BOUND: HOW RACE SHAPES THE OUTCOMES OF AMERICAN CITIES

New data shows that the overwhelming majority of U.S. residents dwell within urban areas. As a percentage of the U.S. population, rural residents have declined from over 54% to just 19% over the past century. The history of the United States’ metropolitan growth is well documented, and, like the story of the United States itself, is one marked by racial discrimination and exclusion as a foundational element.

Given the trend of growth in metropolitan areas across the country, we are turning our attention to data that illustrate the state of financial security in cities and their surrounding metro areas. The accrual of wealth is the primary engine of household economic mobility and security. Education, homeownership, employment and business ownership are all means to achieving that end. Yet, whole generations of U.S. residents have been cut off from accessing these drivers for no reason other than their racial or ethnic identity. Recent research from Prosperity Now and the Institute for Policy Studies has shown the explosion in the racial wealth divide over the past two decades and its effects on the civic and economic well-being of the United States. From 1983 to 2016, the median wealth of White households grew by $35,200, from $105,300 to $140,500, while the wealth of Black households declined from $7,000 to $3,400. Further, in just the three years from 2013 to 2016, the median White household increased its wealth holdings by $20,200—an increase more than twice as large as the median household wealth of Latino and Black households combined ($6,300 and $3,400, respectively).

Race and ethnicity are among the greatest predictors of household and community wealth and economic opportunity. These dynamics are most often found at the micro level—block by block, community by community—and result in a cumulative effect on the racial and ethnic makeup of their respective regions. According to local area data published in the Prosperity Now Scorecard, the outcomes of this cumulative effect—the depth and effect of racial economic inequality—are clear, and perhaps best exemplified by the correlation between the size of historically-oppressed racial and ethnic groups and poverty levels. On average, the populations of large and mid-sized cities (i.e., cities with a population count of 75,000 people or greater) with poverty rates greater than 20% are 27% Black, 27% White, 3% Asian and 41% Latino. By contrast, the cities with a poverty rate below 10% are, on average, 59% White and 11% Asian, 18.5% Latino and only 7% Black.

The Prosperity Now Scorecard assesses every city, county, metro area, Congressional district and tribal area in the United States on 26 measures of household well-being and financial health, with dozens of additional outcome and policy measures assessed at the state level. Using this wealth of data, this brief focuses on the 476 U.S. cities with

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3 The data analyzed for this brief comes from the local data published in the Prosperity Now Scorecard as of June 2018, which is primarily sourced from the 2012-2016 American Community Survey 5-year estimates. Due to data availability constraints, the Prosperity Now Scorecard only publishes data for geographies with a household count of 1,000 or greater. The rankings in the Prosperity Now Scorecard are derived by calculating an average rank across every outcome measure for each geography type. While the ranks published on the website and associated report are only at the state level, similar rankings have been calculated for cities for the purpose of this brief. In the instance that data is not
a population of 75,000 people or greater, and attempts to identify regional and national trends in outcomes by: a) aggregating the relative performance of these large and mid-sized cities across every measure available locally, and b) assigning each city a relative rank based upon this cumulative performance. Above all, our analysis demonstrates the ways the demographic profiles of the best- and worst-performing cities offer a compelling narrative of the circumstances that influence and, ultimately, determine metropolitan growth and success.

The populations of the top-performing large and mid-sized cities with respect to all 26 of the resident outcomes are, on average, nearly two-thirds White. By contrast, the population of the average city of this size, irrespective of resident outcomes, is less than half White. The worst-performing cities are less than a quarter White. This brief explores the circumstances that have both created and been reinforced by racial wealth gaps in our nation’s large and mid-sized cities.

