

Segregation is Still Wrong and Still Pervasive

By Myron Orfield

Pervasive housing discrimination by public and private actors helped create, and now maintains poor, minority neighborhoods. Until the end of World War II, physical violence, racial zoning, and discriminatory real estate practices kept blacks closely confined to the ghetto.¹ In many cities, white property owners attached restrictive covenants to deeds that forbade blacks from buying homes in their neighborhoods.² Real estate agencies engaged in a variety of discriminatory practices, including racial steering of blacks and whites away from each other and blockbusting, which involves selling a few homes in a white neighborhood to black tenants, buying neighboring homes at lower prices from panicked white homeowners, then reselling the homes to middle-income blacks at a premium.

To this day, blacks and Latinos at all income levels are discriminated against by real estate agents, who show them only a small subset of the market and steer whites away from communities with people of color.³ Mortgage lenders also systematically lend less money to blacks and Latinos compared to whites of similar income and background.⁴ These patterns of resegregation do not end at city borders but also extend into suburbia. A recent study of metropolitan Boston showed that nearly half of all black homeowners were concentrated in seven out of a total 126 communities.⁵

The FHA Does Its Part

Starting in the 1940s, the Federal Housing Administration (FHA) began to guarantee loans with 10 percent down payments, lower interest rates, and longer mortgage periods. Whites in overwhelming numbers used these loans to build homes in the suburbs, but discriminatory practices prevented blacks from following suit. The FHA would not provide low-cost loans to “inharmonious racial or nationality groups. The private sector, following the government’s lead, did not make loans to individuals in neighborhoods that were “redlined” on FHA investment maps.

Public housing has been another factor in fostering

segregation. In the 1930s, authorities began siting public housing in the inner cities and since 1969, have filled it with poor tenants, instead of encouraging mixed income, racially stable communities.⁶ Several studies show that if the government had not segregated public housing and its tenants, school desegregation would not have been necessary.⁷ Some officials claim that low-income housing in poor neighborhoods revitalizes those communities economically, but a recent literature review commissioned by the Department of Housing and Urban Development (HUD) found that low-income housing by itself does not have a revitalizing effect.⁸ On the contrary, studies of Baltimore, Cleveland, Milwaukee, and Philadelphia showed that adding low-income units in poor segregated neighborhoods is likely to further depress the value of housing.

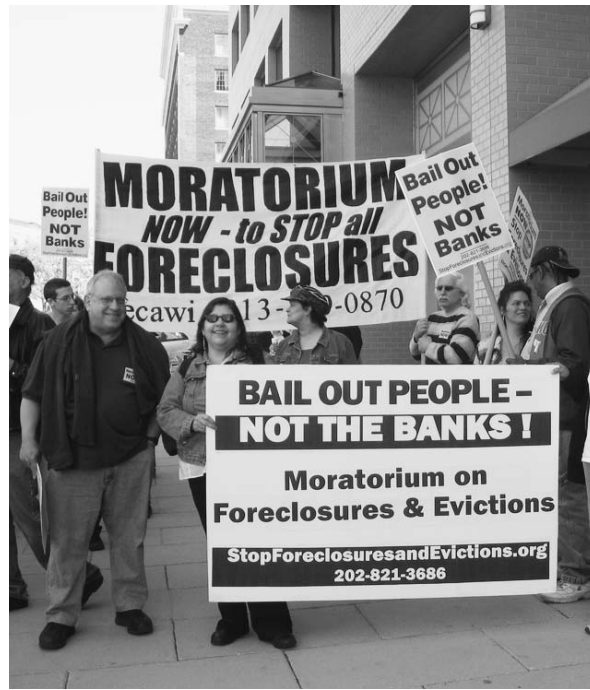
As neighborhoods undergo the process of becoming deeply poor and segregated, they frequently lose significant population density. Studies show that in very poor segregated neighborhoods, low income tenants often move out of older, standard, habitable housing into newer, subsidized units. Because market demand in these neighborhoods is not strong, the older (but habitable) housing is simply abandoned, leading either to no net gain—or even a loss—of affordable units.



