

# America's Tomorrow: Equity Is the Superior Growth Model

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*By Courtney Hutchison*

Across the country, cities large and small are enjoying a comeback, becoming hubs for new businesses and new residents. As their populations grow and housing demand soars, however, many cities are struggling with widespread displacement of low-income residents and residents of color who are being priced out of neighborhoods they've called home for generations.

In rapidly growing cities, these trends aren't just reshaping neighborhoods, they are (re)segregating entire regions. Despite skyrocketing population growth, both Austin, Texas, and the San Francisco Bay Area have seen net losses of African American residents and the outmigration of communities of color as their urban centers become not only wealthier but also less diverse.

## **Twice segregated: the displacement of Black residents in East Austin**

A rising tech-hub and university town, Austin, Texas, is one of the fastest growing major cities in the country. While its overall population has boomed, rising 20.4 percent between 2000 and 2010, Austin has seen a steep decline in African American residents, especially from the historically Black neighborhood of East Austin.

"Austin is a statistical outlier," said Eric Tang, co-author of a recent report released by the University of Texas Institute for Policy Research and Analysis, [Those Who Left: Austin's Declining African American Population](#). "Compared to other high-growth cities, Austin is the only one to see an absolute decrease in the number of African American residents."

How did Austin lose so many Black residents so quickly? According to Tang, the convergence of historic segregation and modern-day gentrification forced Black residents into the surrounding suburbs in droves.

Austin's Black residents have historically been concentrated in East Austin due to state-sanctioned segregation policies. Starting in 1928, the city implemented a master plan to segregate Austin, cutting off water lines to existing Black neighborhoods and relocating the only public services that served Black residents to the new "Negro District" of East Austin. Decades later, this neighborhood has become a prime locale for gentrification because it is located so close to downtown Austin and the University of Texas campus.

"The take home is that when you have concentrated segregation followed by concentrated gentrification, you'll see a dramatic displacement of minorities," Tang said.

Though cost of living is a key factor in this trend — especially considering that median home prices in the East Austin zip code of 78702 tripled between 2011 and 2014 — Tang and his colleagues interviewed 100 Black residents who had moved out of Austin and into the surrounding area since 1999 to better understand the dynamics of racial displacement in the city. As expected, more than half of those surveyed reported that affordability was the main reason they moved out of the city and into the suburbs. The second-biggest reason, cited by a quarter of respondents, was dissatisfaction with the highly segregated and underfunded school system in East Austin.

For those who could afford to move to the better established suburbs to the north of Austin, this displacement was equated with a loss of community, but some gains in access to better schools and resources. For the majority of displaced residents, however, being pushed to the suburbs was not an act of social mobility, but one of economic desperation.

"What we're seeing in the suburbs to the east of the city is that people who are on the border of poverty are forced into new subdivisions that are remote, isolated from public transit, in food deserts," Tang said. "These new African American communities are experiencing a much lower quality of life. It's not moving up, it's moving out."

For the very poor, and the elderly, who may not have the means to move at all, they have to make increasingly larger economic sacrifices to stay in East Austin, and are being pushed deeper into poverty.

### **San Francisco Bay Area's rising inequality and segregation**

As in Austin, rising housing demand and the skyrocketing costs that accompany it have become a central force for displacement in the San Francisco Bay Area. [Between 2010 and 2040](#), over one million jobs and two million new residents are projected to be added to the Bay Area — a booming growth rate that has pushed longtime residents of color and low-income communities further and further to the fringe of the region.

To capture the broadening displacement in the region, Urban Habitat, an Oakland-based nonprofit that focuses on equity issues, recently released an analysis of economic and housing trends, [Race, Inequality and the Resegregation of the Bay Area](#). This report extends beyond the traditional nine-county Bay Area region into San Joaquin and Stanislaus counties to highlight how rapid economic growth is reshaping — and resegregating — the Bay region by race and class.

Urban Habitat found clear patterns of Black and Latino populations moving from the inner region to the outer region, as well as rising poverty within Black and Latino communities — especially those in peripheral areas. Overall, urban cores became both whiter and wealthier, as low-income populations and communities of color were displaced to increasingly far-flung parts of the Bay Area.

"If you look at the Bay's booming economy, we are producing a small but significant number of high-paying jobs, each of which creates additional service jobs staffed by low-income people," said Tony Roshan Samara, author of the report and program director of land use and housing at Urban Habitat. "These lower-income workers, who are much more likely to be people of color, have to live somewhere, but the incredible pressure of the housing market is pushing them to the outer edges of the region, where social services, education, and public transportation are across the board inadequate," he said.

For lower-wage workers who attempt to stay closer to the region's core, high housing costs squeeze household budgets, exacerbate poverty, and leave few resources for education, emergencies, healthy food, or long-term investments.

"The racialized labor market in the Bay isn't just structuring who lives where, but who has access to which resources," said Samara, "and driving inequality in the process."

### **Toward a more inclusive model of urban development**

In Austin and the Bay Area, displacement and segregation have critical ramifications for the future of these regions, their economies, and their residents.

"The decline in Austin's African American population has social, political, economic, and health implications for the residents who left," said Tang. "Those who moved east are further marginalized because of their diminished access to necessary services, which can lead to poor health outcomes and a higher mortality rate. They also experience a lower quality of life having been forced out of the city they historically have called home," he added.

Tang also sees the residents of East Austin as a bellwether for the increasing segregation, displacement, and poverty that could continue if the city does not step in. Citing the work of [Stanford economist Raj Chetty](#), who has found that economic and racial segregation stifles economic mobility, Tang sees in these demographic shifts a growing crisis of reduced opportunity for Austin's residents.

"Austin is the most economically segregated city in the U.S., and when cities are that segregated, it lowers economic mobility for everyone," he said. "It's simply not sustainable. Tax dollars are going to a public university system that will educate young people who have no chance of affording to live here once they graduate. Instead, the city is functioning as an amenity for those who already have the means."

Similarly, in the Bay Area, the rising inequality and deepening poverty that have accompanied the booming market growth threaten not only the health and well-being of many residents but also the sustainability of the region's economy as a whole.

Increasing the supply of affordable housing is a crucial, though challenging, response to (re)segregation and displacement, but more comprehensive interventions are needed, Tang and Samara explained.

"We need to require that new jobs coming on board, especially those for the city, are livable wage jobs," Tang said. "We cannot rely on the tech industry alone to account for growth in the job sector."

Building resident power is also crucial, Samara said, especially within newly formed communities on the outskirts of the Bay Area.

"Whereas places like Oakland and San Francisco have a long tradition of community organizing, these neighborhoods have new populations, of different racial and ethnic groups, and mobilizing political will can be a challenge," he noted.

Though building affordable housing is important, it is a long-term goal disconnected from the urgent needs of these residents, such as protections from evictions and rapid rent increases, and increased access to social services. As

Samara explained, "If you want to build the longer-term campaigns to create affordable housing, or advocate for community-owned land trusts — an emerging strategy for us — you need to address what residents are feeling right now, and rally people around changes that we can make now and in the coming years."