

# Race, income, and retail outcomes in San Francisco and Chicago

Cities support economic growth by bringing people closer together, making it easier to access essential goods and services, and lowering costs for businesses to attract customers. However, some residents and neighborhoods benefit from this proximity more than others. Specifically, persistent segregation of neighborhoods by race and income has the potential to shape the proximity of consumers and retail businesses and the distribution of these economic benefits.

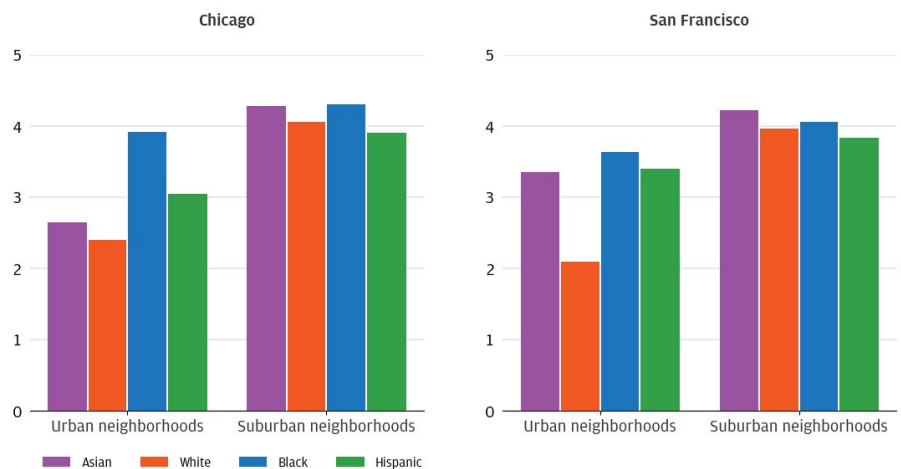
While recent research using administrative data suggests race and income may indeed play a role in shaping the movement of city residents outside their homes, schools, and jobs, it does not directly measure how race and income shape shopping destination choices across broad consumption categories. This [report](#) uses deidentified bank data to explore the interaction of race, income, distance, and shopping activity in Chicago and San Francisco—two metro areas with the highest levels of residential segregation in the U.S.

Our findings underscore significant disparities in access to retail shopping and services as well as related economic opportunities, demonstrating a need for better understanding of these issues and for targeted policy interventions focused on housing and business development and access to transportation.

## Findings:

1. Black urban consumers traveled farther to purchase everyday goods and services than White urban consumers.
2. Most consumers were more likely to shop in predominantly White and lower-income neighborhoods.

Median trip distance by race and neighborhood type (in miles)



**Note:** Median distance is calculated as the median of median trip distances. The median distance in miles each consumer travels is calculated and then the median of those medians across Asian, White, Black, and Hispanic consumers is calculated. This chart makes use of both public data and firm data.

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**Data explanation:** Four sets of bar charts each consisting of four bars indicating the median distance traveled to transact for the racial groups Asian, White, Black, and Hispanic. The first two sets describe median distances in Chicago for urban and suburban neighborhoods respectively and the latter two sets describe median distances for San Francisco. Across cities and neighborhood types, Asian and Black consumers tended to travel the furthest with Black consumers notably traveling further to transact in urban neighborhoods when compared to White consumers.

**Suggested citation:** Wheat, Chris and James Duguid. 2024. "Race, income, and retail outcomes in San Francisco and Chicago." JPMorganChase Institute. <https://www.jpmorganchase.com/institute/all-topics/business-growth-and-entrepreneurship/race-income-and-retail-outcomes-in-san-francisco-and-chicago>.