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Housing Segregation and Racial Inequality

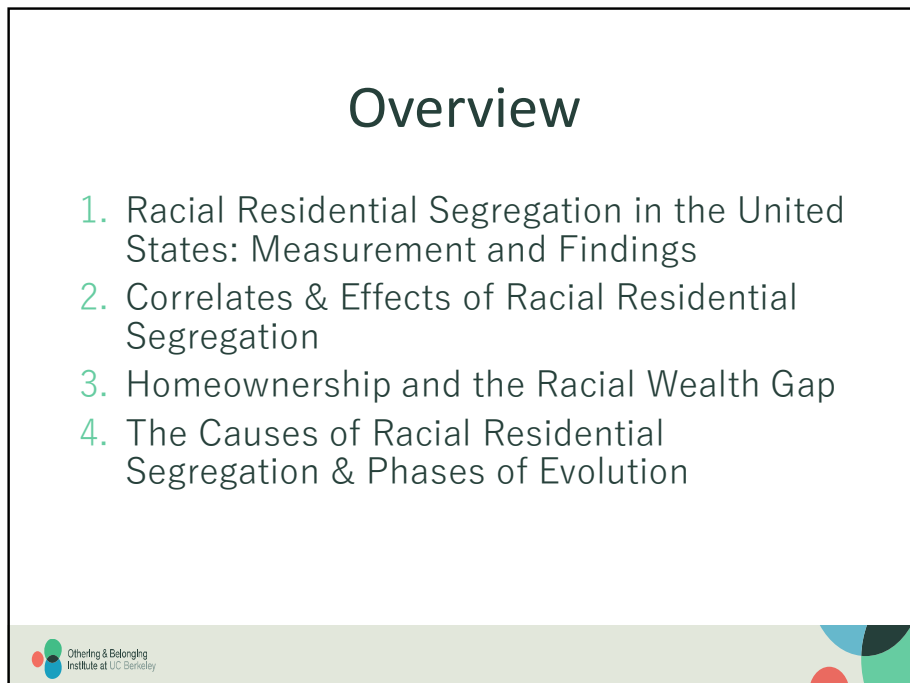
The California Task Force on Reparations

DATE
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PRESENTER
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Othring & Belonging Institute

AUTHORIAL SUPPORT
N/A

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Overview

1. Racial Residential Segregation in the United States: Measurement and Findings
2. Correlates & Effects of Racial Residential Segregation
3. Homeownership and the Racial Wealth Gap
4. The Causes of Racial Residential Segregation & Phases of Evolution

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I. Racial Residential Segregation in the United States: Measurement and Findings

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Key Terms

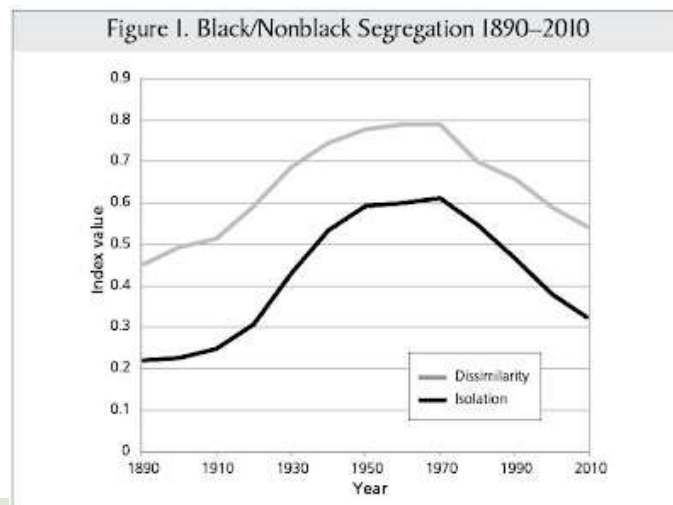
- **Segregation** – the separation of people in any particular domain (housing, education, public accommodations, employment, occupation, etc.).
- **Racial Segregation** – the separation of people on the basis of race.
- **Racial Residential Segregation** – the spatial separation of people in terms of residence (housing) on the basis of race.
- There have been ongoing and unresolved debates about precisely how to measure these phenomenon.

