

Place-based strategies: Strengthening Local Economies in Low-Income Communities

Exploring how geographic factors impact financial access,
community well-being, and economic mobility



Place-Based Strategies: Strengthening local economies in Low-Income Communities

The views expressed during this event are those of the speaker and are intended for informational purposes. They do not necessarily represent the views of the Board of Governors or the Federal Reserve System.



Place-Based Jobs Policies for Distressed Local Labor Markets and Neighborhoods

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W.E. Upjohn Institute for Employment Research

Presentation to Federal Reserve System's Community Development Research Seminar on Place-Based Strategies April 2, 2026

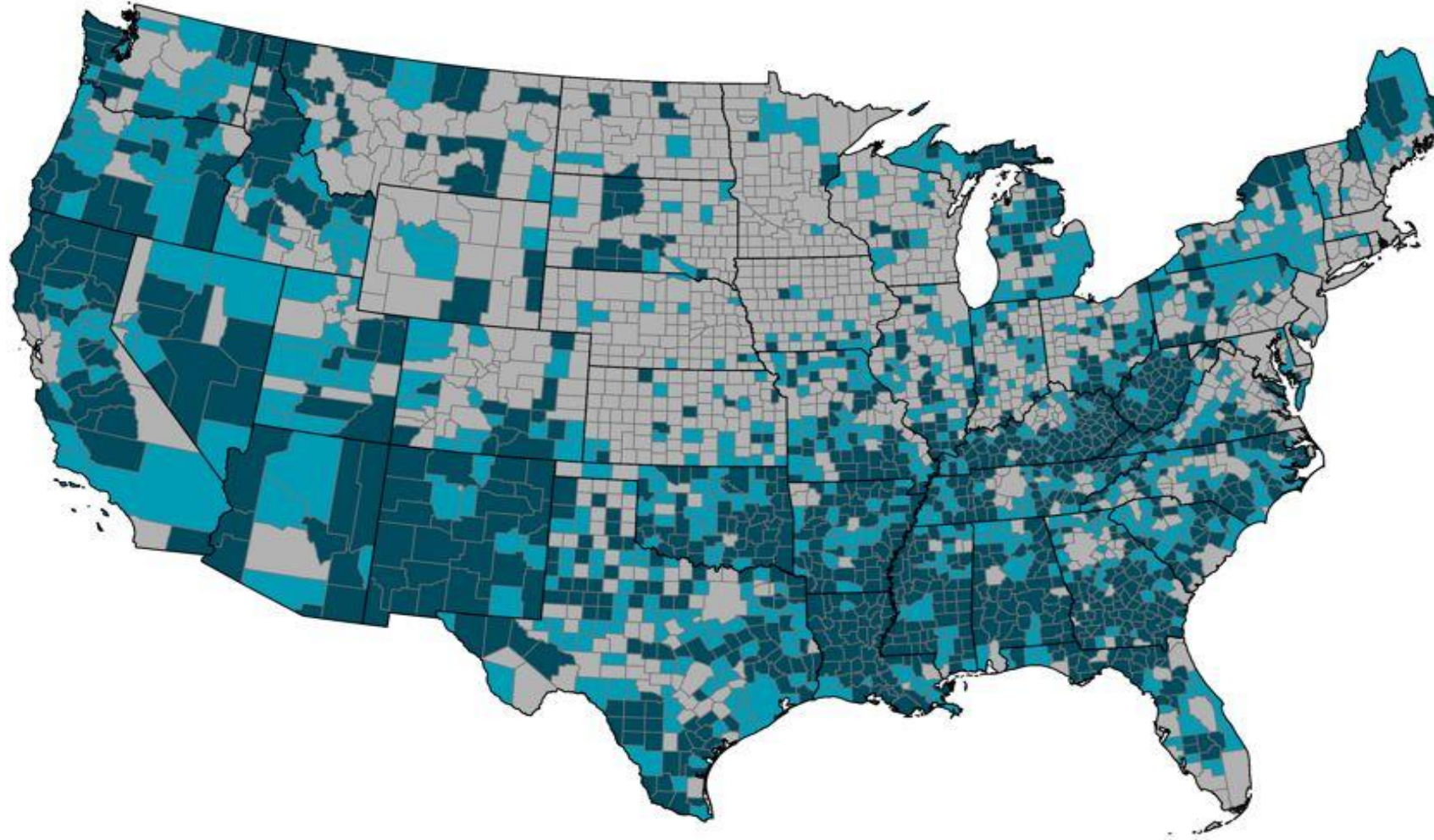
Jobs problem in distressed places different in local labor markets vs. neighborhoods

- “Local labor market”: one or more counties with sufficient commuting that changes in labor market conditions quickly spread.
- “Neighborhood”: adjacent census tracts with common identity.
- “Distressed place”: low employment rate
- In distressed local labor market, 1/2 of jobs created increase residents’ employment rates
- In distressed neighborhood: plopping more jobs down does little to help residents. What residents need is better “job access”, broadly defined

