have been extremely successful. For example, in Rockville Centre school district in Long Island, NY, combining all math classes produced tremendous results. By detracking math, all students, at every ability level, benefited. More students went on to take higher level math classes in high school (both from previous lower and higher tracks). Initial high-achieving students scored much higher in advanced placement calculus than their tracked cohorts. The same school district also de-tracked high school math classes, increasing the percentage of students who passed the algebra-based Regents Exam (25% to 75% for African Americans and Latinos, and 54% to 98% for Whites). In both of these cases, detracking included support classes and after-school support for lower-track math students.[230]

[230] Angela Glover Blackwell et al., Regionalism: Growing Together to Expand Opportunity for All (May 2007).

Resident Race/ Ethnicity	Opportunity Index	Health Sub-Index
Black	Low	Low
Asian	Average	Average
Latino	Low	Low
White	High	High

Table 7: Health Sub-Index

Health, environmental quality, and the economy are closely linked. Economic structures that produce low-paying jobs with little to no benefits, highways and diesel bus transfer stations that increase carbon emissions and pollute the air, and lack of access to affordable and healthy food all harm community health and economic vitality. They do so by increasing the need for health care services without the ability to pay for them and also by decreasing productivity and educational outcomes. Research has found that social and economic inequity actually fuels environmental degradation, and environmental protection is weaker when more inequity exists.[231] If we do nothing to reduce inequity, individual and community health suffers, reducing the long-term sustainability of the entire region.



Map 12: Concentration of Air Polluting Facilities in non-White communities

[231] James Boyce, "Inequality and Environmental Protection" Program on Development, Peacebuilding, and the Environment Political Economy Research Institute, University of Massachusetts, Amherst. Workingpaper Series, no. 52, January 2003, 2.

Communities plagued by low opportunity suffer from greater health burdens and fewer healthcare services. The Opportunity Index shows that on the whole, Latino, and Black communities experience low health opportunity in places like the South Bronx and Hudson County, Asian communities score average in places like Queens and lower Manhattan, and White communities experience high health opportunity in places like Suffolk and Westchester Counties. This section explores the structural barriers to health faced by communities of color.

AN UNHEALTHY ENVIRONMENT LEADS TO UNHEALTHY COMMUNITIES

Communities of color in the region tend to be more directly impacted by bad environmental policy, leading to serious health impacts. For example:

- According to the New York City Environmental Justice Alliance, "New York City has one of the lowest standards of open space access in the United States (2.5 acres per 1,000 residents)."[232] Despite the city's low standards, over 63% of community districts do not meet them, the majority of which are predominantly new majority.[233]
- In places like New Jersey, suburban sprawl that was fueled by racially discriminatory policies has scattered housing, commercial space, and industrial parks across what was once farmland, forest and wetlands, and has resulted in runoff water pollution.[234]
- The New York City Metropolitan Transit Authority placed six out of eight diesel bus depots in the majority Black and Latino area of Northern Manhattan.[235] Diesel emissions are considered by the U.S. Environmental Protection Agency as likely carcinogens (cancer-causing substances).[236]
- The prevalence of facilities emitting air pollutants in new majority neighborhoods helps explain high asthma rates (see Map 12). The South Bronx has the highest asthma rate of any community in the country.[237] West Harlem Environmental Action (WE ACT), a community-based environmental justice organization, has demonstrated the correlation between the diesel stations and high rates of asthma in Northern Manhattan.[238]
- In Bergen, Essex, Middlesex, and Hudson Counties of New Jersey, Blacks are four times more likely to be hospitalized for asthma treatment than Whites and annual visits to doctors for asthma were significantly higher (228.9 per 10,000 people for Blacks and 48.8 per 10,000 people for Whites).[239] Health care specialists attribute these high rates to poor air quality from traffic emissions from major freeways, nearby industry, poor housing quality, and poor access to healthcare.[240]

