Catalyzing investment in Opportunity Zones

White House Council of Economic Advisors &
U.S. Department of Housing and Urban Development

Challenge: Create digital tools and resources to connect investors with community leaders, entrepreneurs, and workers of America's 8,764 Opportunity Zones.

Executive champion: Secretary Ben Carson & Executive Director Scott Turner

Background: The American dream is fading. Almost all children born in 1940 earned more than their parents, but the same was true for only half of children born in the 1980s. The decline in mobility is related to growing regional inequality. In a reversal of trends of the 20th century, regional income inequality has grown in the 2000s, making a person's place of birth an increasingly powerful predictor of their future income. The Opportunity Zone provision of the 2017 Tax Cut and Jobs Act created an incentive to invest in select low-income communities and is the core of a major effort to bring investment and opportunity to communities bypassed by recent economic growth. To promote equality of opportunity across the US, we need data and tools to connect investors to the Opportunity Zones where their dollars will do the most good. Private sector developers can use their talents to bring together multiple sources of public data, as well as private data, to create new data products that enable investment in overlooked places.

Why this problem matters: Opportunity Zones are a promising way to revitalize low-income communities and bring jobs to local residents. But this can only occur if investors match their capital with the right people and places. Many low-income communities selected to be Opportunity Zones have few resources to market themselves to investors. A community may have easy access to transportation infrastructure, low-cost real estate, a well-trained workforce, and natural resources, but lack the means to document these assets and bring them to the attention of investors. Investors, on the other hand, may tend to flock to the most well-known areas for promising investment projects and overlook communities with under-studied and under-appreciated potential.

Vision for sprint outcomes: Through better access to consolidated data, more investors, entrepreneurs, and community leaders will discover opportunities for economic development in overlooked Opportunity Zones.

Target audience/end user: Entrepreneurs, managers of Opportunity Zone funds, and community leaders in Opportunity Zones.

Potential open data sets:

- Opportunity Zone status and location (link, link)
- American Community Survey tract-level data on household characteristics (link)
- HUD data such as Low-Income Housing Tax Credit Qualified Census Tracts (link) and fair-market rent data (link)
- Treasury ZIP code statistics of income data, which could be mapped to census tracts (link)
- USDA/ERS county-level data on county type, remoteness, amenities, etc (link)
- USDA/ERS data on food access (link)
- DOE/EIA data on location of energy infrastructure -power lines, power plants, coal mines (link)
- DOT infrastructure spending (link)

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