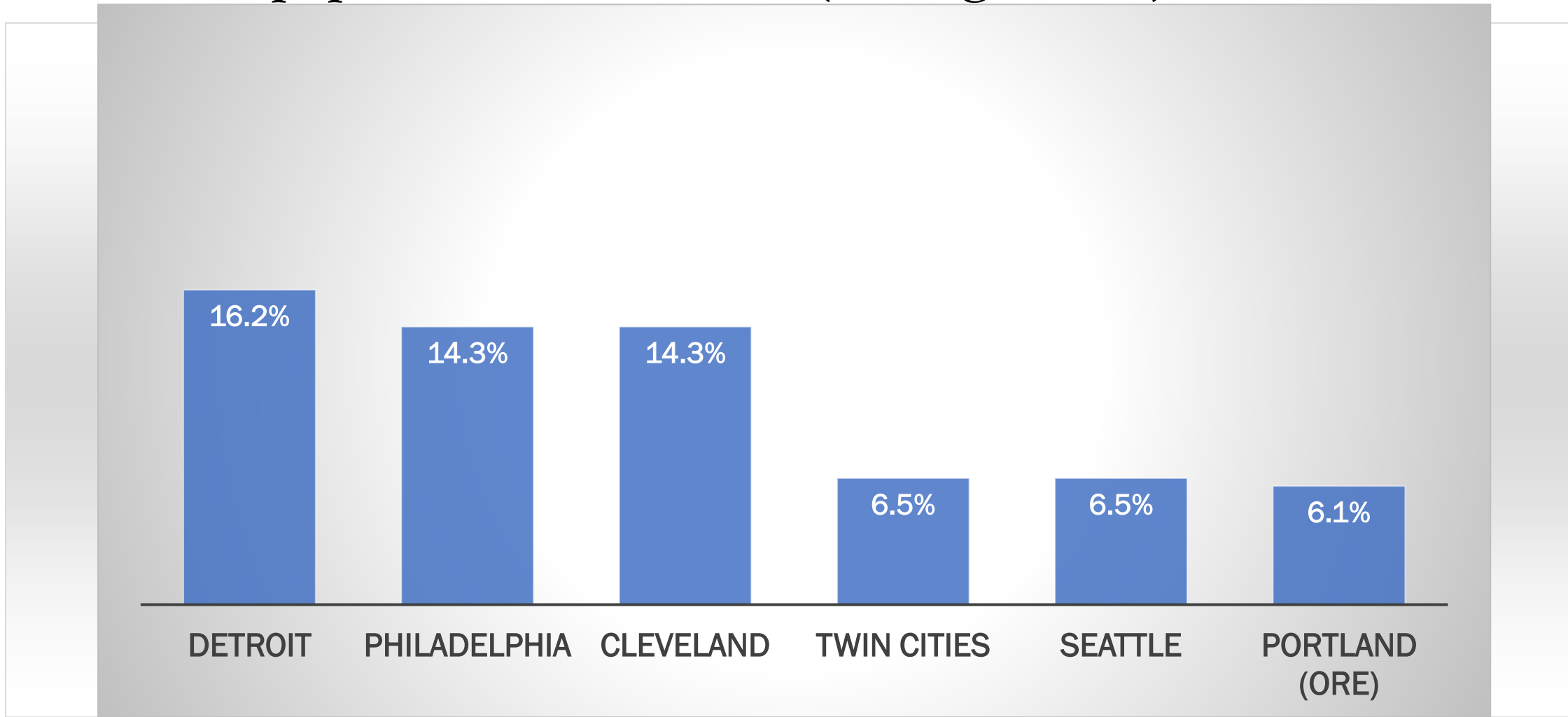


Distressed Local Labor Markets

Severely distressed Moderately distressed Less distressed or non-distressed

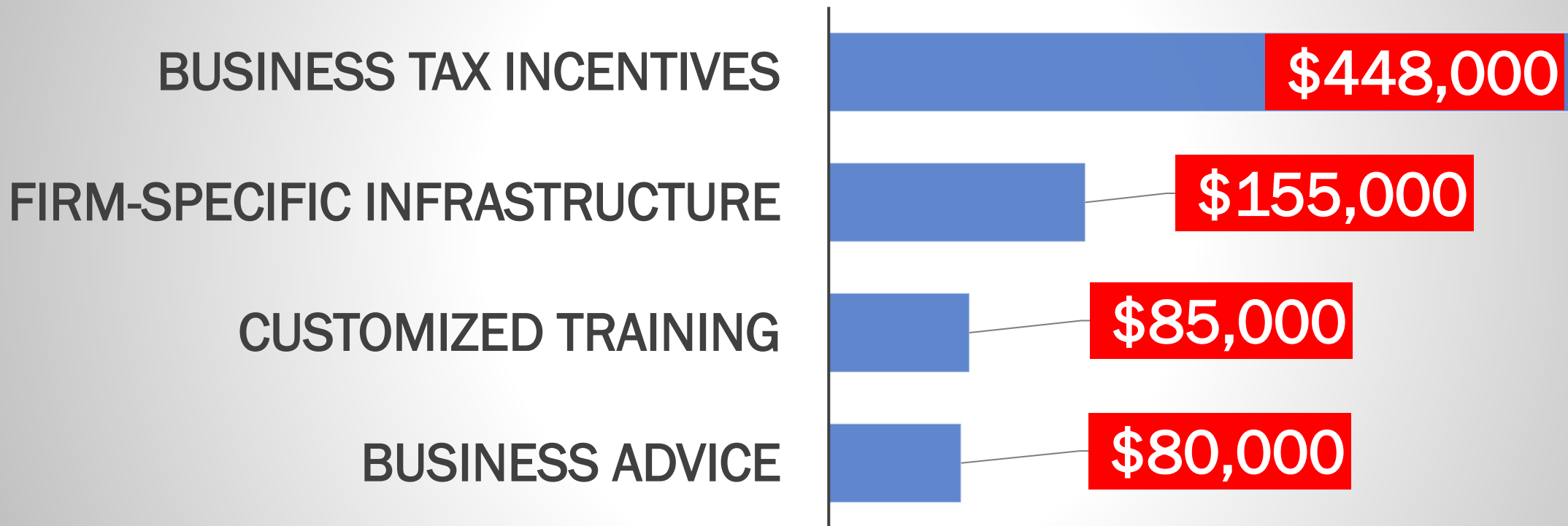


% of area pop in distressed nbhds (nat avg=10.7%)



Customized services more cost-effective than cash incentives

Cost per job created



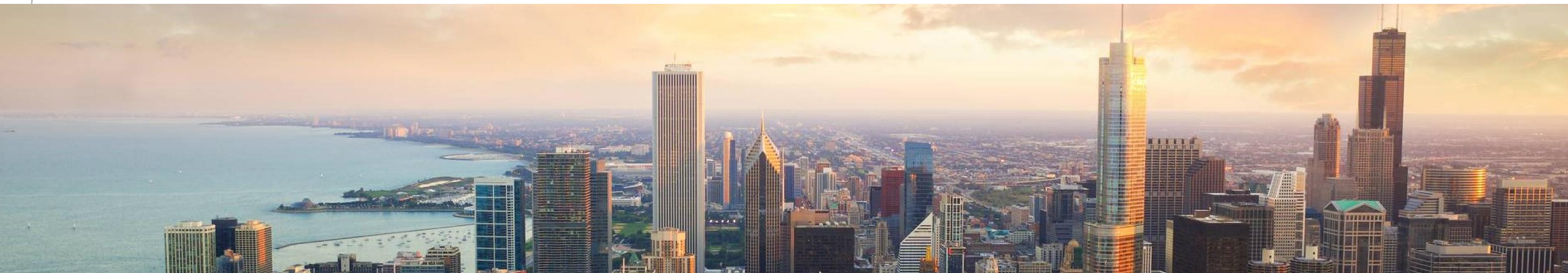
Example of “job access” neighborhood policies

