

How do Cities Enable Black Social Mobility: A Case Study on Washington D.C. and New York City

By: Michael Krensavage

New York City and Washington D.C. are two of the United States' most prominent economic centers. The cities, and their metropolitan areas, respectively, boast the first and fifth-highest GDPs in the country,¹ and they are known by many as the political and economic hubs of the country, if not the Western world. Both cities are also known for their diversity and strong Black cultures. New York City is one of the most diverse cities in the world, and Washington D.C.'s large Black population, which was 71.1% of its total in 1970, has earned it the nickname the "Chocolate City."² Given that they are the heart of the United States' economy, one could expect the Black residents of New York City and Washington D.C. to have reached the same economic heights as the cities in which they reside; this is not the case. As of 2021, the standard median household income in D.C. (\$90,088) was 1.7 times larger than the city's Black median household income (\$52,812), and New York's median household income to black median household income ratio was 1.3:1 (\$67,997:\$52,197).³ While both city governments publicly claim an interest in addressing the racial income gap, there's a clear disparity between tangible results. Compared to New York City, Washington D.C. more than earns its reputation as one of the best American cities for Black families and professionals.⁴ Washington D.C. has more laws and policies that are conducive to social mobility than New York City, which has fostered a more equitable education system, a more affordable and inclusive housing market, and more opportunities for Black-owned businesses and employment.

¹ Koop, A. (2023, March 9). *Mapped: The largest 15 U.S. cities by GDP*. Visual Capitalist. Retrieved May 1, 2023, from <https://www.visualcapitalist.com/us-cities-by-gdp-map/> Leins, C. (2019, April 3). *The 10 best cities for public transportation*. US News. <https://www.usnews.com/news/cities/slideshows/10-best-cities-for-transportation?slide=10>

² Rusk, D. (2017, July). *Goodbye to chocolate city*. D.C. Policy Center. <https://www.dcpolicycenter.org/publications/goodbye-to-chocolate-city/>

³ U.S. Census Bureau, "Median Income in the past 12 Months (In 2021 Inflation-adjusted Dollars)," United States Census Bureau, last modified 2021, <https://data.census.gov/table?q=Median+Income+by+race&g=160XX00US3651000&tid=ACST1Y2021.S1903>.

⁴ Apartment List, & Black@A-List. (2022, February 17). *Best cities for Black professionals, 2022*. Apartment List. <https://www.apartmentlist.com/renter-life/best-cities-for-black-professionals-2022>

Context

The American dream is defined by the ability of its citizens to position themselves within the middle class through opportunities for social mobility. When considering United States cities that struggle with racial inequality, there are three main factors that contribute to this dream's realization: academic equality, affordable housing, and opportunities for self-employment. While Black individuals still earn less on average than White citizens at equal levels of educational attainment, the gap narrows significantly between college-educated Americans,⁵ indicating that inequitable access to college is a strong factor barring economic equality across races. Housing is equally important: home equity and retirement accounts make up 62.9% of American households' spending as of 2015.⁶ Homeownership specifically is even more strongly correlated with wealth, as it generates value through security. When something occurs to make a piece of property more desirable, such as a technology company moving nearby or the construction of a school or park, gentrification often causes property values to rise as richer people are incentivized to move into the area⁷. While the effects of this gentrification can often be devastating to renters unprepared for a price increase, homeowners see an increase in the value of their assets without much downside. Finally, founding and maintaining one's own business is hugely conducive to middle-class security in America. In addition to the greater freedoms that come with self-employment, such as flexible hours, control over decision-making, and (likely) more fulfilling and meaningful work, self-employment is also conducive to building wealth. In 2019, the median net worth of self-employed families was \$380,000, four times higher than the median net worth of employed families, \$90,000.⁸ Washington D.C.'s strength in these particular areas defines the potential for social mobility among its Black population.

⁵ Andrea Flynn et al., "The Racial Rules of Education," in *The Hidden Rules of Race: Barriers to an Inclusive Economy* (Cambridge University Press, 2017), 95, digital file.