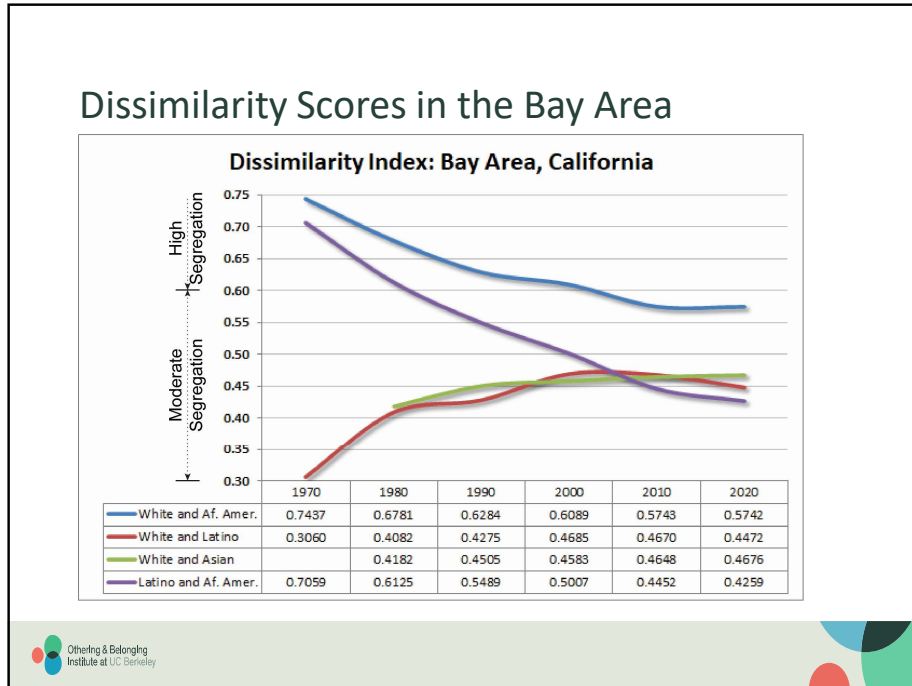
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Measuring Segregation: 1) The Dissimilarity Index

- Indicates the percentage of a subgroup that would have to move to achieve integration, from 0-100.
 - A score of 100 indicates that every neighborhood has residents of only one particular group (“complete segregation”).
 - A score of zero indicates proportional representation of each group throughout the metropolitan region (“complete integration”).
- As of 2020 census:
 - The national **Black-white dissimilarity score is 55**, a high level of segregation. That means that more than half of African Americans (or whites) would have to move to a different-race neighborhood to achieve a fully integrated society.
 - The **Hispanic-white** dissimilarity score is 45.
 - The **Asian-white** dissimilarity score is 40.

The Index of Dissimilarity





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Different Worlds:

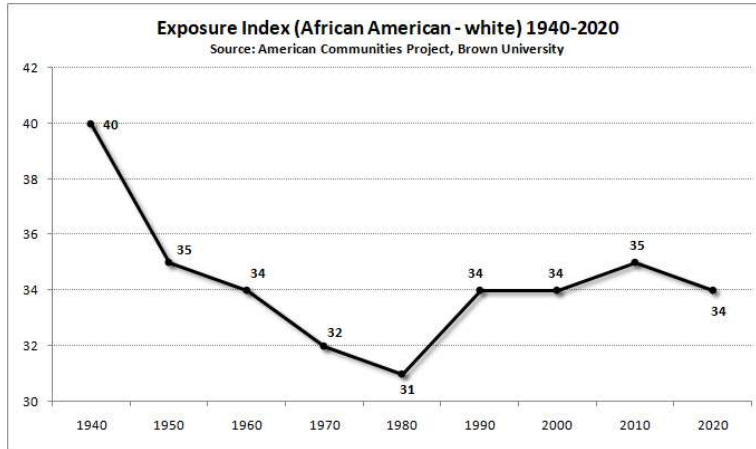
2) The Isolation/Exposure Indices

- The **Exposure Index and Isolation Index** measure the average neighborhood of a member of a racial group.
- As 2020, the average white resident of a metropolitan area resides in a neighborhood that is 69% white, 9% Black, 12% Hispanic, and 6% Asian.
- In contrast, a typical African-American resident lives in a neighborhood that is 41% Black, 34% white, 17% Hispanic, and 6% Asian.

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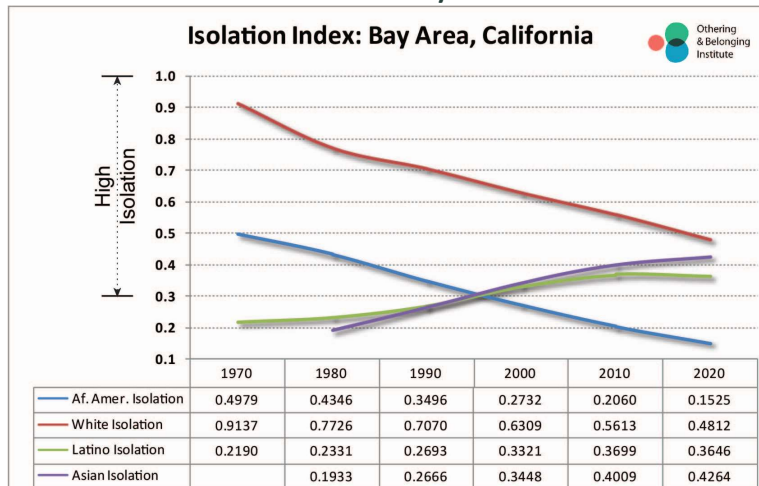
Measuring Segregation: The Exposure Index



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Isolation Index in the Bay Area



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Measuring Segregation: 3) The Divergence Index

- Created by Elizabeth Roberto in 2015, this is a new way of calculating segregation.
 - Unlike many other measures of segregation, the Divergence Index can measure a region's segregation for multiple racial groups simultaneously
- It measures the difference between the overall proportion of a group in a region and the proportion of each group in a local area within that region, like a census tract to a county or a CBSA.
 - The higher the score, the more the tract "divergences" from the larger region, suggesting the more segregated it is.
- We find, using this measure that 54% of metro regions with more than 200,000 residents are more segregated as of 2020 than in 1990, and 23% more segregated in 2020 than 2010.