**FLIGHT AND “BLIGHT”: OUTCOMES FOR MID-SIZED CITIES**

While the conversation around economic growth and opportunity in U.S. cities is dominated by the nation’s largest cities and metropolitan areas, mid-sized cities have demonstrated the highest rates of population and economic growth. Mid-sized cities are also at the center of many of the most dynamic trends in resident outcomes. One way to gauge this dynamism is by comparing large- and mid-city placements in the Prosperity Now Scorecard’s outcome rankings. Among cities with a population above 75,000, cities with a population between 75,000-125,000 people are most likely to demonstrate outcomes at the extremes.

While the history and design of each city in the US is unique, converging economic and demographic trends have resulted in similar outcomes across drastically different regions and communities. Mid-sized cities like Reading, PA; Flint, MI; Miami Gardens, FL; and Camden, NJ lack the allure of the nation’s largest cities and the infrastructure and resources to reinvent themselves in the face of changing demographics and economic opportunities. Many of the worst performing cities in this cohort are current or former center cities and industrial centers. By contrast, suburbs like Carmel, IN; Newton, MA; O’Fallon, MO; and Highlands Ranch, CO perform far better than similar-sized cities, benefitting from proximity to major center cities while maintaining suburban homogeneity and appeal.

**Wealth and Income**

Though some inner-ring suburbs are among the worst-performing cities, the mid-sized cities with the strongest household outcomes are almost uniformly suburban. Some, like Highlands Ranch, CO and The Woodlands, TX, are relatively new and were founded as planned communities. Highlands Ranch households earn $111,332 at the median, and the town’s poverty rate is below 3%. As a result, Highlands Ranch has one of the lowest rates of income inequality of any large or mid-sized city. The Woodlands boasts comparable income characteristics. This is by design. Highlands Ranch, for example, was created as a haven for upper-middle and high-income residents of the Denver metropolitan area. Since its inception, it has been governed by a restrictive community organization, akin to the planned communities and company towns of the nation’s initial suburban boom of the mid-20th century. Historically, these types of residential covenants and charters have been used to preserve the cultural and racial homogeneity of cities. Black residents were explicitly unwelcome and often violently barred from taking or maintaining residence within the

available for a particular location, that measure is not counted toward that geography’s ranking. For more information on outcome data sources and how ranks are calculated in the Scorecard, visit [http://scorecard.prosperitynow.org/methodology](http://scorecard.prosperitynow.org/methodology).
community’s boundaries. Other planned communities, like Columbia, MD, were designed specifically with racial and ethnic diversity in mind. Columbia’s founders refused to sell land to developers that practiced racial steering. Columbia is now one of the more successful suburban communities with respect to both racial diversity and economic outcomes.\(^4\) (It should be noted, however, that even as Columbia ranks 17th overall among U.S. cities with a population greater than 75,000, the town still experiences significant disparities by race and ethnicity in poverty, uninsured rate and unemployment.) This is not to imply that Highlands Ranch or The Woodlands was founded with a codified ban on African-American residency in the way that similarly-planned towns like Boulder City, NV were. It is, however, no coincidence that many similar cities founded as planned communities often have a higher proportion of White residents, nor is it coincidence that many of these communities continue to experience tremendous population growth, even as recent trends would suggest a reversal of the city-to-suburb flight pattern.

Other suburbs, like Newton, MA, have a much longer and richer history, though this history has not prevented many of the same racial and ethnic dynamics from taking root. Newton’s founding predates the United States, having incorporated nearly 400 years ago and evolving over the intervening centuries to become one of the nation’s archetypal suburban communities. Newton boasts the second highest median income ($127,402) and the lowest liquid asset poverty rate (9.1%) of any large or mid-sized city in the country. Perhaps unsurprisingly, just 3.4% of Newton residents identify as Black, compared to 7.2% of all Massachusetts residents. Just 5.6% of Newton residents identify as Hispanic or Latino, compared to 12% of all Bay Staters.

Perhaps one dominant trend across the best-performing, mid-sized cities is their relatively minimal reliance, historically, on manufacturing. With little exception, these communities have been white collar from their inception—again, in many cases, by design—and were thus better able to manage the evolution of the global economy. Or, they were founded after the worst of the manufacturing decline and avoided the crisis outright. Unfortunately, many of the worst-performing cities were among the hardest hit by this transition.

