

Research on Influence and Strategy of Inequality in Urban Areas: A Case Study of the US

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Abstract: This paper delves into the complex and pervasive issue of urban inequality in U.S. cities, examining disparities across economic, social, and spatial dimensions. The research highlights how urban inequality perpetuates significant disparities in income, employment, crime rates, housing, and access to essential economic and social resources, issues exacerbated by both historical and ongoing discriminatory practices. These findings underscore the urgency of addressing urban inequality as a critical concern for policymakers and society at large. To alleviate these inequalities, the paper proposes two primary strategies: the first involves strengthening anti-discrimination laws to combat systemic biases that continue to affect marginalized communities. The second strategy advocates for reallocating resources from affluent populations to more vulnerable areas, with a focus on investing in education and infrastructure. These interventions are vital not only for improving social cohesion and reducing crime but also for enhancing urban sustainability. The significance of this research lies in its potential to inform policy strategies aimed at creating more equitable and resilient urban environments. By analyzing the impacts of urban inequality, the study provides a foundation for developing targeted interventions that can mitigate its adverse effects and promote inclusive growth in US cities.

Keywords: Urban Inequality, US Cities, Discrimination, Redistribution.

1. Introduction

1.1. Research Background

Urban inequality is a critical issue that has gained significant attention from policymakers, researchers, and the public over the past several decades. However, the history of urban inequality is lengthy. Urban inequality has arisen for as long as there have been cities [1]. Inequality became more serious in the 19th century due to urbanization, which, even though it created significant economic opportunities, exacerbated social stratification [1]. Therefore, urban inequality is not only a social issue but also an economic and spatial concern. The persistence of significant disparities within cities can lead to social unrest, economic inefficiency, and spatial segregation. In the United States, cities are marked by serious disparities in income and employment, access to services, residential segregation, and overall quality of life. For example, the wealthiest 5% of workers made 29.9% of total wages in 2021, while the poorest 90% of workers only made 58.6% [2]. In other words, a workforce eighteen times larger than the smaller group only made around twice as much, which

makes the inequality in the US cities starkly [2]. These disparities have profound implications for social cohesion, economic development, and the well-being of urban populations, especially for those vulnerable groups.

Understanding and addressing urban inequality has significant business and social value. Reducing inequality can lead to a more skilled and productive workforce, which is very beneficial for businesses and the economy. Moreover, fostering inclusive growth can enhance social stability and create a more favorable environment for investment and innovation. Therefore, through the research on urban inequality, public awareness about the issue can be raised since many people may not be fully aware of the extent or the specific nature of disparities within urban areas. By highlighting the various forms of inequality and their consequences, the research can educate the public about the critical challenges faced by marginalized communities like low-income and low-skilled residents and immigrants. Furthermore, complex issues like urban inequality require collaborative solutions involving multiple stakeholders, including government agencies, non-profits, businesses, and community groups. The research can serve as a foundation for these collaborations by providing a common understanding of the issues and highlighting potential solutions.

1.2. Literature Review

Urban inequality includes economic inequality, social inequality, and spatial inequality. For economic inequality in the cities, Latham et al. proposed that systemic discrimination and restricted educational opportunities force different ethnic groups into diverse job sectors and workplaces, which often confine these marginalized individuals to lower-paid and less professional jobs, thereby perpetuating cycles of poverty [3].

For social and spatial inequality, Reese found that the poor black people in Washington, DC, need to spend a higher proportion of their income and time on transport to access the basic resources and services and have less income left afterward, which further widened the inequality [4]. Nevertheless, according to Latham et al., the high rates of unemployment and poverty in African American slums strain available resources and restrict the amount of tax money that local governments can collect to pay for public services like educational institutions, library services, and recreational parks, which means it is very difficult to get rid of this inequality access to infrastructure [3].

Additionally, for spatial inequality, Massey and Denton found that residential inequality is not accidental but a result of deliberate public policies and institutional practices [5]. They trace the history of racial segregation from the early 20th century, which documents the laws that isolated African Americans. They also replicate the economic circumstances of the 1970s and demonstrate how a sharp concentration of poverty results from a rise in minority poverty in a city with racial segregation. They found that the concentration is associated with deteriorating neighborhoods marked by high rates of crime, inadequate education, and high mortality, where households headed by women and dependent on welfare are common [5].