⁶ Eggleston, J., & Hays, D. (2019, August 27). Many U.S. households do not have biggest contributors to wealth: Home equity and retirement accounts. *United States Census Bureau*. <https://data.census.gov/table?q=Median+Income+by+race&g=160XX00US3651000&tid=ACST1Y2021.S1903>

⁷ Moretti, E. (2012). The inequality of mobility and cost of living. In *The new geography of jobs* (pp. 191-206). Harper Business.

⁸ Zhou, L. (2023, February 23). *How many Americans are self-employed?* [2023 data]. Luisa Zhou. [https://www.luisazhou.com/blog/how-many-americans-are-self-employed/#:~:text=In%202019%2C%20the%20median%20net,%24747%2C000%20\(for%20all%20families\).](https://www.luisazhou.com/blog/how-many-americans-are-self-employed/#:~:text=In%202019%2C%20the%20median%20net,%24747%2C000%20(for%20all%20families).)

Washington D.C. and New York are significant for their dual natures as prominent American economic hubs and landmarks of Black social and political activism and conflict. Both cities were amongst the most popular destinations of the Great Migration, which primarily occurred between 1940 and 1970 (U.S. Census Bureau, 2012).⁹ Washington

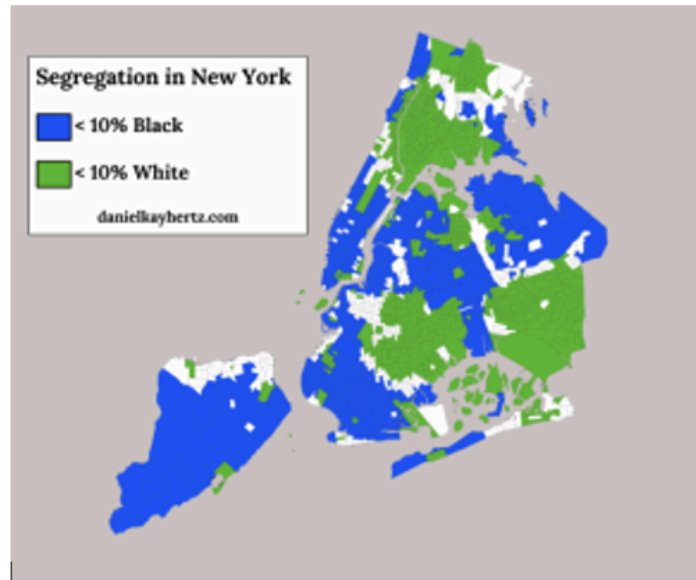


Figure 1, (Hertz, 2014)

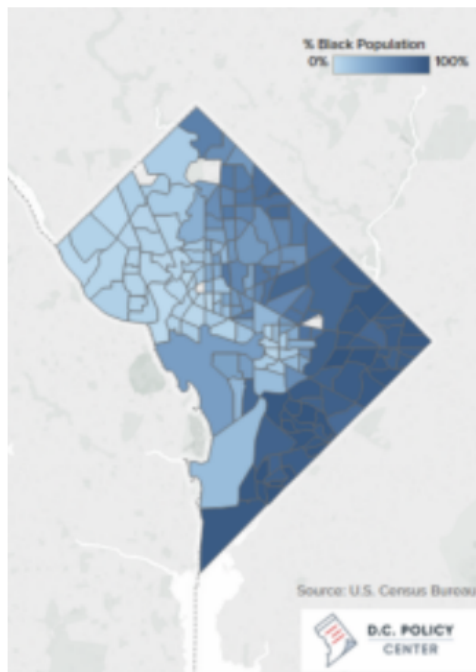


Figure 2, (Rusk, 2017)

D.C., which became the first majority Black city in America in 1957, evolved into a significant hub of the American Black Power movement throughout the mid-late 20th century.¹⁰ In 1963, over 250,000 people participated in the March on Washington for Jobs and Freedom, an event that picketed for economic and civil rights advancements for Black citizens. Mass protests swayed the federal government to appoint Black politician Walter Washington as mayor in 1967, and by the 1970s, Washington D.C. was a hub of Black art, business, and political thought.¹¹ While the Black population and

⁹ U.S. Census Bureau, "The Great Migration, 1910 to 1970," United States Census Bureau, last modified September 13, 2012, <https://www.census.gov/dataviz/visualizations/020/>.

