Does Government Play Favorites? Evidence from Opportunity Zones

By Ofer Eldar and Chelsea Garber*

In 2017, Congress introduced the Opportunity Zone ("OZ") designation to promote development in distressed communities. A criticized feature of the program is that state governors select zones from many eligible tracts without meaningful scrutiny. We find that while governors are more likely to select tracts with higher distress levels and tracts on an upward economic trajectory, favoritism seems to play an important role in governor decisions. OZ designation is more likely for tracts in counties that supported the governor in the election and when executives or firms with an economic interest in the tract donated to the governor's campaign.

I. Introduction

In recent decades, there has been an ongoing effort to promote the creation and growth of businesses in low-income communities ("LICs"). While these efforts may be carried out privately by social entrepreneurs (Besley and Ghatak, 2017; Eldar, 2019), the government may also actively promote these efforts by providing tax incentives or direct subsidies. These programs require a mechanism through which the government identifies the intended beneficiaries of the program and the businesses that promote the development and growth of these beneficiaries (Eldar, 2020).

Most government programs rely on some measures of wealth in specific locations. Typically, subsidies or tax benefits are allocated to investors in LICs defined in legislation by reference to specified poverty and income levels. However, the choice of beneficiaries is rarely based on purely objective criteria. Rather, a

* Eldar (corresponding author): Duke University (eldar@law.duke.edu); Garber: Duke University (chelsea.garber@duke.edu). We thank Pat Bayer, Stuart Benjamin, Dhammika Dharmapala, John de Figueiredo, Michael Frakes, Daniel Hemel, Maggie Lemos, Juan Carlos Suarez Serrato, Michael Simkovic, Chris Timmins, Jonathan Wiener, Crystal Yang, and participants at the Duke-UNC Innovation and Entrepreneurship Research Symposium and the annual meeting of the American Economic Association (scheduled) for helpful comments and suggestions.

government agency is required to make a decision that determines the ultimate beneficiaries of the program. For example, a government agency could choose the locations or firms that would benefit from subsidies or favorable tax treatments.

The major concern with government discretion is that it may be tilted to favor groups that are not the intended beneficiaries of the program. Subsidies may be directed toward areas that have expressed political support for the government. Alternatively, subsidies might be allocated to benefit wealthier investors who already identified business opportunities in LICs. These political factors fall outside the purview of the purposes of government programs, and could potentially undermine the intent of such programs to encourage capital flows to populations in distress.

The recent government program for designating Opportunity Zones ("OZs") provides a striking example of governmental discretion to confer tax benefits on investors in order to spur development in distressed communities. The program was established by the Tax Cuts and Jobs Act (P.L. 115-97). It allocates tax benefits to investors in OZs, such as tax exclusions and deferral of capital gains. One figure estimated the pot of potential capital eligible for reinvestment in OZs to be over $6 trillion (Bertoni, 2018). Under this program, Census tracts with relatively high poverty rates or low median family incomes are eligible to be designated as OZs.

However, it was the governors of each state who designated OZs from among the eligible tracts. The governors' discretion in this process was not subject to any meaningful review by any other agency. Thus, the OZ program is subject to a risk that governors chose tracts in order to benefit their affiliates or reward their supporters. This risk is striking because the benefits governors are empowered to distribute are provided by the federal government and are not subject to any scrutiny within the state. Indeed, the selections made by different governors in

2018 faced numerous public criticisms on the basis that governors selected many relatively wealthy tracts that do not appear to be in distress (although they qualify as LICs under the legislation).

There are many selections that give rise to such concerns based on news reports. We list these tracts in section B of the Online Appendix. These include a tract in Manhattan, New York, which is the new home of a prominent hedge fund; four tracts in downtown Portland that were at least in the 93rd percentile in terms of median family income, including one that experienced 600 percent growth in median family income between 2010 and 2017; and a tract in Houston, Texas, that marginally qualified for selection in 2015 based on poverty rates (but would not have qualified as of 2017), and had a median family income of $250,000. There is also evidence that relatively wealthy tracts were selected following aggressive lobbying by investors (Nitkin, 2019; Ernsthausen and Elliot, 2019).

In this article, we evaluate whether favoritism may have played a role in OZ designations. We use two main proxies for favoritism. First, we consider whether governors were more likely to designate tracts in areas where they had strong voter support. We find that tracts in counties with strong support for the governor in the last election were about 5 percent more likely to be selected. Second, we construct a measure of favoritism towards investors using data from FollowTheMoney (Bonica, 2016). Our measure captures whether executives or firms with economic interests in specific tracts made campaign contributions to the election of the governor. This measure captures a large percentage of the tracts criticized in news reports for potential favoritism that we list in section B of the Online Appendix. We find that campaign contributions by investors are associated with a 6.4-13.3 percent greater probability of OZ designation. Our results suggest that governors' desire to reward their political supporters played a material role in their decision-making.

However, we must treat the finding that OZ selection is influenced by favoritism with caution because the treated tracts with greater voting support or where contributors have an economic interest share other characteristics that cause them to be designated as OZs. In fact, we find that governors tended to select tracts with greater distress levels (such as lower income, higher poverty rates and higher unemployment), but with more private investment in startups and improving economic conditions. We also find that the treated tracts have characteristics that the untreated tracts do not, which could increase the likelihood of OZ designation.

To address this concern we use two main techniques. First, we use matching estimators where the treatment is each of the favoritism variables. Our results confirm that both favoritism variables predict OZ designation using different matching criteria, including different distress measures, trends in economic conditions, and demographic characteristics, such as population density and whether the tract is a metropolitan area. In most specifications, the magnitude of the favoritism effect is even larger for the matching estimators than for the logit estimates. Second, following (Altonji et al., 2005; Oster, 2019), we also address the possibility that the treated tracts may be selected through unobservable factors that could affect OZ designation. We find that the influence of unobservable factors would have to be equal to or in many cases greater than that of observable factors, even when we assume that such unobservables will substantially increase the predictive power of the regressions. Therefore, it is unlikely that our estimates can be fully attributed to unobserved factors.

We also conduct many robustness tests to show that our results are driven by our choice of specification or the construction of the variables. In particular, the results are robust when we use different thresholds for voting support or campaign contributions, and specifications that exclude states where there has been no recorded investment activity (potentially due to sample selection).

Our results allow us to assess the relative importance of favoritism and economic distress in governors' decisions. Using conservative estimates, we show in counterfactual analysis, that without favoritism nearly 10 percent of the tracts would not be selected. We further show that without favoritism, about 20 percent of these designations would have been shifted to more distressed tracts in terms of income, poverty or unemployment. This suggests that while favoritism does not result in massive allocation of tax credits to wealthier tracts, it does have a substantial effect. The shift to more distressed tracts is more dramatic when we eliminate the effect of investor contributions as compared to voter support. This analysis suggests that the greater distortions in decisions may be due to favoritism towards investors.

Our article is related to studies that examine the design and impact of subsidy programs to promote economic development and entrepreneurship, particularly location-based policies (Lerner, 2002; Glaeser and Gottlieb, 2008; Chatterji et al., 2014; Neumark and Simpson, 2015; Koster and van Ommeren, 2019; Hemel, 2019; Bartik, 2020).[1] The most similar programs are the Empowerment Zones ("EZs") program (Ham et al., 2011; Busso et al., 2013; Neumark and Young, 2020), and the Community Development Financial Institutions ("CDFI") and New Markets Tax Credit ("NMTC") programs (Freedman, 2012; Cortés and Lerner, 2013; Kovner and Lerner, 2015). The potential for favoritism in these programs is limited compared to the OZ program. The EZ designation was conducted in a centralized process through the department of Housing and Urban Development (Wallace, 2003), and the scale of EZs was much smaller (the first round targeted just 234 tracts). Likewise, the allocation of subsidies under the CDFI and NMTC program is conducted by the CDFI Fund, a specialized government agency, that selects

[1]It is too early to assess the impact of OZ designations on development, though two studies examined their effect on property values (Sage et al., 2019; Chen et al., 2019).

awardees based on the quality of their applications.[2] In contrast, any fund that invests in an OZ is entitled to tax benefits under the OZ program.

Our study contributes to a burgeoning literature on political favoritism. First, our findings are related to studies showing that governing parties tend to reward those who voted for them (Cox and McCubbins, 1986). There is evidence that elected officials shift funds to areas that provided them with the strongest political support (Ansolabehere and Snyder Jr, 2006), their local hometown (Fiva and Halse, 2016), or schools they attended (Chatterji et al., 2018). There is also evidence that governments tend to employ political supporters in the public sector (Brollo et al., 2017; Colonnelli et al., 2017). We show evidence that governments reward voters even in circumstances when they receive federal funds to mitigate economic distress.

Second, our article relates to the literature on campaign contributions (Ansolabehere et al., 2003). Previous work focusing on federal elections has shown that politicians give more access to interest groups that made contributions to officials' election campaigns (Herndon, 1982; Gopoian et al., 1984; Austen-Smith, 1995; Kalla and Broockman, 2016; Brown and Huang, 2017). Our work extends these studies to evaluating the impact of campaign contributions by firms and their executives (Gordon et al., 2007; Bonica, 2016). Much of the literature has focused on the relationship between firms' contributions and firm value (Jayachandran, 2006; Cooper et al., 2010; Ovtchinnikov and Pantaleoni, 2012; Akey, 2015; Fowler et al., ming), with few exceptions showing a potential link to political favors (Brown and Huang, 2017). Finally, our results are consistent more broadly with literature showing a relationship between corporate political connections and either influence on government decisions (Sapienza, 2004; Faccio, 2006; Faccio et al., 2006; Duchin and Sosyura, 2012; Cohen and Malloy, 2014;

[2]See also Weisbach (2006); Desai et al. (2010) for discussion of the Low Income Housing Tax Credit.

Fang et al., 2018; Bertrand et al., 2018) or firm value (Fisman, 2001; Goldman et al., 2009; Kim et al., 2012; Fisman et al., 2012; Acemoglu et al., 2016; Brown and Huang, 2017).

This article proceeds as follows. Section II discusses the key elements of the OZ program. Section III describes the data construction. Section IV discusses the descriptive statistics. Section V shows the main results. Section VI addresses selection issues in treatment assignment. Section VII shows simulated counterfactuals. Section VIII discusses robustness tests. Section IX concludes.

II. Institutional Background

In 2017, Congress introduced as a part of the Tax Cuts and Jobs Act one of the nation's most comprehensive development programs. The purpose of the program is "encouraging economic growth and investment in distressed communities by providing federal tax benefits to businesses located within designated boundaries" (H.R. Rep. 115-466 (2017)). The main mechanism for attaining these objectives is awarding subsidies to investors in lower income areas designated as opportunity zones, so that the zones "will receive the necessary capital infusion to jump-start their economies and support local residents" (164 Cong. Rec. H3085-05 (2018)).

The program allocates tax credits to investors in OZs (26 USCA §1400Z-2). Investors organized as Opportunity Zone Funds ("OZFs") may defer tax on capital gains reinvested in OZs until the sale of their investment or 2026. They are further entitled to a reduction of their tax rate by 10 percent if they hold the investment for more than five years, and an extra 5 percent if they hold it for seven years prior to December 31, 2026. In addition, if they hold an investment in an OZ for more than 10 years, their capital gains tax on the investment is eliminated. To enjoy these tax benefits, investors need only to self-certify to the IRS as OZFs when filing their tax returns. Overall, these tax benefits may be substantial, and

can reduce the effective tax rate on capital gains from investments by more than half, even before taking into account the time value of money (Lester et al., 2018).

The act defines an OZF as an investment vehicle organized as a corporation or a partnership that holds at least 90 percent of its assets in an Opportunity Zone Business Property ("OZBP"). This investment may take the form of acquiring or substantially improving tangible property used in the business of the fund or acquiring stock or a partnership interest in an Opportunity Zone Business ("OZB"). To qualify as an OZB, a business must derive at least 50 percent of its active gross income in an OZ, a substantial portion of the business's intangible assets must be used in an OZ, and at least seventy percent of its tangible property must be OZBP (83 CFR 54294).

We are mainly interested in the criteria and process for designating OZs (26 USCA §1400Z-1). OZs are LICs nominated by the governor of the state in which the tract is located. Census tracts are neighborhoods with an average population of about 2,500-8,000 people (7 CFR §25.3). To be eligible for selection, the relevant tract must qualify as a LIC under section 45D(e) of the Internal Revenue Code. Census tracts with a 20 percent or greater poverty rate or median family income of less than 80 percent of the statewide median family income (or if greater and applicable, the metropolitan area median family income) qualify as LICs (26 U.S. Code §45D(e)). The definition of LIC also includes tracts that do not qualify under the poverty and income criteria, but qualify under other ancillary criteria. Examples include tracts with populations of less than 2,000 which are contained in a designated EZ and contiguous to at least one other LIC. Up to 25 percent of LICs in each state may be designated as OZs, with the exception that all governors are allowed to select a minimum of 25 tracts. This allowed eight states with smaller populations (such as Vermont) to designate a higher percentage of eligible tracts.

In addition, a tract that is contiguous to an OZ whose median family income does not exceed 125 percent of that of the OZ may also be designated as an OZ even if it does not otherwise qualify. These contiguous tracts cannot exceed five percent of the OZs in a state. The allowance for contiguous tracts is intended to enable governors to incorporate potential spillover effects among adjacent tracts into the OZ designation decision.

Governors have vast discretion in choosing which tracts to designate as OZs, but they are supposed to follow certain guidelines. Specifically, they are required to "provide particular consideration to areas that: (1) are currently the focus of mutually reinforcing state, local, or private economic development initiatives to attract investment and foster startup activity; (2) have demonstrated success in geographically targeted development programs such as promise zones, the new markets tax credit, empowerment zones, and renewal communities; and (3) have recently experienced significant layoffs due to business closures or relocations." (H.R. Rep. 115-466 at 538 (2017)). The governors' selections, however, are not subject to any review.

Different states appear to have taken different approaches to selecting OZs (Lester et al., 2018; Sage et al., 2019). Some states such as California and New Jersey based their designation to a large extent on data related to poverty rates and unemployment rates. By contrast, other states, such as Massachusetts and New York, relied primarily on direct input from various local stakeholders, such as development agencies, regional councils and even residents. Accordingly, the extent to which favoritism affected governors' selections may have been mitigated by states' internal processes.

III. Data Construction

The data on OZs are publicly available and provided by the Treasury Department's CDFI Fund. The data include a list of all tracts originally eligible for OZ designation as well as a list of the final designations. Overall, 30,981 LICs and 10,237 contiguous tracts were eligible for selection (totaling 56.4 percent of all tracts). Designations were finalized in April 2018. Excluding U.S. territories, 7,826 Census tracts were designated as OZs. The sample is restricted to eligible LICs for analysis. We exclude contiguous eligible tracts because only 2 percent of the designated OZs (169 tracts) were designated as such, and because the reasons for their selection are likely different than for other tracts.

We utilize the American Community Survey ("ACS") 5-year estimates for other tract-level characteristics.[3] These variables are available for the relevant tract boundaries from 2010 to 2017 and include demographic, economic, and housing variables. Eligibility was initially determined using the 2015 data, though some tracts were later included on the list when the 2016 data were released. We center our analysis on the 2015 data so that we are looking at exactly what the governors would have considered. Our results are also robust to using the more recent 2017 data. Metropolitan area designations are from the Office of Management and Budget, based on the July 2015 bulletin.

As governors were explicitly instructed to consider areas that have demonstrated success in geographically targeted development programs, we supplement the ACS data with data on these programs. Data on NMTC allocations come directly from the CDFI Fund. Data on Empowerment Zones ("EZs"), Enterprise Communities ("ECs"), and Renewal Communities ("RCs") are from the Department of Housing and Urban Development. We use the Longitudinal Tract Data Base to match the 1990 and 2000 Census tracts to the 2010 Census tract bound-

[3]By convention, we refer to each estimate by the final year of the period.

aries to reflect changes in tract boundaries over time. We code whether or not each tract received at least one NMTC allocation and whether it previously had an EZ/EC/RC designation.

Election outcome data for the gubernatorial elections in each state are taken from the CQ Press Voting and Elections collection. This resource provides vote tallies for each candidate at the county level. We use election results for the elections that took place immediately prior to OZ designation. Finally, each tract in our sample is merged to data on elections in the relevant county to which it belongs. Note that there is variation in the number of tracts within each county. The median (average) county has 42 (138) LIC tracts.

Following Bonica (2016), campaign contribution data are sourced from FollowTheMoney. For each state, we identified the governor in office at the time of Opportunity Zone designation in April 2018. The data include contributions to this governor in the election cycle prior to Opportunity Zone designation in 2018. In some states, the same governors were up for re-election in 2018 and we also include those contributions relating to those elections. We use data from individual and non-individual donors with total contributions of at least $1000.

We match these contributions to information in VentureXpert. VentureXpert tracks investments by private equity and venture capital firms to specific companies. We exclude investments that occured after April 2018 and prior to May 2003. The data include the names of the executives at both the investor firms and investee companies. We match these executives based on first and last name to the individual campaign contribution data. We also match the names of the firms and companies to the non-individual contribution data. We manually verify contributions above $1,000 using each contributor's employment history and zip code. This process results in 1379 individual and 146 non-individual contributors.

Next, these matched contributions are associated with one or more Census

tracts. We identify the exact Census tract where each investee company is located by geocoding the street address listed in VentureXpert. We then associate any contributions from investee companies and their executives to that tract directly. For the contributions from the investor firms and their executives, we associate the contribution with the tract or tracts where its investee companies are located. This captures the idea that the investment interests of the investor firms are not where the firms themselves are located but are likely in the neighborhoods where the companies they invested in are located. Finally, we aggregate all associated contributions to the tract level.

Using the VentureXpert data, we also construct a measure of investment activity at the tract level. Recall that the purpose of the OZ program is to encourage startup activity, and therefore the level of investment in startup firms could affect governors' decisions. Without controlling for startup activity, the favoritism variable might partly capture the extent to which investment affects decisions. To create the measure of private investment, we sum the known investment amounts in each company in the VentureXpert database from May 2003 through April 2018, and we aggregate these totals to the tract level based on company location.

Note that there may be concern that the sample in VentureXpert is not representative of the full sample of tracts and concentrates on specific areas. However, VentureXpert includes at least one company for 42 of the states in our sample.[4] Together, the tracts in these 42 states make up 97 percent of all low-income tracts. About 8.13 percent of low-income tracts are home to a company listed in VentureXpert. In any case, our robustness tests include results for samples that exclude states in which no known investment was recorded in VentureExpert.

[4]The states with no LIC companies in VentureXpert are Alaska, Connecticut, Hawaii, Montana, New Hampshire, South Dakota, Vermont, and Wyoming, as well as the District of Columbia.

IV. Descriptive Statistics

Table 1 shows the descriptive statistics. As depicted in Panel A, distress levels in OZ tracts are generally larger than in non-OZ tracts. OZs have lower median family incomes and higher poverty and unemployment rates. The population density in OZs is smaller. The fraction of the population that has at least a bachelor's degree is also lower in OZs. The percentage of housing units that are owner-occupied (as opposed to renter-occupied) is lower in OZs, and median home values are also lower in OZs. Moreover, these tracts tend to be more rural and more likely to have benefited from an NMTC allocation or other location-based designation. The significant differences suggest that state governors targeted selection to poorer, more distressed, and more rural tracts. Interestingly, there is not a significant difference in private investment totals between OZ and non-OZ tracts.

Although tracts designated as OZs are on average in greater distress than other tracts, many relatively wealthy tracts were also designated as OZs. We rank eligible tracts from lowest to highest along the main distress variables within each state. Figure 1 plots the number of designated OZs by percentile. The general pattern confirms that tracts with very low median family incomes and very high poverty rates and unemployment rates relative to other eligible tracts in the same state are more likely to be selected. But, it also illustrates that a non-trivial number of tracts were selected that were among the least distressed. For example, 47.7 percent of tracts at the 5th percentile or below in terms of median family income are designated as OZs while 18.1 percent of tracts at the 95th percentile or above are designated as OZs. Thus, there appears to be scope for favoritism in OZ designations.

To examine upward trends, Figure 2 depicts trends in OZ tracts compared to non-OZ low-income tracts. Interestingly, despite having different distress lev-

els, OZ and non-OZ tracts appear to have moved in a parallel fashion over this time period, with the possible exception of unemployment rates. Although these graphs do not suggest that there are pre-trends in OZs and non-OZs before 2018, we further examine whether upward trends nonetheless played a role in OZ designations by measuring changes in each distress variable as the 5-year difference between the 2015 and 2010 values. As shown in Panel B of Table 1, the unemployment rate in OZs has increased at a greater rate than in non-OZs. While this suggests that the tracts that experienced layoffs were more likely to be selected, as we show below, the regression analysis does not confirm this. The median family income in OZs has also increased at a greater rate than in non-OZs.