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[232] New York City Environmental Justice Alliance (NYCEJA) website http://www.nyceja.org/campaigns.html (accessed January 27, 2009).
[233] *Ibid*.
[234] *New Jersey Future and the Chesapeake Bay Foundation*, "Growth, Sprawl and New Jersey: Ten Myths and Misconceptions," February 6, 1999.
[235] Bullard, "Growing Smarter," 43.
[236] Joel Roberts, "Diesel Fuel A Possible Carcinogen," CBS News, September 4, 2002.
[237] Wanda Salaman, Marq Swier, Thomas Assefa, and Nova Strachan, interview, Mothers on the Move, September 3, 2008.
[238] West Harlem Environmental Action, Inc., "The Asthma, Diesel Connection: Diesel Polluting Facilities, MTA Depot Expansions, and 1996 Asthma Hospitalizations For Children 0-4 Years Old in Manhattan" June 14, 2000.
[239] John Petrick,. "Asthma's Staggering Statistics," *Jersey Journal*, November 22, 1999.
[240] *Ibid*.

Because new majority communities are faced with various barriers to quality housing,[241] good jobs with benefits,[242] open spaces,[243] and decent food,[244] they tend to live with higher stress levels,[245] are more susceptible to obesity[246] and diabetes,[247] and are less likely to get quality health care.[248] Whites in New York City tend to live longer than Latinos or Blacks.[249] One-fourth of children in New York City are obese, one-third of whom are Latino.[250] In fact, 40% of children living in poverty in New York City are obese[251] and obesity is a driver of Type II diabetes, which is also on the rise among New York City children.[252] Regionally, the picture looks similar: places like New Haven, CT, Newark, NJ, and Paterson, NJ, are all at above average risk for obesity.[253] Because health outcomes like obesity are driven by structural factors – access to healthcare, healthy food, safe open spaces for exercise – disparities are directly connected to poverty levels and the historical lack of investment in poor and new majority communities.

ACCESS TO HEALTH INSURANCE AND HEALTHCARE INFRASTRUCTURE IS ESSENTIAL

While communities of color have high demand for quality health care because of their disproportionate exposure to health risks, they have significantly less access to it. Studies show that one in four New York City residents does not have a regular doctor and more than half a million did not receive the medical attention they needed between 2002 and 2003.[254] The situation is worse for poor communities and new majority communities.

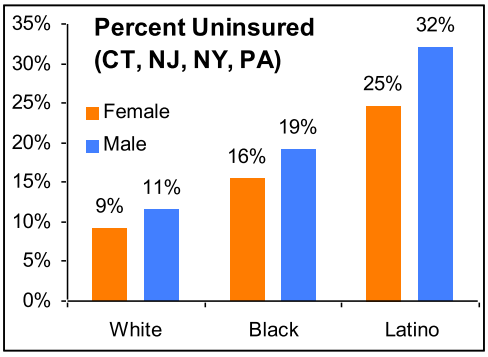

Figure 12: Percent Uninsured by Race in Connecticut, New Jersey, New York, and Pennsylvania (U.S. Census Small Area Health Insurance Estimates)