¹⁰ McQuirter, M. A. (2003). *A brief history of African Americans in Washington, DC*. Cultural Tourism DC. <https://www.culturaltourismdc.org/portal/a-brief-history-of-african-americans-in-washington-dc>

¹¹ McQuirter, M. A. (2003). *A brief history of African Americans in Washington, DC*. Cultural Tourism DC. <https://www.culturaltourismdc.org/portal/a-brief-history-of-african-americans-in-washington-dc>

cultural presence of the 1970s have faded from D.C. over time, its essence still remains in the city today. Conversely, much of New York's Black history since the Second Great Migration is intertwined with segregation that is still apparent today. Discriminatory housing regulations during the time period pushed the vast majority of Black immigrants into Harlem, a neighborhood that was already overcrowded and underfunded by the city. When the majority of White middle-class residents moved out due to said overcrowding, the city government slashed Harlem's funding further, even destroying parts of it, while segregationist policies such as redlining prevented Black residents from moving out.¹² As per Figure 1,¹³ the echoes of that segregation continue to define much of New York City, as they confine Black access to spatially bound services such as public education.

Economic Outcomes in New York City

Washington D.C. excels past New York City in many aspects important to Black social mobility, but it's important to note New York City's strengths. While D.C. seems to be more conducive to Black economic success, it also seems more conducive to Black economic failure: citizens are faced with a higher ceiling and lower floor in regard to their economic outcomes. Despite outranking New York in nearly every statistic indicative of economic success amongst its Black population, Washington D.C. ranks lower in unemployment and poverty rates. D.C.'s Black unemployment rate is 16.3%, which is 8.1% higher than the race-blind unemployment rate of 8.2%,¹⁴ 5.7% higher than the nationwide Black unemployment rate of 10.6%,¹⁵ and 6.6% higher than New York City's Black unemployment rate of 9.7%.¹⁶ D.C.'s Black poverty rate is 27.7%; the city's poverty rate is 16.5%,¹⁷ the

¹² Finesurrey, S. (n.d.). *A people's history of New York City*. CUNY Academic Commons. <https://historynyc.commons.gc.cuny.edu/black-new-yorkers-struggle-for-liberation/>

¹³ Hertz, D. K. (2014, april 14). *How segregated is New York City?* <https://danielkayhertz.com/2014/04/14/how-segregated-is-new-york-city/>

¹⁴ U.S. Census Bureau, "Employment Status," United States Census Bureau, last modified 2021, <https://data.census.gov/table/ACSST1Y2022.S2301?q=Employment%20by%20race&g=040XX00US11>.

¹⁵ U.S. Census Bureau, "Employment Status," United States Census Bureau, last modified 2021, <https://data.census.gov/table?q=Employment%20by%20race>.

¹⁶ U.S. Census Bureau, "Employment Status," United States Census Bureau, last modified 2021, <https://data.census.gov/table/ACSST1Y2021.S2301?q=Employment%20by%20race&g=160XX00US3651000>.

¹⁷ *Ibid*

nation's Black poverty rate is 21.8%,¹⁸ and New York's Black poverty rate is 20.9%.¹⁹ This disparity could be attributed to many characteristics of either New York or D.C.; Crawford and Das (2020) acknowledge D.C.'s history of overt and systemic racism, disproportionate allocation of educational resources, and discrimination within hiring processes, but all of those problems are well documented to exist at a comparable degree nationwide, including in New York. New York's superior unemployment rate could possibly be attributed to its public transportation system, which is significantly more accessible and efficient than the systems of D.C. and the rest of America.²⁰ The Black residents of both New York¹ and D.C.² mostly live in highly segregated neighborhoods, and the majority of Black neighborhoods in D.C. have weaker job markets than other neighborhoods in the city.²¹ New York faces a similar problem²² but its public transportation system makes up for it. While D.C. may offer better-paying jobs than New York, those jobs are inaccessible if people can't commute to them, and residents living within majority Black areas such as Ward 8, which is 86.5% Black,²³ are faced with the longest average commutes in the city.²⁴ New York can partially remedy disproportionate job markets through its public transportation system, which 59% of commuters use, whereas DC's 39.6% usage rate is a less effective countermeasure. New York City's public transportation system thus makes for a more accessible job market, which helps its residents achieve desirable economic outcomes. Despite this advantage, however, New York City still falls short of D.C. in other areas that overall make the latter the preferable city for Black social mobility.