We now turn to the measures of favoritism. First, we look at the level of voting support for the governor at the county level in the elections just before the designation. As shown in Panel C of Table 1, there is a small but statistically significant difference between OZ and non-OZ eligible tracts in voter support. The average OZ supported the governor with a vote share of 56.6 percent while the average non-OZ voter support was 56.0 percent. To further explore variation in voter support, we split the sample into high and low distress tracts based on median income, poverty and unemployment. As shown in Table A2, the average support for the governor in high distress tracts is higher in OZs than in non-OZs. We do not observe a similar difference in low distress tracts. We focus on the 60 percent support threshold, though we conduct robustness for other thresholds. This threshold is consistent with prior studies discussed above that suggest that governments tend to reward their political supporters (e.g., Ansolabehere and Snyder Jr (2006)).

Second, we look at the investor campaign contributions. As shown in Panel C of Table 1, OZ tracts had higher total contribution amounts than non-OZ tracts, though the difference is not statistically significant. When we evaluate

whether tracts are associated with sizable contributions above $1000, we observe that OZs are more likely to be associated with such contributions. We focus on this measure given prior research suggesting that merely being a contributor can impact governments' decisions (e.g., Kalla and Broockman (2016)). Thus, univariate comparisons suggest that selection probability is positively correlated with measures of political support.

Importantly, we emphasize that our measure of investor contributions appears to capture the problematic tracts that were identified by news reports as potentially undeserving of OZ designation, which we list in section B of the Online Appendix. Out of the 45 specific tracts identified by news reports as potentially undeserving of OZ designation, 29 tracts (64.4 percent) are located in counties with Voter Support $\geq$ 60% and 14 tracts (31.1 percent) have Investor Contribution $\geq$ $1000. By comparison, in the sample of designated OZs, only 40 percent are located in counties with Voter Support $\geq$ 60%, and 3 percent of tracts have Investor Contribution $\geq$ $1000.

We further split the samples based on the two measures of favoritism: voter support above and below 60 percent and investor contributions above or below $1,000. As shown in columns 5-10, tracts associated with the favoritism variables are statistically different from the other tracts. They are generally wealthier based on median family income and unemployment rates, and in the case of voter support also poverty rates. They have a higher percentage of bachelor's degrees, a lower percentage of owner-occupied homes, and higher median home values. The tracts with higher voter support also have greater population density. As expected, the tracts with higher contributions are more likely to be metropolitan and prior recipients of tax credits. Interestingly, the tracts with higher voter support tend to be more rural and less likely to be recipients of tax credits. Both measures of favoritism correlate with significantly more private investment.

This makes sense because a tract must be represented by at least one company in VentureXpert for it to have non-zero values for either private investment or associated campaign contributions. When reviewing the upward trends, tracts with greater voting support and investor contributions are upward trending in almost every category, such as income and home values. Finally, tracts with greater voter support are also associated with higher contributions and higher company investments totals.

Accordingly, the evidence indicates that tracts associated with greater favoritism have different characteristics from other tracts.

V. The Probability of OZ Designation

We start the analysis with a logit specification, where the dependent variable is the probability of OZ designation. The regression model is:

$$OZ_{ij} = \alpha + \beta VS_{ij} + \gamma IC_{ij} + \delta X_{ij} + \zeta \Delta X_{ij} + \eta_j + \varepsilon_{ij}, \tag{1}$$

where OZ_{ij} is an indicator equal to one if tract i in state j is designated as an OZ. VS_{ij} is an indicator equal to one if the support for the governor in the county in which tract i is located is above 60 percent. IC_{ij} is an indicator equal to one if the campaign contributions to the governor by investors in tract i are above \$1000. X_{ij} represents the vector of tract-level explanatory variables. ΔX_{ij} refers to changes in X_{ij} between the years 2015 and 2010 with respect to the relevant variable. η_j represents a state fixed effect that controls for unobservable differences in state characteristics that could influence the governor's decision-making. We use the logit specification so that we can evaluate marginal effects, though the results are robust to other models.

The results from the logit regressions are presented in Table 2.[5] We depict the marginal effects because they give a better sense of the magnitudes of the coefficients. The results suggest that both measures of favoritism predict OZ designation. The coefficient on the voter support measure however is only statistically significant when including a broad set of controls, such as population density and total housing units (see columns 4-7). In these specifications, voter support is associated with a 4.53-5.68 percent increase in OZ designation. More strikingly, investor contributions are associated with about 6.4-7.9 percent increase in the probability of designation (depending on the specification). To put these numbers in context, recall that 25 percent of the tracts that qualify as LICs were designated as OZs.

Note that we include aggregate private investment in all specifications to alleviate concerns that the association between designation and investor contribution is driven by investments and startup activity in designated tracts. We find that the coefficient on private investment is positive and significant. The magnitude suggests that a 10 percent increase in private investment is associated with a 5.1-6.9 percent increase in OZ designation. Further, moving from the mean to one standard deviation above the mean increases the baseline probability of selection from 22.6 percent to 24.5 percent based on results in column 7 of Table 2.

More encouragingly, the results also show that tracts with lower median family incomes, higher poverty rates, and higher unemployment rates are more likely to be designated as OZs. The magnitudes of these effects are non-trivial. The estimates in column 2 of Table 2 suggest that a one standard deviation increase from the mean in median family income, poverty rate, or unemployment rate is associated with a change in designation probability of -3.23, 5.09, or 3.71 percentage points, respectively.

[5]Analogous results from a linear probability model are presented in Table A3. The results are very similar.

In column 3, we add the change variables. OZ designation is more likely when the median family income has increased between 2010 and 2015. That governors prefer to focus on tracts that are upward trending in terms of income may further suggest that selections are designed to benefit investors instead of the most distressed populations. On the other hand, this could also reflect optimal decision-making, as highly distressed and stagnant tracts may be unlikely to attract investment even with the OZ designation benefits.

In column 4 we include additional variables. The results show that tracts were more likely to be selected when they had lower population densities, lower percentages of bachelor's degrees, larger numbers of housing units, and lower percentages of owner-occupied homes. In column 5, we see that tracts in non-metropolitan areas and with prior receipt of place-based subsidies (NMTC/EZ) are about 10 percent more likely to be designated. Column 6 suggests that other upward trends predict designation, including increases in population density and median home values. We also observe that in column 7, the coefficient on changes in median family income is not statistically significant, seemingly because it is positively correlated with the NMTC/EZ variable.

VI. Addressing Selection in Treatment Status

A. Selection on Observable Factors

A concern with the logit specification is that, as shown in Table 1, many of the explanatory variables are correlated with the favoritism variables. Table A4 and Table A5 also show results from logit regressions where the dependent variables are VS_{ij} and IC_{ij}, respectively. The results confirm that the distress and demographics variables predict voter support for the governor and investors' contributions. To address this concern, we employ matching estimators to evaluate the relationship between favoritism and OZ designations. The model is:

$$OZ_{ij} = OZ_{ij}(T_{ij}) = \begin{cases} OZ_{ij}(0), & \text{if } T_{ij}=0. \\ OZ_{ij}(1), & \text{if } T_{ij}=1. \end{cases} \tag{2}$$

As above, OZ_{ij} denotes OZ designation, and T_{ij} represents an indicator variable equal to one for tracts in the treatment group, that is VS_{ij} or IC_{ij}, depending on the specification. The coefficient of interest is the (conditional) average treatment effect on the treated (ATET) because we are interested in estimating the expected change in OZ selection probability for those tracts that actually were treated:

$$\tau^{ATET} = E(OZ_{ij}(1) - OZ_{ij}(0)|T_{ij} = 1, X_{ij}), \tag{3}$$

where X_{ij} is a set of variables we use to match tracts in the treatment group to similar tracts in the control group.

Figure 3 shows the results from matching estimators based on different matching criteria. Panel A shows the results where the treatment group consists of tracts in counties where the voting support for the governors in the previous elections was at least 60 percent. We show the ATET using exact matches within the state and nearest-neighbor matching based on distress levels and the changes in distress between 2010 and 2015. We also show results with exact matches within the same metropolitan status, and based on whether they were previously recipients of any benefit under the NMTC/EZ programs. In all of the specifications, the ATET is positive and significant at the 5 percent level (except two specifications), and ranges from 1.02 to 7.85 percent. By way of comparison, moving from the 25th to 75th percentile in terms of median family income, poverty rate or unemployment

rate in our sample changes probability of OZ selection by -3.93, 5.68 or 4.01 percentage points, respectively (based on estimates in column 2 of Table 2).

Panel B shows the results where the treatment group consists of tracts where investors made campaign contributions to the governor that were greater than $1,000. We display the estimated ATET using exact matches within the same state and metropolitan area or within the same county, and nearest neighbor matches based on distress levels and changes. The coefficient estimates suggest that tracts are between 8.73 and 13.34 percent more likely to be designated if a donor is invested in a company located in that tract. By comparison, moving from the 5th to the 95th percentile in terms of median family income, poverty rate or unemployment rate changes probability of OZ selection by -10.06, 15.76 or 11.20 percentage points, respectively (based on the estimates in column 2 of Table 2). Note that the results for campaign contributions are gr eater in magnitude using matching techniques as compared to estimates in Table 2.

Overall, the matching estimators confirm that rewarding both voters and investors may have played a substantial role in governors' decision-making.

B. Selection on Unobservable Factors

Using logit and matching methods, we have shown that accounting for observable tract-level covariates does not mitigate the estimated effects of political favoritism. However, there could still be selection based on unobservable factors. This is a concern if these unobservable factors predict both treatment status and whether or not a tract is designated as an OZ. We address these concerns in this section, building on Altonji et al. (2005), Nunn and Wantchekon (2011), and Oster (2019). We calculate how much greater the effect of unobservable factors would have to be, relative to observable factors, to completely eliminate the positive association between favoritism and OZ selection.

This analysis exploits the idea that selection on observables can be used to analyze the extent to which estimates may be biased by unobservables. As in Oster (2019), this calculation requires two values as inputs: R_{max} and δ. R_{max} is the R-squared from a hypothetical regression of the outcome on treatment and both observed and unobserved controls. Intuitively, δ is the coefficient of proportionality that determines the relative influence of observable and unobservable factors on selection.[6]

Table 3 shows the results from this bounding exercise. Columns 1 and 2 consider the two different measures of favoritism. The baseline effect results from a simple linear regression of OZ designation on the treatment indicator. The controlled effect is identical to estimates in column 7 of Table A3 and includes the full set of controls. Consistent with prior studies, we set $\delta = 1$ in both cases, such that the unobservables are equally important as the observable factors and affect selection in the same direction. Then, for two proposed levels of R_{max}, we calculate the bias-adjusted treatment effect. The identified set in each case is bounded by this bias-adjusted treatment effect and the controlled effect. As shown, when we consider 1.3 times the R-squared, the bounded effect is positive for both measures of favoritism. When we consider 1.5 times the R-squared (which is larger than the typical R_{max} in most studies), the identified set for investor contributions is [-0.001,0.0762], so it includes zero, but bounded by a very low negative figure. In the case of voter support, the estimated coefficients even constitute a lower bound on the association between voter support and OZ designation.

We also calculate the value that δ must reach to completely explain away our effects. For *Voter Support*, the unobservable factors must have at least 3.6-5.9 times the effect of observable factors on OZ selection (and work in the opposite

[6]Specifically, δ is defined by $\delta\frac{\sigma_{1T}}{\sigma_1^2} = \frac{\sigma_{2T}}{\sigma_2^2}$, where T is the treatment status dummy variable, σ_{1T} is the covariance between observable factors and treatment, σ_1^2 is the variance of the observables, σ_{2T} is the covariance between unobservable factors and treatment, and σ_2^2 is the variance of the unobservables.

direction). For *Investor Contribution*, the unobservable factors must have at least 1.0-1.6 times the effect of observable factors on OZ selection. Following Oster (2019), we interpret $\delta \leq 1$ to be reasonable. Note that our assumptions on R_{max} are more restrictive than in prior studies (e.g., Nunn and Wantchekon (2011)), which typically examine only small improvements in R-squared. Accordingly, it is unlikely that selection on unobservable factors could completely eliminate our estimated treatment effect.

VII. Counterfactuals

We conduct counterfactuals to further illustrate the link between OZ selection and political favoritism. First, we predict the probability of OZ selection for each tract based on estimates in column 7 of Table 2. Next, we rank tracts by this propensity score. The tracts with the highest propensity scores are then "selected" as OZs, with the number of simulated OZs equaling the number of actual OZs for each state. Figure A1 presents the distribution of simulated OZs by within-state percentile ranking for median family income, poverty rate, and unemployment rate (analogous to Figure 2). The baseline simulation correctly selects 43.9% of actual OZ tracts.

For the first counterfactual exercise, we set the dummy variable for *Voter Support* $\geq$ *60%* equal to zero for all tracts and compute new propensity scores. When the voter favoritism channel is turned off, a total of 671 simulated OZ tracts are no longer selected. They are replaced by an equal number of new OZ tracts. Figure 4a compares the distributions of the tracts that switch OZ status. The red histogram shows tracts that are selected under the baseline; the green histogram shows tracts that are selected under the first counterfactual. The dark green segments indicate portions of the distribution that overlap and thus do not change under this counterfactual exercise. The counterfactual confirms that if

voter support were a non-factor, the distribution of OZs would shift to tracts in higher distress. In the first panel, we see that the majority of red spikes (tracts that would not be selected in the absence of voter favoritism) are concentrated in higher-income tracts. This mass moves to tracts with relatively lower incomes when voter support is turned off are captured by the light green spikes. In the second and third panels, we see a similar qualitative pattern: the red spikes are concentrated where poverty rates and unemployment rates are relatively low. These tracts are replaced by new OZ tracts with higher poverty and unemployment rates.

For the second counterfactual exercise, we set the dummy variable for *Investor Contribution* $\geq$ *\$1000* equal to zero and compute new propensity scores. When the investor favoritism channel is turned off, a total of 102 tracts switch OZ status. Recall that the maximum number of tracts that could switch is 560 because that is the number of tracts in this treatment group. It is also worth noting that the baseline simulation correctly selects 85% of actual OZ tracts associated with investor contributions. Figure 4b illustrates the distributions of the tracts that switch OZ status. The results for this counterfactual are even more stark: the distribution clearly shifts from richer tracts to poorer tracts along dimensions of median family income, poverty rate, and unemployment rate when campaign contributions are set to zero. Particularly striking are the red spikes in the highest percentiles of median family income — over 40 tracts at the 80th percentile and above would not be selected in the absence of investor favoritism.

The third counterfactual combines the first two described above. We set both measures of favoritism to zero and re-calculate propensity scores for all tracts. Figure 4c shows the results. When both channels of favoritism are turned off, 730 tracts switch OZ status, nearly 10 percent of OZ tracts. Without these channels, there is a clear shift in the distribution of OZs toward tracts that are

more distressed.

VIII. Robustness

We conduct several robustness tests. First, it is possible that governors might favor areas with weak voter support in order to induce voters in those areas to be more supportive in the next elections. We evaluate whether voting support between 50 and 60 percent had an impact on OZ designation using both the logit model (Table A6) and the matching estimators (Figure A2). All specifications show no evidence of this. Thus, governors apparently seek to reward areas that show strong support rather than marginal support.

Second, we further examine different bins of voting support in Table A7. The results show that voting support above 70 percent has a greater impact on OZ designation than voting support between 60 and 70 percent. In Figure A3, we further show the results of matching estimators where the treatment is voting support above 70 percent. The ATET is larger than that reported in Figure 3 for the 60 percent threshold (ranging from to 2.00 to 12.41 percent) and statistically significant at the 5 percent level in all specifications except one, where it is significant at the 10 percent level.

Third, it is possible that the results with respect to investor contributions are driven by the characteristics of tracts in the VentureXpert data, although the matching criteria already address this concern. To further mitigate this concern, we show in Figure A4 results of matching estimators where the treatment is investor contributions above $1,000, but where the matching is only to tracts where there is at least one company listed in VentureXpert. The results are comparable to those in Figure 3 with estimates ranging from 7.13 to 13.01 percentage points.

Fourth, as mentioned previously, the VentureXpert data covers 42 states and 97 percent of LIC tracts. Nevertheless, we address concerns that VentureXpert

is not representative of all states by running Table 2 on the subset of states that appear in VentureXpert for at least one company in our sample of low-income tracts. Results are shown in Table A8 and are robust to this sample selection.

Fifth, we conduct tests where investor campaign contributions are counted only if they exceed $3,000. The results in Table A9 and Figures A5 and A6 are similar to the respective specifications for the $1,000 thresholds. These estimates suggest that tracts associated with investor contributions are at least 5.8 percent more likely to be designated. The matching estimates suggest a larger magnitude between 9.7 and 21.3 percent.

Sixth, we run the main specifications with all the Census economic variables measured as of 2017, the most recent year of ACS data available and reflecting economic conditions near the time of designation. The results in Table A10 and Figure A7 are qualitatively the same as in the main specifications that rely on data from 2015, the year used to determine tract eligibility.

Seventh, as shown in Table A11, the results in Table 2 are robust to specifications where we use continuous measures of voter support and the log of investor contributions instead of indicator variables.

Eighth, in Table A12 we show that the estimates on the distress variables and other controls in Table 2 are qualitatively the same when we omit the favoritism variables and private investment control. In Tables A13 and A14, we also conduct a tercile analysis showing that distress levels and upward trends predict designations and therefore the estimates in Table 2 are unlikely to be driven by spurious correlations or outliers.

IX. Conclusion

Federal programs intended to promote development by giving firms incentives to make investments in LICs are not new. Their success depends in large part

on the design of the program, particularly the process for identifying meritorious beneficiaries. Most of these programs, such as the EZ and NMTC programs, have relied on competitive applications and centralized allocation processes. In contrast, the OZ program relies to a large extent on the discretion of a single governor in each state to hand-pick the beneficiaries of OZ-fueled investment. The OZ program is also substantially larger in scope, designating over 7,600 tracts as beneficiaries of potential windfall tax benefits. The scale is unprecedented, as is the selection mechanism. There is no cap on the amount of money that can be invested through this vehicle, nor is there much data collection or regulatory oversight.

Accordingly, the OZ program is an ideal setting for studying favoritism in governmental decision-making. We show that although merit-based factors, such as distress level, do appear to determine designations, there is robust evidence that governors exercised their discretion to reward political supporters and investors that contributed to their campaigns. This is consistent with numerous anecdotal reports of questionable tract designations that do not appear to be based on merit (as we document in the Online Appendix).

While it is too early to comment on the impact of the OZ program, our study suggests that favoritism could potentially impede its effectiveness. Thus, the design of subsidy programs to promote development should give careful consideration to the scope of discretion afforded to politicians. Consistent with other studies that illustrate the value of political connections, our study has implications for the design of government programs and governmental discretion more broadly. Future work can explore the potential tradeoffs between favoritism and greater governmental discretion.

