

Mapping Inequality: A Historical Legacy of Redlining and its Impact on Economic Opportunity



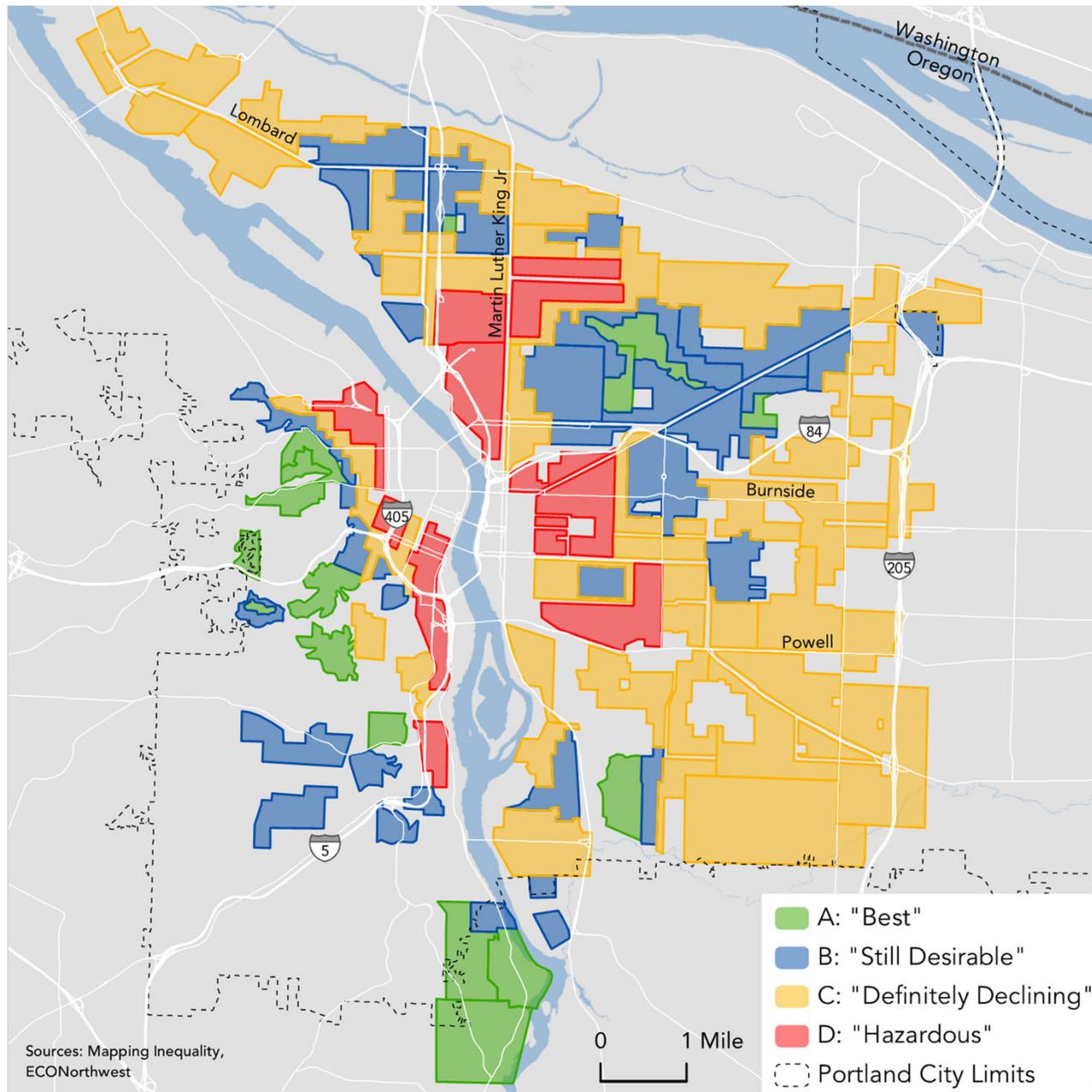