- Employer Resource Networks (ERNs) provide success coaches to increase retention of disadvantaged new hires at participating employers
- Soft skills help with problems with attendance and workplace relationships
- Help in finding new child care
- Quick access to up to \$1,000 loan to fix car

Federal Place-Based Policies and the Geography of Inequality, 1990-2019

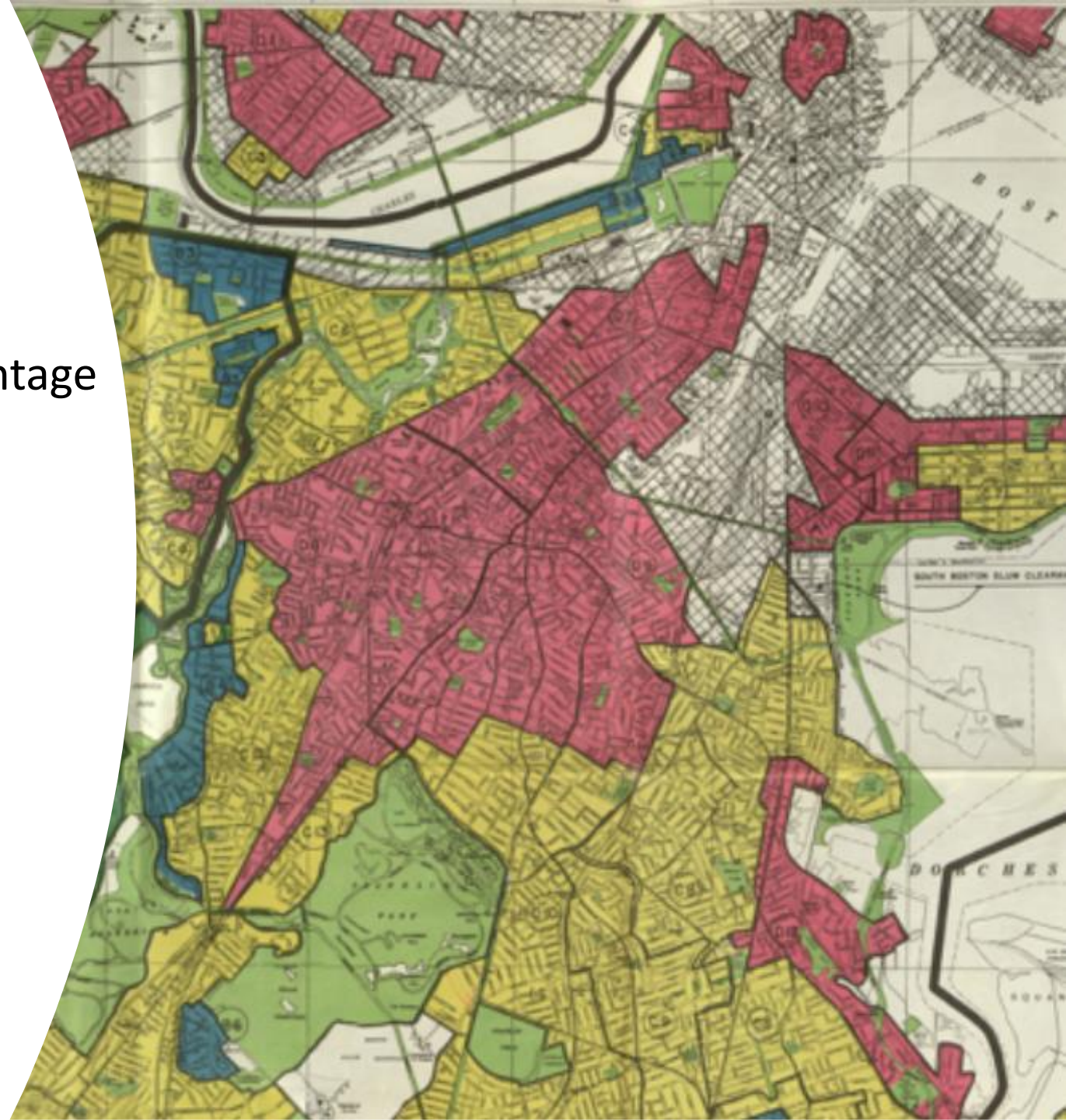
Emily Parker
Rutgers University-New Brunswick

Coauthors: Laura Tach (Cornell University), Alexandra Cooperstock (Brown University), and Samuel Dodini (Federal Reserve Bank of Dallas)



Background: Durable Spatial Inequality

- Persistent concentrated areas of disadvantage in US
- Linked with history of racially and economically exclusionary public policies
- Spatial inequality in resident wellbeing, wealth accumulation, and children's prospects for upward mobility



Jargowsky 2015; Sampson 2012; Sharkey 2013

Aaronson et al 2021; Faber 2020; Fullilove 2009; Massey & Denton 1993; Rothstein 2017

Alvarado 2016; Chetty et al. 2020; Oliver and Shapiro 2006

Background: Place-Based Policies

- Target public intervention and investment to geographically-defined areas
- Characteristics of geographic areas to determine eligibility and implementation
- Aim to improve neighborhood environments and resident opportunities and wellbeing within target areas



Prior Research on the Impact of Place-Based Policies

Particular policies: A handful of policies have received a great deal of academic attention

- **Economic development:**
Empowerment Zones
(Busso et al. 2013; Ham et al. 2011; Neumark & Young 2019; Reynolds & Rohlin 2015)
- **Housing:** HOPE VI
(Chyn 2018; Goetz 2011; Haltiwanger et al. 2020; Popkin et al. 2009; Tach & Emory 2017)

Particular places: Local case studies, such as a single city or neighborhood

- **Chicago** (Chaskin & Joseph 2015)
- **Baltimore** (DeLuca & Rosenblatt 2017)
- **Boston** (Levine 2021)

We ask...

How much federal place-based investment has occurred, and where?

What kinds of places have received more (or less) federal place-based funding?