Education

¹⁸ *Ibid*

¹⁹ *Ibid*

²⁰ Crawford, D., & Das, K. (2020, January 28). *Black workers matter*. DC Fiscal Policy Institute. https://www.dcfpi.org/all/black-workers-matter/#_ednref8

²¹ DC Department of Housing and Community Development, Lawyers' Committee for Civil Rights Under Law, & Poverty and Race Research Action Council (PRRAC). (2019, September). *Analysis of impediments to fair housing choice Washington, D.C.* https://dhcd.dc.gov/sites/default/files/dc/sites/dhcd/event_content/attachments/D.C.%20DRAFT%20Analysis%20of%20Impediments%20to%20Fair%20Housing%20Choice%209.27.2019%20%281%29_2.pdf

²² Afridi, L. (2018, December 19). *The racial jobs gap: who benefits from New York's economic growth*. Association for Neighborhood & Housing Development. <https://anhd.org/report/racial-jobs-gap-who-benefits-new-yorks-economic-growth>

²³ DC Health Matters. (n.d.). *Summary data for ward: Ward 8*. DC Health Matters. Retrieved May 1, 2023, from <https://www.dchealthmatters.org/demographicdata?id=131495> Department of Small and Local Business Development. (2022, May 19). *Equity impact enterprise grants*. DC.gov. <https://dslbd.dc.gov/equity-impact-enterprise-grants>

²⁴ Crawford, D., & Das, K. (2020, January 28). *Black workers matter*. DC Fiscal Policy Institute. https://www.dcfpi.org/all/black-workers-matter/#_ednref8

Washington D.C.'s education system is more equitable for Black students than New York City's due to superior public resource allocation and high-quality Historically Black Colleges and Universities (HBCU's) that enable more Black students to attend college and provide pipelines for their participation in local industries. 89.5% of Washington D.C.'s Black population graduated from high school, as compared to 99.2% of White students.²⁵ New York City's students fare slightly worse, with 86.1% of Black individuals having graduated from high school as compared to 94% of the White population.²⁶ While D.C. fares slightly better statistically, both school systems have their problems and strong points. D.C. is currently grappling with a 30% annual teacher turnover rate – this is the city's highest figure in the past 3 years,²⁷ and significantly higher than the national rate of 16% as of 2019.²⁸ New York has identified its own problems with teacher retention: as of the 2017-18 school year, 15% of teachers left their classrooms; this figure is lower than the statewide average of 11%,²⁹ and it is likely higher today since the effects of the COVID-19 pandemic exacerbated state education on a national scale.³⁰ Where D.C. separates itself from New York, however, is in policy that provides aid to Black communities. While former New York City mayor Bill DeBlasio's Universal Pre-K program was controversial when it was launched in 2014, DC had already guaranteed Pre-K for all eligible students as of 2008.³¹ D.C.'s Empowering Males of Color initiative, which began in 2016, garnered 20 million dollars worth of investments across three years to improve educational outcomes for males of color. The mission aims to increase literacy, attendance, and graduation rates amongst students, support enrollment in AP courses,

²⁵ U.S. Census Bureau, "Educational Attainment," United States Census Bureau, last modified 2021, <https://data.census.gov/table/ACST1Y2021.S1501?q=Educational%20Attainment%20by%20race&g=040XX00US11>.

²⁶ U.S. Census Bureau, "Educational Attainment," United States Census Bureau, last modified 2021, <https://data.census.gov/table/ACST1Y2021.S1501?q=Educational%20Attainment%20by%20race&g=160XX00US3651000>.