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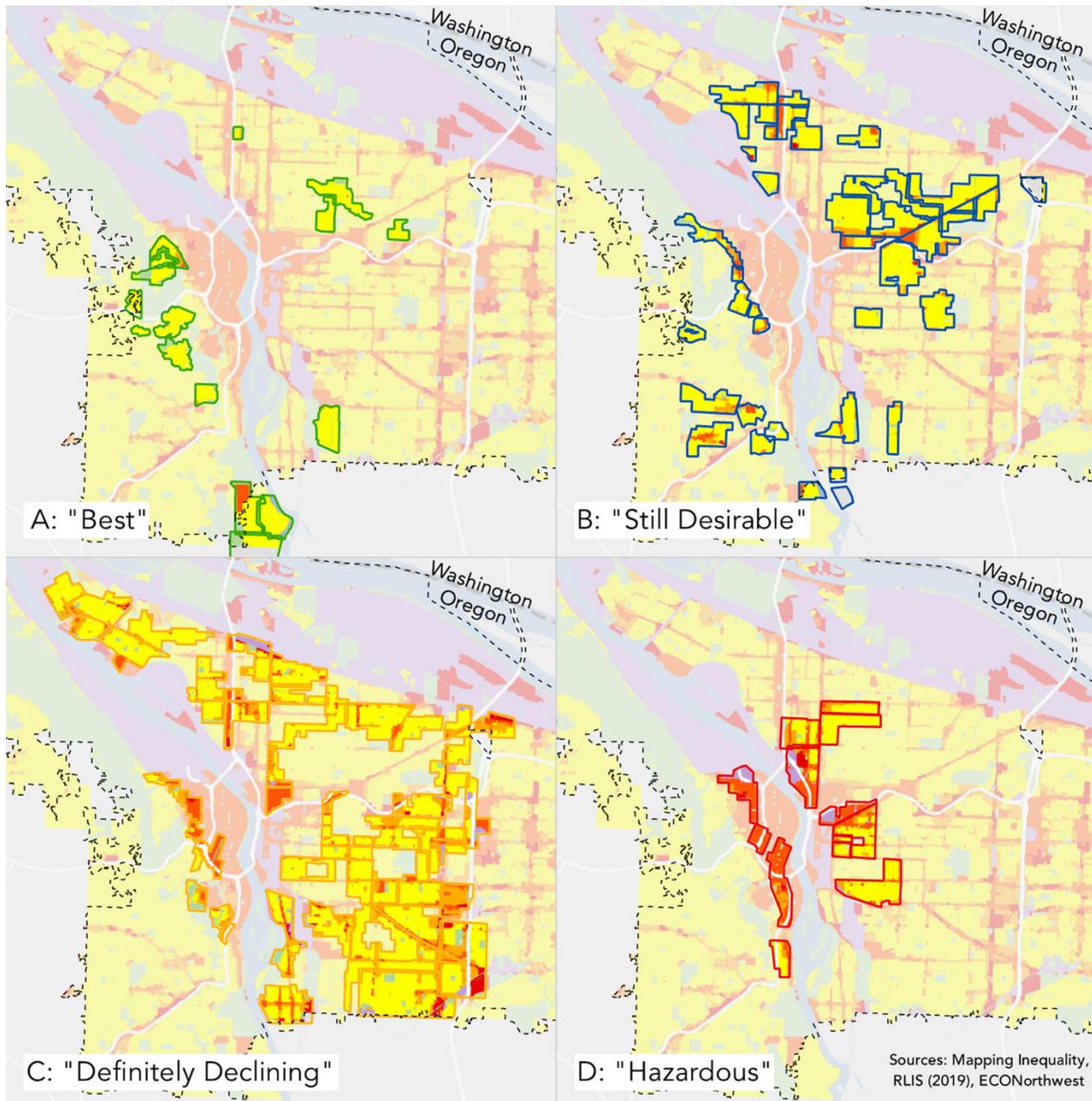
Historical Context: Economic and Racial Segregation