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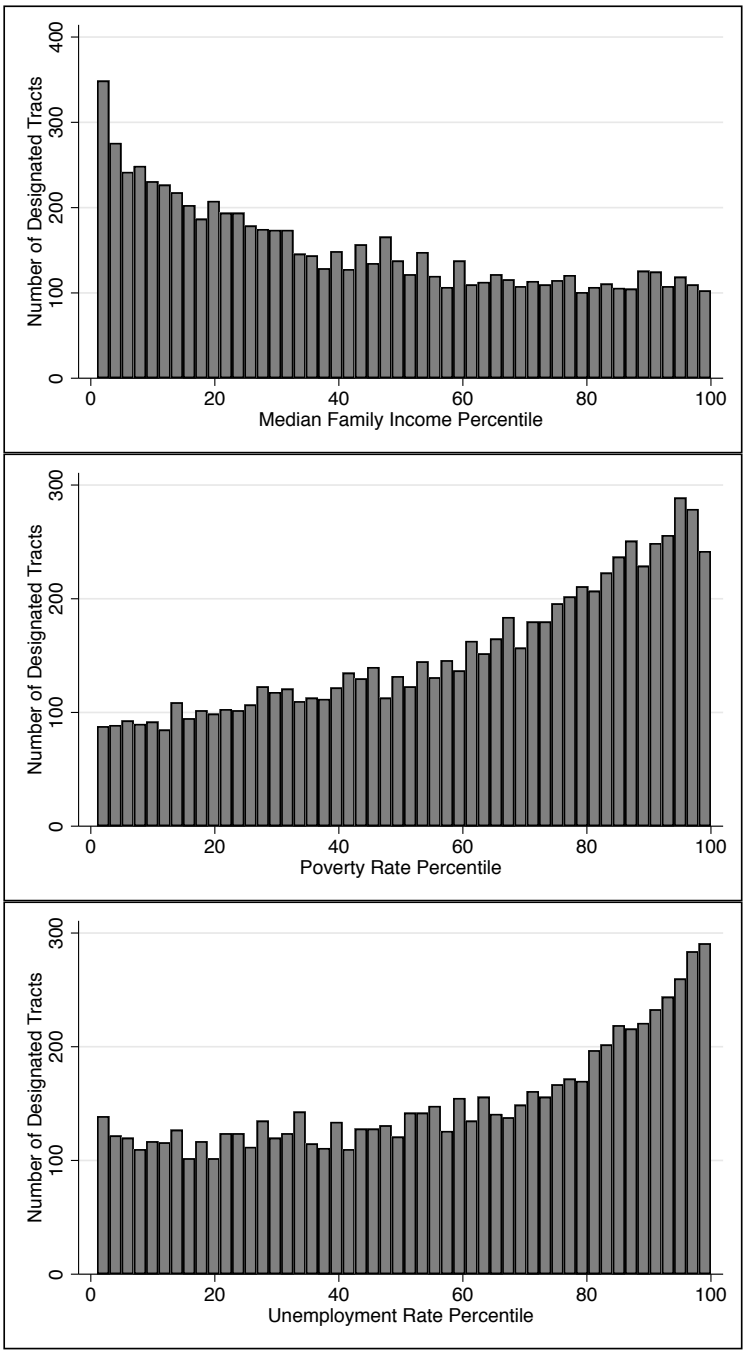
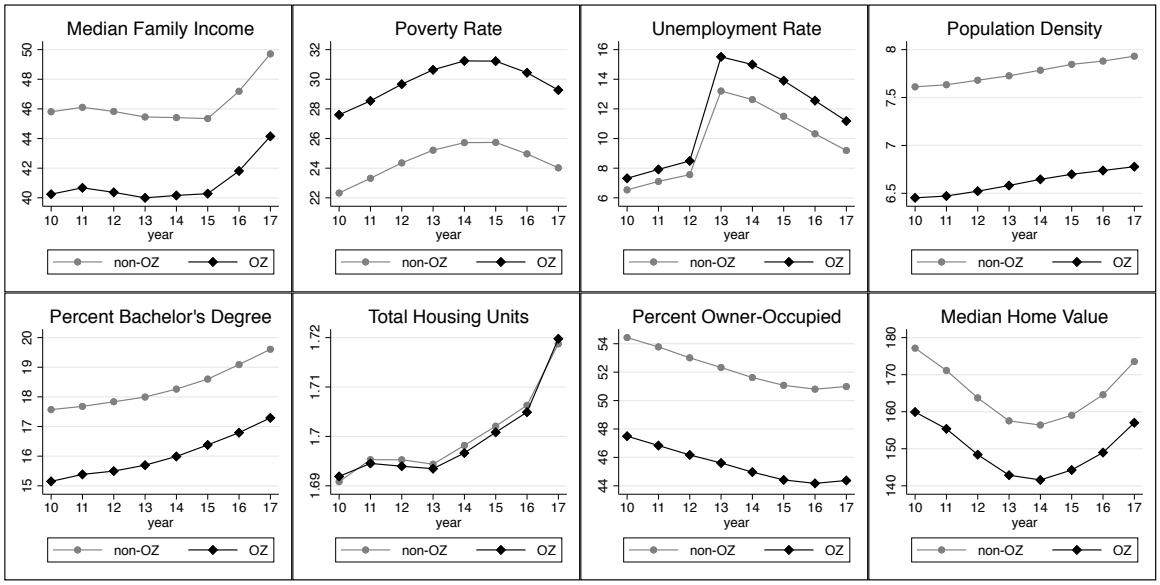
FIGURE 1. THE NUMBER OF DESIGNATED OZS BY IN-STATE PERCENTILE



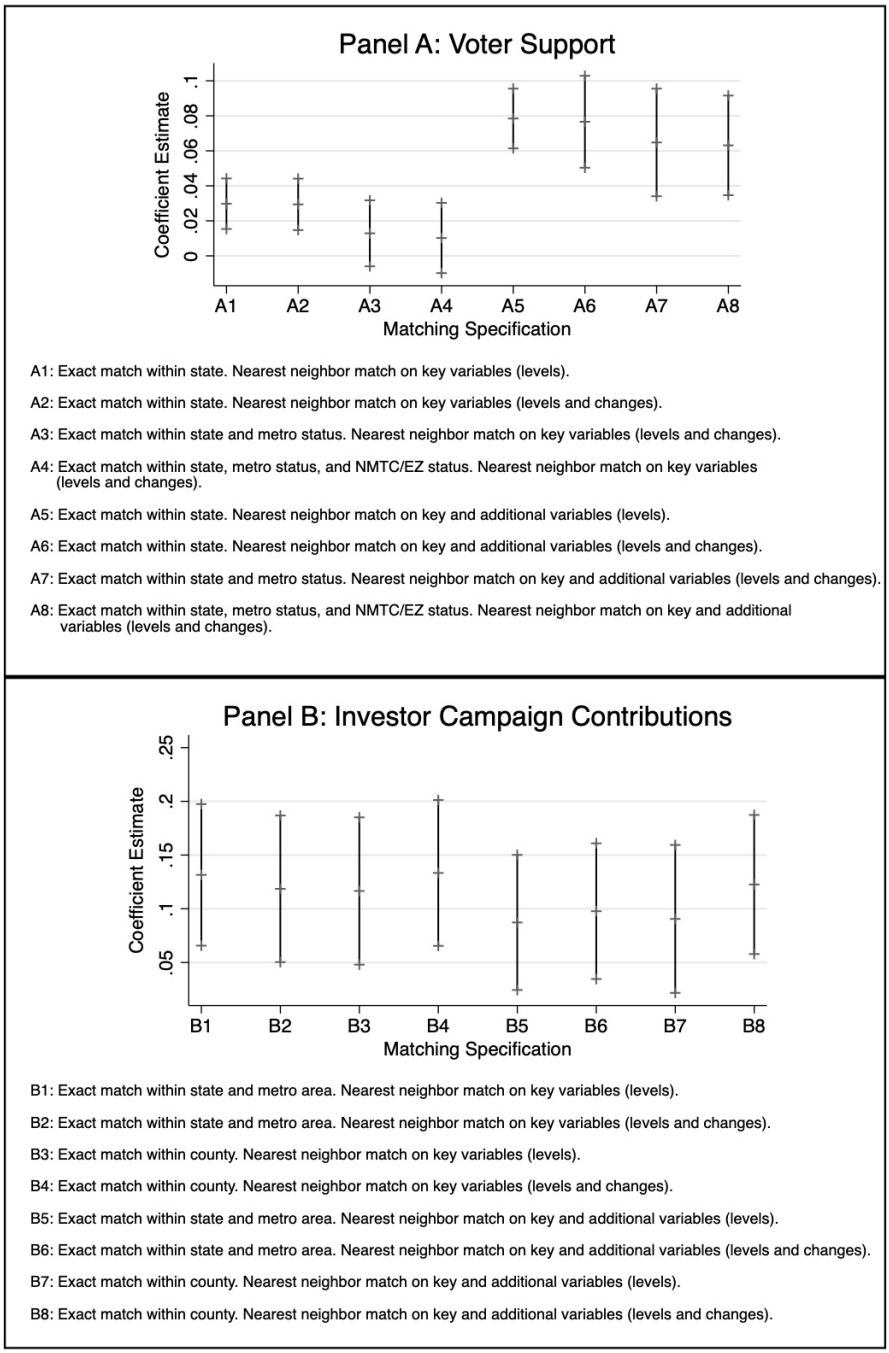
Note: The figure shows the number of designated Opportunity Zones by relative distress ranking. First, each Census tract is assigned a separate within-state percentile for median family income, poverty rate, and unemployment rate. Then the number of Opportunity Zones is pooled across all states and plotted for the approximately equal-sized bins.

FIGURE 2. COMPARING TRENDS BETWEEN OZ AND NON-OZ CENSUS TRACTS



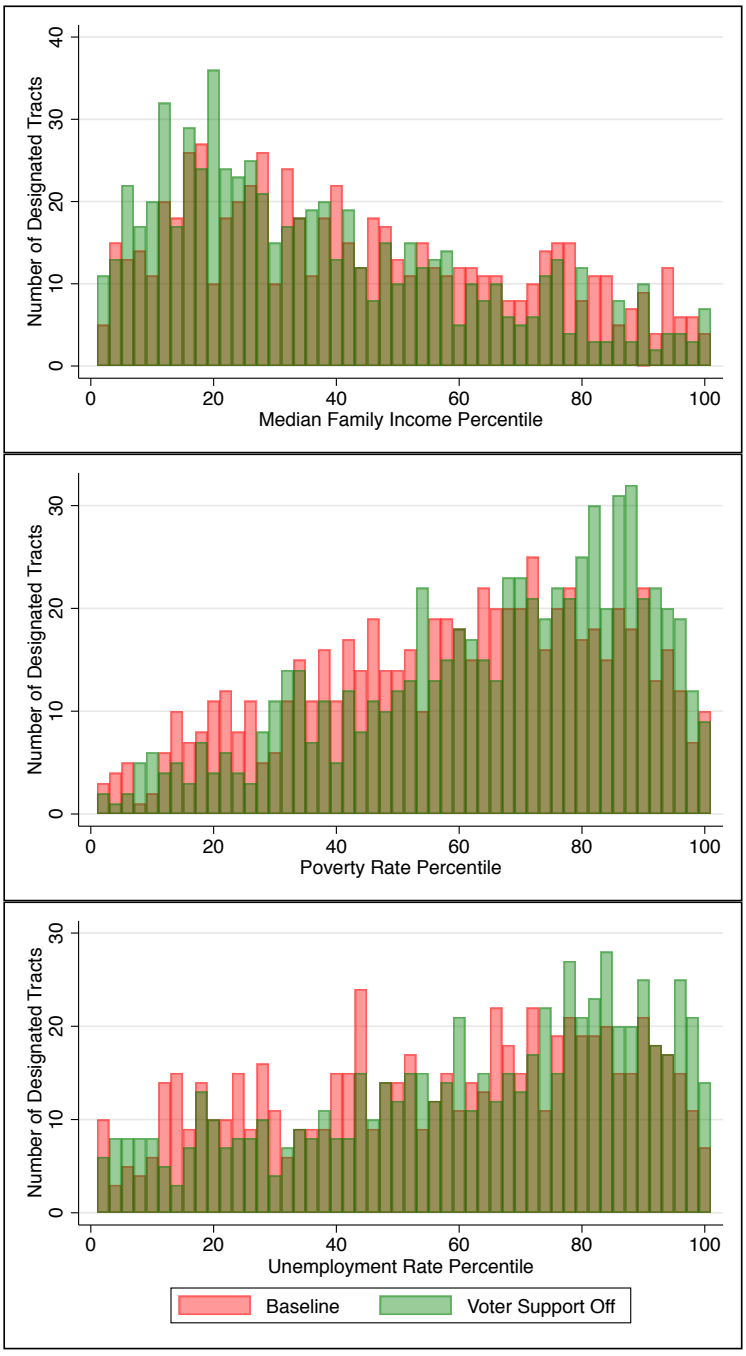
Note: The figure illustrates trends in selected ACS variables, adjusted for cross-state variation. The sample is restricted to eligible LICs and covers 2010-2017. The black line plots the mean among Opportunity Zone tracts. The gray line plots the mean among tracts that were not selected as Opportunity Zones. Opportunity Zones selected under the contiguous criteria are excluded.

FIGURE 3. THE LIKELIHOOD OF OPPORTUNITY ZONE DESIGNATION: MATCHING ESTIMATORS



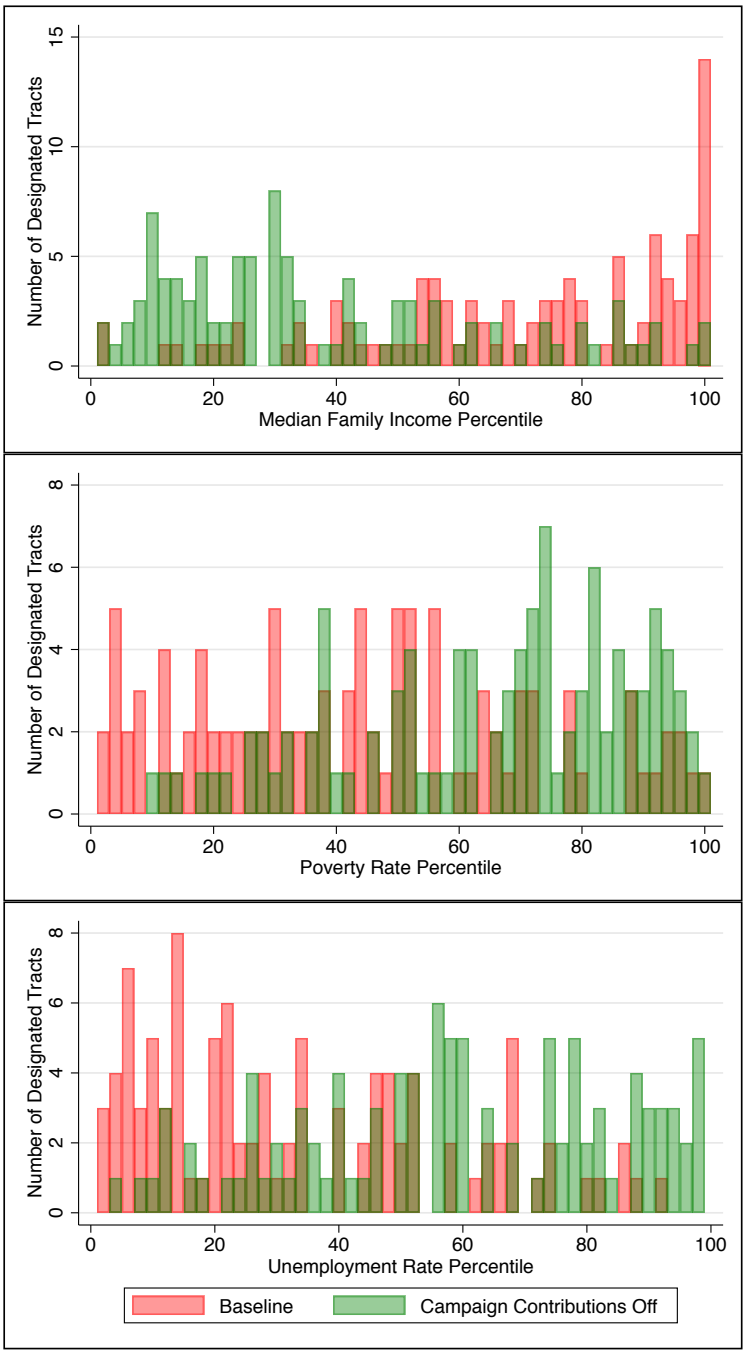
Note: The figure presents results from different matching estimators. The bars represent coefficient estimates and 95% confidence intervals for the average treatment effect on the treated. The outcome variable is equal to one for designated Opportunity Zones. In Panel A, the treatment sample is defined as tracts with *Voter Support* $\geq$ *60%*. In Panel B, the treatment sample is defined as tracts with *Investor Contribution* $\geq$ *$1000*. Each treated tract is matched to one untreated tract based on the listed criteria. Key variables include median family income, poverty rate, unemployment rate, and log(1+Private Investment). Additional variables include population density, percent bachelor's degree, total housing units, percent owner-occupied, and median home value. All variables are defined in Table A1. Level covariates are measured in 2015 and change covariates are measured as 5-year changes. Nearest neighbor matching is implemented using the Mahalanobis distance measure.

FIGURE 4A. SIMULATED OZ TRACT CHANGES: NO VOTER SUPPORT



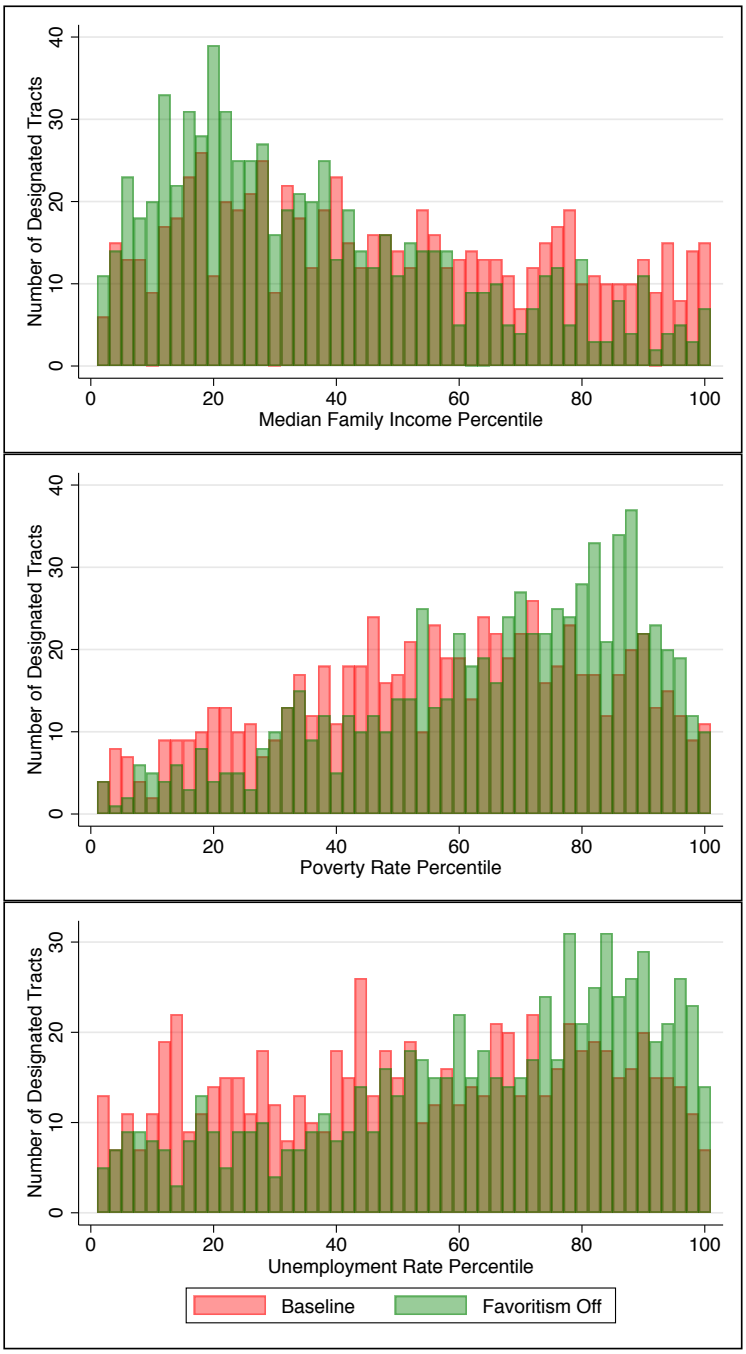
Note: The figure shows results from the first counterfactual exercise. Each Census tract is assigned a separate within-state percentile for median family income, poverty rate, and unemployment rate as in Figure 1. The red histogram illustrates the distribution of 671 tracts that are chosen under the baseline simulation but not chosen when *Voter Support* $\geq$ *60%* is set to zero. The green histogram illustrates the distribution of 671 tracts that are newly selected in their place. Dark green indicates portions where the distributions overlap.

FIGURE 4B. SIMULATED OZ TRACT CHANGES: NO INVESTOR CONTRIBUTIONS



Note: The figure shows results from the second counterfactual exercise. Each Census tract is assigned a separate within-state percentile for median family income, poverty rate, and unemployment rate as in Figure 1. The red histogram illustrates the distribution of 102 tracts that are chosen under the baseline simulation but not chosen when *Investor Contribution* $\geq$ *\$1000* is set to zero. The green histogram illustrates the distribution of 102 tracts that are newly selected in their place. Dark green indicates portions where the distributions overlap.