²⁷ Gelman, S. (2023, March 17). DC schools' teacher retention rate falls for second year in a row. *WTOP News*, Washington, DC News. <https://wtop.com/dc/2023/03/dcs-teacher-retention-rate-falls-for-second-year-in-a-row/#:~:text=The%20latest%20data%20from%20the,17%25%20left%20the%20city%20entirely>

²⁸ Bird, E., & Stringer, S. (2019, June 24). *Teacher residencies: Supporting the next generation of teachers and students*. New York City Comptroller. https://comptroller.nyc.gov/reports/teacher-residencies-supporting-the-next-generation-of-teachers-and-students/#_ftnref31

²⁹ *Ibid.*

³⁰ Barnum, M. (2023, March 6). *Teacher turnover hits new highs across the U.S.* Chalkbeat. <https://www.chalkbeat.org/2023/3/6/23624340/teacher-turnover-leaving-the-profession-quitting-higher-rate#:~:text=That%27s%20a%20turnover%20rate%20of,a%20typical%20pre%20pandemic%20year>.

³¹ Rozen, C. (2019, March 15). *On its tenth anniversary, here's where D.C.'s free preschool program stands*. DCist. <https://dcist.com/story/19/03/15/on-its-tenth-anniversary-heres-where-d-c-s-free-preschool-program-stands/#:~:text=D.C.%20Public%20Schools%20became%20one,the%20Foundation%20for%20Child%20Development>.

and prepare students for the college application process and their professional lives.³² While the decision to focus on males exclusively is seemingly needlessly exclusionary, enacting a policy that explicitly focuses on people of color indicates a willingness from Washington D.C. officials to overtly invest in marginalized racial groups that are not displayed in New York.

Washington D.C. further supports its Black student population through a plethora of undergraduate educational opportunities. 33.7% of Black DC residents possess a bachelor's degree or higher, compared to 27.6% among Black New Yorkers and 24.9% nationally. While New York and D.C. possess comparably high-quality universities within their borders, D.C. can specifically pride itself on its HBCUs: Howard University and the University of the District of Columbia (UDC). HBCUs are of course beneficial to the Black community because they enroll majority Black students; 73% of Howard's 8,964 undergraduates identify as Black, whereas Black students only make up 8% of George Washington University's 11,502 and 8% of NYU's 28,772.³³ While Howard and UDC do, like most colleges, enroll students from out of state, their student bodies are disproportionately made up of in-state applicants, thus benefiting the residents of D.C. Howard's student body is 10% D.C. resident,³⁴ and New York's only HBCU, Medgar Evers College, is nowhere near as useful to the Black residents of New York. While Howard and UDC combined enroll around 12,000 undergraduates, Medgar Evers College only enrolls around 4,000.³⁵ Medgar Evers also has a 17% four-year graduation rate – equal to that of UDC, but 36% lower than Howard's four-year graduation rate of 53%– and it's ranked as a mere top 201 liberal arts college by US News. US News ranks universities by a myriad of factors emphasizing graduate outcomes and resources available to encourage positive outcomes, and it deems Howard the 89th strongest university in the US.³⁶ Howard's reputation as a well-resourced HBCU that regularly outputs

³² District of Columbia Public Schools. (2016). *Empowering males of color*.

https://dcps.dc.gov/sites/default/files/dc/sites/dcps/publication/attachments/EMOC_1page r.pdf

³³ Fiske, E. B. (2022). *Fiske guide to colleges 2022* (38th ed.). Sourcebooks. Flynn, A., Warren, D. T., Wong, F. J., & Holmberg, S. R. (2017). The racial rules of education. In *The hidden rules of race: Barriers to an inclusive economy*. Cambridge University Press.

³⁴ *Ibid*.

³⁵ U.S. News & World Report Best Colleges Rankings. (2023). *Medgar Evers College--CUNY*. U.S. News & World Report. <https://www.usnews.com/best-colleges/medgar-evers-college-cuny-10097>

³⁶ U.S. News & World Report Best Colleges Rankings. (2023). *Howard University*. U.S. News & World Report. <https://www.usnews.com/best-colleges/howard-university-1448>

intelligent thinkers also allows it to shape the demographics of DC's workforce. Local companies are aware of Howard's reputation as one of the best universities in the nation, and this encourages local businesses to form connections with Howard in order to tap into employing its student body. These connections provide Howard students with a leg up as they look for work in D.C., as they can operate through direct pipelines between Howard and the workforce. Howard, and to a lesser extent UDC, thus provide their majority Black student bodies with footholds within Washington D.C.'s workforce. Pendergrass argues that these resources encourage permanent migration to a HBCU's home city,³⁷ which is especially necessary for D.C. considering the 'reverse great migration' is pulling many of the most well-resourced and intelligent members of the Black community to cities like Atlanta and Houston³⁸. HBCUs like Howard University give young Black Americans a strong foothold into D.C.'s economy, and that effect is felt less in New York due to its lack of strong HBCUs.