1.3. Research Gap and Research Framework

However, most scholars do research that mainly focuses on the facts and the reasons for urban inequality; in contrast, very few researchers will examine the results and solutions of urban inequality. Therefore, this article will be based on past research articles to extend further and more detail on the impacts and solutions of urban inequality in US cities, which will introduce reasons that caused US urban inequality, the impacts that urban inequality brings to US cities, and the solutions for the economic, social, and spatial dimensions respectively.

2. Case Description

Urban inequality in the United States manifests in various forms, which significantly impact economic, social, and spatial dimensions within cities. Economic disparities are stark, with income inequality widening over recent decades, in which high-income households have seen substantial income growth while low-income families have experienced stagnation or decline [2]. In 2021, the US governmental percentage of the population living in poverty was 11.6 percent, with about 37.9 million people trapped in the poverty line [6]. According to the statistics, although both the US and the UK are developed countries and have strong economies, the US Gini Coefficient in 2021 was about 0.40, while the UK has only 0.32, which proves that the US's huge disparities over income and will result in an unequal investment of infrastructures and services over rich and poor communities [7]. These disparities are further exacerbated by unequal access to high-quality education and employment, which affect low-income and minority communities the most since they have fewer opportunities to improve themselves and not be able to move up the economic ladder [3]. Moreover, urban inequality also influences crime rates and community safety in US cities. The concentration of poverty in segregated neighborhoods creates environments where crime and social disorder are more prevalent, which perpetuates cycles of disadvantage [8]. Additionally, the historical legacy of discriminatory practices in the United States, such as redlining and restrictive covenants, has led to persistent residential segregation [5]. These practices confined African Americans and other minority groups to specific neighborhoods that were often characterized by substandard housing and inadequate public services [9]. However, contemporary zoning laws, like Exclusionary Zoning, and market forces in the USA continue to perpetuate this segregation, which results in significant spatial inequalities within urban areas [10]. Although the United States government has worked hard to relieve this problem and achieve true Black equality and independence, the effect is not optimistic [10]. Therefore, addressing urban inequality in the US requires multifaceted approaches that consider the economic, social, and spatial dimensions of the problem.

3. Analysis on the Problem

3.1. Analysis of Urban Inequality in the United States at Economic Dimensions

3.1.1. Employment and Income Disparities

Urban inequality in the US is always causing employment and income disparities. Access to quality education and training is often limited in low-income urban areas, which leads to lower educational attainment in those low-income regions [11]. As a result, the workforce will not be fully equipped to meet the demands of high-paying and skilled jobs. Because lower educated people are often more difficult to gain jobs because they are less skilled, not to mention higher paid jobs. Therefore, they will be trapped in the poverty cycle with a high unemployment rate and low income [3]. In contrast, in the high-income urban areas, they are able to gain high-quality education and thus better-paid jobs and keep or become wealthier, which widens the gap between the rich and poor groups within the cities. In this case, in the US in 2021, the richest 5% of workers earned 29.9% of total salaries, while the 90% of lowest-paid workers only received 58.6%, which eventually reduces overall economic productivity as many individuals are either unemployed or underemployed [2]. In addition, the high unemployment rate and poverty level in African American regions lead to a loss of potential economic output and increased dependency on social welfare programs, which puts a burden on local resources and strains public finances [3].

Moreover, racial and ethnic discrimination in hiring and wages can perpetuate employment and income disparities. Those Black Americans and other minority groups have been discriminated against and stigmatized, which are located at the lowest point of the city hierarchy and not accepted

at the workplace [12]. Especially in the past, it was extremely impossible to have interactions with whites outside of the working areas in the areas like Chicago and Washington, DC, and in central cities, 36 percent of Black men were unemployed or ‘marginally attached to the labor force’ in 1982 [5]. Hence, those marginalized groups find it more difficult to have job opportunities and reduce income inequality. Therefore, both educational inequalities and discrimination will worsen the urban inequality in employment and income aspects.