[241] See section: "Housing is an essential wealth-builder and connects communities to other opportunities"
[242] See section: "The New York region should build a vibrant, diverse, and inclusive economy"
[243] New York City Environmental Justice Alliance (NYCEJA) website http://www.nyceja.org/campaigns.html (accessed January 27, 2009).
[244] *New York City Coalition Against Hunger Press Release* "Low-Income Neighborhoods Lack Access to Nutritious Foods; Groundbreaking Mapping Study Proves Lack of Fresh Produce," November 10, 2006.
[245] California Newsreel, "Backgrounders From The Unnatural Causes Health Equity Database" 2008 (p. 3-4).
[246] Stephanie Strom, "$500 Million Pledged to Fight Childhood Obesity," *New York Times*, April 4, 2007.
[247] U.S. Centers for Disease Control and Prevention Website "Eliminate Disparities in Diabetes" http://www.cdc.gov/omhd/AMH/factsheets/diabetes.htm (accessed January 27, 2009).
[248] U.S. Census Small Area Health Insurance Estimates (SAHIE) 2005.
[249] Data not available for Asians. New York State Department of Health, "Statistics and Data," http://www.health.state.ny.us/statistics/ (accessed February 5, 2009).
[250] Gail Robinson, "New York's Grocery Gap," *Gotham Gazette*, November 21, 2005.
[251] Sharon Long, et. al. "Mapping the Childhood Obesity Epidemic: A Geographic Profile of the Predicted Risk for Childhood Obesity in Communities Across the United States," *The Urban Institute*, December 20, 2007.
[252] Gail Robinson, "New York's Grocery Gap" *Gotham Gazette*, November 21, 2005.
[253] Long, et. al.
[254] "Dangerous & Unlawful: Why Our Health Care System Is Failing New York And How to Fix It," *The Opportunity Agenda*, November 1, 2006.

As Figure 12 shows, 10% of Whites in the region are uninsured, compared with 17% of Blacks and 28% of Latinos.[255]

Access to health insurance only accounts for part of the access barriers to healthcare new majority communities face.[256] Immigrant communities, the majority of whom are Latino, Asian, and Black, face unique barriers to receiving care. They are less likely to have a primary care physician and are less likely to be covered by programs like Medicaid than are U.S. born New Yorkers.[257] Language is also a barrier. One year ago, New York State adopted new regulations on language access in all public hospitals. Yet, a recent study by several community based organizations found that 48% of patients surveyed in 10 city hospitals had questions they could not get answered because of language barriers.[258]

In recent years, New York State has closed many of its public hospitals due to rising healthcare costs and tightening budgets. Healthcare infrastructure is increasingly at risk in the current economic crisis. Many of the closed facilities are concentrated in medically underserved and low-opportunity areas, such as Jamaica, Queens, and Central Brooklyn. Two-thirds of the hospitals that closed between 1995 and 2005 served predominantly new majority communities.[259] In New Jersey, many hospitals are facing financial strain and even closure, particularly those that serve uninsured patients.[260] Oftentimes, hospital closings not only reduce hospital beds, but they also reduce the network of primary care physicians and other medical professionals in the area who need hospitals nearby to stay in business.[261]

In addition to physical infrastructure, such as hospitals and clinics, healthcare professionals are an essential part of the infrastructure assuring the health of communities. According to U.S. Senator Max Baucus's "Call to Action: Healthcare Reform 2009", "there are growing concerns that the U.S. does not have a sufficient supply of health care professionals to meet the demands of a changing and aging population."[262] To make matters worse, the new majority, who are most likely to work in under-served communities, are severely underrepresented among these professions. Asians, Blacks, and Latinos constitute only 14% of nurses even though they represent 34% of the national population, and among physicians, only 3.5% are Black and 5% are Latino.[263] A pipeline of healthcare professionals, to and from communities of color, is essential to the health of local communities, particularly in preparation for any national investment in healthcare coverage for everyone.

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[255] U.S. Census Small Area Health Insurance Estimates (SAHIE) 2005

[256] Lillie-Blanton, Dr. Marsha of the Kaiser Family Foundation. "Addressing Disparities in Health and Health Care: Issues for Reform," Testimony Before the Congress of the United States House of Representatives Committee on Ways and Means Health Subcommittee, June 10, 2008.

[257] *The Health of Immigrants in New York City*, New York City Department of Health and Mental Hygiene June 2006, 1.

[258] Larry Tung, "Language Barrier Begins to Fall at City Hospitals," *Gotham Gazette*, July 2008.

[259] The Opportunity Agenda

[260] State of New Jersey Department of Health and Senior Services, "New Jersey Commission on Rationalizing Health Care Resources, Executive Summary", 2008, 17.