FIGURE 4C. SIMULATED OZ TRACT CHANGES: NO FAVORITISM



Note: The figure shows results from the third counterfactual exercise. Each Census tract is assigned a separate within-state percentile for median family income, poverty rate, and unemployment rate as in Figure 1. The red histogram illustrates the distribution of 730 tracts that are chosen under the baseline simulation but not chosen when *Investor Contribution* $\geq$ *\$1000* is set to zero. The green histogram illustrates the distribution of 730 tracts that are newly selected in their place. Dark green indicates portions where the distributions overlap.

Table 1. Descriptive Statistics

Variable	(1) All LICs	(2) OZs	(3) Non-OZs	(4) Difference (2)-(3)	(5) Voter Support $\geq 60\%$	(6) Voter Support $< 60\%$	(7) Difference (5)-(6)	(8) Contribution $\geq \$1000$	(9) Contribution $< \$1000$	(10) Difference (8)-(9)
Panel A: Distress Levels										
Median Family Income	44.096	40.351	45.325	-4.974***	45.062	43.397	1.664***	53.369	43.925	9.444***
	(14.755)	(14.345)	(14.680)	(0.192)	(14.678)	(14.581)	(0.171)	(26.764)	(14.385)	(0.627)
Poverty Rate	27.093	31.181	25.751	5.430***	26.256	27.643	-1.387***	28.532	27.067	1.465**
	(12.434)	(13.237)	(11.856)	(0.161)	(11.672)	(12.848)	(0.145)	(13.679)	(12.409)	(0.530)
Unemployment Rate	12.096	13.885	11.508	2.377***	11.379	12.517	-1.138***	10.044	12.133	-2.090***
	(6.696)	(7.634)	(6.247)	(0.087)	(6.061)	(7.006)	(0.078)	(6.303)	(6.697)	(0.285)
Population Density	7.563	6.654	7.861	-1.207***	11.684	4.948	6.736***	7.704	7.560	0.144
	(14.945)	(14.100)	(15.201)	(0.197)	(21.737)	(7.078)	(0.171)	(12.919)	(14.980)	(0.637)
Percent Bachelor's Degree	18.052	16.415	18.589	-2.174***	18.304	17.838	0.466**	32.561	17.785	14.776***
	(12.873)	(11.389)	(13.281)	(0.169)	(12.856)	(12.819)	(0.150)	(20.558)	(12.532)	(0.543)
Total Housing Units	1.702	1.700	1.702	-0.002	1.695	1.707	-0.013	1.851	1.699	0.152***
	(0.753)	(0.766)	(0.749)	(0.010)	(0.760)	(0.749)	(0.009)	(0.935)	(0.749)	(0.032)
Percent Owner-Occupied	49.428	44.410	51.075	-6.665***	48.119	50.310	-2.192***	32.971	49.731	-16.760***
	(22.119)	(22.257)	(21.824)	(0.289)	(23.266)	(21.297)	(0.258)	(21.381)	(22.018)	(0.938)
Median Home Value	155.386	144.203	159.057	-14.854***	194.579	129.799	64.780***	220.036	154.196	65.840***
	(126.356)	(116.930)	(129.093)	(1.662)	(164.936)	(84.459)	(1.427)	(177.145)	(124.919)	(5.376)
Metropolitan Area Dummy	0.805	0.767	0.817	-0.050***	0.764	0.830	-0.066***	0.941	0.802	0.139***
	(0.396)	(0.423)	(0.387)	(0.005)	(0.425)	(0.375)	(0.005)	(0.236)	(0.398)	(0.017)
NMTC/EZ	0.146	0.241	0.115	0.126***	0.133	0.152	-0.020***	0.350	0.143	0.207***
	(0.354)	(0.428)	(0.319)	(0.005)	(0.339)	(0.359)	(0.004)	(0.477)	(0.350)	(0.015)
Private Investment (in thousands)	21386.2	20180.7	21781.9	-1601.2	34853.0	12846.2	22006.8***	877764.8	5621.6	872143.2***
	(540229.8)	(368041.3)	(585831.0)	(7115.4)	(783745.7)	(301294.8)	(6330.4)	(3526499.3)	(234399.4)	(22499.2)
Panel B: Upward Trends										
Δ Median Family Income	-0.337	0.037	-0.460	0.497***	-0.136	-0.488	0.352**	4.270	-0.422	4.692***
	(11.259)	(10.971)	(11.350)	(0.148)	(11.288)	(11.197)	(0.131)	(21.542)	(10.962)	(0.479)
Δ Poverty Rate	3.464	3.621	3.412	0.209	3.446	3.491	-0.044	2.605	3.480	-0.875*
	(9.345)	(9.498)	(9.294)	(0.123)	(9.122)	(9.477)	(0.109)	(9.135)	(9.349)	(0.399)
Δ Unemployment Rate	5.365	6.584	4.964	1.620***	4.967	5.601	-0.635***	3.479	5.400	-1.921***
	(6.098)	(6.866)	(5.768)	(0.080)	(5.705)	(6.304)	(0.071)	(6.340)	(6.088)	(0.260)
Δ Population Density	0.238	0.246	0.235	0.011	0.441	0.101	0.341***	0.567	0.232	0.336***
	(2.276)	(2.099)	(2.331)	(0.030)	(3.235)	(1.336)	(0.027)	(2.354)	(2.274)	(0.097)
Δ Percent Bachelor's Degree	1.079	1.230	1.030	0.200*	1.214	0.981	0.233**	3.371	1.037	2.334***
	(6.149)	(5.925)	(6.220)	(0.081)	(6.221)	(6.078)	(0.072)	(8.837)	(6.081)	(0.262)
Δ Total Housing Units	0.011	0.009	0.011	-0.002	0.016	0.007	0.009***	0.091	0.009	0.082***
	(0.154)	(0.168)	(0.149)	(0.002)	(0.155)	(0.152)	(0.002)	(0.268)	(0.150)	(0.007)
Δ Percent Owner-Occupied	-3.289	-3.078	-3.358	0.280**	-2.911	-3.553	0.642***	-3.183	-3.291	0.108
	(7.986)	(8.041)	(7.967)	(0.105)	(7.874)	(8.020)	(0.093)	(8.603)	(7.974)	(0.341)
Δ Median Home Value	-17.507	-15.653	-18.116	2.462**	-16.678	-18.178	1.500*	-13.442	-17.582	4.140
	(58.283)	(59.924)	(57.722)	(0.768)	(74.513)	(44.941)	(0.680)	(94.292)	(57.409)	(2.485)
Panel C: Political Support										
Voter Support (%)	56.157	56.597	56.013	0.584**	n/a	n/a	n/a	56.784	56.146	0.639
	(15.633)	(15.721)	(15.602)	(0.207)				(16.609)	(15.614)	(0.667)
Voter Support $\geq 60\%$	0.386	0.400	0.381	0.020**	n/a	n/a	n/a	0.384	0.386	-0.002
	(0.487)	(0.490)	(0.486)	(0.006)				(0.487)	(0.487)	(0.021)
Investor Contribution	4086.7	4615.8	3913.1	702.8	7923.6	1710.7	6213.0***	n/a	n/a	n/a
	(93508.1)	(83480.9)	(96574.2)	(1231.6)	(140870.1)	(42777.4)	(1096.3)			
Investor Contribution $\geq \$1000$	0.018	0.030	0.014	0.016***	0.018	0.018	-0.000	n/a	n/a	n/a
	(0.133)	(0.171)	(0.118)	(0.002)	(0.133)	(0.134)	(0.002)			
N	30981	7657	23324	30981	11891	18935	30826	560	30421	30981

Note: Cell values report variable means with standard deviations shown in parentheses. The fourth, seventh, and tenth columns report the difference in means with the standard error from a two-sided t-test in parentheses. All variables are defined in Table A1.
* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 2. The Likelihood of Opportunity Zone Designation

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Governor Support $\geq$ 60%	0.0161	0.0356	0.0355	0.0568**	0.0456**	0.0560**	0.0453**
	(0.0226)	(0.0257)	(0.0262)	(0.0238)	(0.0216)	(0.0240)	(0.0218)
Investor Contribution $\geq$ \$1000	0.0730***	0.0793***	0.0775***	0.0717***	0.0643***	0.0728***	0.0657***
	(0.0255)	(0.0253)	(0.0260)	(0.0244)	(0.0245)	(0.0246)	(0.0244)
log(1+Private Investment)	0.00551***	0.00689***	0.00671***	0.00607***	0.00530***	0.00576***	0.00513***
	(0.00152)	(0.00133)	(0.00131)	(0.00112)	(0.00107)	(0.00114)	(0.00109)
Median Family Income		-0.00231***	-0.00275***	-0.000797	-0.000354	-0.000787	-0.000173
		(0.000779)	(0.000873)	(0.000674)	(0.000610)	(0.000779)	(0.000713)
Poverty Rate		0.00383***	0.00390***	0.00362***	0.00306***	0.00390***	0.00325***
		(0.000891)	(0.000734)	(0.000977)	(0.00103)	(0.000814)	(0.000867)
Unemployment Rate		0.00527*	0.00480*	0.00515*	0.00529*	0.00441*	0.00554**
		(0.00281)	(0.00259)	(0.00280)	(0.00280)	(0.00254)	(0.00259)
Population Density				-0.00453**	-0.00397**	-0.00493**	-0.00435**
				(0.00209)	(0.00179)	(0.00223)	(0.00189)
Percent Bachelor's Degree				-0.00245***	-0.00245***	-0.00300***	-0.00305***
				(0.000384)	(0.000379)	(0.000413)	(0.000406)
Total Housing Units				0.0370***	0.0354***	0.0407***	0.0386***
				(0.00647)	(0.00606)	(0.00632)	(0.00592)
Percent Owner-Occupied				-0.00232***	-0.00287***	-0.00238***	-0.00297***
				(0.000509)	(0.000502)	(0.000517)	(0.000522)
Median Home Value				-0.0000143	0.00000141	-0.0000269	-0.00000992
				(0.0000607)	(0.0000667)	(0.0000679)	(0.0000743)
NMTC/EZ					0.101***		0.0948***
					(0.0158)		(0.0152)
Metropolitan Area Dummy					-0.114***		-0.111***
					(0.0160)		(0.0165)
Δ Median Family Income			0.00155***			0.000582**	0.000154
			(0.000345)			(0.000278)	(0.000276)
Δ Poverty Rate			-0.000991			-0.00101*	-0.000535
			(0.000610)			(0.000581)	(0.000551)
Δ Unemployment Rate			0.000322			0.000750	-0.000347
			(0.00105)			(0.000948)	(0.000931)
Δ Population Density						0.00610**	0.00552**
						(0.00272)	(0.00222)
Δ Percent Bachelor's Degree						0.00251***	0.00249***
						(0.000459)	(0.000452)
Δ Total Housing Units						-0.0282	-0.0283
						(0.0224)	(0.0229)
Δ Percent Owner-Occupied						0.00142***	0.00132***
						(0.000370)	(0.000355)
Δ Median Home Value						0.000157***	0.000110**
						(0.0000433)	(0.0000514)
Observations	30826	30826	30826	30826	30826	30826	30826
Pseudo R^2	0.0062	0.0491	0.0513	0.064	0.0784	0.0682	0.0812
State Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Note: Cell values report marginal effects at the mean from various logit specifications. Standard errors reported in parentheses are clustered at the state level. The dependent variable is equal to one for designated Opportunity Zones. All variables are defined in Table A1. The level covariates are measured in 2015 and the Δ covariates are measured as 5-year changes. All specifications include state dummy variables.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 3. Unobservable Selection

	(1) Voter Support $\geq$ 60%	(2) Investor Contribution $\geq$ \$1000
Baseline Effect	0.0153	0.1702***
(Std. Error)	(0.0183)	(0.0344)
[R^2]	[0.0003]	[0.0028]
Controlled Effect	0.0430*	0.0762**
(Std. Error)	(0.0219)	(0.0291)
[R^2]	[0.0904]	[0.0904]
$R_{max} = 1.3 \times R^2 = 0.1175$		
Identified Set	[0.0430,0.0552]	[0.0332,0.0762]
δ for $\beta = 0$	-5.8703	1.6369
$R_{max} = 1.5 \times R^2 = 0.1356$		
Identified Set	[0.0430,0.0648]	[-0.0011,0.0762]
δ for $\beta = 0$	-3.6102	0.9881

Note: This table shows the validation results for the analysis of the impact of favoritism measures on OZ selection, following methods proposed in Altonji et al. (2005) and Oster (2019). Column 1 shows estimates for the *Voter Support* treatment and column 2 shows estimates for the *Investor Contribution* treatment. The model is linear regression. Baseline effects include no controls. Controlled effects are identical to estimates in column 7 of Table A3. The identified set in each case is bounded by the controlled effect and by the estimated bias-adjusted treatment effect, which is calculated based on the given values of R_{max}. In both cases, δ is set to 1. We also report the value of δ which would produce $\beta = 0$ given the values of R_{max}.
* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Does Government Play Favorites? Evidence from Opportunity Zones

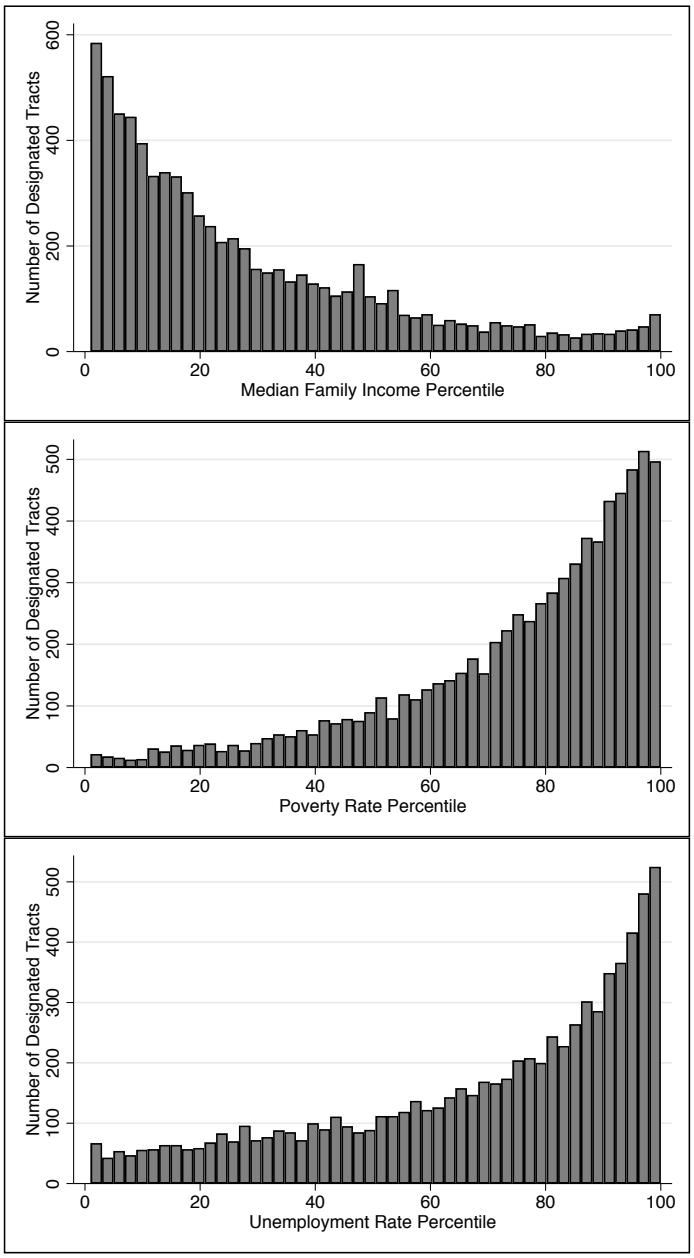
Online Appendix

By Ofer Eldar and Chelsea Garber*

* Eldar: Duke University (eldar@law.duke.edu); Garber: Duke University (chelsea.garber@duke.edu).

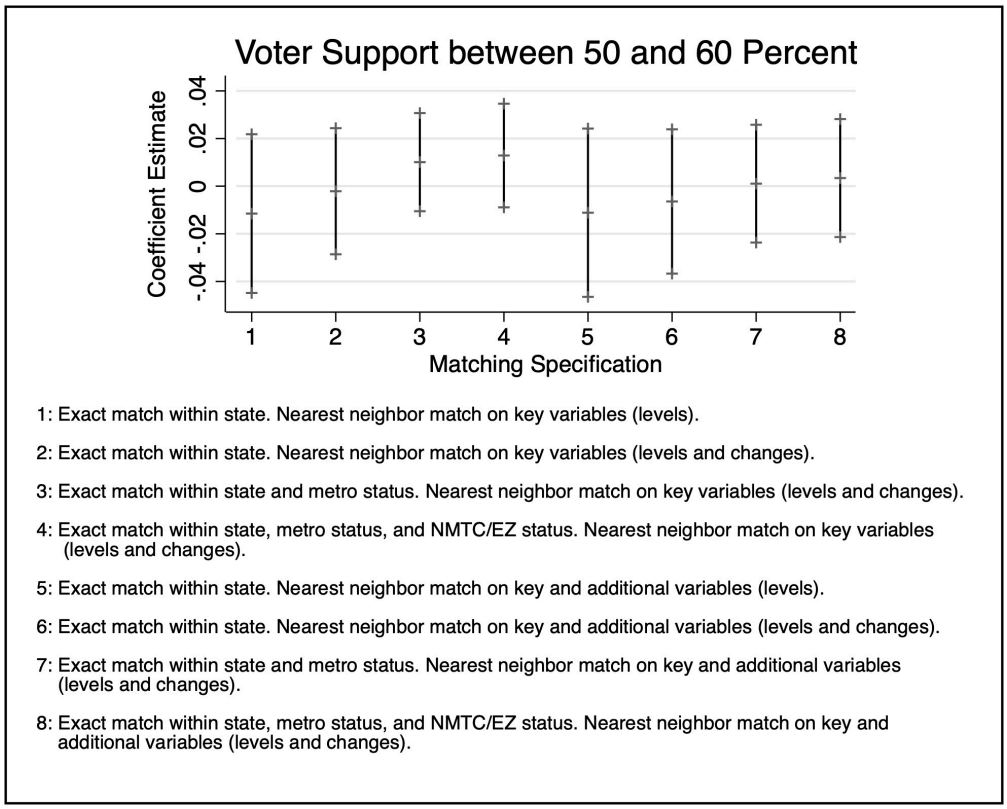
Section A: Additional Figures and Tables

FIGURE A1. THE NUMBER OF SIMULATED OZS BY IN-STATE PERCENTILE



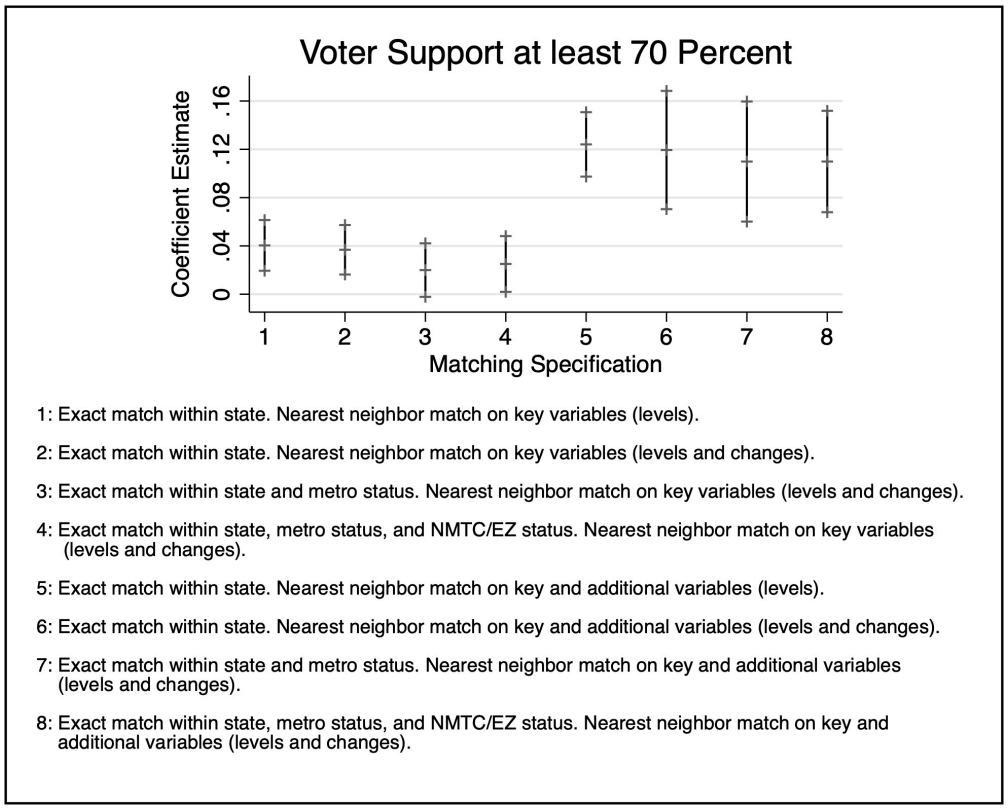
Note: The figure shows the number of simulated Opportunity Zones by relative distress ranking. First, each Census tract is assigned a separate within-state percentile for median family income, poverty rate, and unemployment rate. Then the number of simulated Opportunity Zones is pooled across all states and plotted for the approximately equal-sized bins. Simulations are based on estimates in Column 7 of Table 2.