Source:

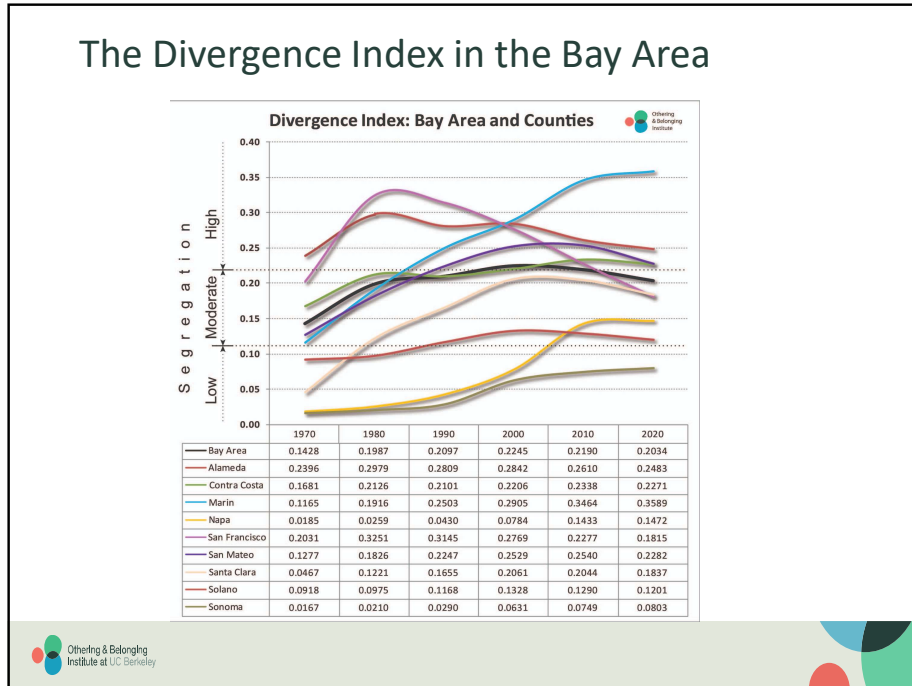
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Divergence in the Bay Area

- Key finding: the Bay Area is significantly **more** segregated in 2020 than it was in 1970 (0.2034 compared to 0.1428).
 - 7 of 9 Bay Area Counties have higher Divergence Index scores in 2020 than in 1980 or 1990, and most are much higher.
 - Only two counties have lower Divergence Index scores (Alameda and SF), and only modestly so.
 - Marin, the most segregated county in the Bay Area, has had a threefold increase in the level of segregation, even if the initial level was fairly low. The level of segregation in Sonoma has more than quintupled.



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II. Correlates & Effects of Racial Residential Segregation

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Research Summary / Overview

- There is a mountain of academic and scholarly research trying to measure either direct effects or correlates of racial residential segregation in the arenas of health, economics, education, environment, and more.
- Racial residential segregation has been linked to infant and maternal mortality, asthma, cardiovascular disease, diabetes, hypertension, obesity, lead exposure, and many other health conditions and illness, including Covid-19 infections.
- Segregated communities of color often have less access to grocery stores, child care facilities, parks and recreational spaces, clinics and primary care providers, and other important neighborhood resources, and are more likely to have hazardous waste facilities in close proximity.
- Robert Sampson and his colleague were so disturbed by their 2016 findings in Chicago that they claim that lead toxicity may be a “major environmental pathway through which racial segregation has contributed to the legacy of Black disadvantage in the United States.”



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Segregation is not an abstract problem.



- We launched, entitled the Roots of Structural Racism, earlier this year, which examined correlates to types of segregation.
- Neighborhood poverty rates are highest in segregated communities of color (21 percent), which is three times higher than in segregated white neighborhoods (7 percent).
- Black children raised in integrated neighborhoods earn nearly \$1,000 more as adults per year, and \$4,000 more when raised in white neighborhoods, than those raised in highly segregated communities of color.
- 83 percent of neighborhoods that were given poor ratings (or "redlined") in the 1930s by a federal mortgage policy were as of 2010 highly segregated communities of color.