[261] Kevin Hsu, interview by Opportunity Agenda, September 5, 2008.

[262] U.S. Senator Max Baucus, Chairman, Senate Finance Committee, "Call To Action: Healthcare Reform 2009" November 12, 2008, 58.

[263] *Ibid.*, 60.

ACCESS TO GOOD AND AFFORDABLE FOOD IMPACTS HEALTH

Access to healthy, affordable food is a critical factor for health and is a challenge for all residents of the region. In New York City alone, one-fifth of children and two million residents go hungry, which is double the national average.[264] What is more, the price of food in the region has increased by over 17% between 2000 and 2006[265] while the median income for Blacks and Latinos has only increased by 13%.[266] Not only does it matter where healthy food is sold, but also whether or not communities of color can afford it. Affordability is an issue of wages and jobs. Wage suppression reduces people's ability to buy good food.

High-opportunity neighborhoods, like SoHo and the Upper West Side, tend to be close to quality food sources and have higher incomes compared to low-opportunity neighborhoods, like Washington Heights and Richmond Hill, Queens, which are largely immigrant and new majority and tend to have lower income levels.[267] At the same time, about three million New Yorkers live in what the NYC Department of City Planning has called "high-need neighborhoods" – areas that lack supermarkets and are faced with substantial health problems.[268]

Investing in fresh food retail in communities of color would not only help strengthen residents' health but also help build the local economy. According to the Brennan Center for Justice, "the food retail industry is one of the cornerstones of New York City's economy, employing more than 60,000,"[269] and yet 35% ($42 billion) of residents' retail needs in high-poverty communities are met outside of their neighborhoods nationally.[270] This represents billions of dollars in assets that food retail businesses have yet to take advantage of in new majority communities.

Supermarkets are one form of food retail that communities of color need. Yet, because of the rising cost of rent and real estate, and poor planning by government, New York City has lost one-third of its supermarkets in the last five years, most of which were in low-opportunity neighborhoods.[271] Profit margins for most food retail businesses are very small (1%), and the growth of non-unionized specialty food stores has made it hard for unionized supermarkets to compete. Unionized jobs are essential because they offer benefits and worker protections not found in other food retail businesses,[272] both of which are critical to the health of workers and their communities.

In addition to supermarkets, new majority and immigrant-owned food retail businesses are crucial to local, regional, and national economies, and we cannot sustain regional growth without investing capital in these businesses. Without support, it is difficult for small businesses to provide a breadth of fresh foods because they must pay higher wholesale costs (resulting in up to 76% higher food prices than in supermarkets) and have lower merchandise turnover, making it hard to sell produce which is highly perishable.[273]

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[264] Betsy Gotbaum, "Food for Thought: How the Food Industry Can Help End Hunger in NYC," *Office of Public Advocate for the City of New York*, December 23, 2003.
[265] U.S. Bureau of Labor Statistics
[266] U.S. Census Bureau
[267] "Where to Grab a Bite Survey and Mapping Project," *City Limits*, July/August 2004.
[268] David Gonzalez, "The Lost Supermarket: A Breed in Need of Replenishment," *New York Times*, May 5, 2008.
[269] "Unregulated Work in the Global City" Brennan Center for Justice, 2007, 45.
[270] James Miara, "Retail in Inner Cities," *Urban Land Magazine*, January 2007, 99.
[271] Lysandra Ohrstrom, "Officials, Union Rally Against Grocery Store Closures: Vornado's Sound View plans singled out as concerns rise over retail rents," *The New York Observer*, May 28, 2008.
[272] "Unregulated Work in the Global City" Brennan Center for Justice, 2007, 45.
[273] Rebecca Flournoy and Sarah Treuhaft,. "Healthy Food, Healthy Communities: Improving Access and Opportunities Through Food Retailing" PolicyLink, Fall 2005, 30.