Resegregation in Real Time

Typically, after a number of black or Latino residents move into a neighborhood, white demand for housing there declines—first among households with children, and then the broader middle class. Businesses and jobs soon follow the white middle class, taking with them a portion of the tax base.⁹ Since the black and Latino middle classes are not large enough to sustain the demand and price of houses in the neighborhood, the laws of supply and demand eventually lower housing prices, and low income minorities move in.

The Institute of Race and Poverty (IRP) has found striking evidence of resegregation in some of the largest metropolitan areas in the United States. Its analysis of 15 large metro regions between 1980 and 2000 found that a majority of blacks and Latinos now live in suburban cities and many neighborhoods, which appeared to be integrated, were actually in a period of racial transition. The neighborhoods experienced racial transition only if the non-white population exceeded 20 to 30 percent. Census data also shows that integrated tracts with a black population of over 30 percent in 1980 were more likely to make the transition to predominantly black during the next 20 years. However, communities that have practiced “managed integration”—employing a series of pro-integrative financial incentives, careful oversight of real estate practices, and marketing strategies geared



to maintain the housing demand of whites when evidence of resegregation appears—have shown frequent success in maintaining social and economic integration for generations.

It is also evident that when schools become more black and Latino, they become poorer, and within a generation, the neighborhood follows. The most rapid racial and economic resegregation in schools is now occurring in older suburbs. Once the minority share in a community school reaches a threshold level—between 10 and 20 percent—racial transition accelerates until minority percentages reach very high levels (greater than 80 percent).

Despite this evidence of discrimination, conventional wisdom holds that patterns of segregation are simply the result of individual preference. The Supreme Court in *Freeman v. Pitts* upheld this view when it cited a lower court’s reliance on a study that said blacks and Latinos preferred 50/50 integrated neighborhoods, whereas whites were uncomfortable with more than a 10 percent black and Latino population, making segregation inevitable. While courts and legal commentators have cited this finding as fact, the study’s authors have recently written that the Court’s analysis was inadequate and that significant and increasing evidence shows that blacks and whites can live together on a long-term stable basis, particularly when a conscious integration plan is in place.¹⁰

Photos:

(Left) Jesse Jackson addresses bystanders in the midst of the Poor People’s March on Washington 1968.

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(Right) Participants in the demonstration against the Mortgage Bankers Association’s Annual Policy Summit in Washington, DC on April 16, 2008.

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The Harms of Residential Segregation

In 2000, about half of the black and Latino middle classes—over 10 million households—had suburbanized in the 100 largest regions. Owing to discrimination, however, blacks and Latinos often ended up in older, at-risk suburbs characterized by aging housing stock, slow growth, and a low tax base—the resources that support public services and schools. The poorest of these places were either resegregated or deeply in the process of becoming so. Clearly then, middle class minorities had fewer opportunities than their white counterparts in education, wealth acquisition through equity in homes, and employment opportunities.

Few blacks and Latinos live in bedroom-developing suburbs with average or below-average tax bases, low poverty schools, and some jobs and office space. Fewer still live in affluent job centers with low poverty schools, high tax bases, and little affordable housing. Poor whites, who do not face housing discrimination, can live more dispersed throughout suburbia, in middle-income neighborhoods, and attend middle class schools.¹¹

Children from predominately poor neighborhoods, who attend very low income schools, face many barriers to academic and occupational achievement, even if they themselves are not poor. Studies show that they

are far more likely to drop out of high school or to become pregnant as teenagers.¹² Long-term racial and social isolation in neighborhoods with high percentages of single parent families also leads to the formation of gangs and other forms of “oppositional culture” and a form of linguistic isolation, which limits employment opportunities later in life.