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Original Article

Federal place-based policy and the geography of inequality in the United States, 1990–2019

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This paper assesses the growth and spatial distribution of federal place-based policies in the United States. Using a novel dataset of federal place-based policies from 1990 to 2019, we show how the dual forces of fiscalization and financialization have fueled a substantial increase in federal place-based funding to communities via competitive tax credit and grant programs. We consider whether federal place-based funding has been distributed in a compensatory way by prioritizing more disadvantaged communities or whether it has compounded neighborhood inequalities by prioritizing more advantaged communities. We find that federal place-based funding has gone overwhelmingly to communities experiencing economic disadvantage, as intended, but at the same time such policies have compounded other forms of spatial inequality via disproportionate investment in areas with more nonprofit organizations and stronger housing markets. Economically disadvantaged neighborhoods that are spatially embedded within counties with strong housing markets and robust nonprofit sectors received the most federal place-based funding. These organizational and housing market inequities are strongest for tax credit and competitive grant programs, precisely the forms of funding that have grown most over this period. The funding trends reveal a pattern of cumulative advantage, as poor communities with initial funding advantages in the 1990s went on to receive the vast majority of federal place-based funding in the subsequent decades, leading to growing divergence among high-poverty communities in the distribution of federal place-based resources over time.

Key words: community/urban sociology; inequality/social stratification; social policy.



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In total, we collected data on **25** federal place-based programs from 1990-2019

Housing

- Low-Income Housing Tax Credit
- HOPE VI*
- Choice Neighborhoods
- Neighborhood Stabilization Program*
- HOME Investment Partnership Program
- Rural Innovation Fund*

Economic Development

- Empowerment Zones/Enterprise Communities/Renewal Communities
- New Market Tax Credits
- Brownfields Economic Development*
- Community Development Financial Institution Fund
- Appalachia Economic Development Initiative*
- Economic Development Administration
- Strikeforce-Rural Opportunity*

Crime/Education/Health/ Multi-Dimensional

- Innovations in Community Based Crime Reduction
- Strategic Approaches to Community Safety Initiative*
- Project Safe Neighborhoods
- Promise Neighborhoods
- Federally-Qualified Health Centers
- Healthy Food Financing Initiative
- Rural Housing and Economic Development*
- Community Development Block Grants
- Building Neighborhood Capacity Program*
- Jobs Plus
- Drug Free Communities
- Youth Opportunity Grants*

Sources: public records from federal agencies (NOFAs, Congressional appropriations, annual budgets, and other federal data sources)

* Indicates a program terminated before the end of our study period (2019)

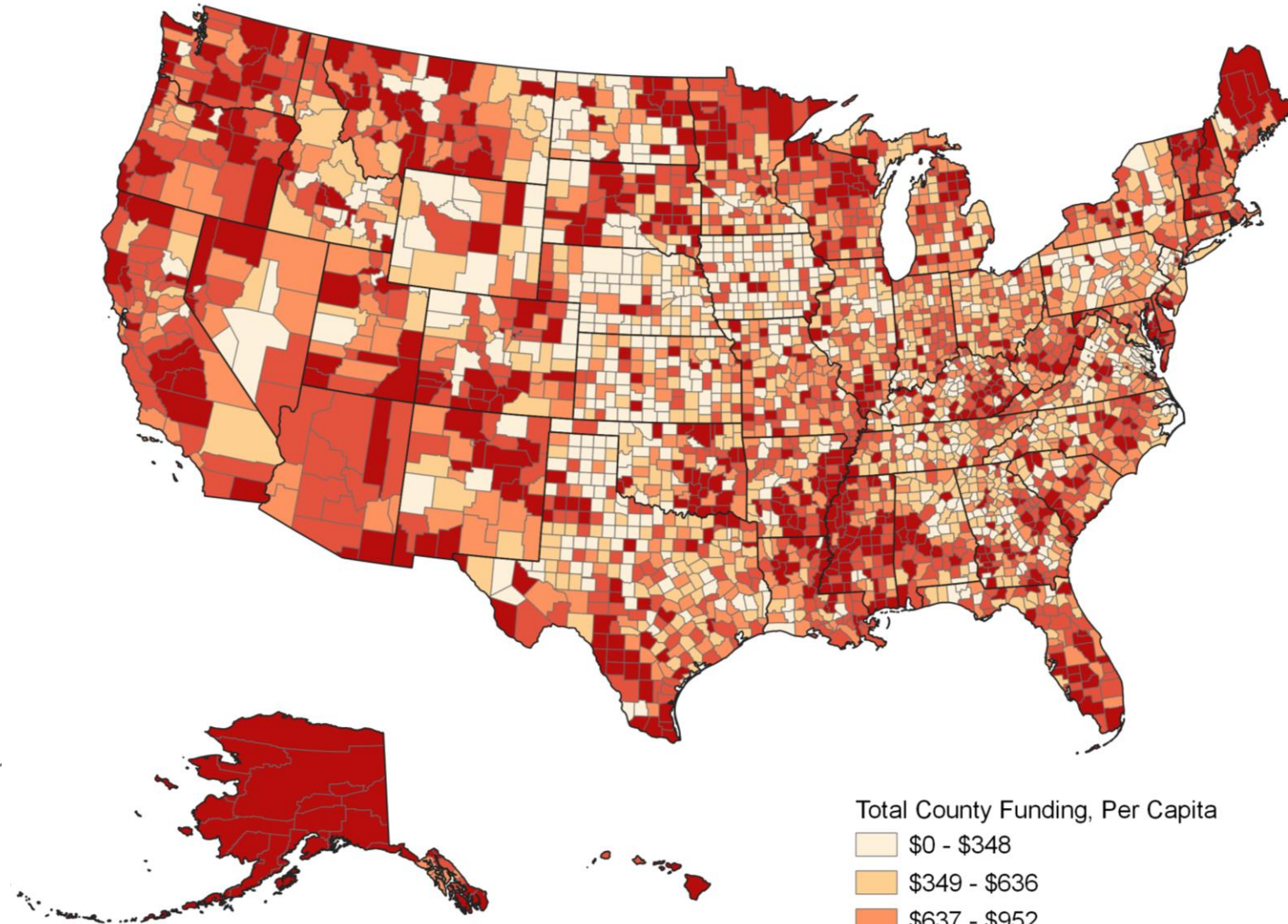
Per Capita Place-Based Funding by County, 1990-2019