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water supply catastrophe—are the direct result of the now half-century-long flight of capital from the city and a centuries-long structural bias that continues to render the victims of such disasters invisible.\footnote{Graham, David A. (Jan. 22, 2016), “Who Poisoned Flint?” The Atlantic, accessed at https://www.theatlantic.com/politics/archive/2016/01/who-poisoned-flint/425354/}

Camden, NJ’s story has a similar arc. Both Camden and Flint were incorporated in the early 1800s and reached their economic peaks in the 1950s and 1960s. In subsequent decades, the flight of White families from Camden to nearby suburbs was even more extreme than Flint’s. The city’s White population plummeted from nearly 60% in 1970 to just 5.3% in 2016.\footnote{Pell, M.B. & Schneyer, Joshua. (December 19, 2016). “Thousands of U.S. Areas Afflicted with Lead Poisoning Beyond Flint’s”. Reuters. Accessed at https://www.reuters.com/article/us-usa-lead-testingspecialreport/special-report-thousands-of-u-s-areas-affected-with-lead-poisoning-beyond-flints-idUSKBN4811BT.} Nearly a third of Camden households have zero or negative net worth, and over two-thirds (68.1%) are liquid asset poor—the largest rate of any large or mid-sized city. Flint and Camden have the two lowest median incomes of any city in the cohort ($25,650 and $26,214, respectively), with more than a third of each city’s families living in poverty.

It is clear that Flint, Camden and their residents—non-White residents in particular—are seen as having little use to a society incapable of recognizing and valuing the contributions of the very communities upon which our modern economy was built. Rather, these communities are themselves viewed as commodities: interchangeable widgets to be plugged into a system to generate wealth for surrounding communities—never for their own—and to be discarded just as quickly.

**Homeownership and Housing**

Home equity comprises the single greatest share of wealth for the average U.S. family. Beyond America’s middle class being founded upon the mass entry into homeownership through the G.I. Bill and post-WWII economic boom, our nation itself was founded upon the principle of free and plentiful land ownership through westward expansion and homesteading. As a result, intergenerational wealth building—and even access to the fundamental drivers of household wealth—in the United States is, at its core, intrinsically tied to race. Our nation’s two most influential government transfers of wealth through homeownership were made available to its White residents exclusively, at the expense of the Native and Indigenous communities displaced and destroyed by westward expansion and the Black families and veterans targeted by redlining and restrictive community covenants during the post-war boom. Indeed, just a century prior, those same Black citizens would have themselves been stores of wealth for White residents through the domestic slave trade.

By and large, the **homeownership rate** in the average U.S. city is below the national average and far below that of rural areas. Fifty percent of households in large and mid-sized cities own their homes, compared to the 63.9% national rate. Similar declines exist among every racial and ethnic group. Obscured in this trend, however, is the continued existence of significant gaps in homeownership between White residents and residents of color. 59.6% of White households in large and mid-sized cities own their homes, while non-White city residents

\[\text{Link to} \quad https://www2.census.gov/library/publications/decennial/1970/pvcy2/15872858v2ch4.pdf.\]
own their homes at a 38.9% rate—more than 20 percentage points below the White homeownership rate. Further, Black households in large and mid-sized cities have a 35% homeownership rate, lower than the national Black homeownership rate of 40.7%. Overall, White households are overrepresented in the homeownership class of our nation’s cities: White households comprise 52% of the total housing count in large and mid-sized cities, but 62% of all owner-occupied housing, a gap consistent with national averages across all geographies.9

