



Infrastructure in America's Inner Cities

January 28, 2010



Inner cities, by definition, are urban cores with high poverty and unemployment rates and low median income levels.

→ We define **inner cities** as contiguous census tracts in central cities that are economically distressed with:

Two of the three criteria:

Poverty rate
20% or higher

or

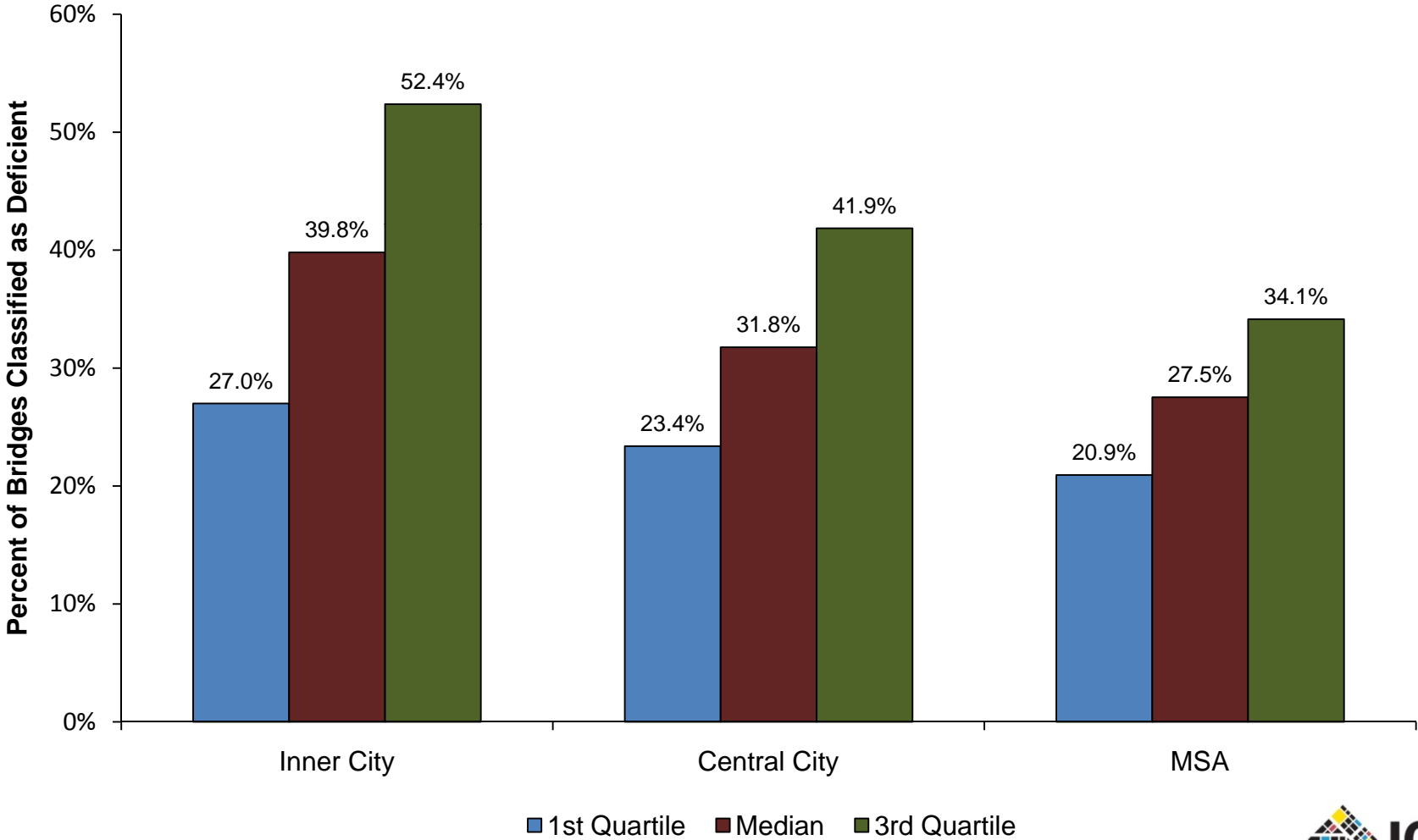
• Poverty rate 1.5x times or more than their MSA