Total: \$471 billion

Per capita: \$1,685

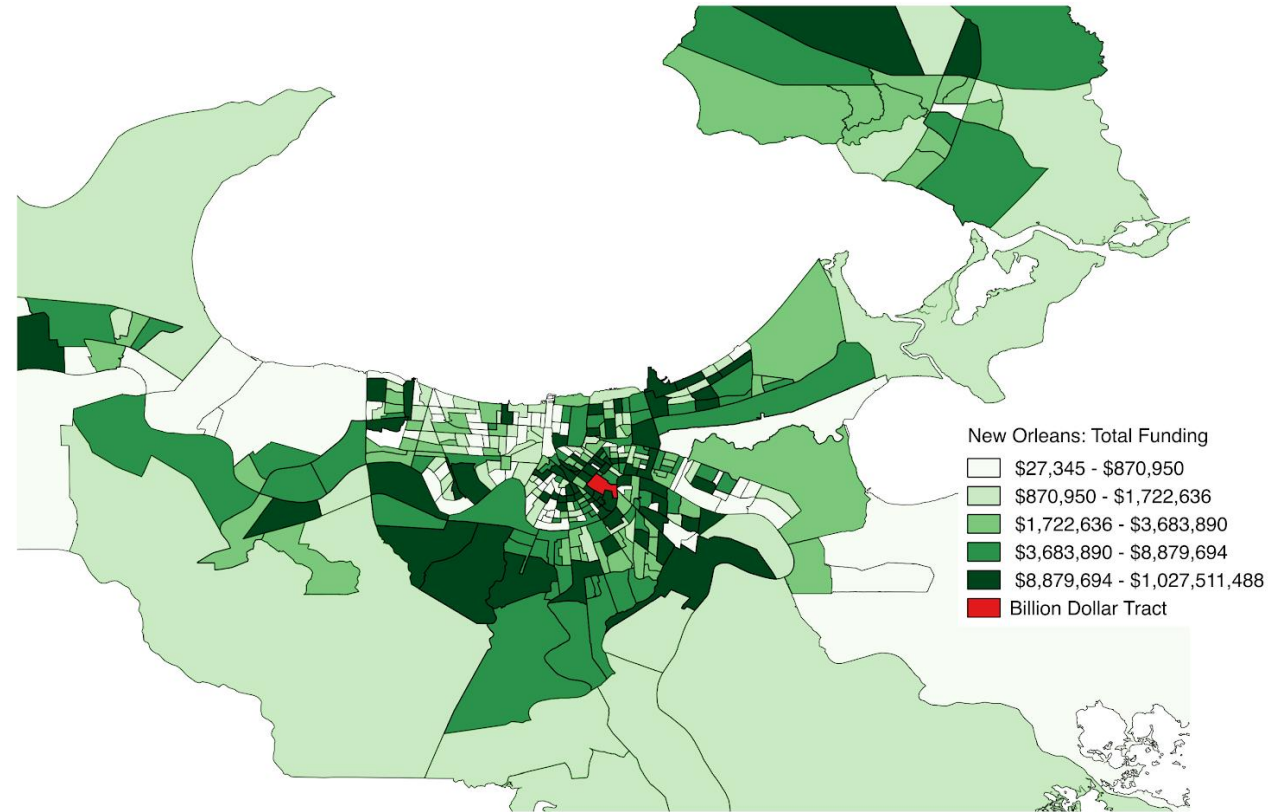
Per person in
poverty: \$12,794

*Only 23 counties
received zero funding*

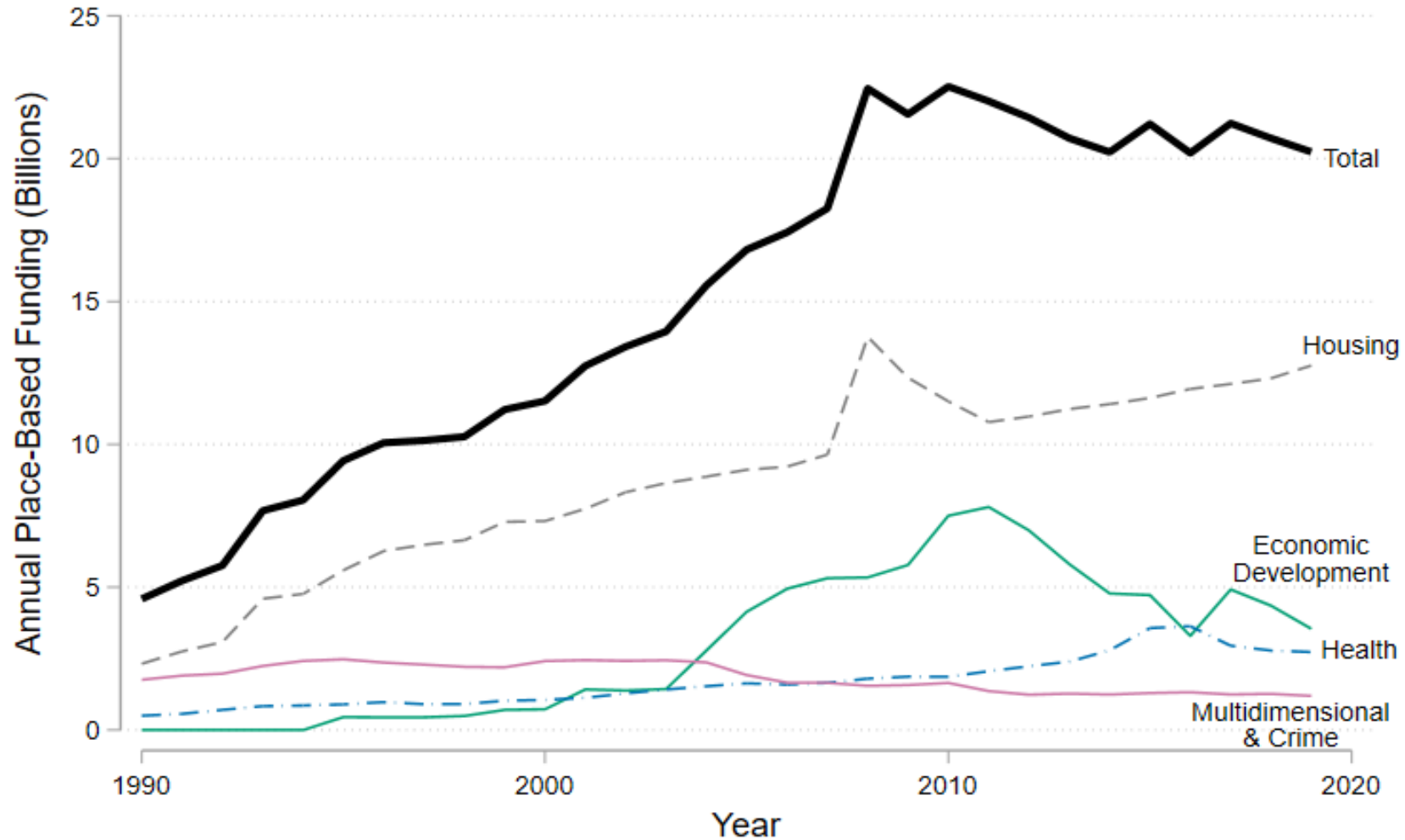


Cities where tracts received the most place-based funding

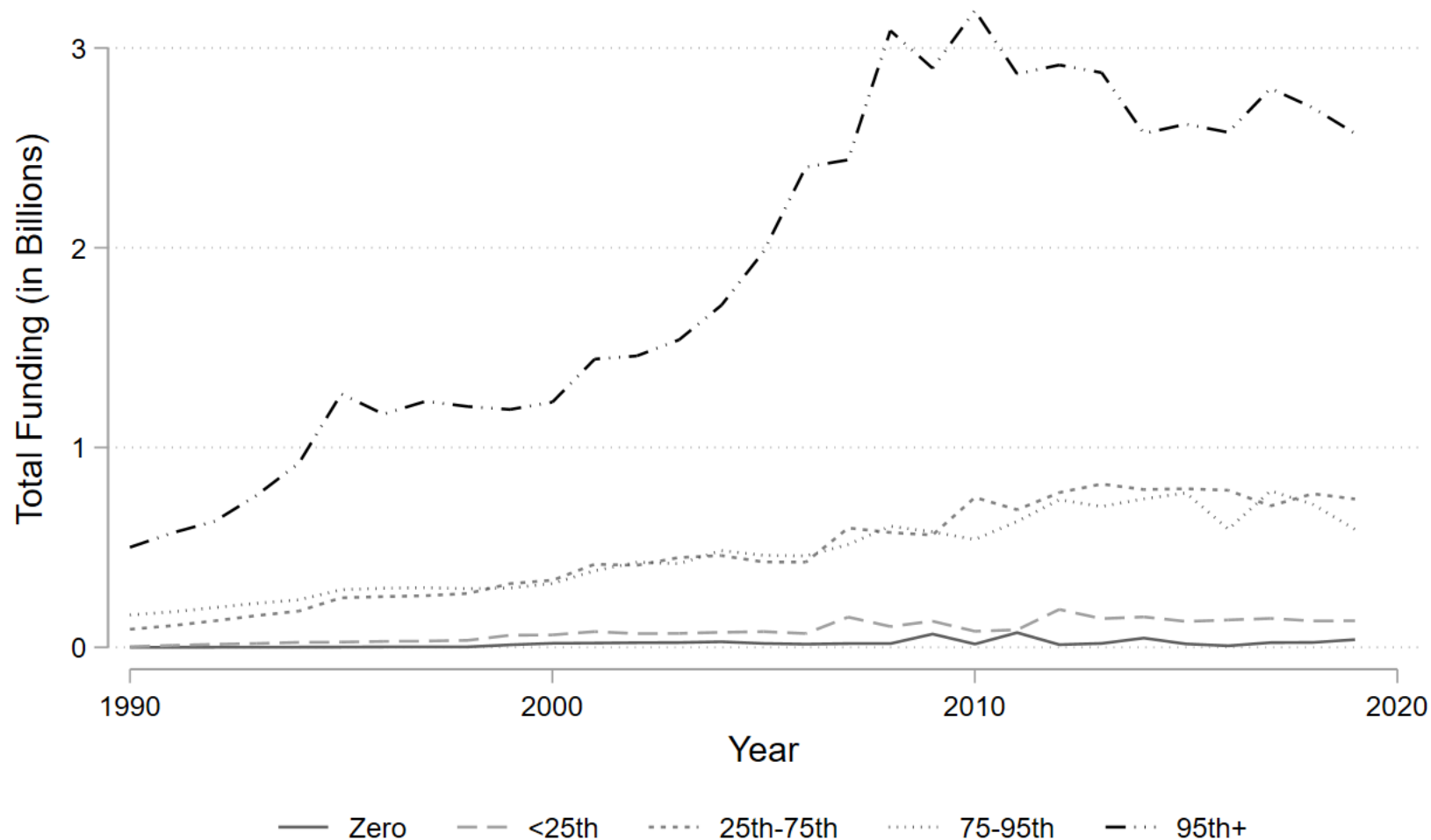
<u>CBSA</u>	<u>Total (Millions)</u>	<u>Per Capita</u>
New Orleans, LA	\$1,260	\$3,119
St. Louis, MO	\$937	\$2,779
Philadelphia, PA	\$899	\$582
Chicago, IL	\$690	\$132
Detroit, MI	\$580	\$294
Phoenix, AZ	\$533	\$177
Reno, NV	\$516	\$1,261
New York, NY	\$486	\$306
Louisville, KY	\$456	\$648
Pittsburgh, PA	\$391	\$308



Annual Place-Based Funding by Domain, 1990-2019



Cumulative Advantage: Total Annual Amounts by Funding Percentile in 1990, High Poverty Counties



What kinds of places received *more* federal place-based funding?

- We use pooled OLS regression to predict county- & tract-level funding amounts
- Use key predictors from start of decade and control for population, metro, region, & decade
- Multi-level models for tracts nested within counties & cross-level interactions



Places received more federal funding if they had...