- Between 1910 and 1917, more than thirty cities passed zoning ordinances “to preserve the public peace and promote the general welfare by ... Requiring ... The use of separate blocks for residences, places of abode and places of assembly by white and colored people respectively” and to make it a crime “for any colored person to move into or use as a residence” and building “on a block occupied in whole or in part by white persons.”
- The U.S. Supreme Court struck down explicit economic and racial segregation in *Buchanan v. Warley* (1917).
- Despite this, beginning in 1935 the federal Home Owners Loan Corporation (HOLC) produced “Residential Security Maps” in the late 1930s which drove bankers mortgage lending decisions.
- Residential security maps used overtly racist maps to assign credit risk of neighborhoods from A to D, with D grade (or red) areas were those whose residents were primarily non-white.

HOLC (Redlining) in Portland, Oregon



Redlined Areas Have the Least Amount of Single Family

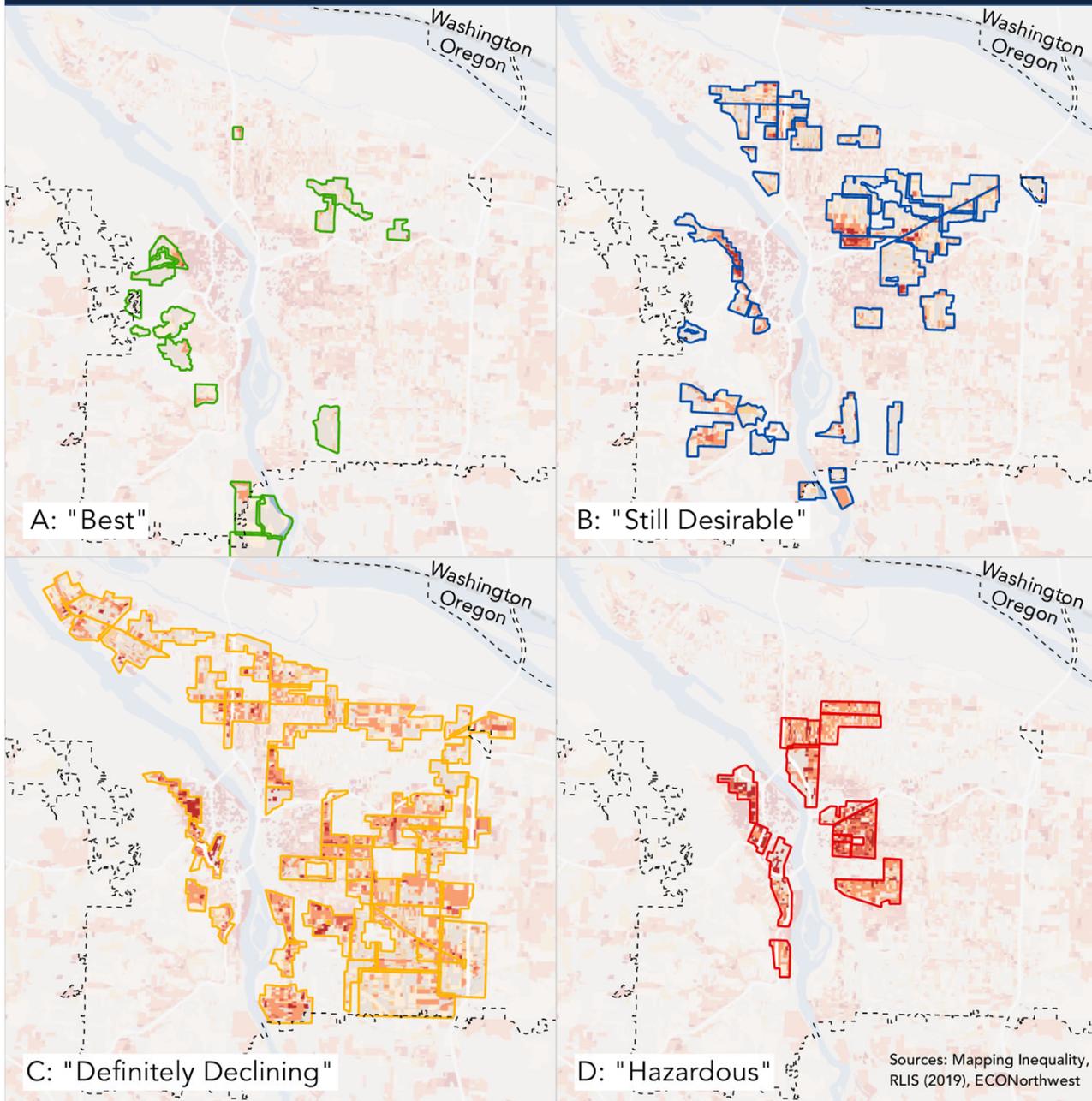


- Single Family
- Multi Family
- Mixed Use Residential
- Commercial
- Industrial
- Parks and Open Spaces
- Portland City Limits

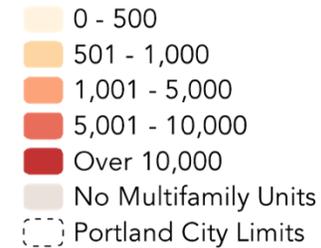
A = 81% single family
B = 83% single family
C = 65% single family
D = 46% single family