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Table 4: 2019 Segregation and Select Neighborhood Outcomes^{6,666}

Indicator	Integrated Neighborhoods	Highly Segregated Communities of Color	Highly Segregated White Neighborhoods
Median Household Income	\$63,830	\$54,278	\$100,956
Median Home Values	\$244,162	\$266,927	\$474,798
% Below Poverty	14%	21%	7%
% Owner-Occupied Homes	59%	46%	77%
% With Bachelor's Degree	30%	23%	46%
Life Expectancy	78	77	81
Median Rent	\$1,177	\$1,174	\$1,545
% Unemployed	6%	8%	4%
% of US Land Area	7%	9%	7%
% of US Population	12%	20%	11%



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Table 5: 1990 Neighborhood Segregation and Select Outcomes for Racial Groups

Indicator	Integrated Neighborhoods	Highly Segregated Communities of Color	Highly Segregated White Neighborhoods
Future Average Income	\$29,593	\$27,685	\$38,035
Future Black Income	\$22,996	\$22,061	\$25,867
Future Latino Income	\$34,354	\$33,510	\$38,122
Future White Income	\$34,968	\$34,940	\$41,066
% of Children Imprisoned as Adults	3%	3%	2%
% of Black Children Imprisoned as Adults	5%	6%	5%
% of Latino Children Imprisoned as Adults	2%	2%	2%
% of White Children Imprisoned as Adults	2%	3%	2%



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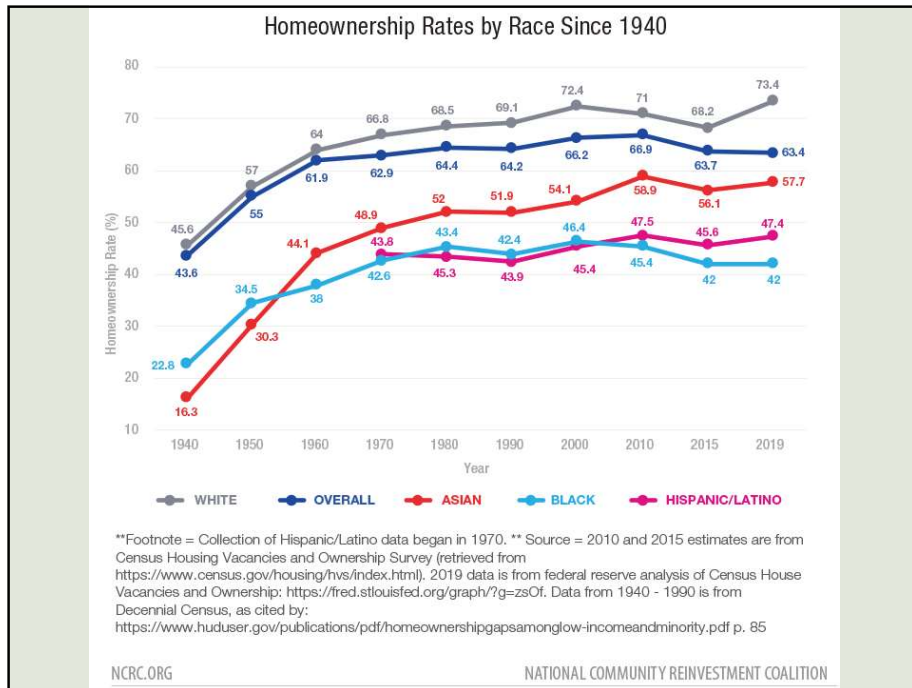
III. (An Aside on) Homeownership by Race and the Racial Wealth Gap

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Disparities in Homeownership

- Here are 2019 Homeownership Rates by Race:
 - White: 73 percent
 - Asian: 58 percent
 - Latino: 47.5 percent
 - Black: 42 percent
- The overall race disparity masks significant generational differences. Black Americans born before 1930 only lag white Americans in terms of rate of homeownership by 5 percent.
 - Specifically, 65.3 percent of Black households in that age group while 70.2 percent of white households own their own home.
 - In contrast, the absolute difference in homeownership between Black and white households aged 35-44 is 33.5 percent, with 66 percent of whites owning their homes compared to just 33 percent of Black households.

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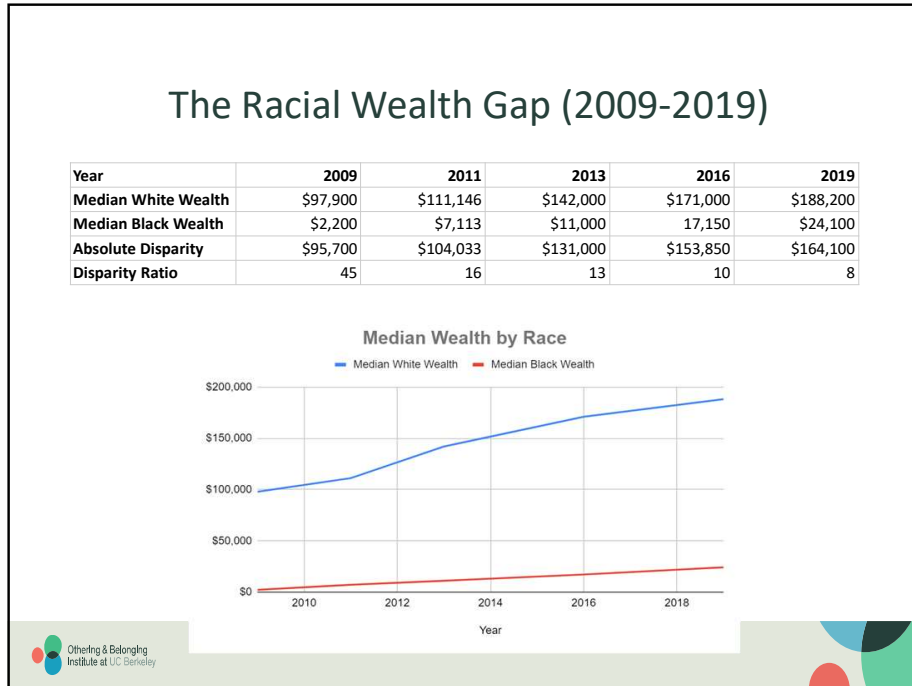
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Housing & the Racial Wealth Gap