FIGURE A2. THE LIKELIHOOD OF OPPORTUNITY ZONE DESIGNATION: MATCHING ESTIMATORS



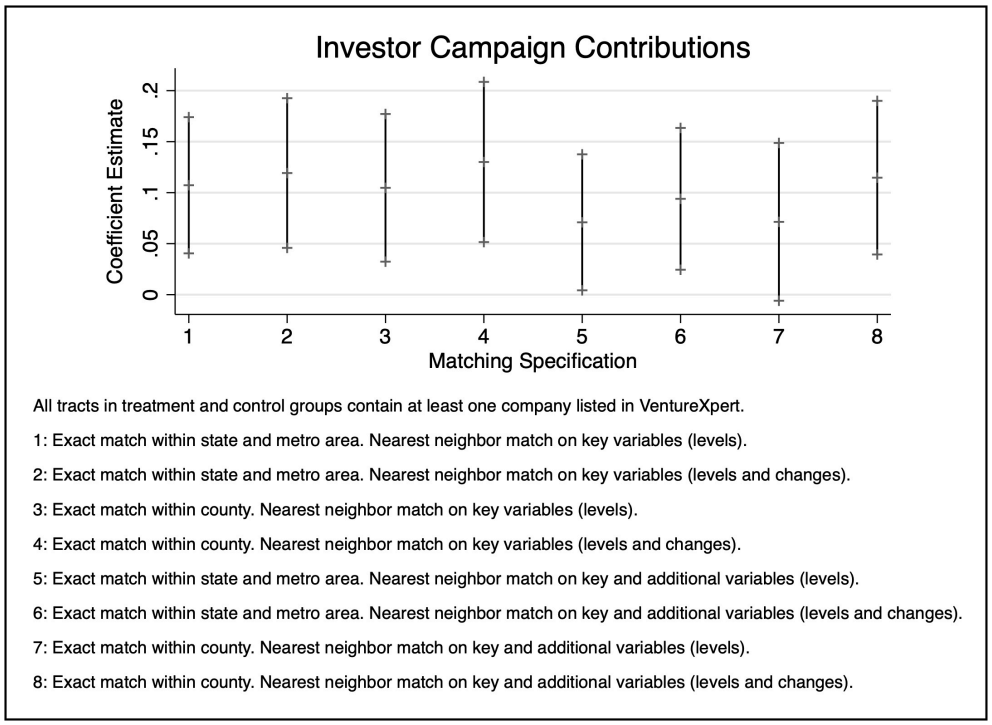
Note: The figure presents results from different matching estimators. The bars represent coefficient estimates and 95% confidence intervals for the average treatment effect on the treated. The outcome variable is equal to one for designated Opportunity Zones. The treatment sample is defined as tracts with Voter Support between 50-60%. Each treated tract is matched to one untreated tract based on the listed criteria. The control group is restricted to tracts with Voter Support less than 50%. Key variables include median family income, poverty rate, unemployment rate, and log(1+Private Investment). Additional variables include population density, percent bachelor's degree, total housing units, percent owner-occupied, and median home value. All variables are defined in Table A1. Level covariates are measured in 2015 and change covariates are measured as 5-year changes. Nearest neighbor matching is implemented using the Mahalanobis distance measure.

FIGURE A3. THE LIKELIHOOD OF OPPORTUNITY ZONE DESIGNATION: MATCHING ESTIMATORS



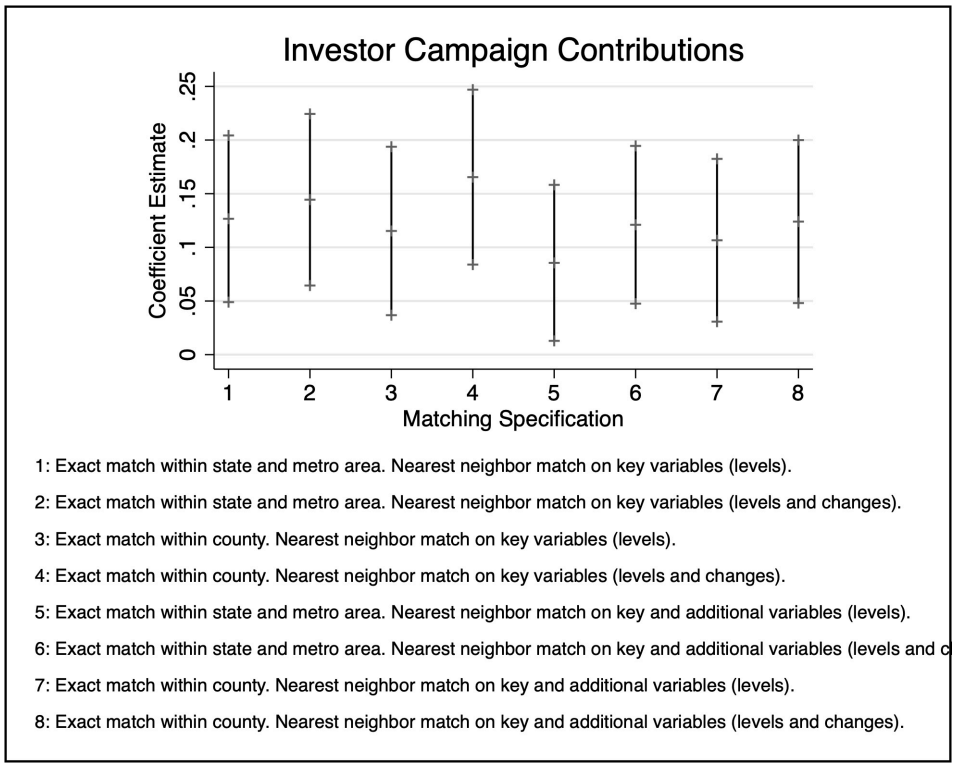
Note: The figure presents results from different matching estimators. The bars represent coefficient estimates and 95% confidence intervals for the average treatment effect on the treated. The outcome variable is equal to one for designated Opportunity Zones. The treatment sample is defined as tracts with *Voter Support* $\geq$ *70%*. Each treated tract is matched to one untreated tract based on the listed criteria. Key variables include median family income, poverty rate, unemployment rate, and log(1+Private Investment). Additional variables include population density, percent bachelor's degree, total housing units, percent owner-occupied, and median home value. All variables are defined in Table A1. Level covariates are measured in 2015 and change covariates are measured as 5-year changes. Nearest neighbor matching is implemented using the Mahalanobis distance measure.

FIGURE A4. THE LIKELIHOOD OF OPPORTUNITY ZONE DESIGNATION: MATCHING ESTIMATORS



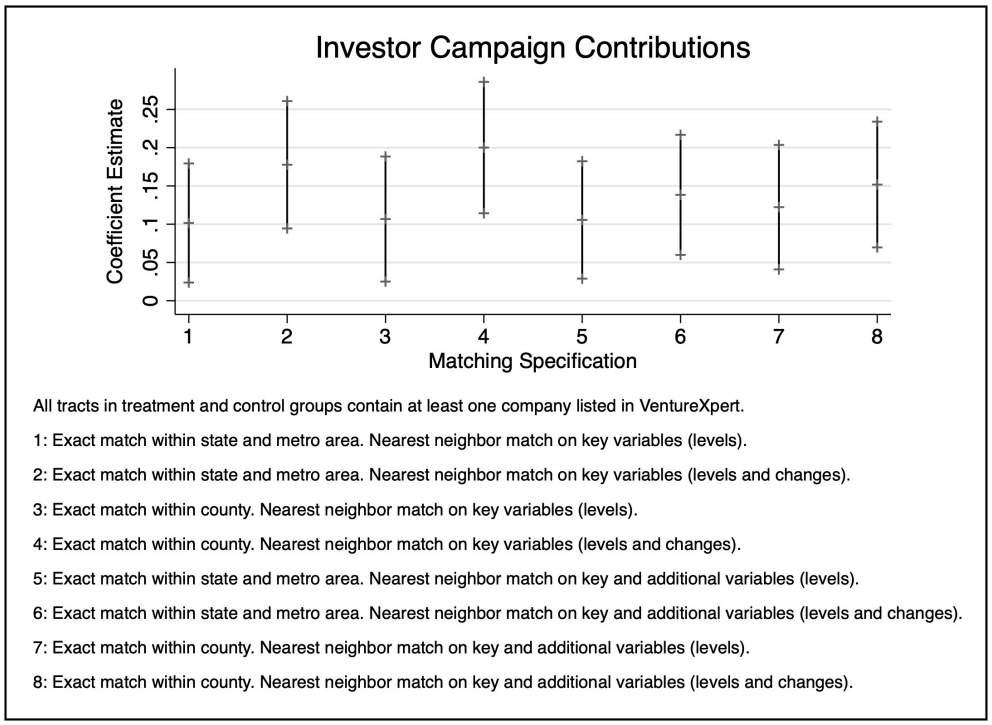
Note: The figure presents results from different matching estimators. The bars represent coefficient estimates and 95% confidence intervals for the average treatment effect on the treated. The outcome variable is equal to one for designated Opportunity Zones. The treatment sample is defined as tracts with *Investor Contribution* $\geq$ *\$1000*. Each treated tract is matched to one untreated tract where at least one company listed in VentureXpert is located based on the listed criteria. Key variables include median family income, poverty rate, unemployment rate, and log(1+Private Investment). Additional variables include population density, percent bachelor's degree, total housing units, percent owner-occupied, and median home value. All variables are defined in Table A1. Level covariates are measured in 2015 and change covariates are measured as 5-year changes. Nearest neighbor matching is implemented using the Mahalanobis distance measure.

FIGURE A5. THE LIKELIHOOD OF OPPORTUNITY ZONE DESIGNATION: MATCHING ESTIMATORS



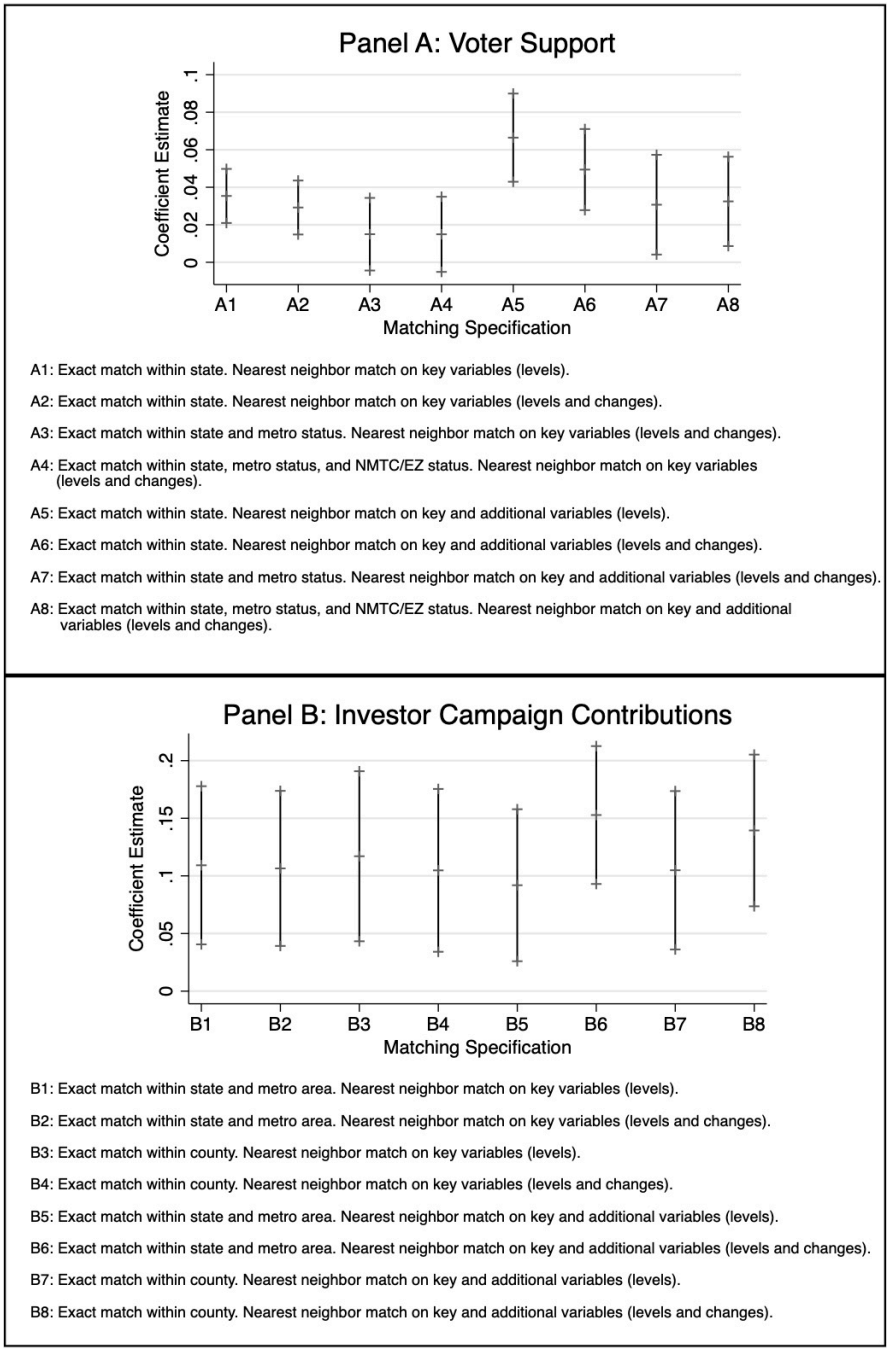
Note: The figure presents results from different matching estimators. The bars represent coefficient estimates and 95% confidence intervals for the average treatment effect on the treated. The outcome variable is equal to one for designated Opportunity Zones. In Panel A, the treatment sample is defined as tracts with *Voter Support* $\geq$ *60%*. In Panel B, the treatment sample is defined as tracts with *Investor Contribution* $\geq$ *$3000*. Each treated tract is matched to one untreated tract based on the listed criteria. Key variables include median family income, poverty rate, unemployment rate, and log(1+Private Investment). Additional variables include population density, percent bachelor's degree, total housing units, percent owner-occupied, and median home value. All variables are defined in Table A1. Level covariates are measured in 2015 and change covariates are measured as 5-year changes. Nearest neighbor matching is implemented using the Mahalanobis distance measure.

FIGURE A6. THE LIKELIHOOD OF OPPORTUNITY ZONE DESIGNATION: MATCHING ESTIMATORS



Note: The figure presents results from different matching estimators. The bars represent coefficient estimates and 95% confidence intervals for the average treatment effect on the treated. The outcome variable is equal to one for designated Opportunity Zones. The treatment sample is defined as tracts with *Investor Contribution* $\geq$ *$3000*. Each treated tract is matched to one untreated tract where at least one company listed in VentureXpert is located based on the listed criteria. Key variables include median family income, poverty rate, unemployment rate, and log(1+Private Investment). Additional variables include population density, percent bachelor's degree, total housing units, percent owner-occupied, and median home value. All variables are defined in Table A1. Level covariates are measured in 2015 and change covariates are measured as 5-year changes. Nearest neighbor matching is implemented using the Mahalanobis distance measure.

FIGURE A7. THE LIKELIHOOD OF OPPORTUNITY ZONE DESIGNATION: MATCHING ESTIMATORS
2017 ACS DATA



Note: The figure presents results from different matching estimators. The bars represent coefficient estimates and 95% confidence intervals for the average treatment effect on the treated. The outcome variable is equal to one for designated Opportunity Zones. In Panel A, the treatment sample is defined as tracts with *Voter Support* $\geq$ *60%*. In Panel B, the treatment sample is defined as tracts with *Investor Contribution* $\geq$ *$1000*. Each treated tract is matched to one untreated tract based on the listed criteria. Key variables include median family income, poverty rate, unemployment rate, and log(1+Private Investment). Additional variables include population density, percent bachelor's degree, total housing units, percent owner-occupied, and median home value. All variables are defined in Table A1. Level covariates are measured in 2017 and change covariates are measured as 7-year changes. Nearest neighbor matching is implemented using the Mahalanobis distance measure.

Table A1. Variable Definitions

Variable	Definition/Measurement	Geographic Unit	Source
Median Family Income	Median family income and benefits, measured in thousands of dollars.	Tract	ACS
Poverty Rate	Percentage of all people whose income in the past 12 months is below the poverty level.	Tract	ACS
Unemployment Rate	Percent of population 16 years and over who are in civilian labor force and unemployed.	Tract	ACS
Population Density	Thousands of people per square mile.	Tract	ACS, Census
Percent Bachelor's Degree	Percent of population 25 years and over whose highest level of educational attainment is at least a Bachelor's degree.	Tract	ACS
Total Housing Units	Measured in thousands of housing units.	Tract	ACS
Percent Owner-Occupied	Percent of all occupied units that are owner-occupied (and not renter-occupied).	Tract	ACS
Median Home Value	Measured in thousands of dollars.	Tract	ACS
Metropolitan Area	Indicator variable equal to one if tract is in a metropolitan area, as defined by the Office of Management and Budget in July 2015. A metropolitan area contains a core urban area of 50,000 or more population.	Tract	OMB
NMTC/EZ	Indicator variable equal to one if tract was previously a New Markets Tax Credit, Empowerment Zone, Enterprise Zone, or Renewal Community recipient	Tract	CDFI, HUD
Private Investment	Total dollar amount of start-up funding provided to companies in tract as captured by VentureXpert. Aggregate total for investment rounds that occurred between May 2003 and April 2018.	Tract	VentureXpert
Δ *Var*	Indicates the 5-year difference in *Var*, $v_{2015} - v_{2010}$	Tract	ACS
Voter Support	The percentage of votes that the winning gubernatorial candidate received in each county.	County	CQ Press
Voter Support $\geq$ 60%	Indicator variable equal to one if Voter Support is at least 60% of votes.	County	CQ Press
Investor Contribution	Total dollar amount of campaign contributions to the governor in the previous elections by investors in each tract (as described in section III). Winsorized at the 99th percentile of non-zero contribution amounts.	Tract	Follow the Money, VentureXpert
Investor Contribution $\geq$ \$1000	Indicator variable equal to one if Investor Contribution is at least \$1000.	Tract	Follow the Money, VentureXpert

TABLE A2. VARIATION IN VOTER SUPPORT

Distress by Median Family Income

	Low Distress			High Distress		
	OZs	non-OZs	Difference	OZs	non-OZs	Difference
Voter Support (%)	58.362	56.794	1.569***	55.532	55.100	0.432
	(15.600)	(15.270)	(0.318)	(15.700)	(15.933)	(0.277)
Voter Support $\geq$ 50%	0.719	0.691	0.028**	0.652	0.646	0.006
	(0.450)	(0.462)	(0.010)	(0.476)	(0.478)	(0.008)
Voter Support $\geq$ 60%	0.452	0.401	0.050***	0.370	0.357	0.012
	(0.498)	(0.490)	(0.010)	(0.483)	(0.479)	(0.008)
Voter Support $\geq$ 70%	0.245	0.189	0.056***	0.158	0.161	-0.003
	(0.430)	(0.392)	(0.008)	(0.365)	(0.367)	(0.006)

Distress by Poverty Rate

	Low Distress			High Distress		
	OZs	non-OZs	Difference	OZs	non-OZs	Difference
Voter Support (%)	58.454	56.698	1.756***	55.577	55.172	0.404
	(15.773)	(15.250)	(0.325)	(15.601)	(15.983)	(0.275)
Voter Support $\geq$ 50%	0.721	0.692	0.030**	0.653	0.644	0.009
	(0.448)	(0.462)	(0.010)	(0.476)	(0.479)	(0.008)
Voter Support $\geq$ 60%	0.461	0.399	0.062***	0.367	0.359	0.008
	(0.499)	(0.490)	(0.010)	(0.482)	(0.480)	(0.008)
Voter Support $\geq$ 70%	0.246	0.188	0.058***	0.160	0.162	-0.002
	(0.431)	(0.391)	(0.008)	(0.367)	(0.368)	(0.006)