Sources: Mapping Inequality,
RLIS (2019), ECONorthwest

Non-Redlined Areas Have the Least Multifamily Capacity



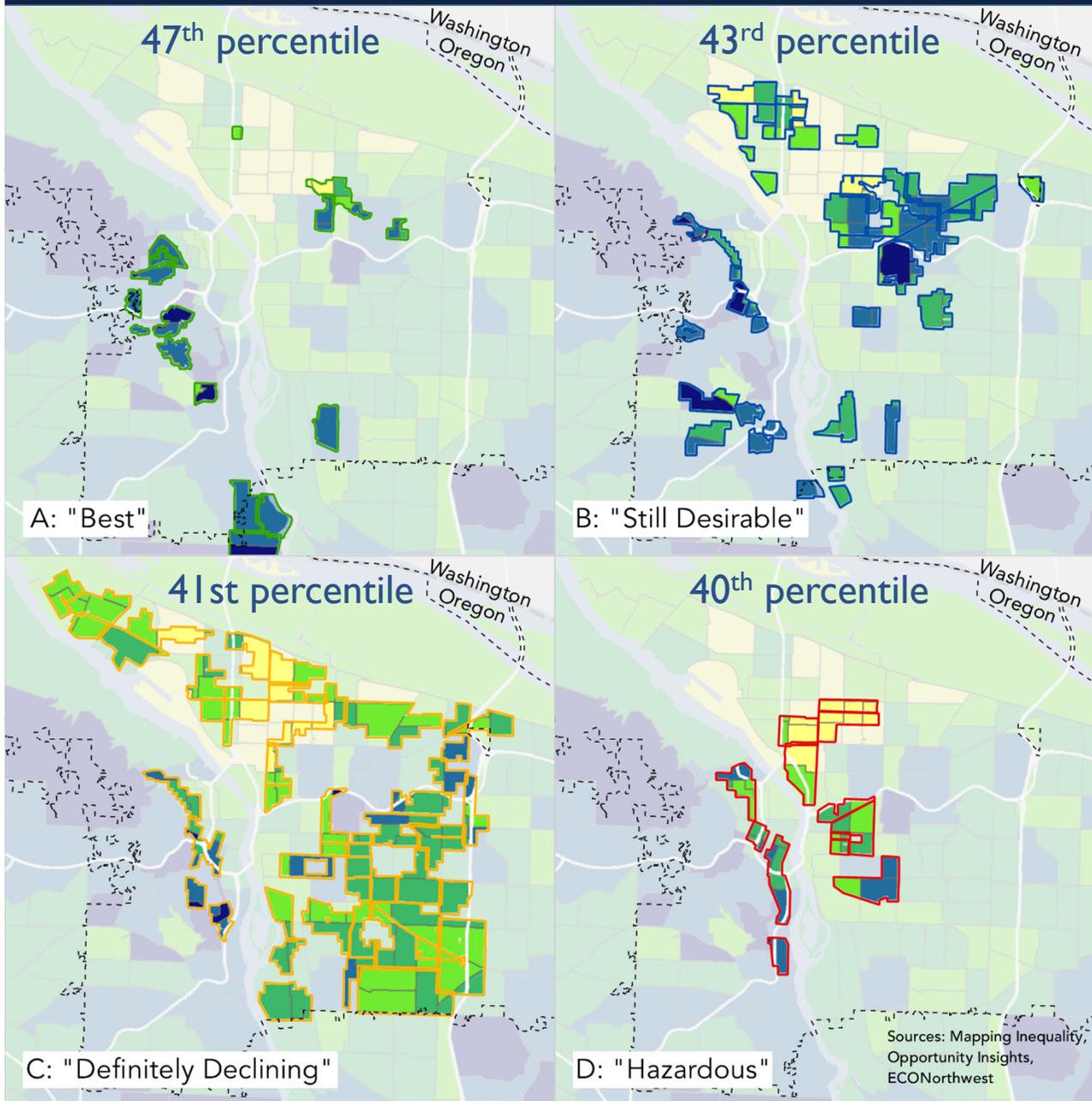
MF Units per Square Mile



A – 3 Units / Acre
B – 9 Units / Acre
C – 9 Units / Acre
D – 16 Units / Acre

Redlined areas have the least amount of single family zoning and correspondingly the highest density of units.