3.1.2. Access to Economic Resources Unequal

In the economic dimension, urban inequality will also result in unequal access to economic resources. Economic policies that favor wealth accumulation in higher-income areas and do not sufficiently support economic development in poorer regions will also worsen urban inequality. For instance, there is a shift to fewer, lower-rate government income taxes from a highly progressive system with sharp marginal tax rates [13]. These changes in governmental policy transferred more unique and business-cycle vulnerability on families, which could have detrimental effects on well-being if they mostly affect individuals with limited resources and lack of capacity to smooth income shock [13]. Thus, the disparities in economic resource accessibility are widening.

Furthermore, high-income residents in the cities have more access to economic resources to invest in their local neighborhoods and have higher economic mobility than marginalized or poor residents. That is not only because those high-income residents have enough finances but also because they will attract more private investment further to improve their quality of education and job opportunities. Therefore, this influx of resources in the rich communities creates a cycle of further investment and growth, as well as local economic prosperity [14]. Meanwhile, there will be more private-sector disinvestment in low-income areas, which will limit economic growth [14]. The resulting economic stagnation in these areas can drag down the overall economic performance of urban regions and increase the socioeconomic divide.

3.2. Analysis of Urban Inequality in the United States at Social Dimensions

3.2.1. Crime

Urban inequality leads to increased crime rates in marginalized communities. Economic strain, resulting from income inequality and lack of opportunities, increases the individuals’ pressure to earn a living [15]. The pressure is reinforced by poor educational outcomes, which makes them lack awareness of the outcome of conducting criminal activities and push individuals towards illegal activities. For example, the US had one of the highest rates of crime in the world in 1979 due to the high inequality rate, and the murder rate in the United States is over 10 times higher than that of Western European countries at comparable levels of urbanization and industry [15]. Although the trends of three major types of crime, including murders, violent crimes, and property crimes, have decreased from 1990 to 2022 in the US, the numbers are still very high. Such as property crimes, there still about 1954 people committed this type of crime per 100,000 people in 2022 [16].

Weak social networks, high residential mobility, and lack of identification of social norms in disadvantaged areas reduce social cohesion and increase crime rates, especially in the black ghettos, which always faced oppression and exploitation at that time [15]. Nowadays, the danger of black crime has also been used to justify segregation, which caused numerous barriers to employment, education, and public services for marginalized groups [12]. Therefore, chronic stress and feelings of alienation from living in impoverished, stigmatized neighborhoods further contribute to criminal behavior, which means they might use the way of street riots, rebellions, and urban warfare to resist the inequality they face over time [9].

3.3. Analysis of Urban Inequality in the United States at Spatial Dimensions

3.3.1. Residential Segregation

Urban inequality drives residential segregation through economic, social, and policy mechanisms. Income and wealth disparities limit housing affordability for low-income families and force them to live in less expensive areas with fewer resources [17]. In the US, for every 100 severely low-income renter households in the country, there are just 37 rental properties that are both inexpensive and available [17]. Additionally, these renter households are more likely to have high housing expense burdens, with rent and utilities accounting for almost half of their income. Of the 11 million severely low-income renter families in the country, 71% are classified as severely housing cost-burdened [17]. Thus, many low-income residents choose to live in poor, concentrated communities where the market price of the house is much lower. This divide is reinforced by housing market dynamics and investment patterns that favor affluent neighborhoods. Because economically viable enterprises, like real estate agencies and banking services, may refuse to provide houses to non-white residents and other marginalized poor residents [9]. Thus, those vulnerable groups frequently encounter structural obstacles while trying to obtain housing in affluent neighborhoods, which causes poverty and disadvantage to be concentrated in one area and leads to residential segregation in the US cities [5].

This residential segregation became more stand out in policies like redlining policies in the US, which denied housing loans to black neighborhoods, which perpetuated and worsened the spatial segregation because the supported racial segregation by the government [5]. Moreover, exclusionary zoning has institutionalized segregation [10]. This law restricts the development of affordable housing in certain neighborhoods by imposing requirements such as large lot sizes, single-family homes only, and strict building codes [18]. Therefore, urban inequality will continue to worsen if the issue of residential segregation can't be relieved.