- Although not true of White families, most “Black wealth” is held in housing stock, which was devastated by the 2007-8 housing crisis.
 - For whites, home equity is 43 percent of net worth, compared to 60 percent for Black Americans
- In 2016, the *average* Black household net worth was \$138,200 while White mean household net worth was \$933,700, a relative disparity of nearly 7 times.
- This disparity is skewed by a handful of extremely high wealth families, but when looking at the typical, or *median*, household, the disparity is even greater:
 - The net worth of the typical white family was pegged at \$171,000, nearly ten times greater than that of a typical Black family (\$17,150) in 2016.
- When housing is excluded, the disparity reaches its zenith, \$17,150 in typical white net worth compared to \$930 for Black families, a ratio of nearly eighteen and a half.

Source: https://www.researchgate.net/publication/341159895_A_subaltern_middle_class_The_case_of_the_missing_Black_bourgeoisie_in_America

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IV. The Causes of (and Phases in Evolution of) Racial Residential Segregation

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Theories

- Three common explanations:
 1. Discrimination in Housing Markets
 2. Divergent Compositional Preferences
 3. Economic Differences Between Racial Groups
- Additional Explanations:
 4. Differences in Background Knowledge of Neighborhoods (Maria Kryson and Kyle Crowder)
 5. White Avoidance of Black & Latino Neighborhoods (Quillian et al)
- There is evidence in support of each of these theories, although the debate is highly nuanced (e.g. debate over HDS surveys).
- The bottom line is that there is no academic consensus about the precise causes and maintenance of racial residential segregation or their relative importance.



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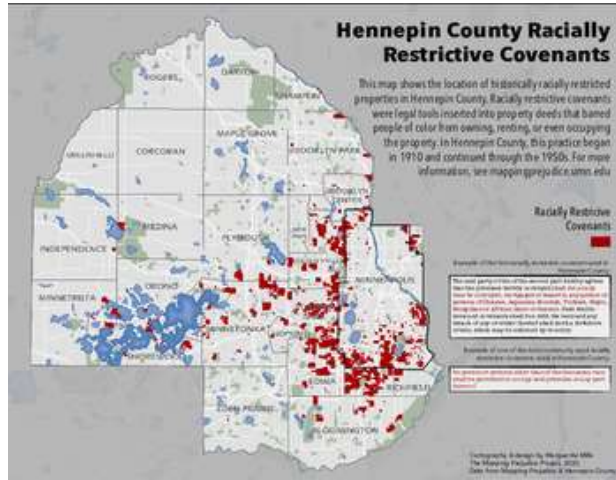
Historical Phases in Evolution of Racial Residential Segregation

- Very broadly speaking, there are three phases to the evolution of racial residential segregation in the United States:
 1. 1900-1930s (the local real estate industry era)
 - Primary mechanism: Restrictive covenants
 2. 1930-1970 (federal government extends and deepens)
 - Primary mechanism: HOLC/FHA Redlining & Segregative Public Housing
 3. 1970-present (race 'neutral' policies of municipal power)
 - Primary mechanism: Zoning/land use and municipal power



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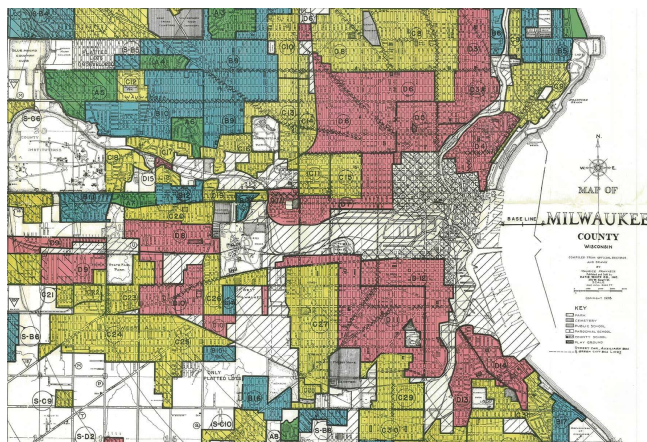
Restrictive Covenant Map for Minneapolis