Distress by Unemployment Rate

	Low Distress			High Distress		
	OZs	non-OZs	Difference	OZs	non-OZs	Difference
Voter Support (%)	58.623	56.891	1.732***	55.268	54.984	0.284
	(15.106)	(15.253)	(0.309)	(15.975)	(15.940)	(0.281)
Voter Support $\geq$ 50%	0.738	0.692	0.046***	0.638	0.645	-0.007
	(0.440)	(0.462)	(0.009)	(0.481)	(0.479)	(0.008)
Voter Support $\geq$ 60%	0.461	0.407	0.054***	0.361	0.351	0.010
	(0.499)	(0.491)	(0.010)	(0.480)	(0.477)	(0.008)
Voter Support $\geq$ 70%	0.221	0.189	0.032***	0.171	0.161	0.009
	(0.415)	(0.392)	(0.008)	(0.376)	(0.368)	(0.007)

Note: The table shows the variation in *Voter Support* for tracts at various levels of distress. Each tract is assigned to a percentile for median family income, poverty rate, and unemployment rate based on the within-state percentile illustrated in Figure 1. The tracts are then split at the median for high distress and low distress groups. Cell values report variable means with standard deviations shown in parentheses. The third and sixth columns report the difference in means with the standard error from a two-sided t-test in parentheses. All variables are defined in Table A1.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table A3. The Likelihood of Opportunity Zone Designation

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Voter Support $\geq$ 60%	0.0161	0.0348	0.0347	0.0540**	0.0433*	0.0532**	0.0430*
	(0.0227)	(0.0251)	(0.0255)	(0.0240)	(0.0216)	(0.0242)	(0.0219)
Investor Contribution $\geq$ \$1000	0.0892***	0.0926***	0.0911***	0.0836***	0.0751**	0.0847***	0.0762**
	(0.0319)	(0.0308)	(0.0314)	(0.0300)	(0.0294)	(0.0300)	(0.0291)
log(1+Private Investment)	0.00618***	0.00745***	0.00722***	0.00665***	0.00568***	0.00635***	0.00554***
	(0.00184)	(0.00159)	(0.00156)	(0.00136)	(0.00128)	(0.00137)	(0.00130)
Median Family Income		-0.00207***	-0.00238***	-0.000644	-0.000217	-0.000492	0.000113
		(0.000647)	(0.000706)	(0.000584)	(0.000546)	(0.000660)	(0.000629)
Poverty Rate		0.00434***	0.00455***	0.00402***	0.00337***	0.00441***	0.00364***
		(0.00108)	(0.000931)	(0.00111)	(0.00115)	(0.000954)	(0.000991)
Unemployment Rate		0.00582*	0.00533*	0.00572*	0.00582*	0.00492*	0.00597**
		(0.00297)	(0.00279)	(0.00292)	(0.00291)	(0.00272)	(0.00276)
Population Density				-0.00364***	-0.00330***	-0.00380***	-0.00345***
				(0.00115)	(0.00104)	(0.00112)	(0.000999)
Percent Bachelor's Degree				-0.00211***	-0.00212***	-0.00259***	-0.00265***
				(0.000408)	(0.000407)	(0.000439)	(0.000440)
Total Housing Units				0.0343***	0.0326***	0.0371***	0.0351***
				(0.00613)	(0.00573)	(0.00584)	(0.00545)
Percent Owner-Occupied				-0.00220***	-0.00267***	-0.00226***	-0.00280***
				(0.000509)	(0.000486)	(0.000517)	(0.000506)
Median Home Value				-0.0000457	-0.0000234	-0.0000681	-0.0000440
				(0.0000448)	(0.0000554)	(0.0000501)	(0.0000630)
NMTC/EZ					0.118***		0.112***
					(0.0182)		(0.0177)
Metropolitan Area Dummy					-0.111***		-0.108***
					(0.0164)		(0.0168)
Δ Median Family Income			0.00129***			0.000326	-0.000109
			(0.000262)			(0.000224)	(0.000238)
Δ Poverty Rate			-0.00129**			-0.00120**	-0.000682
			(0.000583)			(0.000546)	(0.000519)
Δ Unemployment Rate			0.000384			0.000837	-0.000214
			(0.00112)			(0.00104)	(0.000991)
Δ Population Density						0.00344**	0.00319**
						(0.00162)	(0.00153)
Δ Percent Bachelor's Degree						0.00226***	0.00222***
						(0.000451)	(0.000440)
Δ Total Housing Units						-0.0209	-0.0215
						(0.0211)	(0.0218)
Δ Percent Owner-Occupied						0.00140***	0.00128***
						(0.000360)	(0.000343)
Δ Median Home Value						0.000169***	0.000121**
						(0.0000513)	(0.0000567)
Observations	30826	30826	30826	30826	30826	30826	30826
R^2	0.008	0.057	0.060	0.072	0.088	0.076	0.090
State Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Note: Cell values report coefficients from various linear regressions. Standard errors reported in parentheses are clustered at the state level. The dependent variable is equal to one for designated Opportunity Zones. All variables are defined in Table A1. The level covariates are measured in 2015 and the Δ covariates are measured as 5-year changes. All specifications include state dummy variables. Compare to Table 2.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

TABLE A4. THE LIKELIHOOD OF TRACT TREATMENT STATUS: VOTER SUPPORT $\geq 60\%$

	(1)	(2)	(3)	(4)	(5)	(6)
log(1+Private Investment)	0.000192	0.000254	0.000554	0.000767	0.000384	0.000588
	(0.00336)	(0.00327)	(0.00262)	(0.00243)	(0.00257)	(0.00240)
Median Family Income	0.000767	0.000284	0.000191	0.000163	-0.000146	-0.000185
	(0.000614)	(0.000867)	(0.000786)	(0.000786)	(0.00117)	(0.00117)
Poverty Rate	-0.000804	-0.000956	-0.000526	-0.000446	-0.000950	-0.000847
	(0.00103)	(0.00121)	(0.00110)	(0.00112)	(0.00131)	(0.00133)
Unemployment Rate	-0.00668**	-0.0111**	-0.00569*	-0.00560*	-0.0104*	-0.0102*
	(0.00278)	(0.00541)	(0.00323)	(0.00315)	(0.00594)	(0.00583)
Population Density			0.0103**	0.0103**	0.0102**	0.0102**
			(0.00514)	(0.00516)	(0.00508)	(0.00510)
Percent Bachelor's Degree			-0.00475***	-0.00475***	-0.00520***	-0.00519***
			(0.00162)	(0.00160)	(0.00186)	(0.00185)
Total Housing Units			-0.00567	-0.00597	-0.00617	-0.00644
			(0.0180)	(0.0179)	(0.0186)	(0.0186)
Percent Owner-Occupied			0.00195**	0.00192**	0.00170*	0.00167*
			(0.000971)	(0.000967)	(0.000977)	(0.000975)
Median Home Value			0.00138***	0.00138***	0.00136***	0.00137***
			(0.000291)	(0.000291)	(0.000317)	(0.000317)
NMTC/EZ				-0.0205		-0.0211
				(0.0326)		(0.0319)
Δ Median Family Income		0.000736			0.000700	0.000733
		(0.000702)			(0.000797)	(0.000799)
Δ Poverty Rate		0.000485			0.000963	0.000898
		(0.000795)			(0.000729)	(0.000734)
Δ Unemployment Rate		0.00528			0.00569	0.00564
		(0.00389)			(0.00399)	(0.00396)
Δ Population Density					0.00427	0.00433
					(0.00476)	(0.00477)
Δ Percent Bachelor's Degree					0.00187*	0.00191**
					(0.000963)	(0.000954)
Δ Total Housing Units					0.00552	0.00663
					(0.0428)	(0.0429)
Δ Percent Owner-Occupied					0.000907*	0.000928*
					(0.000542)	(0.000545)
Δ Median Home Value					0.0000910	0.0000912
					(0.000311)	(0.000311)
Observations	30192	30192	30192	30192	30192	30192
Pseudo R^2	0.1317	0.1325	0.192	0.1921	0.1935	0.1936
State Dummies	Yes	Yes	Yes	Yes	Yes	Yes

Note: Cell values report marginal effects at the mean from various logit specifications. Standard errors reported in parentheses are clustered at the state level. The dependent variable is equal to one for tracts in counties that supported the governor with at least 60 percent of the vote in the last election. All variables are defined in Table A1. The level covariates are measured in 2015 and the Δ covariates are measured as 5-year changes. All specifications include state dummy variables. States with no variation in the outcome variable are dropped.
* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

TABLE A5. THE LIKELIHOOD OF TRACT TREATMENT STATUS: INVESTOR CONTRIBUTION $\geq$ \$1000

	(1)	(2)	(3)	(4)	(5)	(6)
log(1+Private Investment)	0.00110***	0.00108***	0.000992***	0.000970***	0.000962***	0.000946***
	(0.000100)	(0.0000947)	(0.0000832)	(0.0000836)	(0.0000774)	(0.0000795)
Median Family Income	0.0000201**	0.0000199*	0.0000127	0.0000115	0.00000161	0.00000128
	(0.00000941)	(0.0000113)	(0.0000117)	(0.0000119)	(0.0000146)	(0.0000148)
Poverty Rate	0.0000697***	0.0000593***	0.0000181	0.0000159	0.00000632	0.00000237
	(0.0000158)	(0.0000166)	(0.0000187)	(0.0000180)	(0.0000205)	(0.0000202)
Unemployment Rate	-0.0000850**	0.0000754	-0.0000397	-0.0000517	0.000118**	0.000100*
	(0.0000390)	(0.0000569)	(0.0000391)	(0.0000373)	(0.0000598)	(0.0000555)
Population Density			-0.0000536**	-0.0000545**	-0.0000693***	-0.0000699***
			(0.0000269)	(0.0000267)	(0.0000250)	(0.0000249)
Percent Bachelor's Degree			0.0000205	0.0000213	0.0000262	0.0000271*
			(0.0000174)	(0.0000172)	(0.0000161)	(0.0000157)
Total Housing Units			0.000469*	0.000500*	0.000316	0.000358
			(0.000279)	(0.000281)	(0.000258)	(0.000258)
Percent Owner-Occupied			-0.0000628***	-0.0000554***	-0.0000544***	-0.0000496***
			(0.0000174)	(0.0000175)	(0.0000165)	(0.0000174)
Median Home Value			-0.00000141	-0.00000132	0.00000121	0.00000133
			(0.00000137)	(0.00000139)	(0.00000181)	(0.00000179)
NMTC/EZ				0.00104**		0.000923**
				(0.000440)		(0.000443)
Metropolitan Area Dummy				0.000907		0.000614
				(0.00109)		(0.00105)
Δ Median Family Income		0.0000109			0.0000149	0.0000138
		(0.0000176)			(0.0000206)	(0.0000206)
Δ Poverty Rate		0.0000194			0.0000332*	0.0000392*
		(0.0000197)			(0.0000202)	(0.0000207)
Δ Unemployment Rate		-0.000201***			-0.000192***	-0.000180***
		(0.0000762)			(0.0000704)	(0.0000697)
Δ Population Density					0.0000368	0.0000372
					(0.000106)	(0.000107)
Δ Percent Bachelor's Degree					0.00000617	0.00000334
					(0.0000365)	(0.0000363)
Δ Total Housing Units					0.00170	0.00144
					(0.00122)	(0.00123)
Δ Percent Owner-Occupied					-0.0000176	-0.0000191
					(0.0000221)	(0.0000213)
Δ Median Home Value					-0.00000642***	-0.00000643***
					(0.00000206)	(0.00000206)
Observations	30096	30096	30096	30096	30096	30096
Pseudo R^2	0.4569	0.4592	0.464	0.4651	0.4681	0.4689
State Dummies	Yes	Yes	Yes	Yes	Yes	Yes

Note: Cell values report marginal effects at the mean from various logit specifications. Standard errors reported in parentheses are clustered at the state level. The dependent variable is equal to one for tracts associated with at least \$1000 in investor contributions to the governor's campaign. All variables are defined in Table A1. The level covariates are measured in 2015 and the Δ covariates are measured as 5-year changes. All specifications include state dummy variables. States with no variation in the outcome variable are dropped.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table A6. The Likelihood of Opportunity Zone Designation: Voter Support 50-60%

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Voter Support 50-60%	-0.00506	0.00739	0.00831	0.000618	0.00812	0.000548	0.00744
	(0.0116)	(0.0128)	(0.0132)	(0.0121)	(0.0118)	(0.0123)	(0.0119)
Voter Support $\geq$ 60%	0.0138	0.0391	0.0393	0.0571**	0.0493**	0.0563**	0.0488**
	(0.0251)	(0.0287)	(0.0294)	(0.0261)	(0.0240)	(0.0264)	(0.0243)
Investor Contribution $\geq$ \$1000	0.0732***	0.0790***	0.0771***	0.0717***	0.0639***	0.0728***	0.0654***
	(0.0255)	(0.0251)	(0.0258)	(0.0242)	(0.0243)	(0.0244)	(0.0242)
log(1+Private Investment)	0.00551***	0.00689***	0.00671***	0.00607***	0.00531***	0.00576***	0.00513***
	(0.00152)	(0.00133)	(0.00131)	(0.00111)	(0.00107)	(0.00113)	(0.00109)
Median Family Income		-0.00231***	-0.00275***	-0.000798	-0.000361	-0.000788	-0.000182
		(0.000782)	(0.000877)	(0.000670)	(0.000605)	(0.000774)	(0.000707)
Poverty Rate		0.00384***	0.00391***	0.00362***	0.00307***	0.00391***	0.00326***
		(0.000884)	(0.000724)	(0.000969)	(0.00103)	(0.000805)	(0.000859)
Unemployment Rate		0.00529*	0.00484*	0.00515*	0.00532*	0.00441*	0.00558**
		(0.00281)	(0.00258)	(0.00280)	(0.00281)	(0.00255)	(0.00260)
Population Density				-0.00453**	-0.00396**	-0.00493**	-0.00434**
				(0.00208)	(0.00178)	(0.00223)	(0.00188)
Percent Bachelor's Degree				-0.00244***	-0.00243***	-0.00299***	-0.00302***
				(0.000397)	(0.000393)	(0.000428)	(0.000423)
Total Housing Units				0.0370***	0.0354***	0.0407***	0.0386***
				(0.00646)	(0.00606)	(0.00631)	(0.00592)
Percent Owner-Occupied				-0.00232***	-0.00285***	-0.00237***	-0.00296***
				(0.000512)	(0.000507)	(0.000521)	(0.000529)
Median Home Value				-0.0000144	0.000000505	-0.0000269	-0.0000105
				(0.0000607)	(0.0000670)	(0.0000678)	(0.0000749)
NMTC/EZ					0.101***		0.0950***
					(0.0160)		(0.0154)
Metropolitan Area Dummy					-0.114***		-0.112***
					(0.0158)		(0.0164)
Δ Median Family Income			0.00155***			0.000583**	0.000158
			(0.000345)			(0.000276)	(0.000273)
Δ Poverty Rate			-0.000999			-0.00101*	-0.000542
			(0.000617)			(0.000588)	(0.000559)
Δ Unemployment Rate			0.000307			0.000748	-0.000371
			(0.00104)			(0.000936)	(0.000918)
Δ Population Density						0.00609**	0.00550**
						(0.00271)	(0.00220)
Δ Percent Bachelor's Degree						0.00251***	0.00248***
						(0.000466)	(0.000460)
Δ Total Housing Units						-0.0282	-0.0282
						(0.0223)	(0.0229)
Δ Percent Owner-Occupied						0.00142***	0.00131***
						(0.000368)	(0.000353)
Δ Median Home Value						0.000157***	0.000110**
						(0.0000433)	(0.0000520)
Observations	30826	30826	30826	30826	30826	30826	30826
Pseudo R^2	0.0062	0.0491	0.0513	0.064	0.0785	0.0682	0.0812
State Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Note: Cell values report marginal effects at the mean from various logit specifications. Standard errors reported in parentheses are clustered at the state level. The dependent variable is equal to one for designated Opportunity Zones. All variables are defined in Table A1. The level covariates are measured in 2015 and the Δ covariates are measured as 5-year changes. All specifications include state dummy variables.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table A7. The Likelihood of Opportunity Zone Designation: Voter Support Bins

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Voter Support 40-50%	0.00390	0.0251	0.0268	0.00818	0.0144	0.00769	0.0138
	(0.0152)	(0.0168)	(0.0168)	(0.0168)	(0.0161)	(0.0163)	(0.0160)
Voter Support 50-60%	-0.00304	0.0205	0.0223	0.00538	0.0158	0.00510	0.0149
	(0.0107)	(0.0163)	(0.0163)	(0.0158)	(0.0142)	(0.0156)	(0.0141)
Voter Support 60-70%	0.0107	0.0426**	0.0434**	0.0412**	0.0406***	0.0401**	0.0397***
	(0.0103)	(0.0198)	(0.0200)	(0.0176)	(0.0147)	(0.0172)	(0.0145)
Voter Support $\geq$ 70%	0.0221	0.0650	0.0666	0.0914***	0.0813**	0.0905**	0.0806**
	(0.0342)	(0.0402)	(0.0406)	(0.0351)	(0.0320)	(0.0355)	(0.0325)
Investor Contribution $\geq$ \$1000	0.0742***	0.0791***	0.0770***	0.0714***	0.0638***	0.0724***	0.0652***
	(0.0255)	(0.0252)	(0.0259)	(0.0242)	(0.0242)	(0.0244)	(0.0242)
log(1+Private Investment)	0.00542***	0.00687***	0.00669***	0.00601***	0.00525***	0.00571***	0.00508***
	(0.00153)	(0.00134)	(0.00132)	(0.00113)	(0.00108)	(0.00115)	(0.00110)
Median Family Income		-0.00233***	-0.00277***	-0.000798	-0.000362	-0.000817	-0.000210
		(0.000773)	(0.000868)	(0.000680)	(0.000610)	(0.000787)	(0.000714)
Poverty Rate		0.00382***	0.00389***	0.00361***	0.00307***	0.00390***	0.00326***
		(0.000876)	(0.000717)	(0.000960)	(0.00102)	(0.000796)	(0.000849)
Unemployment Rate		0.00535*	0.00502**	0.00510*	0.00528*	0.00443*	0.00558**
		(0.00277)	(0.00252)	(0.00276)	(0.00276)	(0.00250)	(0.00253)
Population Density				-0.00477**	-0.00417**	-0.00515**	-0.00452**
				(0.00209)	(0.00179)	(0.00222)	(0.00187)
Percent Bachelor's Degree				-0.00244***	-0.00243***	-0.00296***	-0.00300***
				(0.000396)	(0.000391)	(0.000421)	(0.000418)
Total Housing Units				0.0366***	0.0352***	0.0403***	0.0384***
				(0.00650)	(0.00610)	(0.00640)	(0.00600)
Percent Owner-Occupied				-0.00239***	-0.00289***	-0.00243***	-0.00299***
				(0.000476)	(0.000485)	(0.000483)	(0.000505)
Median Home Value				-0.0000313	-0.0000106	-0.0000438	-0.0000221
				(0.0000632)	(0.0000669)	(0.0000706)	(0.0000739)
NMTC/EZ					0.101***		0.0949***
					(0.0156)		(0.0151)
Metropolitan Area Dummy					-0.112***		-0.109***
					(0.0157)		(0.0162)
Δ Median Family Income			0.00159***			0.000631**	0.000207
			(0.000344)			(0.000283)	(0.000275)
Δ Poverty Rate			-0.00101*			-0.00102*	-0.000564
			(0.000607)			(0.000589)	(0.000563)
Δ Unemployment Rate			0.000164			0.000649	-0.000420
			(0.00103)			(0.000906)	(0.000907)
Δ Population Density						0.00565**	0.00508**
						(0.00245)	(0.00198)
Δ Percent Bachelor's Degree						0.00245***	0.00243***
						(0.000462)	(0.000455)
Δ Total Housing Units						-0.0271	-0.0270
						(0.0220)	(0.0225)
Δ Percent Owner-Occupied						0.00137***	0.00126***
						(0.000368)	(0.000353)
Δ Median Home Value						0.000163***	0.000117**
						(0.0000406)	(0.0000477)
Observations	30981	30981	30981	30981	30981	30981	30981
Pseudo R^2	0.0065	0.0496	0.0519	0.0653	0.0794	0.0694	0.0821
State Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Note: Cell values report marginal effects at the mean from various logit specifications. Standard errors reported in parentheses are clustered at the state level. The dependent variable is equal to one for designated Opportunity Zones. All variables are defined in Table A1. The level covariates are measured in 2015 and the Δ covariates are measured as 5-year changes. All specifications include state dummy variables.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table A8. The Likelihood of Opportunity Zone Designation: Only States in VentureXpert