3.3.2. Access to Public Services and Infrastructure Disparities

Urban inequality results in significant disparities in access to public services and infrastructure due to unequal funding allocation, lower political representation, and biased urban planning policies. Wealthier neighborhoods benefit from higher property taxes, generating more funds for schools, healthcare, public transportation, and sanitation, while low-income areas suffer from substandard services and deteriorating infrastructure due to lower profits they can provide to investors [3]. Resulting in the high restriction of financial institutions, grocery stores, retail chains, and many other services [3]. Therefore, residents who are in economically impoverished and racially segregated neighborhoods often face the challenge of traveling longer distances in search of work opportunities and everyday needs. For instance, because of increased profits, stores across the United States started to move from Black communities to affluent white suburban areas by 1971 [4]. The residents of Richmond traveled miles to buy basic necessities before the establishment of Johnathan Johnson's Community Pride Food Stores [4]. Because of this, poor black individuals have to spend a larger percentage of their income on transportation in order to access those services, which reduces their disposable income and widens the income gap [4].

Residents of affluent areas also have greater political influence, which allows them to advocate effectively for their needs, unlike those in disadvantaged neighborhoods who have fewer resources and less access to policymakers. Urban planning often favors affluent areas, prioritizing development and infrastructure projects that enhance their attractiveness and economic opportunities. For example, since around 1900, white residents in the US have enacted laws that further entrench the system of segregation against black people [9]. These laws include keeping black people out of various higher-prestige employment, confining them to inferior establishments like poor-quality restaurants and

theatres, and prohibiting them from voting [9]. These disparities perpetuate a cycle of disadvantage, as poor public services and infrastructure hinder residents' ability to improve their economic situation.

4. Suggestions

4.1. Suggestion for Economic Problems Caused by Urban Inequality

4.1.1. Improve Education Systems and Reduce Discrimination

For education, it is very important to adjust state and local funding formulas to ensure that schools in low-income areas receive adequate resources, including modern facilities and well-trained teachers. In addition, the funding that is distributed in the state and locally should be based on student needs, which considers factors like families' income level. And provide additional support to those high-poverty students, ensuring they are able to get adequate education. Furthermore, for free and compulsory schools in many states, it is necessary to extend the upper age limit for those high-poverty students to help them get higher education, or to establish job training programs that focus on in-demand skills and industries, make them more competitive in the labour market, and get rid of the poverty trap, thus increasing the employment rate and reducing the reliance on social welfare. Additionally, better education increases awareness of the consequences of conducting criminal activities and helps people gain more skills to earn a higher income, thus reducing the crime rate in the US.

For discrimination, it is necessary to strengthen enforcement of anti-discrimination laws in hiring, promotions, and pay practices to ensure equal opportunities for all workers, especially fair wages for the same position. Moreover, governments need to support programs that aim to reduce disparities in employment and education by providing more opportunities to marginalized groups, thus reducing the employment and income disparities within US cities.

4.1.2. Equitable Tax Policy Reforms and Increase Investment

Governments can implement tax credits and incentives targeted at low-income or marginalized areas to attract businesses and stimulate economic growth. At the same time, increasing the capital gains tax for high-income families will make the tax more progressive, which will ensure that high-income earners contribute a fairer share. This can generate revenue to be reinvested in disadvantaged communities.

Governments can provide tax incentives for companies that invest in low-income communities, such as tax breaks for creating jobs, developing affordable housing, or supporting community services, or even provide subsidies for those firms to increase private investment in low-income areas. Additionally, the state can support local entrepreneurs in expanding their businesses, creating jobs and economic growth, and then reinvesting in low-income areas. Therefore, it can decrease the wealth gap between high- and low-income groups and reduce the disparities in economic resource accessibility.

4.2. Suggestion for Social Problems Caused by Urban Inequality

After the improvement in education for low-income groups in the economic part, the next important improvement that needs to be made in US cities is to strengthen social networks in society as a whole. For example, within the communities, community centers need to offer recreational activities and social services, such as volunteer activities, to strengthen community ties and provide safe spaces for youth. Moreover, it is necessary to promote the formation of neighborhood associations to facilitate resident engagement in local decision-making and crime prevention efforts, like preaching the

consequences of crime, because when residents themselves are involved in shaping the protection of their neighborhoods, they are more attentive than others. Also, residents are more aware of the situation in their neighborhoods, so they can be more efficient in making prevention plans.