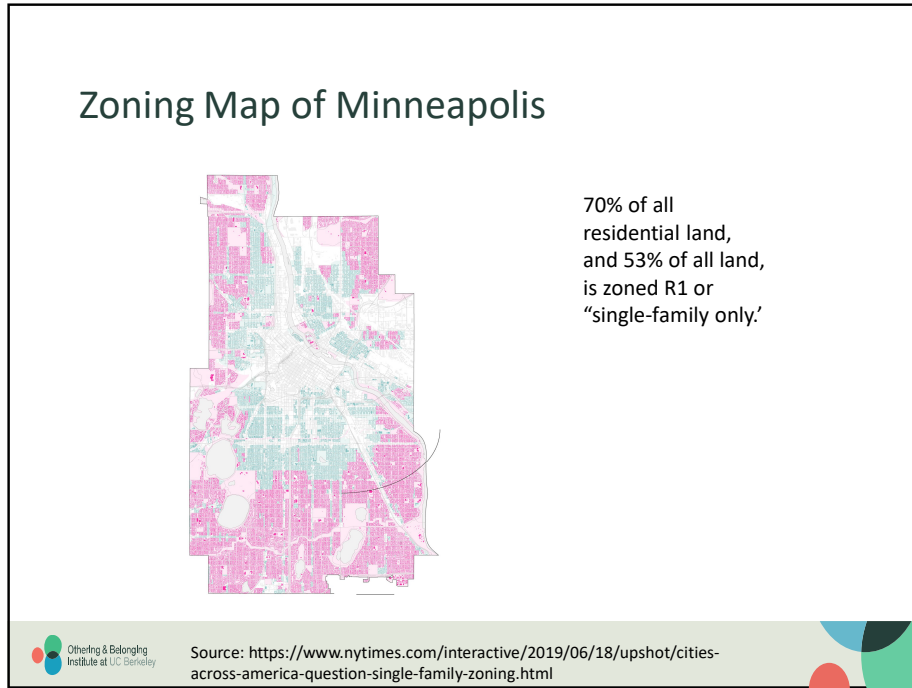
Source: <https://conservancy.umn.edu/handle/11299/217471>

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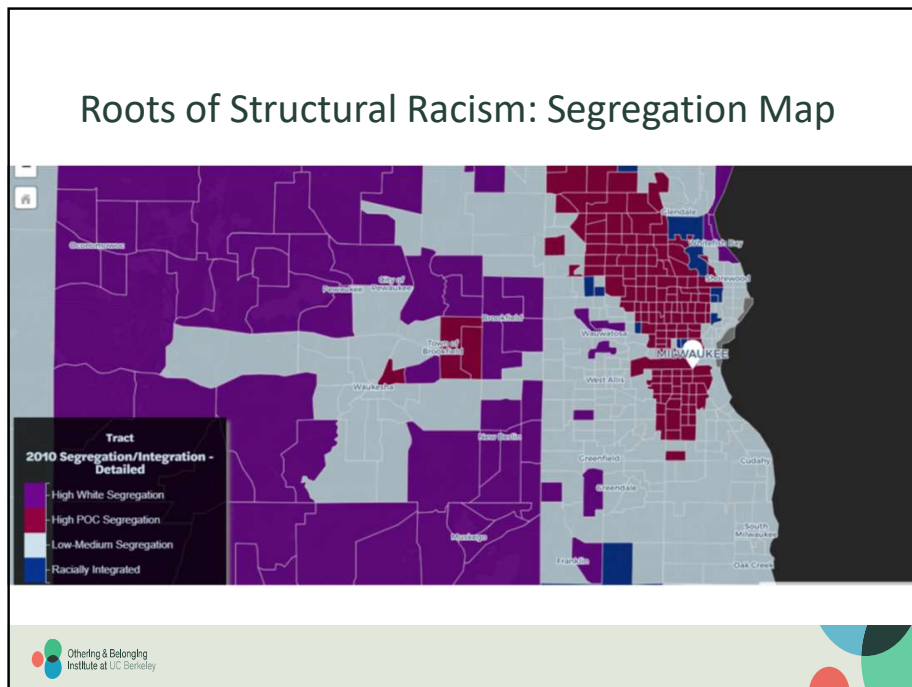
Milwaukee Redlining Map