Homeownership

In order for Howard to help the city thrive, Washington D.C. must be appealing enough to attract people to the city, especially with regard to the housing market. Washington D.C. is more affordable and inclusive than New York due to previous Black homeownership, affordable rentals, and a lower cost of living, thus making it a much more reasonable option for students and young professionals. Washington D.C. and New York City's Black homeownership rates are 35.2% and 26.8% respectively – both are below the national Black average of 44%, which is 21.5% less than the overall national average of 65.5%.³⁹ ⁴⁰ While metropolitan areas are expected to have lower homeownership rates than the rest of the nation, the fact that both cities are in the midst of sharp declines in Black homeownership is cause for concern: D.C.'s rate has fallen from

³⁷ Sabrina Pendergrass (2013) Routing Black Migration to the Urban US South: Social Class and Sources of Social Capital in the Destination Selection Process, *Journal of Ethnic and Migration Studies*, 39:9, 1441-1459, DOI: 10.1080/1369183X.2013.815426

³⁸ Hunt, M. O., Hunt, L. L., & Falk, W. W. (2013). Twenty-First-Century trends in black migration to the U.S. south: Demographic and subjective predictors. *Social Science Quarterly*, 94(5), 1398-1413.

³⁹ National Association of Realtors. (2023, March 2). *More Americans own their homes, but Black-White homeownership rate gap is biggest in a decade, NAR report finds*.

<https://www.nar.realtor/newsroom/more-americans-own-their-homes-but-black-white-homeownership-rate-gap-is-biggest-in-a-decade-nar#:~:text=While%20the%20U.S.%20homeownership%20rate,rate%20gap%20in%20a%20decade.>

⁴⁰ Jones, J. (2023, March 7). *Cities with the highest (and lowest) minority homeownership rates*. Construction Coverage.

<https://constructioncoverage.com/research/cities-with-the-highest-minority-homeownersh ip-rates-2021>

46% in 2005 to 34% in 2022,⁴¹ and New York City has endured a 13% decline since 2000⁴². While D.C. does have a significantly higher Black homeownership rate than New York, that difference can hardly be credited to either city's recent actions, as they have failed to maintain Black homeownership at an equally discouraging pace across the 21st century. Instead, D.C.'s superior Black homeownership rate can likely be attributed to its history. As previously mentioned, the city was 71.1% Black as recently as 1970.⁴³ Being that the city has had a greater portion of historical Black residents, it can be inferred that the city's property is simply more likely to be owned by Black people, even if D.C.'s policies weren't particularly progressive. Washington D.C. does inspire hope for the future of Black homeownership, however, as mayor Muriel Bowser has explicitly stated that she aims to increase Black homeownership by 20,000 people by 2030.⁴⁴ She has recruited the help of the Black Homeownership Strike Force (BHSF) to establish recommendations on how to meet that goal, and she has already invested \$10 million into a Black Homeownership Fund.⁴⁵ Other recommendations currently being investigated by the city include passing legislation to protect homeowners from harassment, providing support to existing Black homeowners struggling with repairs or other costs associated with homeownership, and increasing the supply of homes that are available to Black people interested in buying.⁴⁶ On the other hand, New York City's mayor Eric Adams, and his colleagues have not made any declarations as bold as Bowser's with respect to increasing black homeownership; that's likely because in New York's notoriously expensive housing market, such lofty ambitions simply aren't realistic. The cost of living in Washington D.C. is 38% lower than it is in New York⁴⁷, and the cost burden rate is much higher in New York, as 50% of New Yorkers spend more than

⁴¹ Brice-Saddler, M. (2022, october 3). D.C. mayor's latest goal: 20,000 new Black homeowners by 2030. *The Washington Post*, D.C. Politics. <https://www.washingtonpost.com/dc-md-va/2022/10/03/dc-bowser-black-homeownership-strike-force/#:~:text=Racial%20covenants%20and%20disparities%20in,strike%20force%27s%2028%2Dpage%20report>.