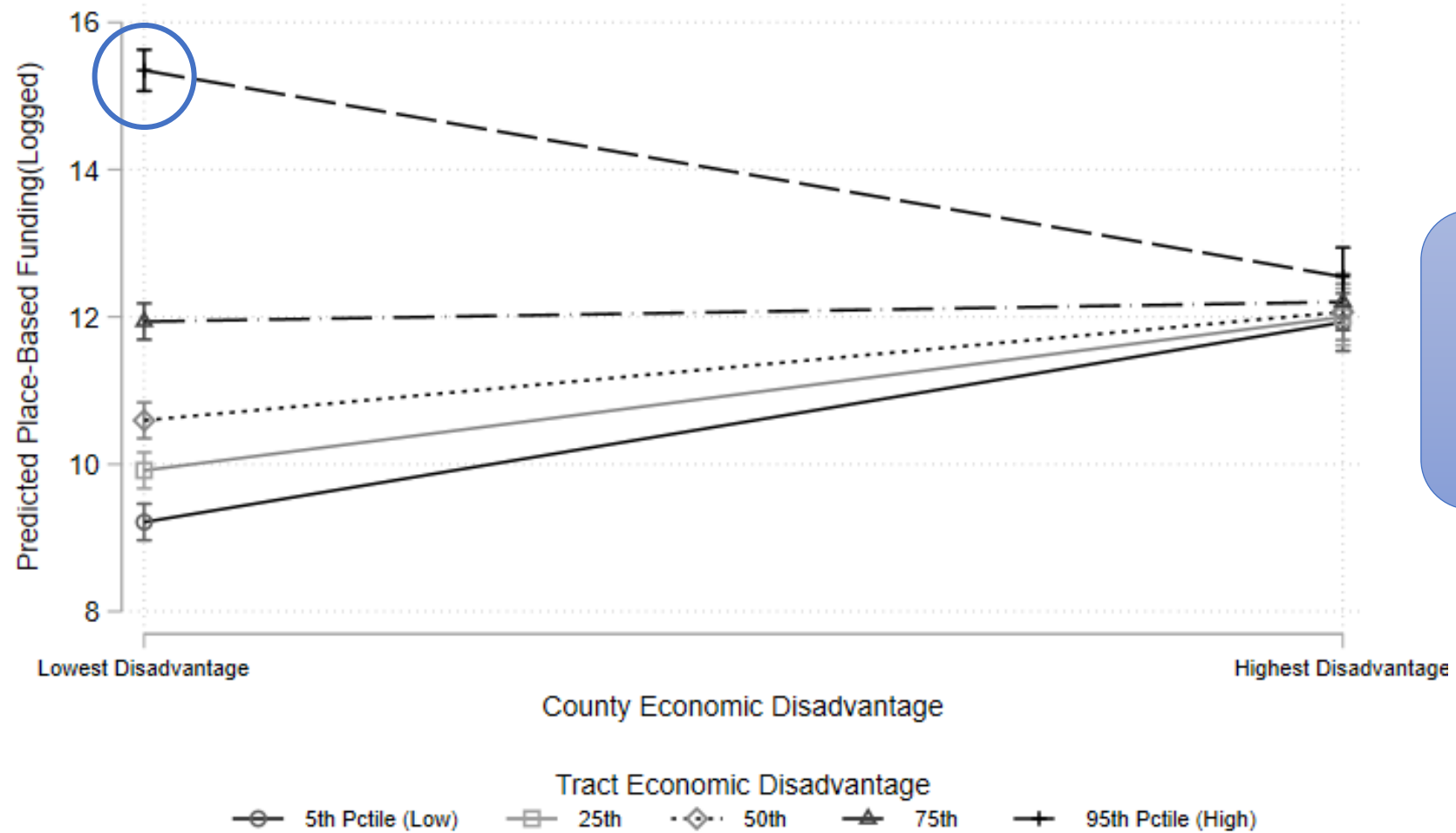
- Greater levels of economic disadvantage
- Higher percentages of Black residents
- Stronger housing markets
- Greater nonprofit densities

Results are consistent for county- and neighborhood-levels...

→ But broader county context also matters for neighborhood-level funding



Fully Adjusted Tract-County Economic Disadvantage Interactions Predicting Place-Based Funding (Logged)



Disadvantaged tracts received *more* place-based funding if located in more advantaged counties



Summary & Conclusions

- Federal place-based funding has grown substantially and is widespread
 - But some disadvantaged places have benefitted more than others
- Nonprofit density and housing market results could contribute to spatial inequality
 - Places with more existing resources (organizational & housing) have advantage in funding, which cumulates
- Our ongoing projects:
 - Examining cumulative and collective impact on neighborhood change
 - Studying associations with midlife mortality disparities
 - Analyzing overlaps with person-based policies at state and local levels

Thank you!

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*Coauthors: Laura Tach (Cornell University), Alexandra Cooperstock (Brown University),
and Samuel Dodini (Federal Reserve Bank of Dallas)*

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MAX

Metro Atlanta eXchange for Workforce Solutions

**Strengthening Local Economies
in Low-Income Communities
through Regional Collaboration**

MAX BEGAN IN 2014 AS A WORKFORCE DEVELOPMENT NETWORK TO...

- Strategically work to **build, nurture, and maintain connections** between the workforce community, employers, and economic development.
- Continue to improve the MAX Provider Portal to **raise visibility about providers**.
- Develop a **consistent and aligned research** agenda to better address questions about the regional workforce system.
- **Convene stakeholders** to develop strategies to mitigate access issues.



MAX TODAY: A HYBRID APPROACH

A stand-alone 501c3 with a blend of the following components...

1. **Umbrella Entity** for better accessing workforce boards and system overall
2. **Membership Association** with networking, professional development, outreach, and curated resources
3. **Backbone Organization** to help facilitate collective work and strategic partnerships



MAX MISSION

Advance economic resilience in the Atlanta region by strengthening **connections**, **collaborations**, and **practices** among workforce developers and organizations engaged in workforce development.

