FEDERAL RESERVE BANK of CLEVELAND

Enhancing Job Access: Bridging the Workforce, Economic Development, and Transit

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Session overview

- Big questions:
 - Why does enhancing job access through transit matter?
 - What is the role of economic development in enhancing job access?
 - Why is an equitable lens beneficial?

Job access and equity

Urban transit systems in most American cities . . . have become a genuine civil rights issue – and a valid one – because the layout of rapid transit systems determines the accessibility of jobs to the Black community. If transportation systems in American cities could be laid out so as to provide an opportunity for poor people to get meaningful employment, then they could begin to move into the mainstream of American life. A good example of this problem is my home city of Atlanta, where the rapid-transit system has been laid out for the convenience of the white upper-middle-class suburbanites who commute to their jobs downtown. The system has virtually no consideration for connecting the poor people with their jobs.

Martin Luther King, Jr.

(excerpt from *A Testament of Hope,* published posthumously in 1969)

Reprinted in Washington, J.M. (Ed.), 1986. A Testament of Hope: The Essential Writings and Speeches of Martin Luther King, Jr.. Harper Collins, San Francisco, pp. 313–328.

Job access and equity

- "Spatial mismatch" has always been about equity
 - Borne out of urban poverty, housing segregation, and job decentralization
 - Spatial mismatch now more generally applies to lowskilled workers given increasing class segregation and urban structures becoming more and more autocentric
 - See Kain, 1964; 1968; 2003

Is spatial mismatch real?

- Most studies say yes
 - Better job access leads to less unemployment and better wages (Chapple, 2006; Ihlanfeldt, 1998)
- But can't necessarily say why
 - Commuting difficulties?
 - Lack of information about distant jobs?
 - Job discrimination by suburban firms?
- Other factors contribute to employment outcomes
 - Spatial mismatch only explains about half of the differences in employment (according to the most favorable studies)

Can transit overcome spatial mismatch?

- Federal demonstration programs in the 1990s and early 2000s produced subpar results
 - Bridges to Work (Roder & Scrivner, 2005)
 - FTA's JARC program (Sandoval, 2009)
- Recent studies report more positive findings
 - Rail expansion in San Francisco (Holzer, 2003)
 - Transit subsidy program in D.C. (Phillips, 2014)
 - Employment outcomes in MTO demonstration (Blumenburg & Pierce 2014)
 - Suspension of subway service in NYC (Tyndall, 2017)
 - Bus transit in small metros (Faulk & Hicks, 2016)

Policy strategies

- Mobility strategy: improving transportation options
 - Equitable TOD
 - TNCs and Microtransit
 - Automobile access
- Urban development strategy: moving jobs closer to workers
 - Equitable TOD
 - Repurpose former industrial or other large sites to attract jobs back to city
- Desegregation strategy: moving workers closer to jobs
 - Local area FMR for voucher users
 - AFFH in siting of LIHTC developments

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