


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Abstract

Cities use tax increment financing (TIF) to fund infrastructure and public services. Chicago's broad corridor TIFs, which are used to fund infrastructure and public services, resemble conventional TIFs. However, Chicago's TIFs are used to fund infrastructure and public services, thereby exacerbating the gap between the rich and the poor. This study examines the effectiveness of TIFs measured as the change in the equalized assessed valuation (EAV) of properties. Using composite indices to measure physical and economic blight, the results of a quantile regression analysis indicate that economically blighted TIFs with predominantly non-White populations outperform other districts. These findings run counter to expectations given that TIFs report high rates of growth in property values, yet they remain substantially blighted. This suggests a need to reconsider change in equalized assessed valuation as the measure of TIF effectiveness given that the “growth” in TIFs does not seem to reflect a higher quality of life for residents.



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