⁴² Sequeira, R. (2022, July 5). Black homeownership in NYC is on a 20-year decline. A free estate planning pilot could be a key in bridging racial wealth gaps. *The Bronx Times*, News. <https://www.bxtimes.com/black-homeownership-nyc-20-year-decline/>

⁴³ Rusk, D. (2017, July). *Goodbye to chocolate city*. D.C. Policy Center. <https://www.dcpolicycenter.org/publications/goodbye-to-chocolate-city/>

⁴⁴ Brice-Saddler, M. (2022, october 3). D.C. mayor's latest goal: 20,000 new Black homeowners by 2030. *The Washington Post*, D.C. Politics. <https://www.washingtonpost.com/dc-md-va/2022/10/03/dc-bowser-black-homeownership-strike-force/#:~:text=Racial%20covenants%20and%20disparities%20in,strike%20force%27s%2028%2Dpage%20report>.

⁴⁵ Executive Office of the Mayor. (2022, October 3). *Mayor Bowser announces a new goal to increase Black homeownership by 20,000 homeowners by 2030*. Government of the District of Columbia, Muriel Bowser, Mayor.

<https://mayor.dc.gov/release/mayor-bowser-announces-new-goal-increase-black-homeownership-20000-homeowners-2030>

⁴⁶ *Ibid*.

⁴⁷ Livingcost.org. (2023, May 4). *New York City vs Washington - cost of living comparison*. <https://livingcost.org/cost/new-york/washington>

30% of their income on housing, as compared to 40% of D.C. residents⁴⁸. Supporting policies do of course exist, such as the HomeFirst Down Payment Assistance Program, which provides up to \$100,000 to first-time New York City homebuyers who meet a myriad of criteria, but Bowser's lofty ambitions indicate the potential for more impactful and significant change in D.C.

Employment

While education and housing are essential facets of social mobility in any modern city, one cannot reap the rewards of either system without the opportunity to build wealth. This can most profitably be achieved in one's lifetime through entrepreneurship, which is arguably D.C.'s most beneficial strength for Black populations in comparison to New York. Washington D.C. is a fruitful location for Black entrepreneurship and employment because startups are encouraged by policy, a thick labor market, and a strong social network that promotes innovation. By every available metric, D.C. blows the vast majority of other American cities out of the water in terms of Black entrepreneurship. 2.1% of New York businesses are Black-owned.⁴⁹ While this figure seems small, it's not far off from the national average of 3%.⁵⁰ Washington D.C., however, sports the highest percentage of Black-owned businesses of any American city: 28%⁵¹. Any Black professional looking to start a business would almost certainly consider D.C. before New York. Ironically, New York is arguably more aggressive in supporting Black-owned businesses through policy; in 2019 New York invested \$10 million into Black Entrepreneurs NYC,⁵² a program meant to provide resources and support to New York's Black-owned businesses. BE NYC's opening report listed its initial steps to furthering Black business, one of which includes cooperating with private and public investors to provide equitable funding and strengthening the

⁴⁸ Apartment List, & Black@A-List. (2022, February 17). *Best cities for Black professionals, 2022*. Apartment List. <https://www.apartmentlist.com/renter-life/best-cities-for-black-professionals-2022>

⁴⁹ NYC Department of Small Business Services. (2020). *Advancing Black entrepreneurs in NYC*. <https://www.nyc.gov/assets/sbs/downloads/pdf/businesses/BENYC-briefing-paper.pdf>

⁵⁰ Leppert, R. (2023, February 21). *A look at Black-owned businesses in the U.S.* Pew Research Center. <https://www.pewresearch.org/short-reads/2023/02/21/a-look-at-black-owned-businesses-in-the-u-s/#:~:text=Despite%20this%20growth%2C%20businesses%20majority,from%20classifiable%20companies%20that%20year.>

⁵¹ Department of Small and Local Business Development. (2022, August). *National Black business month*. DC.gov. <https://dslbd.dc.gov/node/1609876>