POLICY RECOMMENDATIONS: INVEST IN HEALTHIER COMMUNITIES

Preserve and support existing healthcare infrastructure in under-served communities

Cities and states need federal action on national healthcare reform. However, to ensure that everyone can benefit from increased insurance coverage, cities and states must be poised to use federal resources for equitable healthcare infrastructure that everyone can access. One step is to halt closures and downsizing of hospitals in underserved communities, which the Opportunity Agenda suggests only "perpetuate[s] healthcare inequality without effectively controlling costs." Further, state and local governments should target investments in existing infrastructure by developing new facilities and modernizing health information technology in areas where health opportunity and primary care is particularly low.[274] Investing in primary care infrastructure and community health centers would both reduce health disparities in and trim long-term healthcare costs by hundreds of millions of dollars for New York State alone.[275]

Healthcare professionals play an essential role in the health infrastructure of a community. State and local governments should create a pipeline of medical professionals from the most medically underserved communities, who would then practice in high-need communities. Such a program could take lessons from the federal Medicare Graduate Medical Education (GME) program that provides subsidies to institutions and other financial incentives to schools that train physicians.[276] The recently initiated state program "Doctors Across New York," which funds loan repayment and practice support for physicians willing to practice in underserved areas,[277] is a positive step forward. It should, however, be expanded to include other healthcare professionals in critical shortage areas such as primary care and preventative services,[278] and it should recruit from target communities. Investing in the ability of communities of color to participate in the growing healthcare profession provides a double benefit. Not only are professionals from medically underserved communities more likely and able to work in communities that most need their services, but providing good jobs with career ladders to professionals in underserved communities also invests in their economic mobility and the economic wellbeing of the community as a whole.

Increase fresh food options in underserved communities

Communities need fresh food nearby and residents must be able to afford it. Where there is a need, there is a market. Where there is a market, we can create business ownership and jobs that service that need. The untapped purchasing power in communities of color, particularly for fresh and healthy foods, is an opportunity for both economic growth and healthier communities.[279] This means that solutions must create incentives for livable wages and opportunities for ownership that can build capital in local communities.

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[274] Rosenbaum, Sara, et. al. "Laying the Foundation Health System Reform in New York State and the Primary Care Imperative," June 2006, 31.

[275] The Opportunity Agenda, "Dangerous & Unlawful: Why Our Health Care System Is Failing New York And How to Fix It" 2006, 58-59.

[276] "Call To Action: Healthcare Reform 2009" U.S. Senator Max Baucus, Chairman, Senate Finance Committee, November 12, 2008, 59.

[277] The Primary Care Coalition website "Improving Quality and Lowering Costs for All New Yorkers: The Primary Care Agenda" http://www.nyprimarycarehome.org/five_points.html (accessed January 26, 2009).

[278] Call To Action: Healthcare Reform 2009

[279] See section entitled: "Healthy environments and communities are essential to the long-term sustainability of the region".

Zoning and land use regulations linked to community planning establishments, like local Community Development Corporations, can create incentives that encourage the placement of supermarkets in underserved communities.[280] In fact, zoning changes in Jamaica, Queens, and Hunts Point, Bronx, have helped supermarkets develop where they were formerly not permitted, bringing necessary food choices and jobs to places that needed them most.[281] Others in the country have used creative strategies to bring healthy foods to communities, such as in Pennsylvania where Governor Rendell devoted $100 million of an economic stimulus package in 2004 to encouraging food markets in underserved rural and urban communities.[282] Through public and private partnerships, the state provided grants and loans for the land acquisition, construction, and equipment for 32 new supermarkets that provided 2,600 jobs in low-income neighborhoods.[283]

Locally owned and operated businesses benefit local communities more directly because the average dollar spent at these establishments tends to recycle more times in the local economy.[284] Cities and states should also use zoning, land use regulations, and public incentives to encourage the development of small businesses and community-owned cooperatives that provide fresh food.[285] Local governments can offer additional incentives, such as small business loans, tax benefits, or grants to small businesses owned and operated by community members.[286] Cities and states can also make it easier for small businesses to acquire the necessary permits, licenses, and technical assistance they need to thrive.[287]

Food that is locally produced and sold tends to be more affordable than food sold at supermarkets, meaning that the lower prices of locally produced food can also benefit small, local fresh food grocers servicing communities in need.[288] One step is to continue to make it easy for people to use food stamp benefits at farmers markets.

