
This thesis investigates the New Markets Tax Credit (NMTC) Program as a federal policy tool used to address regional economic disparities by providing investment incentives in low-income communities. Specifically, this thesis asks “Do cities with higher levels of concentrated poverty receive a larger share of NMTC investments than their less economically distressed counterparts?” The hypothesis of this research is twofold. First, due to the NMTC Program’s competitive nature and use of independent financial intermediaries, investments will not be equitably distributed according to relative need. Second, because access to information and institutional sophistication varies substantially from one community to another, cities with greater organizational capacity and stronger ties to Washington will capture a larger share of NMTC investments.

To address these regional disparities, this thesis recommends a two-pronged approach that requires action from both the United States Treasury’s Community Development Financial Institutions (CDFI) Fund and planners working in underserved communities.