With few exceptions, the cities with the lowest homeownership rates are not only among the nation’s least affordable housing markets—as measured by the ratio of median home value to median income—but also have populations that are overwhelmingly composed of people of color. Newark and Elizabeth, NJ; Hartford, CT; Hawthorne, CA; and Lawrence, MA all have both homeownership rates below 30% and populations that are a majority Black or Latino. Lawrence, Hawthorne and Elizabeth are also among the cities with the highest homeownership disparity ratios by race. In all three cities, White households are more than 2.5 times more likely to own their homes than are households of color. In contrast, the populations of cities like Livonia, MI; Toms River, NJ; the aforementioned Highlands Ranch, CO; and O’Fallon, MO are over 80% White, and have homeownership rates over 80%. With home equity’s outsized effect on families’ net worth, it’s little wonder that households of color trail White households in every measure of household wealth, and that this phenomenon is compounded across geographic levels.

A homeownership market that is increasingly unaffordable for most of a city’s residents has a demonstrable effect on that population’s ability to find stable and reasonably priced rental housing, and to save the income necessary to make that long-term investment in homeownership that many families aspire to. In Reading, PA, an industrial town similar in economic characteristics to Flint and Camden, two-thirds of all rental households are cost-burdened, meaning that they pay more than 30% of their monthly income on rent—the historical standard for housing affordability. For reference, Reading has the highest income poverty rate (37.2%) of any large or mid-sized city in the United States. Reading’s families of color, however, are over three times more likely than White families to live in poverty, ensuring that White households have a leg up in the city’s homeownership and rental markets. The city’s homeownership rates bear this out: Reading’s White households are 62% more likely to own their home than are households of color (55.8% to 34.5%, respectively). In a housing market where the median home value ($68,400) is the sixth lowest of any large or mid-sized city, that two-thirds of Reading renters are unable to save for homeownership because of burdensome rent is unconscionable.

In predominantly Black Miami Gardens, FL, neither homeownership nor the rental housing market is affordable for the majority of residents. Nearly three of every four (72.3%) Miami Gardens renters, and 55.2% of homeowners, are cost-burdened, suggesting that even outside of the notoriously unaffordable central city of Miami, the area’s Black households struggle to find affordable housing options. There are, in fact, a greater percentage of cost-burdened households in Miami Gardens than in Miami. Prosperity Now’s research on the racial wealth divide in Miami highlighted the extreme burden of high housing costs that Miami’s households of color face in trying to accrue income and wealth, but, as the state of housing in Miami Gardens shows, this crisis extends across the full bounds of Miami’s metropolitan area.10

9 Per the Scorecard’s homeownership estimates, White households comprise 68% of total U.S. households, but 76.7% of the nation’s total homeowners—a difference of roughly 8.6 percentage points.
THE DEMOGRAPHICS OF CITY OUTCOMES

Across every geographic level in the Scorecard, places with greater concentrations of White residents enjoy better economic outcomes than locations with largely non-White populations. During our analysis of the correlation between a city’s racial demographics and its overall outcome rank, we calculated the average overall rank of the 50 cities with the largest percentage of White, Asian, Latino, and Black residents, respectively. Below are the average ranks for each racial and ethnic group, that rank’s corresponding city, and noteworthy outcome measures associated with each city. The outcomes found in individual major or center cities are not necessarily indicative of every predominantly White, Asian, Latino, or Black city in the country. Through the dynamics of their surrounding metropolitan areas, however, they are a microcosm of a larger societal trend that the Prosperity Now Scorecard’s local data serve to illuminate.

<table>
<thead>
<tr>
<th>Average Demographic Profile of All Cities, 75,000+ Residents</th>
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<tbody>
<tr>
<td>White</td>
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<tr>
<td>Black</td>
</tr>
<tr>
<td>Asian</td>
</tr>
<tr>
<td>Latino</td>
</tr>
<tr>
<td>Other$^{11}$</td>
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</table>

<table>
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<tr>
<th>Max White city: Livonia, MI (89.2%)</th>
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<tr>
<td>Max Latino city: Ponce, PR (99.2%)</td>
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<tr>
<td>Continental U.S. city: East Los Angeles, CA (96.6%)</td>
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</tbody>
</table>

$^{11}$ Here, “Other” refers to the combined population of the following racial and ethnic groups: Native American or American Indian, Native Alaskan, Native Hawaiian, Pacific Islander, Some Other Race, and Two Or More Races. These labels and population counts are determined using Census Bureau definitions, which can be found here: https://www.census.gov/mso/www/training/pdf/race-ethnicity-onepager.pdf.