Additionally, cooperative models that make local communities producers, manufacturers, and owners in their food production are essential. Municipalities could change land use regulations to create incentives for cooperatively-owned urban farming. Underutilized public land could be put to use for locally managed and owned food production or processing enterprises. Food processing businesses could also link to agricultural businesses in rural areas of the region that send food much farther away to be processed. This structure would benefit urban communities by providing good jobs and building capital in local communities as well as rural agricultural businesses that need timely and inexpensive food processing. By investing in communities' ability to be both producers and consumers of healthy food, we also invest in the physical health of people who live in these communities and in the economic sustainability and growth of the region.

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[280] "Going to Market: New York City's Neighborhood Grocery Store and Supermarket Shortage" New York City Department of City Planning. October 2008

[281] *Ibid*.

[282] *Ibid*.

[283] National Employment Law Project, New York Jobs with Justice, and the Pratt Center for Community Development "One City/One Future: A Blueprint for Growth That Works for All New Yorkers," 2008, 38.

[284] PolicyLink website "Healthy Food Retailing: Why Use It?" (accessed January 13, 2009).

[285] Angotti, Tom. "Can Planners Help New Yorkers Eat Better?" *Gotham Gazette*, June 2008.

[286] California Food Policy Advocates "Neighborhood Groceries: New Access to Healthy Food in Low-Income Communities" January 2003.

[287] *Ibid*.

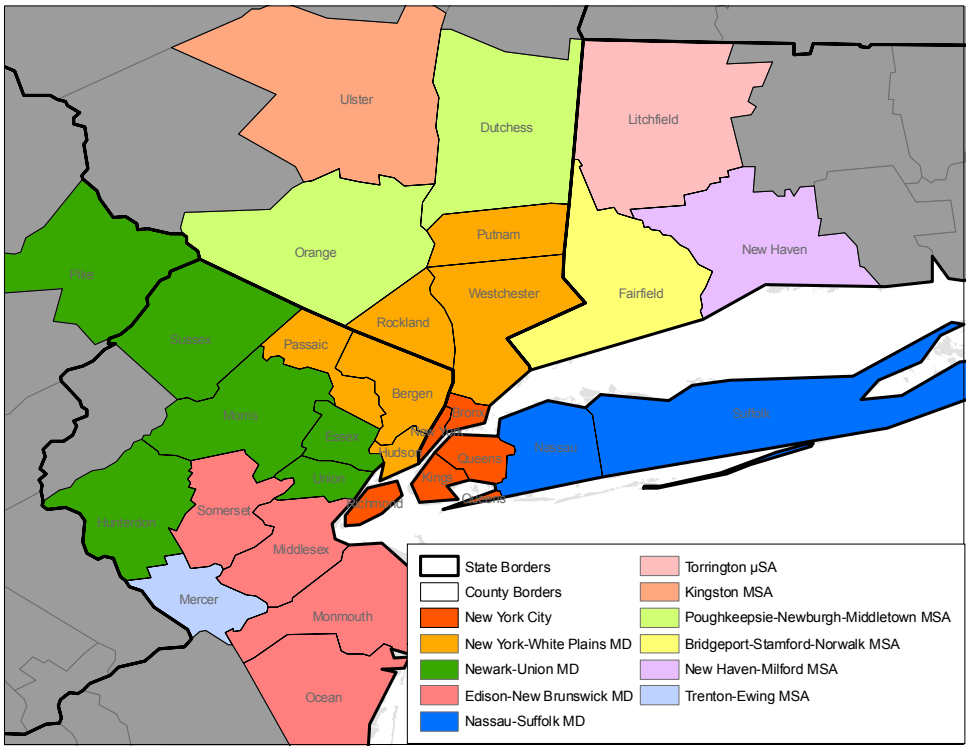
[288] Flournoy, Rebecca and Treuhaft, Sarah. "Healthy Food, Healthy Communities: Improving Access and Opportunities Through Food Retailing" PolicyLink, Fall 2005, 29.

