The Cost of Segregation

Lost income. Lost lives. Lost potential.

The steep costs all of us in the Chicago region pay by living so separately from each other.
Metropolitan Planning Council

• Founded in 1934
• Nonprofit
• Nonpartisan

• Research
• Policy
• Advocacy
A preamble

- Segregation
- Integration
Our Process

- MPC’s report on the economic impact of racial and economic segregation in the Chicago region
  - March 2017

- Policy Development
  - In partnership with neighborhood groups, local advocates and national advisors

- Release policy recommendations to create a more inclusive region by 2030
  - April 2018
Driving Research Questions

• What does it cost all of us in metropolitan Chicago to live so separately from each other by race and income?

• Given its negative impact on issues of equity, what can we do to change patterns of racial and economic segregation?
What Does Segregation Cost Us?

- **Lost income**: $4.4 billion in annual regional income
- **Lost lives**: 30 percent more homicides
- **Lost potential**: 83,000 Bachelor’s degrees
Lost Income

If we reduced the levels of economic and African American-white segregation to the national median...

Incomes for African Americans in the Chicago region would rise an average of $2,982 per person per year. The region as a whole would earn an additional $4.4 billion in income, resulting in an $8 billion boost to the region’s GDP.
Lost Lives

The Chicago region’s homicide rate would drop by 30 percent—the equivalent of saving 229 lives in the city of Chicago in 2016—if we reduced the level of segregation between African Americans and whites to the national median.

If the region’s homicide rate had been 30 percent lower in 2010...

167 more people would have lived that year, earning some $170 million over the course of their lifetimes.

The region would have saved some $65 million in policing costs and an estimated $218 million in corrections costs.

Residential real estate values would have increased by at least $6 billion.
Lost Potential

83,000 more people in the Chicago region would have bachelor’s degrees if we reduced the level of African American-white segregation to the national median.

The Chicago region is losing out on some $90 billion in total lifetime earnings as a result of our education gap.
National Findings

Comparing the nation:
Ranking of combined racial and economic segregation in 100 largest U.S. metro areas, 2010

What Would It Take to Reduce Segregation in the Chicago Region?

Major drops needed in the Chicago region to reach national median level of segregation

<table>
<thead>
<tr>
<th></th>
<th>Economic segregation</th>
<th>African American-white segregation</th>
<th>Latino-white segregation</th>
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</thead>
<tbody>
<tr>
<td>Drop from 1990 to 2000</td>
<td>-4.6%</td>
<td>-3.0%</td>
<td>-2.9%</td>
</tr>
<tr>
<td>Drop from 2000 to 2010</td>
<td>-5.3%</td>
<td>-8.3%</td>
<td>-7.3%</td>
</tr>
<tr>
<td>Drop required to reach 2010 national median</td>
<td>-18.5%</td>
<td>-36.1%</td>
<td>-28.0%</td>
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Phase II Overview

MPC has now pivoted to the second question of the project:

What can we do to change patterns of segregation given its negative impact on issues of equity?
Putting policy on the map
What policies can build inclusive neighborhoods in Chicago?

• Ground-truthing national policies in Chicago: What would work here?
  – Local advisors’ and working groups’ input
  – 25 in-depth interviews and 5 focus groups with people working in government, grassroots and community organizations, and private sector
  – 100-respondent survey
Looking back/Looking forward

1990-2010

- Black tracts: no growth, little change
- Latino tracts: 7x more change than black
- White tracts: >25% growth
- Racially-mixed tracts: change
Recommendations

Racial Equity

- Dismantling Individual & Systemic Racism
- Shrinking Racial Wealth Gaps
- Increasing Mobility & Opportunity
Explored Topics:

• Transportation
• Education
• Criminal Justice
• Economic Development
• Housing
• Health
How can we make transit more affordable?

• Transit Fare Capping
How can we prioritize investments more equitably?

- Increase Equity in Transportation Performance Measures/ Prioritization Criteria
How is transportation a barrier to employment for vulnerable populations?

• Workforce Board
  – Counselor focus groups
  – Job seeker focus groups
What do low-income communities need?

- Focus groups with low income populations and communities of color
- Identify needs and potential solutions
What new transportation solutions can we try?

- Demand response?
- Public-private partnerships?
- New bikeshare structures?
Sustainable Funding for Transportation

Since 2012, thirty-one states have approved plans to raise additional transportation revenues.
Don’t Get Mad, Get Active

Broken-down bus? Don’t get mad. Get active!

Share your story to help us advocate for long-term, reliable funding for Illinois’ transportation system.

Here’s how:

- Snap a photo or shoot a video
- Post it on Twitter with the hashtag #BustedCommute
- Or email it to bustedcommute@metroplanning.org

www.metroplanning.org
Don’t Get Mad, Get Active

Chicago needs:

• Sustainable funding
• Transportation vision
• Transit advocacy
Questions?