Max Black city: Jackson, MS (80.8%)

Max Asian city: Daly City, CA (56.5%)

Max Native American city: Anchorage, AK (6.7%)
Max NHPI city: Honolulu, HI (8.2%)
Max Other Race city: Brockton, MA (5.8%)
Max Two or More city: Honolulu, HI (13.9%)
GROWING PAINS: OUTCOMES FOR METRO AREAS AND CENTER CITIES

As discussed in the previous section, the relationship between suburbs and center cities—between White and nonwhite households—is the singular tension of the nation’s metropolitan areas. Major contrasts between the two include the generally exclusive design of suburban areas in comparison to the inclusive composition of center cities; the heavy economic influence of center cities versus the asset preservation purpose of suburbs; and the high population of center cities in conjunction with the less saturated characteristics of suburbs.

As a direct product of our nation’s racial tensions, the community outcomes experienced by the residents of cities and suburbs bear out the expected result of a system designed from its inception to privilege White citizens. And the dynamics inherent in this tension—of segregation, of access, and of disparities in opportunity and life outcomes by race and ethnicity—are replicated in every region and metro area in the United States, from North Texas to Hampton Roads, Virginia.

The Dallas-Fort Worth Metroplex

The Greater Dallas metropolitan area may best exemplify the metropolitan growth occurring nationwide, both in its historical influences and in its resultant resident outcomes. North Texas is among the fastest growing regions in the country. The Dallas-Fort Worth Metroplex grew by over 146,000 people between 2016 and 2017, almost 52,000 new residents more than Houston, TX metro area—the second largest metro area in respect to real population increases. While every corner of the region is experiencing rapid population growth, the two fastest-growing large and mid-sized cities in the region by percentage are two suburbs located about 40 minutes north of the Dallas city center: Frisco and McKinney. Both McKinney and Frisco are among the Texas cities in our analysis with the greatest proportion of White residents. Frisco, in fact, is the closest analogue to the average racial demographic profile of the 50 best performing large- and mid-sized cities in the nation. The city of Frisco is ranked 7th compared to the other large and mid-sized cities, per Scorecard’s ranking methodology. With 3.1% of families living in income poverty, Frisco features one of the ten lowest poverty rates in the cohort—and the lowest of any major city in the state of Texas.

Roughly 28 miles south lies Dallas. The ninth-largest city by population in the country, Dallas is fairly diverse in its overall racial and ethnic composition, but is notorious for its neighborhood-level racial, ethnic, and economic segregation. Dallas features a demographic profile roughly equal to that of the average for the 50 worst-performing large- and mid-sized cities in the country. With an overall ranking of 421st of 476 total cities, Dallas places solidly among the worst-performing cities.

The housing and population dynamics that mark the full Dallas-Fort Worth Metroplex follow many of the same segregationist tendencies as the city itself. Dallas was among the cities subjected to “redlining” by the Home Owners’ Loan Corporation (HOLC), on behalf of the federal government, in the 1930s and beyond, setting a standard for targeted disinvestment and

