"Job Growth from Opportunity Zones"

Joint work by Morris A. Davis (Rutgers Business School, Rutgers University), Andra C. Ghent (Kenan-Flagler Business School, University of North Carolina-Chapel Hill), and Minseon Park (University of Wisconsin-Madison).

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The Tax Cuts and Jobs Act of 2017 established a new program called Opportunity Zones (OZs) that created tax advantages for investing in businesses or real estate in a limited number of low-income Census tracts. We use a census of establishment-level data on employment to identify the effect of the program on job creation. We show that in metropolitan areas, the OZ designation increased employment growth relative to comparable tracts by between 3.0 and 4.5 percentage points and new jobs were created across many different industries and education levels. The OZ designation did not create jobs in rural areas.