• Median household income $\frac{1}{2}$ or less than their MSA

• Unemployment rate 1.5x or more than their MSA

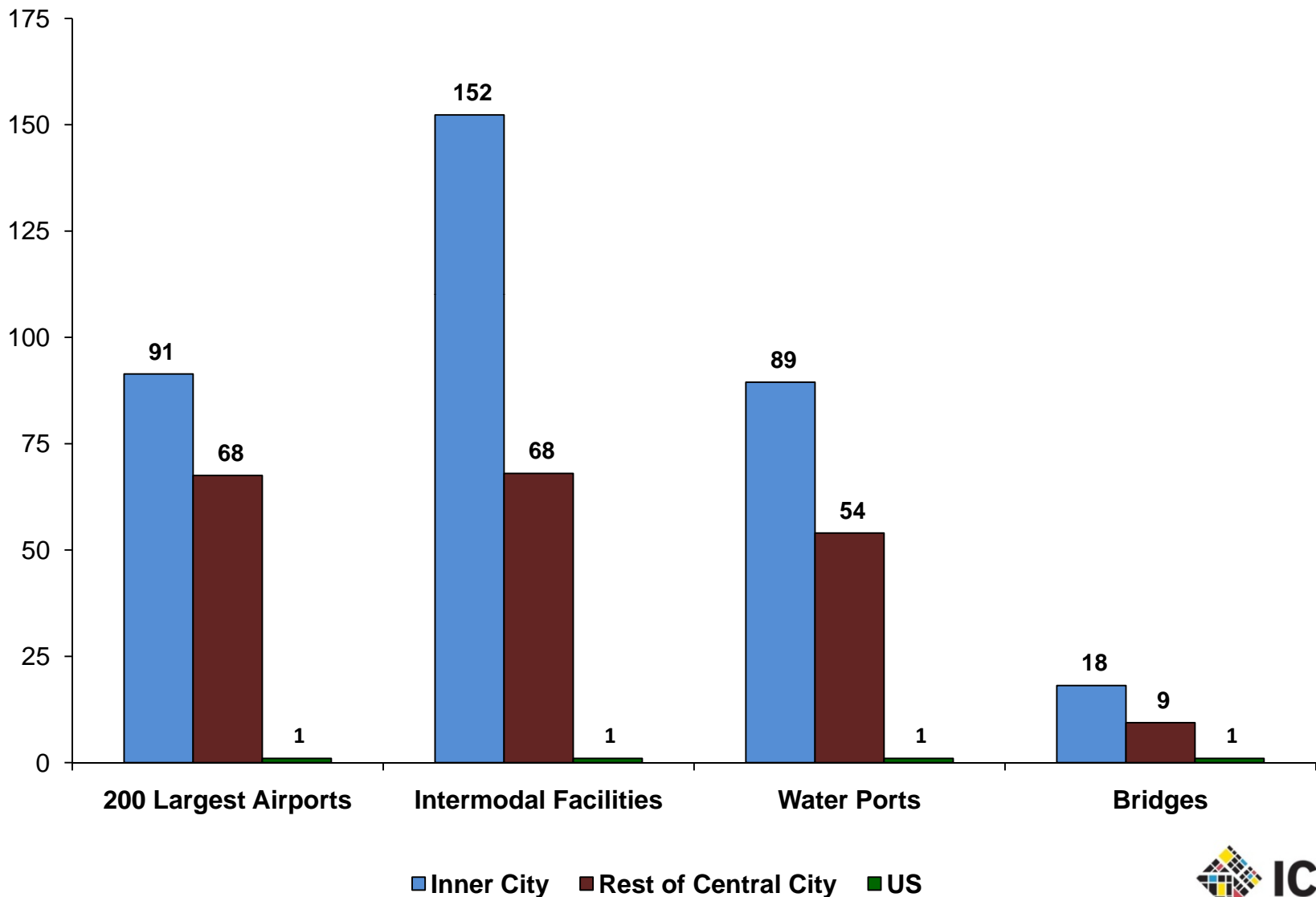
Inner city infrastructure quality is considerably worse than in respective central cities and regions.

→ The only available proxy for infrastructure quality are bridge quality data.



Source: Bureau of Transportation Statistics, 2008; ICIC analysis. Data are for the 100 largest central cities.

Inner cities have a relatively high concentration of infrastructure assets, including twice as many bridges per sq. mile.



Source: Bureau of Transportation Statistics, 2008; ICIC analysis. Data are for the 100 largest central cities.



Improving inner city infrastructure results in job creation across many industries.



The table below shows the change in job growth for each cluster associated with a 10% decrease in the percentage of deficient bridges.*

Industry +	Inner City Job Growth*
Motor Driven Products	18.32%
Entertainment	15.11%
Metal Manufacturing	13.58%
Plastics	13.17%
Transportation and Logistics	7.96%
Business Services	7.64%
Local Education and Training	6.69%
Local Logistical Services	6.14%
Local Commercial Services	2.90%

*The industries above represent those for which a statistically significant relationship between bridge quality and job growth existed.

Source: State of the Inner City Economies (SICE) database; ICIC analysis. Data exclude New Orleans. Bureau of Transportation Statistics, 2008; ICIC analysis. Data are for the 100 largest central cities.



Deficient inner city bridges affect inner city and regional economies similarly.



A 10% decrease in the percentage of deficient inner city bridges is correlated with a 1.83% increase in inner city growth and a 1.69% increase in regional growth.

	<u>Dependent Variable</u>	
	Inner City Growth	Regional Growth
Inner City: % Deficient Bridges	-0.183***	-0.169***
Constant	0.096***	0.186***
Observations	99	99
R-Squared	0.089	0.098
Adjusted R-Squared	0.079	0.088

*** denotes statistical significance at the 1% level

Source: State of the Inner City Economies (SICE) database; ICIC analysis. Data exclude New Orleans. Bureau of Transportation Statistics, 2008; ICIC analysis. Data are for the 100 largest central cities.





Initiative for a Competitive Inner City

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