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<tr>
<th>Frisco</th>
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<th>Best 50 Cities</th>
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<tbody>
<tr>
<td>White</td>
<td>62.6%</td>
<td>White</td>
<td>63.8%</td>
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<tr>
<td>Black</td>
<td>7.5%</td>
<td>Black</td>
<td>5.9%</td>
</tr>
<tr>
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<td>15.1%</td>
<td>Asian</td>
<td>14.1%</td>
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<tr>
<td>Latino</td>
<td>11.9%</td>
<td>Latino</td>
<td>10.6%</td>
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<table>
<thead>
<tr>
<th>Dallas</th>
<th></th>
<th>Worst 50 Cities</th>
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<tbody>
<tr>
<td>White</td>
<td>29.2%</td>
<td>White</td>
<td>23.7%</td>
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<tr>
<td>Black</td>
<td>24.3</td>
<td>Black</td>
<td>30.8%</td>
</tr>
<tr>
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<td>3.2%</td>
<td>Asian</td>
<td>3.9%</td>
</tr>
<tr>
<td>Latino</td>
<td>41.5%</td>
<td>Latino</td>
<td>39.1%</td>
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concentrated poverty throughout the region that persists along the same lines some 80 years later. A clear majority of Dallas neighborhoods designated as “desirable” for investment by the HOLC were located in northern Dallas. Currently, North Dallas remains the area of the city in which the most prosperous households are located, with every neighborhood identified as having the best investment prospects by the HOLC currently home to a majority-White populace. With the exception of a couple of blocks in downtown Dallas, every single area marked in red—HOLC’s “hazardous” distinction, to be avoided by capital at all costs—is populated predominantly by households of color. These patterns held true at the time the HOLC originally drew their lending maps; they remain just as true now.

Beyond Dallas’ city limits, the northern suburbs are home to many of the region’s most prosperous communities. Frisco and 3rd ranked Allen, TX, are counted amongst this group, as are affluent smaller towns like Highland Village; Flower Mound, which, like The Woodlands, is a planned Title VII “New Town”; and the independent Highland Park and University Park areas. Each has a population that is over 62% White; less than 10% Black; and less than 12% Latino. The Metroplex in its entirety includes significantly higher populations of people of color that is 28.2% Latino; 15% Black; and 48.3% White. Each of these communities has a poverty rate below 4% while the Dallas Metro has a poverty rate of 10.8%. Median household incomes range from $102,215 in Allen, to $198,438 in University Park—up to 3.2 times the Dallas Metro’s median household income ($61,330).

Residents of South Dallas and the city’s southern suburbs have much worse outcomes than do the communities to the north. Sequestered from the rest of the city by two federal highways, the area has been marked by disinvestment for generations, and is home to a majority of the city’s households of color. Most of the households identified by Opportunity Dallas’ Opportunity Index as being in the bottom 25% of all Dallas census tracts with respect to resident outcomes are in South Dallas. But, 70% of all majority-Black tracts in the city are also among the worst-performing quarter in the city. Mesquite is the only suburb south of Route 80 classified as a mid-sized or large city. Its demographic profile (33.1% White, 24.2% Black, 2.9% Asian, 38.1% Latino) is roughly on par with Dallas’. More than one in five (21.7%) Mesquite households have zero or negative household net worth, while 46.3% are liquid asset poor. Mesquite also has the highest unemployment rate (6.5%) of any mid-sized or large city in the Metroplex. While Mesquite’s White working-age residents are unemployed at the highest rate of North Texas’ major cities (6.4%), their Black peers are still unemployed at an 8.8% rate. This means Black workers are 37% more likely to be unemployed than White members of the area’s labor force, even where White unemployment is at its worst.

“America’s First Region”

The Hampton Roads area—known officially as the Virginia Beach-Norfolk-Newport News metropolitan area—is home to the three largest cities in the state of Virginia. A recent research brief published by Prosperity Now using outcome data for the U.S. cities with a population greater than 300,000 identified Virginia Beach as the second-best-performing major city in the country with respect to the financial health of its residents. The brief identifies Virginia Beach’s income parity and homeownership market as driving the area’s strong resident outcomes. Virginia Beach has the highest overall homeownership rate and the lowest rates of income inequality and poverty of all U.S. cities with 300,000 residents or more. On paper, Virginia Beach and its surrounding metropolitan area are ethnically diverse, with non-white residents composing roughly 44% of its population. The Hampton Roads area has also been

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noted for its economic diversity, which is borne out by the MSA’s fairly low income inequality and high educational attainment relative to other metropolitan areas across the country.