“Through MAX, not only are we committed to the workforce system and working together, we’re supporting each other, we know each other, we trust each other, and we like each other.”
Founding Chair
Wendell Dallas



Metro Atlanta eXchange for Workforce Solutions

THE GOALS OF MAX

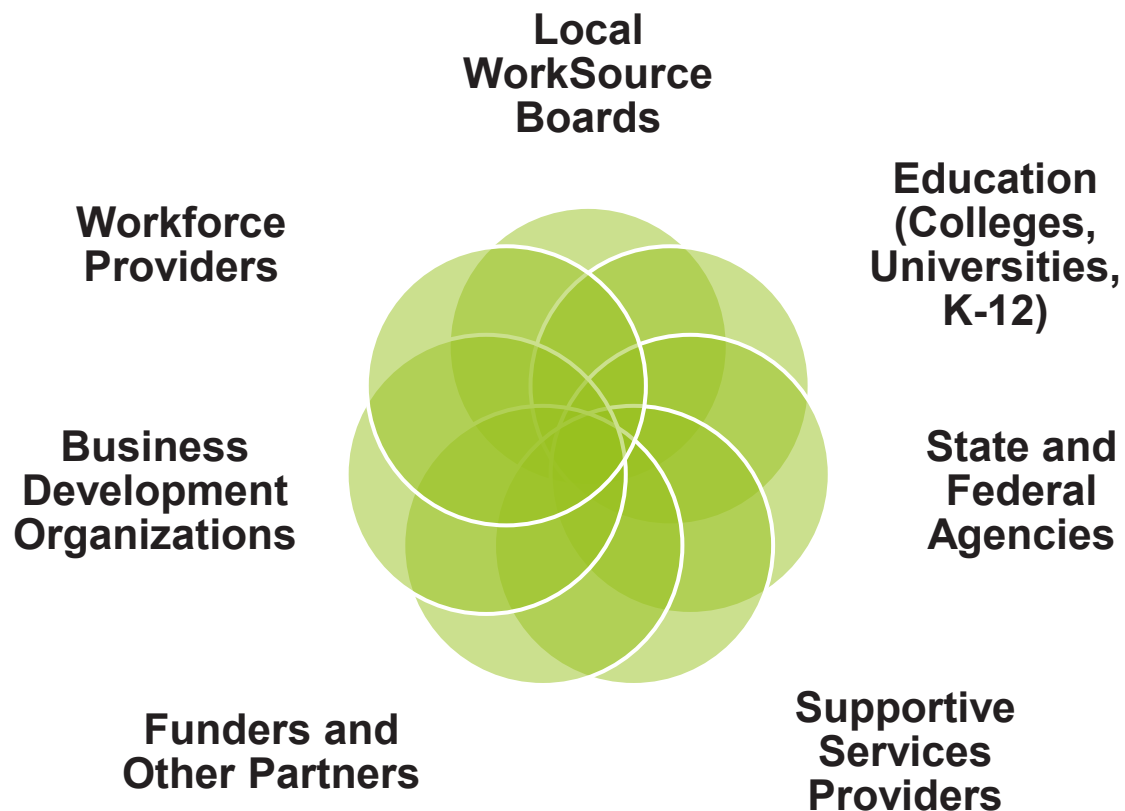
1. Improve alignment within the workforce ecosystem to better meet the needs of providers, employers, and jobseekers.
2. Increase awareness and visibility of workforce development system assets.
3. Provide opportunities to increase quality, capacity, and effectiveness of Atlanta's workforce system.
4. Serve as a sustainable, neutral, third-party convenor for workforce developers, employers, and organizations engaged in workforce development.

“Big, Hairy, Audacious Goals are clear and compelling, serves as a unifying focal point of effort, and acts as a catalyst for team spirit.”

Jim Collins



CONNECTING THE DOTS Through the Metro Atlanta eXchange



Metro Atlanta has a robust workforce ecosystem for serving employers and jobseekers



Metro Atlanta eXchange for Workforce Solutions

LEADERSHIP STRUCTURE

Strengthening
connections,
collaborations,
and **practices**
among workforce
developers and
organizations
engaged in
workforce
development



MAX Board of Directors: leaders in the public workforce system, nonprofits, philanthropy, intermediaries, and employers. Establish policies and advise on the agenda setting for MAX. Inform the work of the MAX advisory councils.



MAX Collaborative Council: senior-level leaders in workforce ecosystem who meet to discuss key issues and opportunities of significant and mutual interest and work through best practices.



MAX Provider Council: leaders of nonprofit and community-based providers who inform the work of MAX and each other



MAX Data Council: workforce data experts and researchers who inform the work of MAX and each other



MAX Member Engagement Council: MAX members committed to help improve the MAX member experience



HOW MAX SERVES

CURATED RESOURCES: BUILDING AWARENESS THROUGH INFORMATION BROKERAGE



MAX Mondays: weekly email updates on workforce happenings for 2,600+ list members



MAX Website: access to WorkSource Metro Atlanta; a centralized calendar of events; and more



MAX RFP and Job Boards: access to workforce project and career opportunities



MAX Resource Library: studies, reports, and data tools of relevance to workforce development



HOW MAX SERVES

PROFESSIONAL DEVELOPMENT: FOSTERING KNOWLEDGE-ACQUISITION AND SKILL-BUILDING



MAX Academy: workshops to build knowledge and skills among workforce developers and connect them to partners and resources



MAX Minutes: webinars featuring timely insights from key experts on workforce trends, opportunities, and hot topics



MAX Talks: lunch-n-learns to hear from business and other employers about their workforce needs and industry trends



Leadership MAX: cohort-based leadership development for existing and emerging leaders in the workforce development field



HOW MAX SERVES

AWARENESS: RAISING VISIBILITY ABOUT WORKFORCE ASSETS AND OPPORTUNITIES



MAX Provider Portal: one place to learn about the services of workforce providers, intermediaries, and other workforce partners



MAX Member Portal: one place to connect with fellow MAX members and share information on areas of expertise



MAX Blog: articles posted to MAX website and socialized through MAX Mondays



MAX Member Spotlights: insights from MAX members on assets, impact, and trends



WHAT'S WORKED WELL + LESSONS LEARNED



Metro Atlanta eXchange for Workforce Solutions

WHAT HAS WORKED WELL

- “Speed of trust”
- Coordination with 5 workforce boards
- “Neutral” venue for conversations that enable alignment and coordination (e.g., alignment of WIOA and SNAP at state level)
- Georgia has retained more federal dollars because of MAX
- Partnerships and collaborations have helped increase capacity and reduce duplication
- Professional development for workforce staff

“Through MAX, we operate at the speed of trust. When you get one of us, you get all of us.”

Past Chair Jenny Taylor



LESSONS LEARNED

- Intentionality is key
- Need to maintain neutrality as third-party convenor
- Need to always ask the “if not but for” question
- Every partner at the table should be provided with an “equal seat”
- Stay flexible and nimble to evolve as the workforce development landscape evolves
- Crawl before you walk, walk before you run



Federal Reserve Community Development Research Seminar Series

Place-Based Strategies: Strengthening local economies in Low-Income Communities

Thank you for joining us!

For more information on place-based community development visit
Fedcommunities.org

