

Opportunity Zones: Key Facts from Latest Available Evidence

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The latest evidence indicates that the Opportunity Zones incentive is on track to achieve unprecedented geographic reach and economic scale of private investment in low-income, high-poverty communities nationwide.

From [IRS data through 2020](#):

- OZ investment **reached at least 3,800 communities through its first full two years**, representing nearly half (48 percent) of the total number of designated OZ communities nationwide. For comparison, the New Markets Tax Credit has reached approximately 4,300 census tracts over its 20-year lifespan.
- Nationwide, neighborhoods that see OZ investment tend to get an economically significant infusion of capital per capita that is **larger than past place-based programs**.
- OZ communities that received investment are **substantially more economically distressed** than the rest of the country across every key indicator. In terms of economic need, they rank on average in the **87th percentile for poverty, 81st for median household income (MHI), and 80th for unemployment**.
- Especially noteworthy: OZ communities in the bottom income decile of all designated communities received a proportional level percent of investment in 2020, or approximately \$1.8 billion in OZ equity. These communities have **MHI under \$21k, an average poverty rate of 51 percent, and an average unemployment rate of 19 percent**, while 75 percent of the population belongs to a minority group.
- Total OZ equity investment nationwide reached at least **\$48 billion by the end of 2020** (not counting corresponding debt and non-OZ equity).
- OZ capital was raised from roughly **21,000 individual and 4,000 corporate OZ investors**, and it was deployed into **7,800 Qualified Opportunity Funds**.

From [November 2022 study](#) on commercial and residential development in designated OZs:

- OZ designation caused a **“large and immediate” increase in new commercial and residential development activity** such that the likelihood of investment in a given month **jumped by over 20 percent** in designated tracts in the 47 cities studied.
- Rather than crowding out local activity, OZ designations carried **positive economic spillovers into neighboring communities** and even boosted development activity at a city-wide scale.
- OZ designations **increased the supply of housing and improved home values** by 3.4 percent from 2017 to 2020 with **no observed increase in rents**.