Yet, the city of Virginia Beach, and the general Hampton Roads region, are subject to the same dynamics of racial exclusion and oppression that characterize the nation. In the 1950s and ‘60s, Hampton Roads underwent vast demographic and population changes, with a handful of cities and counties undergoing the consolidation process. Most notably, the resort town of Virginia Beach merged with neighboring suburban Princess Anne County, creating the consolidated independent city of Virginia Beach as we know it today. These municipal reconfigurations were concurrent with the mandated desegregation of public schools following the U.S. Supreme Court’s Brown v. Board of Education of Topeka decision. The Virginia statehouse first responded to Brown v. Board by advocating that largely-White municipalities perform “massive resistance” to the desegregation order, going so far as to close public schools. Prince Edward County’s resistance included closing an entire school district. When the “massive resistance” order was repealed on constitutional grounds, White families fled from the increasingly non-White school districts in cities like Norfolk, to suburban townships and counties. As a result, Norfolk suffered significant declines in its White population in the decades following school integration and municipal consolidation, to the point that its population in 2016 (245,724) was more than 20% lower than its mid-century high of 307,951.

Unsurprisingly, residents of the handful of other large and mid-sized cities in the Hampton Roads area fare far worse than do the residents of Virginia Beach. Per our analysis of the Scorecard data, Norfolk has the worst overall outcome ranking of any city of any size in the Hampton Roads area (414th). Norfolk has the highest income poverty rate (16.4%); income inequality rate (over 5x greater for the top 20% than the bottom 20%); rate of households with zero or negative net worth (26.0%); unemployment rate (8.0%); uninsured rate (16.2%); and cost-burdened homeowners rate (39.9%) of any major city in the region. It also has the lowest homeownership rate (42.8%). Proportionally, Norfolk also has more than twice as many Black residents than Virginia Beach has.

Portsmouth and Newport News don’t perform much better. Newport News has a larger racial disparity in poverty than Norfolk, with the city’s nonwhite households 3.7 times as likely to live below the poverty line. Per an analysis by the American Communities Project at Brown University, Portsmouth has the highest degree of residential segregation in the Hampton Roads area, with a considerable majority of the city’s Black residents living in hyper-segregated census tracts. Portsmouth also happens to be the only large or mid-sized city in the Hampton Roads area with a majority-Black population, with 52.2% of its residents identifying as Black. Residential segregation and racial isolation are most pronounced in cities like Portsmouth or Virginia Beach that have high populations of both White and nonwhite residents. It is also notable that, where White-Black residential segregation declined sharply in the Hampton Roads area from 1980 to 2000, it has since ticked upward. White-Hispanic segregation has steadily risen over the same

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period. Not coincidentally, White residents of the region are also far less likely than Black, Asian, and Latino peers to live in census tracts that are predominantly populated by residents of a different race or ethnic group.¹⁹

At the other end are Chesapeake and Poquoson—cities with significantly better economic characteristics and resident outcomes than much of the rest of the Hampton Roads area. Cities that consolidated with more rural or suburban counties during the two decades following the Brown decision, like Virginia Beach and Chesapeake (the product of the consolidation of Norfolk County and the independent city of South Norfolk), enjoy resident outcomes more consistent with exclusive suburbs than the large cities their population counts would suggest. Chesapeake performs similarly to Virginia Beach on most outcomes, and slightly outranks it overall (84th compared to 93rd, respectively. Chesapeake features a slightly higher unemployment rate compared to Virginia Beach, but a significantly higher racial disparity in unemployment. Non-White workers in Chesapeake are 2.3 times as likely to be out of work than their white counterparts in the labor force, compared to nearly 1.6 times in Virginia Beach.