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Voter Support $\geq$ 60%	0.0160	0.0358	0.0356	0.0572**	0.0461**	0.0563**	0.0458**
	(0.0228)	(0.0260)	(0.0265)	(0.0242)	(0.0219)	(0.0244)	(0.0221)
Investor Contribution $\geq$ \$1000	0.0772***	0.0826***	0.0808***	0.0751***	0.0677***	0.0762***	0.0691***
	(0.0255)	(0.0254)	(0.0261)	(0.0246)	(0.0247)	(0.0247)	(0.0247)
log(1+Private Investment)	0.00517***	0.00662***	0.00644***	0.00585***	0.00508***	0.00552***	0.00489***
	(0.00155)	(0.00135)	(0.00134)	(0.00115)	(0.00111)	(0.00117)	(0.00113)
Median Family Income		-0.00227***	-0.00273***	-0.000804	-0.000361	-0.000851	-0.000237
		(0.000801)	(0.000896)	(0.000695)	(0.000628)	(0.000801)	(0.000732)
Poverty Rate		0.00384***	0.00388***	0.00363***	0.00309***	0.00387***	0.00323***
		(0.000906)	(0.000747)	(0.000992)	(0.00105)	(0.000825)	(0.000880)
Unemployment Rate		0.00541*	0.00499*	0.00531*	0.00546*	0.00467*	0.00585**
		(0.00287)	(0.00266)	(0.00285)	(0.00285)	(0.00260)	(0.00266)
Population Density				-0.00440**	-0.00385**	-0.00480**	-0.00423**
				(0.00202)	(0.00173)	(0.00217)	(0.00184)
Percent Bachelor's Degree				-0.00237***	-0.00236***	-0.00289***	-0.00291***
				(0.000388)	(0.000380)	(0.000413)	(0.000404)
Total Housing Units				0.0367***	0.0352***	0.0402***	0.0382***
				(0.00653)	(0.00612)	(0.00641)	(0.00600)
Percent Owner-Occupied				-0.00225***	-0.00279***	-0.00231***	-0.00289***
				(0.000517)	(0.000507)	(0.000524)	(0.000527)
Median Home Value				-0.0000206	-0.00000720	-0.0000319	-0.0000166
				(0.0000597)	(0.0000656)	(0.0000672)	(0.0000736)
NMTC/EZ					0.100***		0.0940***
					(0.0161)		(0.0156)
Metropolitan Area Dummy					-0.113***		-0.111***
					(0.0163)		(0.0169)
Δ Median Family Income			0.00158***			0.000642**	0.000218
			(0.000353)			(0.000285)	(0.000282)
Δ Poverty Rate			-0.000941			-0.000956	-0.000485
			(0.000619)			(0.000590)	(0.000559)
Δ Unemployment Rate			0.000268			0.000652	-0.000491
			(0.00106)			(0.000950)	(0.000935)
Δ Population Density						0.00607**	0.00552**
						(0.00276)	(0.00228)
Δ Percent Bachelor's Degree						0.00245***	0.00242***
						(0.000471)	(0.000464)
Δ Total Housing Units						-0.0241	-0.0236
						(0.0222)	(0.0227)
Δ Percent Owner-Occupied						0.00138***	0.00127***
						(0.000376)	(0.000360)
Δ Median Home Value						0.000154***	0.000106**
						(0.0000445)	(0.0000525)
Observations	30095	30095	30095	30095	30095	30095	30095
Pseudo R^2	0.0047	0.0483	0.0504	0.0628	0.0772	0.0669	0.0798
State Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Note: Cell values report marginal effects at the mean from various logit specifications. Standard errors reported in parentheses are clustered at the state level. The dependent variable is equal to one for designated Opportunity Zones. All variables are defined in Table A1. The level covariates are measured in 2015 and the Δ covariates are measured as 5-year changes. All specifications include state dummy variables. Only states that have at least 1 company listed in VentureXpert are included in the sample.
* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

TABLE A9. THE LIKELIHOOD OF OPPORTUNITY ZONE DESIGNATION: INVESTOR CONTRIBUTION ≥ $5000

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Voter Support ≥ 60%	0.0161	0.0357	0.0355	0.0569**	0.0457**	0.0561**	0.0454**
	(0.0226)	(0.0258)	(0.0262)	(0.0238)	(0.0216)	(0.0240)	(0.0218)
Investor Contribution ≥ $3000	0.0635**	0.0715***	0.0692**	0.0664***	0.0577**	0.0671***	0.0592**
	(0.0281)	(0.0269)	(0.0275)	(0.0255)	(0.0255)	(0.0257)	(0.0255)
log(1+Private Investment)	0.00589***	0.00726***	0.00708***	0.00637***	0.00560***	0.00607***	0.00543***
	(0.00149)	(0.00129)	(0.00126)	(0.00106)	(0.00102)	(0.00108)	(0.00104)
Median Family Income		-0.00230***	-0.00273***	-0.000781	-0.000339	-0.000767	-0.000154
		(0.000779)	(0.000874)	(0.000673)	(0.000609)	(0.000778)	(0.000713)
Poverty Rate		0.00385***	0.00392***	0.00363***	0.00307***	0.00392***	0.00326***
		(0.000891)	(0.000734)	(0.000977)	(0.00104)	(0.000814)	(0.000868)
Unemployment Rate		0.00526*	0.00481*	0.00514*	0.00529*	0.00442*	0.00554**
		(0.00281)	(0.00259)	(0.00280)	(0.00280)	(0.00254)	(0.00259)
Population Density				-0.00453**	-0.00397**	-0.00493**	-0.00435**
				(0.00209)	(0.00179)	(0.00224)	(0.00190)
Percent Bachelor's Degree				-0.00244***	-0.00245***	-0.00299***	-0.00304***
				(0.000384)	(0.000378)	(0.000412)	(0.000406)
Total Housing Units				0.0369***	0.0354***	0.0406***	0.0386***
				(0.00648)	(0.00607)	(0.00632)	(0.00592)
Percent Owner-Occupied				-0.00232***	-0.00287***	-0.00238***	-0.00298***
				(0.000509)	(0.000502)	(0.000517)	(0.000522)
Median Home Value				-0.0000156	0.000000128	-0.0000282	-0.0000112
				(0.0000610)	(0.0000669)	(0.0000681)	(0.0000745)
NMTC/EZ					0.101***		0.0948***
					(0.0157)		(0.0152)
Metropolitan Area Dummy					-0.114***		-0.111***
					(0.0160)		(0.0165)
Δ Median Family Income			0.00155***			0.000575**	0.000146
			(0.000346)			(0.000280)	(0.000277)
Δ Poverty Rate			-0.000997			-0.00101*	-0.000540
			(0.000612)			(0.000583)	(0.000552)
Δ Unemployment Rate			0.000306			0.000734	-0.000362
			(0.00105)			(0.000945)	(0.000928)
Δ Population Density						0.00612**	0.00553**
						(0.00274)	(0.00223)
Δ Percent Bachelor's Degree						0.00251***	0.00249***
						(0.000461)	(0.000454)
Δ Total Housing Units						-0.0282	-0.0282
						(0.0224)	(0.0229)
Δ Percent Owner-Occupied						0.00142***	0.00131***
						(0.000370)	(0.000355)
Δ Median Home Value						0.000156***	0.000110**
						(0.0000432)	(0.0000512)
Observations	30826	30826	30826	30826	30826	30826	30826
Pseudo R^2	0.0061	0.0489	0.0511	0.0639	0.0783	0.068	0.0811
State Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Note: Cell values report marginal effects at the mean from various logit specifications. Standard errors reported in parentheses are clustered at the state level. The dependent variable is equal to one for designated Opportunity Zones. All variables are defined in Table A1. The level covariates are measured in 2015 and the Δ covariates are measured as 5-year changes. All specifications include state dummy variables.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table A10. The Likelihood of Opportunity Zone Designation: 2017 ACS Data

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Voter Support $\geq$ 60%	0.0161	0.0359	0.0356	0.0564**	0.0458**	0.0555**	0.0453**
	(0.0226)	(0.0248)	(0.0257)	(0.0231)	(0.0211)	(0.0237)	(0.0216)
Investor Contribution $\geq$ $1000	0.0730***	0.0784***	0.0767***	0.0706***	0.0631***	0.0706***	0.0640***
	(0.0255)	(0.0253)	(0.0259)	(0.0245)	(0.0244)	(0.0246)	(0.0243)
log(1+Private Investment)	0.00551***	0.00704***	0.00673***	0.00619***	0.00535***	0.00577***	0.00511***
	(0.00152)	(0.00136)	(0.00134)	(0.00114)	(0.00110)	(0.00116)	(0.00112)
Median Family Income		-0.00217***	-0.00274***	-0.000628	-0.000232	-0.000707	-0.000104
		(0.000670)	(0.000785)	(0.000529)	(0.000473)	(0.000675)	(0.000614)
Poverty Rate		0.00377***	0.00390***	0.00349***	0.00292***	0.00393***	0.00327***
		(0.000714)	(0.000629)	(0.000730)	(0.000778)	(0.000647)	(0.000695)
Unemployment Rate		0.00515**	0.00525**	0.00503**	0.00502**	0.00473*	0.00571**
		(0.00257)	(0.00262)	(0.00249)	(0.00245)	(0.00252)	(0.00255)
Population Density				-0.00427**	-0.00375**	-0.00485**	-0.00429**
				(0.00204)	(0.00175)	(0.00215)	(0.00182)
Percent Bachelor's Degree				-0.00254***	-0.00256***	-0.00318***	-0.00323***
				(0.000398)	(0.000384)	(0.000395)	(0.000383)
Total Housing Units				0.0342***	0.0325***	0.0387***	0.0367***
				(0.00649)	(0.00613)	(0.00634)	(0.00593)
Percent Owner-Occupied				-0.00240***	-0.00292***	-0.00241***	-0.00299***
				(0.000547)	(0.000541)	(0.000546)	(0.000554)
Median Home Value				-0.0000195	-0.0000117	-0.0000449	-0.0000268
				(0.0000562)	(0.0000620)	(0.0000634)	(0.0000742)
NMTC/EZ					0.105***		0.0962***
					(0.0146)		(0.0149)
Metropolitan Area Dummy					-0.110***		-0.108***
					(0.0154)		(0.0160)
Δ Median Family Income			0.00162***			0.000632**	0.000209
			(0.000381)			(0.000312)	(0.000309)
Δ Poverty Rate			-0.00127***			-0.00124***	-0.000804*
			(0.000447)			(0.000440)	(0.000416)
Δ Unemployment Rate			-0.000479			0.0000627	-0.000976
			(0.00104)			(0.000932)	(0.000947)
Δ Population Density						0.00602***	0.00532***
						(0.00191)	(0.00153)
Δ Percent Bachelor's Degree						0.00250***	0.00247***
						(0.000453)	(0.000448)
Δ Total Housing Units						-0.0183	-0.0212
						(0.0202)	(0.0211)
Δ Percent Owner-Occupied						0.00165***	0.00155***
						(0.000347)	(0.000338)
Δ Median Home Value						0.000119***	0.0000722
						(0.0000432)	(0.0000492)
Observations	30826	30826	30826	30826	30826	30826	30826
Pseudo R^2	0.0062	0.046	0.049	0.0607	0.075	0.0657	0.0785
State Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Note: Cell values report marginal effects at the mean from various logit specifications. Standard errors reported in parentheses are clustered at the state level. The dependent variable is equal to one for designated Opportunity Zones. All variables are defined in Table A1. The level covariates are measured in 2017 and the Δ covariates are measured as 7-year changes. All specifications include state dummy variables.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table A11. The Likelihood of Opportunity Zone Designation: Continuous Favoritism Variables

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Voter Support	0.000486	0.00120	0.00121	0.00189***	0.00167***	0.00187**	0.00165***
	(0.000684)	(0.000806)	(0.000821)	(0.000729)	(0.000628)	(0.000738)	(0.000638)
log(1+Investor Contribution)	0.00596**	0.00672***	0.00651**	0.00598**	0.00508**	0.00608**	0.00523**
	(0.00268)	(0.00256)	(0.00266)	(0.00238)	(0.00241)	(0.00241)	(0.00240)
log(1+Private Investment)	0.00570***	0.00704***	0.00686***	0.00622***	0.00548***	0.00592***	0.00530***
	(0.00148)	(0.00130)	(0.00128)	(0.00109)	(0.00105)	(0.00111)	(0.00107)
Median Family Income		-0.00231***	-0.00274***	-0.000832	-0.000382	-0.000843	-0.000215
		(0.000784)	(0.000879)	(0.000669)	(0.000600)	(0.000773)	(0.000703)
Poverty Rate		0.00384***	0.00391***	0.00364***	0.00308***	0.00393***	0.00327***
		(0.000889)	(0.000728)	(0.000969)	(0.00103)	(0.000801)	(0.000860)
Unemployment Rate		0.00531*	0.00492*	0.00522*	0.00537*	0.00460*	0.00574**
		(0.00281)	(0.00259)	(0.00280)	(0.00281)	(0.00256)	(0.00261)
Population Density				-0.00458**	-0.00404**	-0.00499**	-0.00443**
				(0.00203)	(0.00174)	(0.00217)	(0.00184)
Percent Bachelor's Degree				-0.00238***	-0.00238***	-0.00291***	-0.00296***
				(0.000403)	(0.000392)	(0.000435)	(0.000422)
Total Housing Units				0.0366***	0.0351***	0.0404***	0.0384***
				(0.00642)	(0.00603)	(0.00629)	(0.00590)
Percent Owner-Occupied				-0.00228***	-0.00284***	-0.00232***	-0.00294***
				(0.000531)	(0.000519)	(0.000545)	(0.000544)
Median Home Value				-0.0000173	-0.00000587	-0.0000272	-0.0000145
				(0.0000627)	(0.0000688)	(0.0000710)	(0.0000773)
NMTC/EZ					0.102***		0.0962***
					(0.0159)		(0.0154)
Metropolitan Area Dummy					-0.115***		-0.112***
					(0.0162)		(0.0168)
Δ Median Family Income			0.00156***			0.000621**	0.000182
			(0.000343)			(0.000275)	(0.000272)
Δ Poverty Rate			-0.00101			-0.00103*	-0.000552
			(0.000615)			(0.000599)	(0.000566)
Δ Unemployment Rate			0.000238			0.000602	-0.000501
			(0.00102)			(0.000937)	(0.000928)
Δ Population Density						0.00595**	0.00539**
						(0.00262)	(0.00214)
Δ Percent Bachelor's Degree						0.00247***	0.00245***
						(0.000468)	(0.000459)
Δ Total Housing Units						-0.0291	-0.0290
						(0.0228)	(0.0233)
Δ Percent Owner-Occupied						0.00143***	0.00131***
						(0.000371)	(0.000355)
Δ Median Home Value						0.000148***	0.000103**
						(0.0000424)	(0.0000519)
Observations	30826	30826	30826	30826	30826	30826	30826
Pseudo R^2	0.0061	0.0491	0.0513	0.0641	0.0789	0.0682	0.0816
State Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Note: Cell values report marginal effects at the mean from various logit specifications. Standard errors reported in parentheses are clustered at the state level. The dependent variable is equal to one for designated Opportunity Zones. All variables are defined in Table A1. The level covariates are measured in 2015 and the Δ covariates are measured as 5-year changes. All specifications include state dummy variables.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table A12. The Likelihood of Opportunity Zone Designation: Distress Levels and Trends

	(1)	(2)	(3)	(4)	(5)	(6)
Median Family Income	-0.00187**	-0.00232***	-0.000564	-0.0000990	-0.000636	0.0000262
	(0.000788)	(0.000876)	(0.000711)	(0.000629)	(0.000819)	(0.000735)
Poverty Rate	0.00418***	0.00429***	0.00366***	0.00308***	0.00393***	0.00325***
	(0.000897)	(0.000758)	(0.000950)	(0.00101)	(0.000787)	(0.000840)
Unemployment Rate	0.00474*	0.00418*	0.00487*	0.00505*	0.00402*	0.00523**
	(0.00273)	(0.00250)	(0.00270)	(0.00273)	(0.00241)	(0.00251)
Population Density			-0.00448**	-0.00393**	-0.00492**	-0.00433**
			(0.00225)	(0.00191)	(0.00242)	(0.00203)
Percent Bachelor's Degree			-0.00231***	-0.00233***	-0.00287***	-0.00293***
			(0.000336)	(0.000336)	(0.000353)	(0.000356)
Total Housing Units			0.0376***	0.0360***	0.0405***	0.0385***
			(0.00635)	(0.00596)	(0.00622)	(0.00585)
Percent Owner-Occupied			-0.00250***	-0.00306***	-0.00254***	-0.00316***
			(0.000549)	(0.000510)	(0.000546)	(0.000522)
Median Home Value			0.0000707	0.0000714	0.0000571	0.0000599
			(0.0000592)	(0.0000634)	(0.0000643)	(0.0000697)
NMTC/EZ				0.108***		0.101***
				(0.0153)		(0.0148)
Metropolitan Area Dummy				-0.120***		-0.117***
				(0.0184)		(0.0189)
Δ Median Family Income		0.00162***			0.000732**	0.000243
		(0.000350)			(0.000293)	(0.000285)
Δ Poverty Rate		-0.00117*			-0.000997*	-0.000517
		(0.000615)			(0.000586)	(0.000550)
Δ Unemployment Rate		0.000440			0.000873	-0.000266
		(0.00109)			(0.00101)	(0.000945)
Δ Population Density					0.00614**	0.00546**
					(0.00296)	(0.00234)
Δ Percent Bachelor's Degree					0.00262***	0.00258***
					(0.000456)	(0.000447)
Δ Total Housing Units					-0.0124	-0.0141
					(0.0235)	(0.0235)
Δ Percent Owner-Occupied					0.00143***	0.00131***
					(0.000373)	(0.000358)
Δ Median Home Value					0.000150***	0.000103*
					(0.0000506)	(0.0000571)
Observations	30981	30981	30981	30981	30981	30981
Pseudo R^2	0.0426	0.0451	0.0574	0.0736	0.0618	0.0765
State Dummies	Yes	Yes	Yes	Yes	Yes	Yes

Note: Cell values report marginal effects at the mean from various logit specifications. Standard errors reported in parentheses are clustered at the state level. The dependent variable is equal to one for designated Opportunity Zones. All variables are defined in Table A1. The level covariates are measured in 2015 and the Δ covariates are measured as 5-year changes. All specifications include state dummy variables.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

TABLE A13. THE LIKELIHOOD OF OPPORTUNITY ZONE DESIGNATION: TERCILE ANALYSIS

(Terciles grouped by unemployment, poverty, and median family income)

Panel I: Low Distress Unemployment

	Low Distress MFI	Medium Distress MFI	High Distress MFI
Low Distress Poverty	(omitted)	-0.0069	-0.0124
		(0.0121)	(0.0288)
Medium Distress Poverty	0.0222**	0.0381*	0.0408
	(0.0096)	(0.0200)	(0.0283)
High Distress Poverty	0.0859***	0.1030***	0.1559***
	(0.0309)	(0.0307)	(0.0421)

Panel II: Medium Distress Unemployment

	Low Distress MFI	Medium Distress MFI	High Distress MFI
Low Distress Poverty	-0.0134	-0.0137	0.0636
	(0.0138)	(0.0104)	(0.0517)
Medium Distress Poverty	0.0358**	0.0571***	0.0602***
	(0.0137)	(0.0137)	(0.0205)
High Distress Poverty	0.1086***	0.1290***	0.1485***
	(0.0322)	(0.0360)	(0.0427)

Panel III: High Distress Unemployment

	Low Distress MFI	Medium Distress MFI	High Distress MFI
Low Distress Poverty	0.0588	0.0266	0.0558
	(0.0447)	(0.0332)	(0.0632)
Medium Distress Poverty	0.0622*	0.0699**	0.1279***
	(0.0351)	(0.0335)	(0.0346)
High Distress Poverty	0.1883***	0.1821***	0.2630***
	(0.0393)	(0.0330)	(0.0440)
Constant	0.1587***		
	(0.0128)		
R^2	0.0499		
N	30,981		

