
In the United States, as a high rate of racial minorities moving to inner cities and white Americans moving to suburban communities, there has been a dramatic increase of impoverished communities concentrating within inner-city areas. This kind of social transformation witnessed itself especially during the 1970s and 1980s, and has led to devastating collapse of American inner-city communities since then.

Even though a series of economic development initiatives have been designated and put into action as a response to address economic depression of inner cities, the outcomes seemed to be pessimistic. In 1993, as a centerpiece of Clinton Administration’s housing and community development program, the Empowerment Zone Program was enacted. It was designated to target federal grants to distressed urban and rural communities for social services and community redevelopment and provide tax and regulatory relief for businesses located in these communities.

The study intends to find out the program’s effects on poverty, unemployment and economic growth and to find out the program’s theoretical or methodological weaknesses leading to the limited success in addressing urban distress. Recommendations and implications based on the findings of literature review and case study would be of great value to the success of future urban policies targeting in solving similar urban problems.