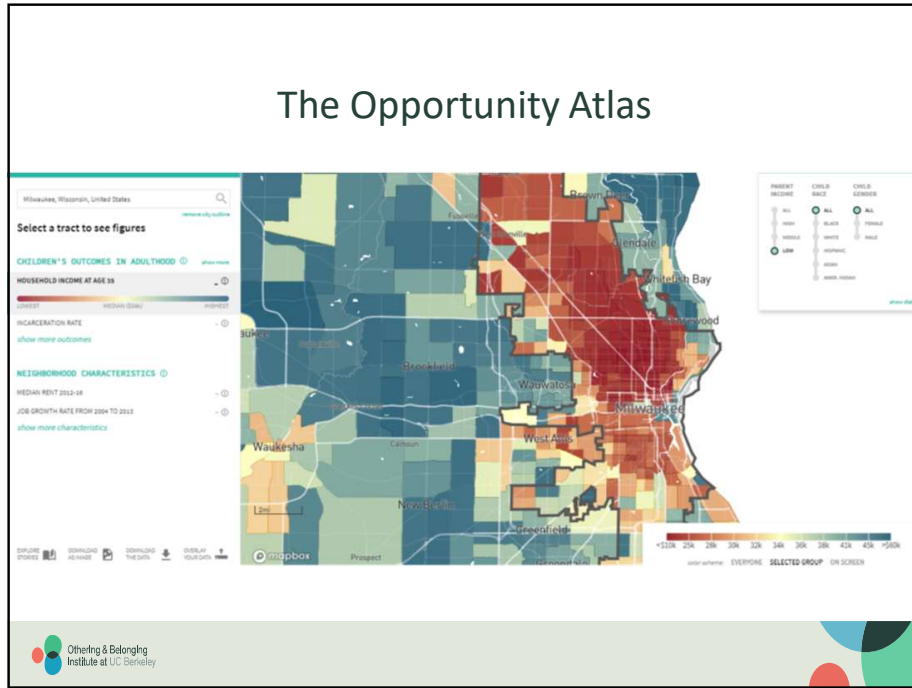
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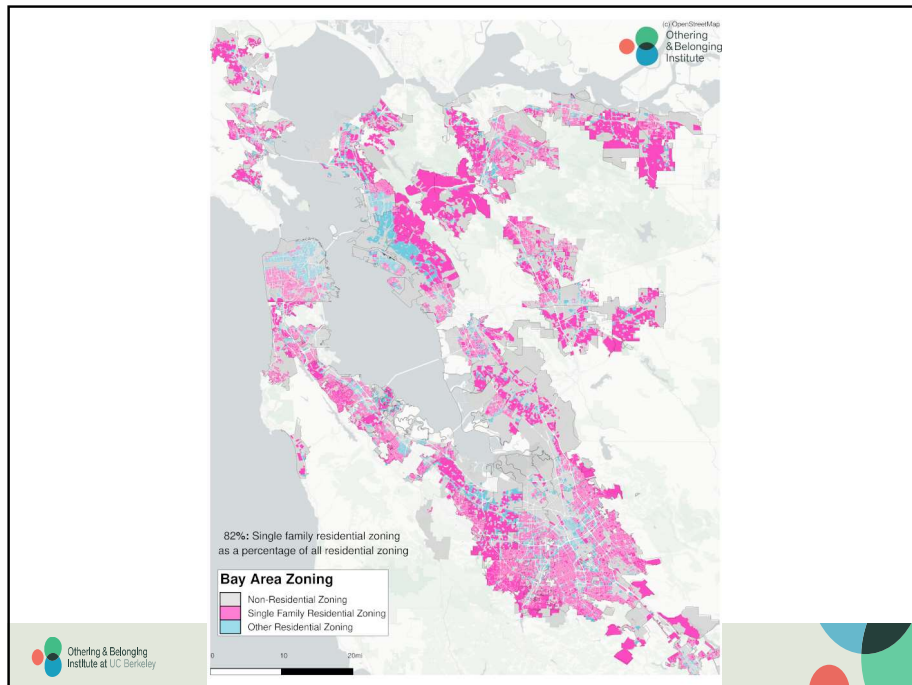
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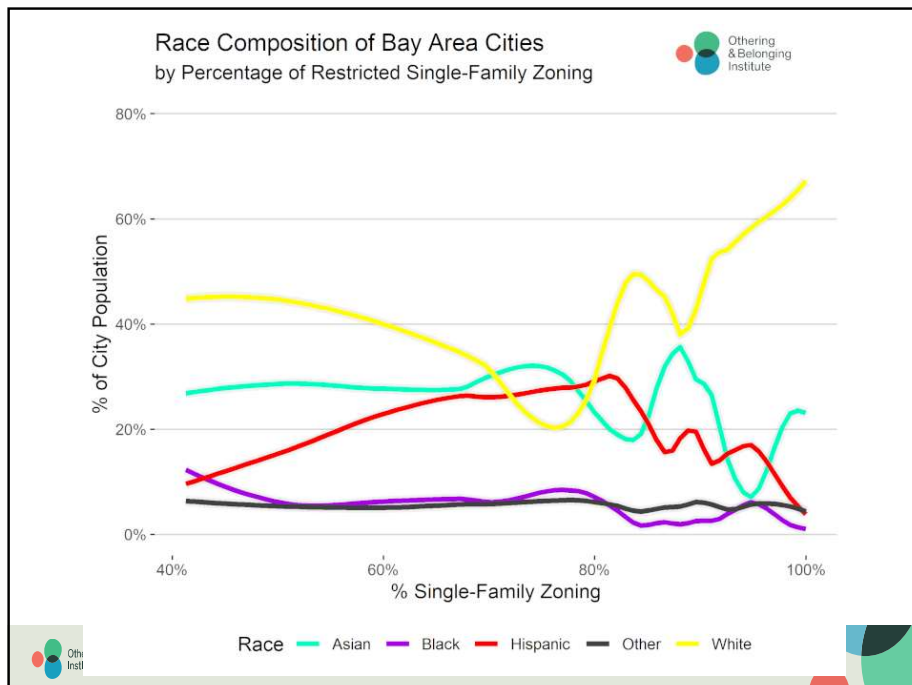
Restrictive Zoning in the SF Bay Area