Though considerably smaller than the 75,000-person threshold discussed earlier in this brief, Poquoson, with 12,068 residents, has the best outcomes of any city, of any size, in the Hampton Roads area, per the Scorecard. Just 3.3% of Poquoson households live below the poverty line, and fewer than 10% have zero or negative net worth—the best rate in the region. This is due, in no small part, to the town’s 83.1% homeownership rate—also the best rate in the region—and its boasting one of the state’s lowest disparities between white and non-White homeownership. Poquoson is also among the Whitest cities in Virginia, with 92.4% of its residents identifying as White, non-Hispanic. This demography is no coincidence: in 1952, rather than consolidating with a larger neighbor, Poquoson incorporated to maintain local control over its schools. In drawing its new boundaries, however, the town deliberately excised a predominantly Black community on its east side. Poquoson now has no private schools within its city boundaries, which is notable given the relatively high incomes of the city’s residents. Local K-12 schooling has long been weaponized as a vehicle through which the boundaries of neighborhoods—and intergenerational access to resources and opportunity—are policed, and de-facto segregation proliferates. In a metropolitan area that is roughly 44% non-White, it may be unsurprising that the municipality with the strongest overall outcomes is also a municipality that is home to the fewest non-White residents.

CONCLUSION

With over 80% of all U.S. residents now calling an urban or metropolitan area home, the nation’s present and future economic health lies in creating equitable and sustainable cities in every region within its borders. State, county, and city leaders have a responsibility to serve every constituent by establishing a foundation that affords every resident and household the freedom and opportunity necessary to outperform the previous generation, both socially and economically. Above all, that responsibility requires that the obstacles put in place to keep neighborhoods and communities stagnant for decades be dismantled in favor of programs and practices that truly provide financial and physical security to the many, rather than hoarding it for the wealthiest few. Eliminating obstacles like abusive policing and prosecutorial practices; de-facto segregation in housing and schools; state preemption of local ordinances; regressive taxation and fining structures; block granting; and inequitable resource allocation is crucial for leaders to hold themselves accountable to serving all constituents.

The universal seizure and equitable redistribution of the nation’s assets and resources would serve that purpose, but is a political nonstarter—even in a country whose birth, growth, and continued existence have been propagated by

the mass theft of land and life. There are, however, less-extreme solutions available that have yet to be fully embraced or implemented. Prosperity Now’s Municipal Policy Blueprint for a More Inclusive Path to Prosperity outlines a series of programmatic and structural reforms that will remove many of the obstacles to financial security and economic justice currently in place in our nation’s cities. Some serve to boost household income; others to build and protect assets like business and homeownership. All follow the basic principles of targeted universalism, which serves to direct resources toward individuals and communities with the highest need. The comprehensive and clear-eyed review of local, state, and federal policy’s effect on producing racist civic and economic outcomes is a requirement, with a specific eye on presumably “race-neutral” polices that, in practice, are quite the opposite. The use of tax policy at all levels of government to prioritize the outsized accumulation of wealth by the already wealthy (and predominantly White) at the expense of the nation’s low-wealth households (which are predominantly nonwhite) is a prime example.

The United States’ self-conception is predicated upon a notion of equality and liberty, at the core of which is the free movement of people from one community to another, and the ability to live as a part of a community of their choosing. When those choices are encouraged and exacerbated by unequal policy and resource distribution, however, a change to our policies and practices becomes an undeniable civic duty. Public policy choices should enable, not inhibit, opportunity. The unequal life outcomes experienced by our cities’ non-White residents represent a massive failure of civil rights that has impeded our nation’s ability to reach its maximum economic and social potential. These outcomes will continue to impede this potential until addressed openly and directly.

Author: Lebaron Sims
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ABOUT PROSPERITY NOW
Prosperity Now (formerly CFED) believes that everyone deserves a chance to prosper. Since 1979, we have helped make it possible for millions of people, especially people of color and those of limited incomes, to achieve financial security, stability and, ultimately, prosperity. We offer a unique combination of scalable practical solutions, in-depth research and proven policy solutions, all aimed at building wealth for those who need it most.