The vicious cycle of concentrated poverty with its high violent crime rate, huge health disparities (from a concentration of environmental hazards and poor diet), inadequate health care, and overall existential stresses, ultimately makes it even more difficult for teachers to do their jobs in public schools.¹³

The Benefits of Racial/Economic Integration

All individuals—including poor people of color—benefit from living in affluent and opportunity-rich neighborhoods with large tax bases and abundant entry-level jobs. Overwhelmingly, these are majority-white neighborhoods. The facts and outcome of *Hills v. Gautreaux*, show the effects of exposure to concentrated opportunity rather than concentrated poverty, on poor black families. A remedial program allowed largely low-income black households to live in three types of neighborhoods: poor and segregated, revitalizing white (with poor segregated schools), and affluent.

Researchers found that: (a) Women with low incomes who moved to the largely white, opportunity rich suburbs clearly experienced improved employment and earnings, even in the absence of job training and placement services;¹⁴ (b) Individuals who lived in affluent white suburbs, as opposed to predominantly black city neighborhoods, were about 14 percent more likely to be employed; (c) Interviewed

Photos:

(Left) Abayomi Azikiwe, editor of the Pan-African News Wire participates in the demonstration against the Mortgage Bankers Association’s Annual Policy Summit in Washington, DC on April 16, 2008.

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(Right) Freedom School students and teacher, 1964.

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families found the suburbs to be much safer; and (d) The Gautreaux children performed significantly better in school after moving to more affluent areas.¹⁵ Children who moved to the suburbs dropped out of high school less frequently than those who moved to the city (five percent versus 20 percent), and maintained their grades despite the higher standards at suburban schools. These children were also much more likely to be on a college track (54 percent), compared with the children who remained in the city (21 percent). Moreover, 75 percent of the suburban youth had jobs, compared to only 41 percent in the city.

The families in “revitalizing areas” made some gains but not as substantial as the families who moved to the suburbs. Schools in the revitalizing neighborhoods differed from the racial and socioeconomic makeup of their neighborhoods and were either segregated or in the process of rapid segregation. The evidence showed that these children did not experience the same level of opportunity as their suburban counterparts. Nor did the parents experience much more economic opportunity.

The findings from Gautreaux and other research bear out the consensus among social scientists that integration has long-term benefits. All children from desegregated elementary schools are more likely than their counterparts from segregated schools to attend a desegregated college, live in a desegregated neighborhood, work in a desegregated environment, and possess high career aspirations.¹⁶ A study of some of the nation’s most selective law schools showed that the vast majority of the students had attended desegregated colleges. At the least, diverse educational set-



tings contribute to a student’s ability to participate in a pluralistic society.

The Clear Hope of Housing

Without serious policy changes, the rolling pattern of suburban resegregation caused in part by building government-supported low-income housing in segregated or resegregating neighborhoods, will continue to deeply hurt hundreds of communities. These communities could be strong and vital if our housing markets were fair and if the government affirmatively furthered fair housing. This disinvestment will not only destroy the wealth-building ability of middle class black and Latino households, it will reinforce the white prejudice that creates this pattern. Crucial to the goals of ending racial bias and supporting racial opportunity is a knowledge and understanding of another race that lives in a different world and experiences a different America.

The Civil Rights Act of 1968, which includes Title VIII, is one of the most hallowed accomplishments of American law and shows Congress’s clear objective to integrate American society. Yet, as history has shown, without persistent advocacy, even the clearest legislative pronouncements will not enforce themselves. Advocates need to pursue other remedies to further an integrated society, using the

■ Participants in a POOR magazine demonstration against gentrification.



FHA and state statutes and constitutions, together with a coherent multi-front legislative strategy. This strategy must involve long-term metropolitan integration, principles of opportunity-based housing, and the stabilization of integrated and gentrifying neighborhoods. Housing must be viewed as a clear path toward racial and economic opportunity that holds a real hope for revitalizing cities and older suburbs. ■

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Photos:

Picket line at the Mid-City Realty Company, Chicago, Illinois, July 1941.

Credit: John Vachon, FSA-OWI Collection

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