The New York metropolitan region needs policies and investments that target those in greatest need to promote a thriving economy and more socially cohesive region. As earlier sections lay out, policies helped create high- and low-opportunity areas. Policies have created both avenues and barriers to good housing, jobs, education, transportation, health, and a clean, safe environment. This uneven growth has not only deepened the lack of opportunity in communities of color, it has also weakened the region's resilience. But we can produce a strong, resilient region by building bridges to opportunity where they do not exist by following these policy-making principles:

PRINCIPLES FOR EQUITABLE OPPORTUNITY-BUILDING POLICY STRATEGIES

- Policy decisions should seek to ensure that those in low-opportunity areas benefit equitably and meaningfully.
- Policy decisions should seek to connect those in low-opportunity areas to opportunities that exist in high-opportunity areas.
- Policy decisions should seek to build opportunities, particularly in the form of infrastructure and access to capital, in low-opportunity areas.
- Policy decisions and implementation must be monitored for impact on low-opportunity and high-opportunity areas. When low-opportunity areas are not benefiting sufficiently or are carrying the burdens disproportionately, policies and their implementation should be corrected.
- Policy decisions should be analyzed for their impact on a range of opportunities (e.g., building affordable housing is important, but if it is not built near jobs, it will not increase job access).
- Policy directions should recognize the need to cooperate across political boundaries, since the region is an economic and social unit, despite being made up of many municipalities and several states.
- Policy decisions and implementation should recognize differences by race, gender, and class (e.g., construction jobs disproportionately benefit men who are White. Stimulating construction jobs does not guarantee that women of all races or men of color will benefit.).

In doing so, we will ensure that infrastructure is strong in all communities and our region will be healthier as a result.



Map 13: The New York Region

DEFINITION OF THE REGION

After conducting background research on various definitions of the "New York City Region" and assessing data availability, CSI decided to use the New York-Newark-Bridgeport, NY-NJ-CT-PA Combined Statistical Area (CSA) defined by the Federal Office of Management and Budget (OMB) as the area of study for the New York Opportunity Mapping Project. The CSA includes 10 subregions and 30 counties from four states (Connecticut, New Jersey, New York, and Pennsylvania).

THE OPPORTUNITY INDEX

The Opportunity Index aggregates almost three dozen variables into one comprehensive measure of neighborhood (census tract) wellbeing. Variables were chosen based on research conducted by CSI, our allies and others; input from project stakeholders; and data availability. The resulting framework organizes the variables into six sub-indices:

- Housing – housing affordability and quality
- Jobs – job growth, availability, quality, proximity, and access
- Health – community health and distance to environmental hazards
- Education – school quality and educational attainment
- Neighborhood Services and Institutions – proximity to important services
- Poverty – poverty by household and age

For each census tract in the region, the value for each variable was determined by looking it up in a large data set (e.g. the U.S Census) or measuring the distance to a point

of interest (e.g. a bank). Each value was then converted into a standard score[289] (or z-score), which is essentially a way of ranking the census tract within the region. The benefit of converting to a z-score is that it has the effect of normalizing a value so it can be compared to different types of data. This way, we can reasonably combine, for example, census tract values of a median household income of $50,000 with a distance to the nearest park of 1.5 miles. Each sub-index is an average of the z-scores for each variable. The Opportunity Index is an average of each sub-index.