Furthermore, it is necessary to build connections between different communities. For instance, some neighbored communities can invest in recreational facilities that are accessible to all communities. Because well-maintained, inclusive public spaces encourage people from different backgrounds to interact and build relationships. Therefore, it can not only improve the relationship within the communities and increase the awareness of the result of criminal activities but also strengthen the networks with other communities and reduce the stigmatization based on some stereotypes and biases, which can then reduce the crime rate in the cities.

4.3. Suggestion For Spatial Problems Caused by Urban Inequality

4.3.1. Social Housing and Inclusionary Zoning

For residential segregation in the US, apart from anti-discrimination laws, it is important to reduce the tax credits for housing developers to build affordable social housing and increase the private investment in social housing for low-income groups. And ensure that social housing is geographically distributed across the cities to avoid the concentration of poverty and promote integration.

Furthermore, it is necessary to implement further inclusionary zoning laws that require a percentage of new housing developments to be affordable for low- and moderate-income families [19]. This can help ensure a mix of income levels within neighborhoods. Therefore, residential segregation should be reduced systematically.

4.3.2. Equitable Funding and Resource Allocation

For services and infrastructure accessibility, governments need to be better aware of the problems faced by marginalized groups through investigative visits and allocate funds to improve infrastructure in low-income areas, including transportation, utilities, and broadband internet. Moreover, invest more in public services such as healthcare, education, and public safety in poorer regions since improved services can enhance human capital and economic opportunities. Better infrastructure can attract businesses and improve residents' quality of life. Or provide incentives like subsidies for private investors to invest in vulnerable communities to increase their accessibility to daily necessities. Additionally, the state can reduce transportation fares for low-income residents to ensure affordable access to public transportation, thus increasing the accessibility for disadvantaged groups.

5. Conclusion

5.1. Key Findings

This research identifies urban inequality in the US as a multifaceted issue that manifests across three primary dimensions: economic, social, and spatial. Economically, urban inequality contributes to significant employment and income disparities and unequal access to economic resources. Socially, it exacerbates crime rates, particularly in disadvantaged communities. Spatially, urban inequality fosters residential segregation and unequal access to public infrastructure and services. Despite these challenges, the study also highlights potential solutions. To address low employment and income levels among disadvantaged groups, it is crucial for states to redistribute funds to enhance education systems in these regions, thereby equipping vulnerable populations with the skills and knowledge needed to improve their economic prospects. The unequal access to economic resources requires the implementation of more equitable tax policies, such as progressive taxation, and increased public and

private investment in underserved areas through incentives and credits to reduce the gap between wealthy and poor communities. To address the high crime rates in disadvantaged areas, it is essential to foster stronger social networks through diverse social activities and interactions between different community groups. To combat residential segregation, governments should increase the availability of affordable social housing and enforce inclusionary zoning policies to promote more integrated neighborhoods. Additionally, addressing disparities in access to public infrastructure and services necessitates increased government investment in critical areas such as healthcare and transportation within disadvantaged regions. Nevertheless, the most important suggestion is the enforcement of anti-discrimination laws and initiatives, which must be strengthened not only in the workplace but also in housing and social interactions. In conclusion, the suggestions for the solutions are basically divided into two key strategies: reinforcing anti-discrimination measures and redistributing resources from wealthier groups to more vulnerable regions.

5.2. Research Significance

The significance of this research lies in its ability to shed light on the interconnected nature of urban inequality and its broader implications for both societal well-being and economic productivity. By understanding these dynamics, the public can realize the challenges those low-income, vulnerable people face. Moreover, this research helps policymakers, businesses, and community leaders to address the root causes of inequality better, ultimately fostering more inclusive and resilient urban environments.

5.3. Limitations

However, there are some limitations in this research. The analysis may not fully capture the diversity of urban experiences across different US cities. Additionally, while the essay provides a comprehensive overview, the complexity of urban inequality means that further research is needed to explore specific aspects in greater depth, such as the long-term effects of policy interventions and the role of emerging technologies in mitigating inequality, which can be researched on in the future.

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