Redlined Areas Have the Lowest Economic Mobility



Economic Mobility*

- Under 35%
- 36% - 40%
- 41% - 45%
- 46% - 50%
- Over 50%
- Portland City Limits

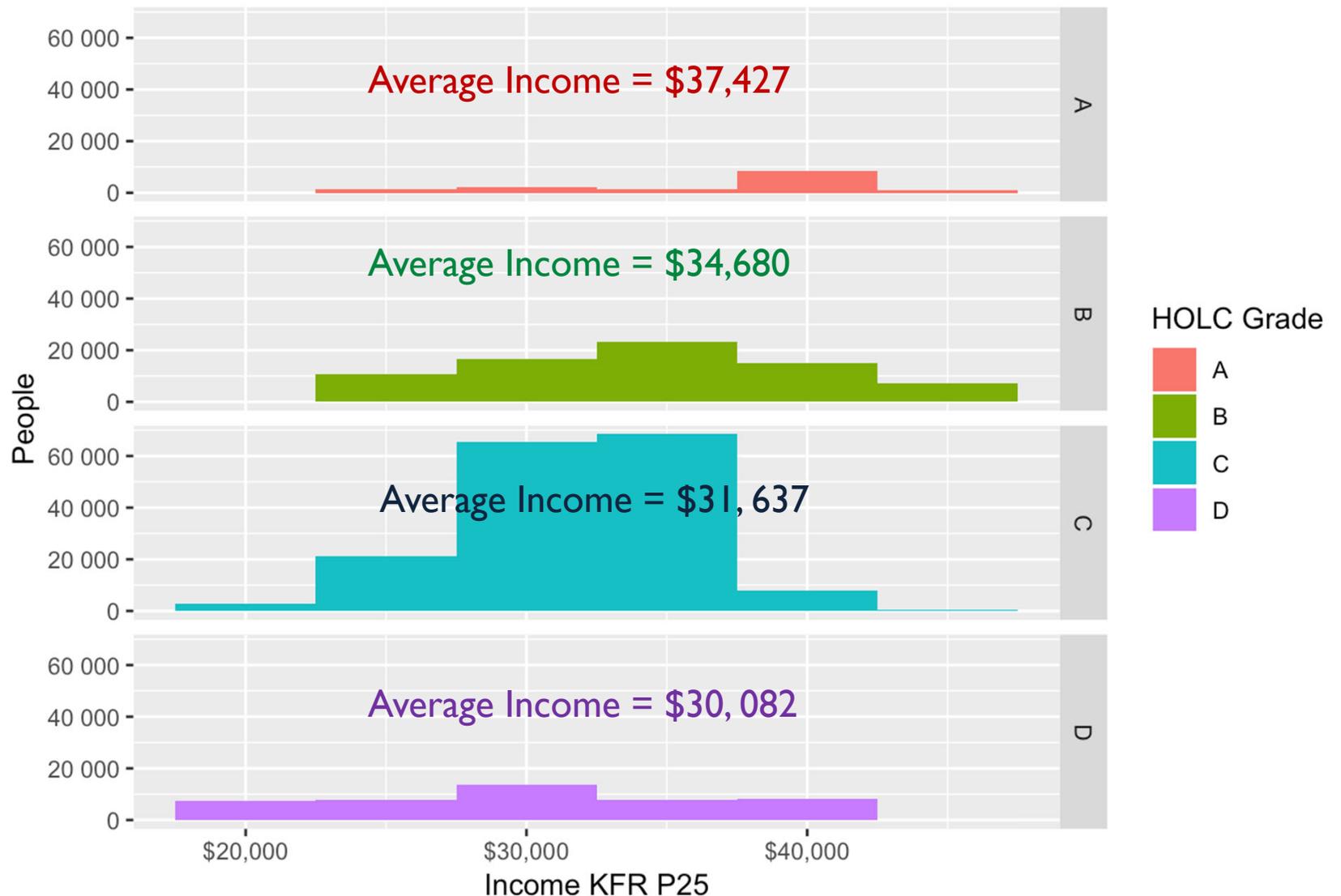
*For individuals who grew up in a household in the bottom 25th percentile of the household income distribution, economic mobility is measured as the percentile of their current household income within the same group.

Low income households in previously redlined neighborhoods have worse economic mobility outcomes on average than other areas of the region

Sources: Mapping Inequality, Opportunity Insights, ECONorthwest

Redlined Areas Have the Lowest Economic Mobility

Distribution of incomes by census tract for children growing up in families who earned the 25th percentile of income – Portland, OR



Economic Opportunity Outcomes Decrease for Minorities

Average income for children growing up in families who earned the 25th percentile of income – Portland, Oregon

	HOLC Grade	White Weighted Average Income KFR P25	Black Weighted Average Income KFR P25	Hispanic Weighted Average Income KFR P25
1	A	\$39,813	\$24,215	\$38,311
2	B	\$37,841	\$23,499	\$30,916
3	C	\$33,513	\$22,477	\$32,057
4	D	\$33,186	\$21,917	\$28,990



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