Table 1: Cities by Single-Family Zoning Percentage

40-75%	75-90%	90-100%
Albany	Belmont	Antioch
Berkeley	Burlingame	Brentwood
Campbell	Concord	Clayton
Dublin	Daly City	Cupertino
Emeryville	East Palo Alto	Danville
Foster City	El Cerrito	Hillsborough
Hayward	Fremont	Lafayette
Hercules	Gilroy	Livermore
Larkspur	Half Moon Bay	Los Altos
Milpitas	Menlo Park	Los Gatos
Mountain View	Millbrae	Martinez
Oakland	Morgan Hill	Mill Valley
Pittsburg	Newark	Monte Sereno
Redwood City	Novato	Moraga
Richmond	Palo Alto	Oakley
San Mateo	Pleasant Hill	Orinda
San Francisco	San Bruno	Pacifica
San Pablo	San Carlos	Piedmont
Santa Clara	San Jose	Pinole
South San Francisco	San Leandro	Pleasanton
Sunnyvale	San Rafael	San Anselmo
	San Ramon	Saratoga
	Union City	
	Walnut Creek	



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Single-Family Zoning & Racial Residential Segregation

Table 2: City Composition by Single-Family Zoning Percentage

Within-City Segregation	0.15	0.13	0.04	0.13	NA
% White	34%	33%	53%	36%	40%
% Hispanic	22%	26%	16%	23%	24%
% Other	6%	5%	5%	5%	5%
Number	21	24	22	67	NA



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De Jure or De Facto?

- Richard Rothstein argues that American racial residential segregation is *de jure*, not *de facto*, as is commonly asserted, and therefore government has a constitutional responsibility to remedy it and the harms it caused.
- [For example, consider Levittowns:] “Of course, William Levitt was a bigot. Left to his own devices, he would have refused to sell a home to an African American. But he wasn’t left to his own devices. He built the project with FHA and VA guarantees for his bank loans. If the FHA and VA had obeyed their constitutional obligations, they would have said to Levitt, ‘Yes, we’ll guarantee your loans, provided you sell homes in a non-discriminatory fashion.’ That they didn’t do that makes the financing of Levittown unconstitutional,” i.e., ‘de jure’. That Levitt was a bigot was true, but irrelevant.” The Bill of Rights and the Civil War Amendments make the government’s role determinative.”




Justice Kennedy



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De Jure or De Facto?

- I have a slightly different position: Whereas Rothstein finds most segregation to be “de jure,” I find the distinction to be largely untenable.
- Government policy was influenced by private/market actors and vice versa to such an extent that they can never be fully disentangled.
- “[t]he distinction between government and private action [...] can be amorphous both as a historical matter and as a matter of present-day finding of fact. Laws arise from a culture and vice versa. Neither can assign to the other all responsibility for persisting injustices.”
- I concur.

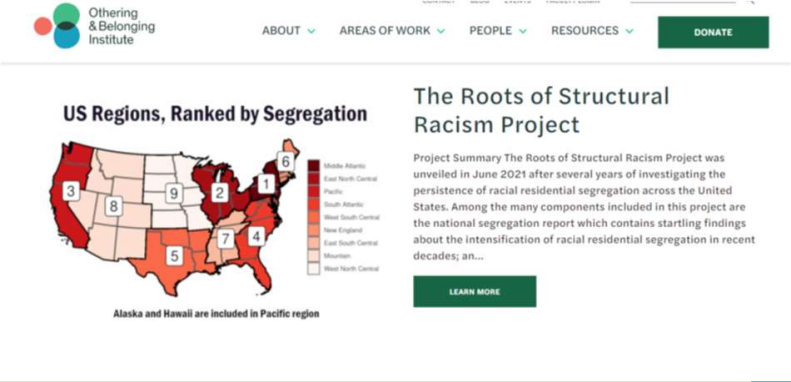


Justice Kennedy

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To read more...





US Regions, Ranked by Segregation

Alaska and Hawaii are included in Pacific region

The Roots of Structural Racism Project

Project Summary The Roots of Structural Racism Project was unveiled in June 2021 after several years of investigating the persistence of racial residential segregation across the United States. Among the many components included in this project are the national segregation report which contains startling findings about the intensification of racial residential segregation in recent decades; an...

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