Census tracts are grouped into quintiles to simplify presentation of the data. Scores in the bottom 20% are labeled "Very Low Opportunity", the next 20% "Low Opportunity", the middle 20% "Average (or Medium) Opportunity", the next 20% "High Opportunity", and the top 20% "Very High Opportunity".

Sub-indices

As mentioned above, each sub-index is an average of the z-scores for each variable. The sub-indices can also be used individually to show neighborhood wellbeing in a particular issue area. Below is an explanation of which variables make up each sub-index, as well as whether the variable indicates opportunity or a barrier to opportunity. Positive variables are indicators of opportunity and add to the Opportunity Index, while negative variables represent barriers and subtract from the Opportunity Index.

Table 8: Variables in the Opportunity Index

Sub-Index	Variables Included
Education	**Positive Variables:** Percentage of the 25+ population with a high school diploma Percentage of the 25+ population with a college diploma
	Negative Variables: Percentage of population age 10-17 not enrolled in school Distance to closest school failing to meet Annual Yearly Progress (AYP)[290] Distance to high-poverty schools Student-teacher ratios for middle and high schools
Health	**Positive Variables:** Distance to the closest major highway Distance to the closest rail track Distance to the closest major airport (Newark, JFK, and LaGuardia Airports) Distance to the closest EPA regulated facility
	Negative Variables: Percentage of residents with disability status Percentage of housing units that are vacant Distance to the closest park

(Table 8 contined on next page.)

[289] "In statistics, a standard score is a dimensionless quantity derived by subtracting the population mean from an individual raw score and then dividing the difference by the population standard deviation. This conversion process is called standardizing or normalizing… The standard score indicates how many standard deviations an observation is above or below the mean. It allows comparison of observations from different normal distributions, which is done frequently in research." Excerpt from Wikipedia "Standard Score" Accessed on July 24, 2008. http://en.wikipedia.org/wiki/Standard_score

[290] As determined by No Child Left Behind.

Table 8: Variables in the Opportunity Index (continued)

Sub-Index	Variables Included
Housing	**Positive Variables:** Homeownership rate Percentage of housing units with plumbing and kitchen facilities
	Negative Variables: Rent stress (Renters paying over 30% of income on gross rent) Mortgage stress (Homeowners paying over 30% of income on their mortgage) Percentage of mortgages made in 2006 that are high-cost[291]
Jobs	**Positive Variables:** Median household income Number of jobs available in the area Job growth or loss from 2000-2005 Percentage of households with access to private vehicle Percentage of residents in the professional and managerial sectors
	Negative Variables: Percentage of 16+ not in labor force Percentage of 16+ unemployed Percentage of residents in the service sector Average travel time to work Distance to the closest highway onramp Distance to major transit hubs (bus and AMTRAK stations)
Neighborhood Services	**Positive Variables:** Distance to the closest check cashing location
	Negative Variables: Distance to the closest bank Distance to the closest library Distance to the closest hospital
Poverty	**Negative Variables:** Household poverty Child poverty (<18 years) Elderly poverty (>=65 years)

STAKEHOLDER INTERVIEW METHODOLOGY

Included in the applied research methodology are stakeholder interviews, which help to substantiate quantitative research as well as ground it in the lived realities of communities in the region. CSI staff interviewed advocates from non-profit organizations, labor unions, research institutions and other civil society organizations impacted by the many issues related to the Opportunity Index. We used an interview guide that covered a range of topics, including: organization background and work, trends impacting opportunity in communities, salient policy debates impacting communities, and coalitions and alliances working in the region.

In addition to gathering important information about interviewees' perspectives on broader issues of the intersection of housing, education, jobs, environment, and health in the region, gathering stories of work happening locally was also critical. We have included some of these stories in the report to put a human face on the research.

[291] Three percentage points or more above the Treasury Rate. Also to note is that there was no data available for Litchfield County, CT. All census tracts in Litchfield County were given a value of "0" for this variable.

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