⁵² BE NYC. (2020, August). *Advancing Black entrepreneurship in New York City*. NYC Department of Small Business Services. <https://www.nyc.gov/assets/sbs/downloads/pdf/about/reports/benyc-report-digital.pdf>

network between New York's Black entrepreneurs.⁵³

New York is looking to strengthen its Black entrepreneurial community to a level that D.C. already maintains. The city's history of a majority Black population, and thus many Black businesses, has combined with the previously outlined advantages of attractive HBCUs and affordable properties to rent or buy to grant the city a thick labor market comprised of skilled employees and potential employers.⁵⁴ Black individuals who come to D.C. looking for work can find many Black-owned businesses as potential employers and Black business owners can sort through thousands of qualified candidates to find the one who best suits their company's needs. This high concentration of Black business owners also results in increased knowledge spillover, as good ideas are more easily generated with multiple high-powered thinkers in proximity to each other, thus enabling Black businesses to optimize how they run their businesses through the ideas of others⁵⁵. As for why thick markets of Black businesses are conducive to knowledge spillover as opposed to mixed-race ones, Pendergrass argues that possessing a mutual understanding of the Black American experience more easily allows Black people to "learn to identify with each other and support each other's initiative."⁵⁶ When job interviewers assess a candidate's ability to 'fit the company culture,' for example, they are partially screening for race, as race and culture are intimately intertwined. It thus follows that Black applicants are more likely to fit into the 'company culture' of a Black-owned business, just as White applicants are more likely to match the culture of a PWI. D.C.'s high concentration of well-educated Black citizens enables the success of its Black-owned business community to thrive at a level above that of New York.

Conclusion and Research Applications

Washington D.C.'s phenomenal market for entrepreneurship depends on the city's solid

⁵³ *Ibid.*

⁵⁴ Moretti, E. (2012). Forces of attraction. In *The new geography of jobs* (pp. 153-190). Harper Business.

⁵⁵ *Ibid.*

⁵⁶ Sabrina Pendergrass (2013) Routing Black Migration to the Urban US South: Social Class and Sources of Social Capital in the Destination Selection Process, *Journal of Ethnic and Migration Studies*, 39:9, 1441-1459, DOI: 10.1080/1369183X.2013.815426

foundations for social mobility, which stems from D.C.'s strong education system and accessible housing market. The benefits of these traits reinforce themselves in a cyclical manner, as D.C.'s successful educational and housing opportunities have created the thick labor market that allowed the unprecedented growth of Black entrepreneurship. It's especially notable that a thick Black labor market proved to be essential to Washington D.C.'s superiority over New York City, especially because Washington D.C. is largely composed of two races – only 19% of residents are neither White nor Black – whereas New York is more diverse, as 44% of residents are neither White nor Black.⁵⁷ This finding seems to imply that having a high concentration of fewer races is better for a city's economy. This theory makes sense considering the widely reported difficulties faced by Black people looking to network in predominantly White professional environments. Katherine Phillips, Tracy Dumas, and Nancy Rothbard of the Harvard Business Review suggest these difficulties could stem from a feeling of unease and distrust around opening up and forming connections across racial lines, noting that similarity attracts within professional and social relationships.⁵⁸ A sample size of two cities simply isn't very much, and New York and Washington D.C. are certainly subject to thousands of invisible forces undescribed in this paper, but the advantages of a demographically homogeneous labor market are worthy of interrogation. Further research might analyze the labor markets of other cities, contrasting the economic successes of minority groups with the levels of racial homogeneity or heterogeneity within their respective workforces. The implications of this phenomenon spell out a whole different problem; suggestions of segregation feel outrageous considering its well-documented potential for discrimination, and they would be dangerous and inflammatory without appropriate research and nuance. Regardless of greater implications, the success of Washington DC's Black entrepreneurial market may point to a bizarre truth about the effect of homogeneous racial demographics on a city's economy.

⁵⁷ U.S. Census Bureau, "Race," United States Census Bureau, last modified 2021, <https://data.census.gov/table?q=Population&g=040XX00US11&tid=DECENNIALPL2020.P1>.

⁵⁸ Phillips, K., Dumas, T., & Rothbard, N. (2018, March). Diversity and authenticity. Harvard Business Review. <https://hbr.org/2018/03/diversity-and-authenticity>