How Biden’s infrastructure package might leave behind poor and minority communities yet again

By Kate Lowe, Sarah Reckhow and Juliet Gainsborough
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Last month, Congress passed and President Biden signed a landmark infrastructure bill. While Congress sets formulas for distributing most funds, under the new infrastructure bill, the share of funds that will be distributed through competitive grant programs designed by the Transportation Department is much larger than usual. When the agency awards what are known as discretionary funds, it’s usually through competitions in which local, regional and state
governments and authorities submit proposals for the department to evaluate.

Our research finds that competition can favor well-connected cities and regions, where local governments are involved with a strong infrastructure of cooperating businesses, nonprofits and foundations — and are fully prepared to carry out projects. Communities where business and civic groups aren’t already working closely with local governments — often the communities in most economic distress — are likely to lose out on the federal dollars they need.

When federal dollars do benefit low-income communities, we found a common thread: The city or region has a higher number of nonprofits advocating for equity. Without such advocacy groups, low-income communities are more likely to be left out and to fall further behind.

A tale of two metros

We began by undertaking two in-depth case studies. We selected metropolitan Orlando and Miami, to ensure that any state dynamics remained the same. Findings are from more than 60 interviews, along with a review of media coverage and federal government documents.

In metropolitan Orlando, we found that between 2001 and 2011, a robust network of government officials, including a member of Congress, worked with the Florida Department of Transportation, environmental groups, civic organizations and business leaders to lobby for a commuter rail project. Partly because Orlando’s bus provider had budget problems, this coalition bypassed the bus agency and got the Florida DOT involved. The coalition handled challenges to help the agency win federal dollars in 2011 and build rail to northern suburbs.

But the coalition left out organizations representing lower-income neighborhoods or residents, and those neighborhoods were left without faster transit to get to work, school or other important destinations.

Meanwhile, between 1995 and 2010 in metropolitan Miami, the transit agency proposed a heavy rail project that would help many low- and moderate-income Black residents by increasing transit access to jobs and downtown and other destinations. While several local and national officials advocated for the project, pointing out how it would help those neighborhoods, they were not backed by a strong network of advocacy groups. The federal Transportation Department objected that the transit agency didn’t appear to have a healthy financial outlook, and the business community and civic elites did not get involved to assuage those concerns.

Looking at national patterns

To see whether this pattern held nationally, we analyzed which metropolitan statistical areas — a category defined by the U.S. Census Bureau — won funding after the American Recovery and Reinvestment Act of 2009, commonly known as the “stimulus bill,” invited proposals for transportation projects. State, local and regional agencies could compete to win Transportation Investment Generating Economic Recovery (TIGER) awards for projects such as upgrading ports and highways and building bicycle ways and light rail.

We used a statistical model to compare the vast majority of metros (356) that had complete data on nonprofits and whether each metro won an award. Based on what we had learned from our case studies, we tested nine factors that might have influenced success or failure. We found several factors had a statistically meaningful relationship with winning an award: representation
for the state on relevant Senate subcommittees involving infrastructure, the metro’s population, the number of nonprofits per capita and economic residential segregation.

Next, we examined the 42 metros that received awards. In particular, we looked at which ones specifically proposed serving low-income populations, as eight projects did, or said they would develop community investment outside downtown, as nine projects did. We knew from the model that well-connected metros more often won awards, and we wanted to understand who would benefit within the region. We thought who was involved in project advocacy might matter.

We found that when one of the project’s sponsors was a regional transportation planning organization responsible for planning all types of transportation across a metro, the project was likely to pay attention to low-income communities. Further, when the city had a higher-than-average concentration of groups dedicated to advocating for low-income or racial minority groups, the proposals were more likely to include community investment goals and potentially benefit less affluent communities within the region.

All that is consistent with what we learned from Orlando and Miami: When there is a strong network of local nonprofit and business groups supporting projects, local governments are more likely to win competitive federal funds.

Our study adds to other research findings that local government resources, including funds available and local government staffing, matter for getting federal awards. In other words, it takes resources — such as partnerships or money — to get federal resources.

Unless local governments and nonprofit groups are already well funded and well organized, their project proposals may not be funded — leaving behind the communities most in need.

If helping areas in need is the goal, as suggested by recent program guidelines for the Rebuilding American Infrastructure With Sustainability and Equity program — the renamed TIGER program — the U.S. Transportation Department might wish to do more to help local communities propose projects. For instance, it could lend staffers to disinvested communities, or set up technical assistance programs that could help project sponsors build coalitions, find matching local funding and write proposals. Awarding new funding quickly will make it even harder for the communities with the most need to pull together the coalitions they’ll need to compete — unless the federal government offers more application support and even more weight to income and racial equity criteria in its evaluations.

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