Note: Each cell reports the coefficient from a single linear regression, rearranged for ease of comparison. Standard errors reported in parentheses are clustered at the state level. Within each state, we calculate terciles by unemployment rate (denoted by u), poverty rate (denoted by p) and median family income (denoted by f). We then group tracts within each state by the triplet of terciles. This creates 27 mutually exclusive and exhaustive categories of distress. We run a simple linear probability model with these categorical dummy variables (excluding the least distressed group) to examine patterns. The model is given by $Y_{ij} = \alpha + \beta D_{ij}^{upf} + \gamma_j + \varepsilon_{ij}$, where Y_{ij} represents the outcome variable, which is equal to one if tract i in state j is designated as an OZ and zero otherwise. D_{ij}^{upf} are the dummy variables, $u = \{1, 2, 3\}$, $p = \{1, 2, 3\}$ and $f = \{1, 2, 3\}$, each denoting a tercile for the relevant variable in each tract i in state j. The coefficients from these regressions can be interpreted as the probability of being designated as an OZ relative to the probability of the least distressed group. The regression includes state dummy variables.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

TABLE A14. THE LIKELIHOOD OF OPPORTUNITY ZONE DESIGNATION: TERCILE ANALYSIS

(Terciles individually interacted with upward trajectory dummy variables)

Panel I: Unemployment Rate			
	Low Distress	Medium Distress	High Distress
Level Effect	(omitted)	0.0001	0.0721**
		(0.0151)	(0.0359)
Upward Trend	-0.0060	-0.0010	-0.0461**
	(0.0173)	(0.0094)	(0.0185)
Panel II: Poverty Rate			
	Low Distress	Medium Distress	High Distress
Level Effect	(omitted)	0.0275**	0.1317***
		(0.0119)	(0.0332)
Upward Trend	-0.0002	0.0182**	0.0139
	(0.0069)	(0.0087)	(0.0149)
Panel III: Median Family Income			
	Low Distress	Medium Distress	High Distress
Level Effect	(omitted)	0.0034	0.0435
		(0.0125)	(0.0270)
Upward Trend	0.0192*	0.0248***	0.0418***
	(0.0101)	(0.0084)	(0.0081)
Constant	0.1367***		
	(0.0269)		
R^2	0.0510		
N	30,981		

Note: Each cell reports the coefficient from a single linear regression, rearranged for ease of comparison. Standard errors reported in parentheses beneath each coefficient are clustered at the state level. Each tract is separately assigned a within-state tercile for median family income, poverty rate, and unemployment rate. The upward trend for each variable is a dummy variable equal to one if the 5-year change in that variable is improving more than the state average. This upward trend is then interacted with the tercile dummies. The model is $Y_{ij} = \alpha + \beta D_{ij}^{x^t} + \gamma[D_{ij}^{x^t} \times U_{ij}^{x}] + \gamma_j + \varepsilon_{ij}$, where $D_{ij}^{x^t}$ are the dummy variables for $x = \{u, p, f\}$ and $t = \{1, 2, 3\}$. For example, $D_{ij}^{p^3}$ is equal to one for tracts in the most distressed poverty tercile. The vector contains nine overlapping dummy categories. Additionally, each of these dummy variables is interacted with another dummy variable, U_{ij}^{x}, which is equal to 1 for tracts that are on an upward trajectory in category x as described above. The omitted category is the least distressed group for each variable. The regression includes state dummy variables.
* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Section B: News Reports Regarding Opportunity Zone Selections

Location	LIC	MFI 2010	MFI 2017	Poverty Rate	Unemployment Rate	NMTC/ EZ	Voter Support	Investor Contribution $\geq$ $1000	News
Phoenix, AZ	yes	30813 (+25.97%)	38816 (38)	29 (56)	13.9 (82)	0	57.49	0	Virtua Partners, a Phoenix-based private-equity firm, is raising $200 million for an opportunity zone fund including three Phoenix-area projects: a 130-room Marriott hotel with furnishings by West Elm; 81 single-family townhomes with a swimming pool and clubhouse; and a 90-unit apartment complex near Arizona State University's campus in Tempe. All three projects would have been completed even without the tax break, said Virtua executive Derek Uldricks, who said the opportunity zone program will speed fundraising. (Simon and Rubin, 2018)
Phoenix, AZ	yes	54706 (-9.26%)	49638 (72)	25.6 (46)	8 (40)	0	57.49	0	
Phoenix, AZ	yes	34519 (+15.88%)	40000 (42)	51.4 (97)	7.7 (37)	0	57.49	0	
Los Angeles, CA (Hollywood)	yes	46,480 (+156.4%)	119,191 (100)	22.1 (48)	11.1 (65)	0	66.84	0	The site is slated to become a Hyatt Centric hotel — and if all goes according to plan, it will also save its investors a tidy sum because of a massive new tax incentive program born from President Donald Trump's Tax Cuts and Jobs Act a year and a half ago. ...Along with Koreatown, tracts designated as Opportunity Zones include parts of Hollywood, Downtown, and the Arts District right next door, which TimeOut has dubbed "LA's trendiest neighborhood." So far, that appears to be where most of the deals are getting done - rather than places like Census tract 5425.02, better known as Compton, where the median household income is $35,457, barely half of the national median. (DePhillis, 2019)
Los Angeles, CA (Downtown)	no	90,074 (+24.5%)	112,109	13.0	3.3	1	66.84	1	
Napa, CA (Downtown)	yes	61,763 (-11.1%)	54,917 (66)	9.9 (6)	3.0 (3)	0	68.19	0	Napa's Westwood and downtown neighborhoods might not seem to have much in common, but both areas should benefit from a new investment tool called opportunity zones. ...Some may be surprised that parts of Napa, such as downtown, have a poverty rate or median family income that qualify. (Huffman, 2019)
Napa, CA (Westwood)	yes	43,811 (+63.2%)	71,493 (90)	8.5 (4)	5.4 (14)	0	68.19	0	
San Jose, CA (Central Downtown)	yes	41,714 (+162.1%)	109,352 (99)	15.3 (20)	9.1 (48)	0	72.94	1	One of San Jose's most active investors has purchased its latest property for hotel development. Urban Catalyst, which describes itself as Silicon Valley's only multi-asset opportunity zone fund, has closed on adjacent properties off San Jose's busy Josefa Avenue for plans to build an eight-story, 170-room hotel. ... "Having it sandwiched between where Google is building their office campus and Adobe's headquarters is the ideal location for this type of project," Hayden told Bisnow. "The hotel is going to cater to tech clients and business professionals." (Boerner, 2019)
San Jose, CA (Downtown)	yes	56,641 (+87.3%)	106,080 (99)	29.2 (73)	5.0 (10)	0	72.94	1	
San Jose, CA (Downtown)	yes	50,309 (+16.0%)	58,350 (74)	28.8 (72)	6.9 (27)	1	72.94	0	
San Jose, CA (Downtown)	yes	33,750 (+85.1%)	62,478 (81)	23.2 (53)	7.4 (32)	1	72.94	0	
Boulder, CO (Downtown)	yes	44,231 (+76.5%)	78,083 (94)	13.4 (28)	3.8 (18)	1	72.37	1	Communities in every state are scrambling to redevelop economically disadvantaged areas or opportunity zones under a new federal tax break approved in late 2017. But the city of Boulder has gone the other way, putting a moratorium on projects in its zone and largely blocking developers from taking part in what is a limited-time offer. ... Boulder's opportunity zone stretches from 55th and 28th streets and from the Diagonal Highway and Arapahoe Avenue. It includes the Twenty Ninth Street retail development, the new Google campus, as well as some of the city's more affordable housing areas. (Svaldi, 2019)

Location	LIC	MFI 2010	MFI 2017	Poverty Rate	Unemployment Rate	NMTC/ EZ	Voter Support	Investor Contribution $\geq$ $1000	News
Miami, FL (Edgewater)	yes	32,386 (+64.3%)	53,214 (85)	25.7 (59)	13.5 (80)	1	40.22	0	A new federal incentive program designed to help low-income neighborhoods is adding fuel to Miami's real-estate boom. When President Trump signed the Opportunity Zone program into law as part of the 2017 tax overhaul, the administration said the goal was to incentivize investment in economically distressed areas. But in the case of Miami and other U.S. cities, many of the opportunity zones are in gentrifying neighborhoods that were already attracting plenty of investment from hotel and luxury apartment developers. ...The neighborhood is "probably one of the best development areas in the country," said Alex Sapir, a Miami developer who has owned a site there for years. (Putzier, 2019) And Mr. Kushner's family company directly owns or is in the process of buying at least a dozen properties in New York, New Jersey and Florida that are in opportunity zones. They include a pair in Miami, where Kushner Companies plans to build a 393-apartment luxury high rise with sweeping views of Biscayne Bay, according to a company presentation for potential investors. (Yaffe-Bellany, 2019)
Miami, FL (Design District)	yes	36,583 (+25.9%)	46,042 (62)	11.5 (6)	6.3 (27)	0	40.22	0	And in Miami's hot Design District, where commercial real estate prices have nearly tripled in the last decade, the tax break is set to be used for a ritzy new office tower with a landscaped roof terrace. (Yaffe-Bellany, 2019)
Chicago, IL	yes	62,969 (-8.9%)	57,393 (75)	30.5 (71)	7.9 (33)	0	33.94	0	But two of the zones, which wind along a more developed section of lakefront two miles from Downtown, don't resemble the others. Crossing into both is the former Michael Reese Hospital complex the city bought 11 years ago. The 49-acre site would have been the Olympic Village in Chicago's failed bid for the 2016 Summer Games, and more recently, Amazon's second headquarters in that unsuccessful offering. Just before the Opportunity Zones selection process got underway last year, Chicago officials chose a team of private developers to embark on a $2 billion megaproject on the Michael Reese site. The pending project was already in line to collect city funds for the construction of a new technology campus, but would now stand to gain significant federal tax incentives with the Opportunity Zone designation. (Nitkin, 2019)
Chicago, IL	yes	18,594 (+380.1%)	89,271 (98)	22.4 (49)	5.1 (12)	0	33.94	0	
Indianapolis, IN	no	57,097 (+107.98%)	118,750	8.9	0.9	0	36.05	0	In one Indianapolis census tract – encompassing Fletcher Place and the Eli Lilly and Company campus – a third of the households made $100,000 or more. The census tract is home to at least two newer apartment developments. (Hopkins, 2019)
New Orleans, LA (Central Downtown)	yes	147,868 (-29.1%)	104,875 (99)	26.3 (40)	2.1 (3)	1	86.53	1	After a frenzy of lobbying in New Orleans, the central business district was designated a special zone despite it not being a low-income area. (Michel and Griffith, 2019) Mr. Scaramucci's development in New Orleans offers a portrait of how the tax break works. His investment company, SkyBridge Capital, is using the so-called opportunity zone initiative to help build a hotel, outfitted with an opulent restaurant and a rooftop pool, in the city's trendy Warehouse District. (Yaffe-Bellany, 2019)
Port Covington, MD	yes	40,833 (+261.2%)	147,500 (100)	7.6 (14)	0.8 (1)	1	22.51	0	But Port Covington, an ambitious development geared to millennials to feature offices, a hotel, apartments, and shopping, is not in a census tract that is poor. It's not a new investment. And the census tract only became eligible to be an opportunity zone thanks to a mapping error. (Ernsthausen and Elliot, 2019)

Location	LIC	MFI 2010	MFI 2017	Poverty Rate	Unemployment Rate	NMTC/ EZ	Voter Support	Investor Contribution $\geq$ \$1000	News
Detroit, MI	yes	60,040 (+111.73%)	127,125 (100)	14.8 (11)	4.1 (6)	1	35.44	1	Experts say two of the downtown Detroit tracts are islands of wealth in the city, one of the poorest in the nation. They are significantly wealthier by median income than the surrounding area. They include Gilbert-owned office space with high-end tenants including Microsoft, JP Morgan and Quicken Loans. The boutique Shinola Hotel sits in another Gilbert property that is now in one of the opportunity zones. While the tax break is supposed to generate new development, Gilbert already has several long-planned projects located in the newly designated zones, including the construction of a glass-and-steel skyscraper on the historic Hudson's department store site. (Ernsthausen and Elliott, 2019)
Detroit, MI	yes	45,036 (+168.35%)	120,855 (100)	7.9 (1)	1.3 (1)	1	35.44	0	
Detroit, MI (Indian Village)	yes	70,417 (+18.05%)	83,125 (99)	18.6 (24)	5.2 (12)	0	35.44	0	The deadline is Wednesday for states to submit recommendations to Washington. Michigan's application contains neighborhoods in almost all 83 counties, and some of the finest enclaves of Detroit: Indian Village, downtown, Midtown, Grandmont Rosedale and East English Village. Not included: Chandler Park, where 85 percent live in poverty, Herman Gardens (76 percent), and vast stretches of the west side where 3-in-4 residents live in poverty. "What data are you using if you think Indian Village or downtown is impoverished?" asked LaToya Morgan, director of Community Development Advocates of Detroit. (Hopkins, 2019)
Storey County, NV	no	65,121 (+2.7%)	66,870	7.7	4.2	0	84.66	0	One selected zone, in Storey County and the site of the Tahoe-Reno Industrial Center, is not low-income, but Sandoval petitioned to have it included. (Willson, 2019)
Hackensack, NJ	yes	54,231 (+4.5%)	56,696 (60)	29.2 (76)	5.1 (14)	1	57.66	0	Mr. Christie, a onetime adviser to Mr. Trump, has raised money for opportunity-zone investments including an apartment building in Hackensack, N.J. (Yaffe-Bellany, 2019)
Brooklyn, NY	no	127,330 (+3.2%)	131,372	12.8	2.6	0	84.09	0	We see the same pattern in New York where places like Sunset Park, Brooklyn, have been targeted despite having already attracted substantial private investment. The New York Times even identified Sunset Park as one of the city's "hot new neighborhoods." (Weaver, 2018)
Brooklyn, NY	no	129,167 (+46.0%)	188,542	5.1	6.0	0	84.09	1	
Brooklyn, NY	no	73,269 (+101.0%)	147,292	8.6	5.3	0	84.09	1	Augmented by Opportunity Zones, Sunset Park is facing a potential financial superstorm that will supercharge gentrification and displace the multi-racial, multi-ethnic working class populations and small businesses including industrial businesses that have long defined this neighborhood. (Hum, 2018)
Brooklyn, NY	yes	133,426 (+25.4%)	167,321 (100)	32.7 (74)	2.1 (2)	0	84.09	0	
Brooklyn, NY	yes	51,125 (+60.7%)	82,143 (96)	24.3 (53)	10.4 (65)	1	84.09	0	The packs of wild dogs that once roamed the Brooklyn Navy Yard are long gone, thanks to the city spending nearly \$400 million in the past 17 years to revive the 300-acre waterfront parcel. Today the former industrial site is home to scores of tech startups and small-scale manufacturers, plus a Russ & Daughters outpost where Scottish smoked salmon goes for \$44 per pound. "We are one of the best, if not the best, models of place-based economic development in the country,"said David Ehrenberg, chief executive of the Brooklyn Navy Yard Development Corp. The sprawling complex is poised to get another boost as a federally designated opportunity zone. (Elstein, 2019)
Brooklyn, NY	yes	31,791 (+183.1%)	90,000 (98)	20.9 (42)	8.3 (48)	0	84.09	0	
Brooklyn, NY	yes	51,600 (+65.8%)	85,568 (97)	17.7 (29)	5.5 (22)	0	84.09	0	
Brooklyn, NY	no	.	114,712	1.2	11.1	1	84.09	1	
Brooklyn, NY	yes	32,730 (+154.2%)	83,194 (97)	18.8 (33)	7.2 (39)	0	84.09	0	
Manhattan, NY (Hell's Kitchen)	yes	38,527 (+68.2%)	64,814 (83)	18.8 (33)	4.3 (12)	0	86.15	1	This is the new home of Pershing Square Capital Management, the prominent hedge fund run by the billionaire Bill Ackman. Mr. Ackman is trying to find tenants for 80,000 square feet of unused office space in his fund's building, which has a Jaguar dealership on the ground floor. He said he was using its location inside an opportunity zone as a lure. (Yaffe-Bellany, 2019)

Location	LIC	MFI 2010	MFI 2017	Poverty Rate	Unemployment Rate	NMTC/ EZ	Voter Support	Investor Contribution $\geq$ $1000	News
Queens, NY (Long Island City)	no	146,250 (+30.1%)	190,278	8.8	1.8	0	78.03	0	Amazon's original HQ2 location in Long Island City, New York, was an opportunity zone before Amazon reversed course and pulled its planned expansion there. "That doesn't strike most people as the most disadvantaged community if they were going to get Amazon's headquarters," Spencer says. "People who paint all opportunity zones as low-income, downtrodden areas couldn't be farther from the truth in many instances." (Fahey, 2019)
New Rochelle, NY	yes	63,523 (+11.2%)	70,625 (90)	21.9 (45)	6.7 (34)	0	57.10	0	[The projects include] an upscale apartment building in New Rochelle, N.Y., with a yoga studio and 24-hour valet parking. There is even a spa – for residents' pets. (Yaffe-Bellany, 2019)
Winston-Salem, NC	yes	56,450 (+30.4%)	73,625 (97)	15.8 (16)	7.5 (39)	1	57.53	0	Located at 640 W. 4th Street in the heart of Winston-Salem, the Courtyard will feature a rooftop bar with views of the surrounding downtown area. As the home of Wake Forest University and numerous corporate headquarters including banking firm BB&T, Winston-Salem enjoys its status as both a college town and a business and medical hub. (Nye, 2019)
Portland, OR (Central Eastside)	yes	67,708 (+10.8%)	75,020 (93)	21.7 (58)	4.2 (9)	1	76.84	0	But Oregon did an audacious thing: It selected the entire downtown of its largest city to be eligible for the law's suite of benefits, as well as neighborhoods such as the Pearl District, where new high-rises loom over old industrial spaces converted into "creative" offices and boutique furniture stores sit near juice bars serving açai bowls. The Central Eastside, an area that Portland's alt weekly crowned the city's "best food neighborhood," is also included. (Buhayar and Leatherby, 2019)
Portland, OR (Pearl District)	yes	82,458 (+25.7%)	103,657 (99)	20.3 (48)	6.2 (28)	1	76.84	1	
Portland, OR (Downtown)	yes	54,250 (+69.1%)	91,736 (98)	36.8 (94)	19.3 (99)	0	76.84	0	
Portland, OR (Downtown)	no	84,348 (+2.0%)	86,042	15.8	7.2	1	76.84	1	
Portland, OR (Central Downtown)	yes	14,960 (+661.1%)	113,854 (100)	48.2 (98)	12.9 (86)	1	76.84	1	
Houston, TX	yes	138,393 (+80.6%)	250,000 (100)	16.3 (18)	5.3 (31)	1	52.20	1	The tax benefit also is helping finance the construction of a 46-story, glass-wrapped apartment tower – amenities include a yoga lawn and a pool surrounded by cabanas and daybeds – in a Houston neighborhood already brimming with new projects aimed at the wealthy. (Yaffe-Bellany, 2019)
St George, UT	yes	54,402 (+3.9%)	56,544 (66)	19.6 (52)	6.7 (68)	0	81.71	0	Downtown St. George is "economically distressed." So says the Governor's Office of Economic Development. How can this be? Boutique hotels and luxury mixed-use business and residential complexes are sprouting up. The rapidly-growing Dixie State University is constructing new buildings yearly to accommodate a burgeoning student population. New upscale student apartments ring the campus. (Sierer, 2019)
Arlington, VA	yes	65,595 (+71.6%)	112,583 (99)	25.0 (77)	6.8 (50)	0	80.72	0	On a national scale, I don't think anybody would argue that these neighborhoods are economically-distressed, but within Arlington these designations should help stimulate or expedite development from South to North and West to East instead of the other way around. ... Given the impact Amazon is/will have on South Arlington, the Nauck, Four Mile and Columbia Pike area plans were going to take shape, but I suspect that the recent OZ designations will lead to a more rapid implementation of the County's vision. (Tucker, 2019)

Each row reports data on a Census tract in the neighborhood of "trendy areas" reported in the news. The median family income growth rate (or decline) between 2010 and 2017 is reported in parentheses in the third column. For those Opportunity Zones that are low-income communities, the within-state percentile (from Figure 2) is reported in parentheses for columns 4-6.

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