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Race and neighborhoods in the 21st century: What does segregation mean today? [☆]

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ABSTRACT

Noting the decline in segregation between blacks and whites over the past several decades, some recent work argues that racial segregation is no longer a concern in the 21st century. In response, this paper revisits some of the concerns that John Quigley raised about racial segregation and neighborhoods to assess their relevance today. We note that while segregation levels between blacks and whites have certainly declined, they remain quite high; Hispanic and Asian segregation have meanwhile remained unchanged. Further, our analysis shows that the neighborhood environments of minorities continue to be highly unequal to those enjoyed by whites. Blacks and Hispanics continue to live among more disadvantaged neighbors, to have access to lower performing schools, and to be exposed to more violent crime. Further, these differences are amplified in more segregated metropolitan areas.

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1. Introduction

The issue of race was central to John Quigley's work. He studied racial discrimination in housing markets as well as the potentially harmful consequences of racially segregated neighborhoods – from their centralized location in urban areas far from expanding employment opportunities to their relatively thin job networks, high cost housing and limited neighborhood amenities. Some recent work suggests that racial segregation is a thing of the past, and certainly much has changed since Quigley's early work. In this paper we revisit some of the concerns that Quigley raised about racial segregation and neighborhoods and examine their relevance today.

2. Background

Segregation across neighborhoods need not necessarily be troubling. If caused by different groups affirmatively choosing to live in different

neighborhoods, with no broader negative consequences, then there might be little reason for concern. But surely segregation is troubling if it is caused by discrimination, or the actions of sellers, landlords, realtors, and lenders to restrict the choices of minority households and keep them out of white neighborhoods. Kain and Quigley (1970) provided some of the first rigorous evidence of such discrimination, demonstrating that black households paid a large premium for housing in the 'ghetto,' as lack of access to other neighborhoods inflated demand within minority neighborhoods.

Other research confirms that private housing market discrimination played a significant role in constraining the mobility of black households prior to the passage of the Fair Housing Act (Massey and Denton, 1993). Government policies were clearly discriminatory too; public housing developments were explicitly segregated by race and the Federal Housing Administration issued guidelines recommending that underwriters avoid integrated areas.

As for today, the most recent national audit study of paired testers (conducted in 2012) revealed that the blatant, overt discriminatory practices that were pervasive in housing markets in the 1950s and 1960s have dwindled.³ Yet, the study also found that other, more subtle

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³ The four national audit studies conducted by the Urban Institute provide the best evidence on the prevalence of discriminatory practices. Of course, the audit studies do have limitations. Audit studies typically focus on the initial encounter between a household and an agent; they do not analyze discrimination that might occur later in the transaction (Turner et al., 2002).

forms of discrimination persist, such as providing information about fewer units [Turner et al., 2013](#).

While the audit studies provide the most direct evidence of shifts in the prevalence of discriminatory practices, other studies provide insights, too. For example, following [Kain and Quigley \(1970\)](#), [Cutler et al. \(1999\)](#) analyzed racial differentials in house prices to examine shifts over time in the roots of segregation. In brief, they argued that if discriminatory barriers were a significant cause of segregation, blacks would have to pay more for housing than whites in more segregated cities. If whites paid more for housing, by contrast, it would suggest that segregation was largely due to white preferences for largely white neighborhoods. Using this price differential approach, the authors concluded that segregation was due largely to housing market discrimination in 1940, but by 1990, the decisions of individual white households to avoid black neighborhoods had become the dominant cause.

Together, these studies suggest that the discriminatory barriers limiting minority households moves into predominantly white neighborhoods have fallen to some degree. As [Quigley and Raphael \(2008\)](#) put it, a ‘cocktail of factors’ likely contribute to racial segregation today, such as racial differences in income and wealth, differences in information and search patterns, and preferences for racial composition.

Most of the studies exploring the role of income differences in driving segregation have concluded that they explain only a small portion of segregation ([Farley, 1986](#); [Kain, 1986](#); [Gabriel and Rosenthal, 1989](#); [Miller and Quigley, 1990](#); [Harsman and Quigley, 1995](#); [Ihlanfeldt and Scafidi, 2002](#)). [Bayer et al. \(2004\)](#) considered a broader set of sociodemographic factors and found that they play a somewhat larger role in explaining segregation, at least in the Bay Area. Their results suggest that income, education, occupation and household composition together explained 20% of black segregation. But their results may be somewhat unique to the Bay Area, which enjoys only modest levels of segregation. Recent work by [Jargowsky \(2013\)](#) suggests that income continues to explain little of white–black segregation nationally.

Racial differences in preferences for racial composition surely play some role in sustaining segregation. Surveys of racial preferences provide little evidence of desires for self-segregation on the part of blacks ([Farley et al., 1993](#); [Bobo and Zubrinsky, 1996](#); [Charles, 2000](#)). These same studies suggest that residential preferences of white households are far stronger and may play a more significant role in sustaining segregation. Such preferences may not always be a function of simple racial prejudice, however. [Ellen \(2000\)](#) argued that much of current white–black segregation is caused by the ongoing refusal of whites to move into integrated and largely-black neighborhoods, due to race-based stereotypes they hold about the quality of life in these communities.

There is far less research examining the mix of factors that drive the segregation of Asian and Hispanic households. However, the evidence that exists suggests that as compared to the drivers of white–black segregation, white avoidance generally plays a lesser role, while income differences and preferences for clustering with those who share the same language and customs appear to play a larger role (see [Ellen, 2008](#)). For example [Bayer et al. \(2004\)](#) reported that sociodemographic factors collectively explained over 60% of the segregation of Hispanics in the San Francisco metropolitan area, as compared to just 20% of black segregation. Similarly, modeling differences in neighborhood choices on a national level, [Quillian \(2013\)](#) found that differences in observable characteristics can explain most of the spatial segregation between Hispanics and whites, but little of that between blacks and whites.

Whether driven primarily by explicit discrimination or propelled by these other, less troubling factors, segregation can still have serious consequences for minorities, in large part because it leads to the creation of separate and highly unequal communities. In their joint review of the literature that has grown out of the Moving to Opportunity (MTO) Program [Quigley and Raphael \(2008\)](#) write,

“Despite the substantial decline in the degree of racial segregation in the U.S. housing market reported in the 2000 census, most African Americans still reside in communities that are geographically separate from those of white Americans. Continued racial disparities in income, education, and employment mean that housing segregation is accompanied by the concentration of poverty and high rates of joblessness in predominantly black neighborhoods.”

There is considerable empirical work demonstrating the differences in disadvantage level in minority and white neighborhoods. Most of this work has focused on the neighborhood environments faced by blacks and whites and most of it relies exclusively on measures captured by the decennial census. [Massey and Denton \(1993\)](#), for example, demonstrated that even affluent minorities have been found to live in communities with higher poverty rates, lower educational attainment, and higher shares of single-parent families. [Quillian \(2003\)](#) and [Sharkey \(2008\)](#) later emphasized that point-in-time measures actually underestimate racial differences in neighborhood disadvantage levels, as residential mobility patterns tend to compound disparities. (Black households are not only more likely to live in high poverty neighborhoods at a given point in time, but they are also much less likely to leave such neighborhoods and more likely to re-enter them if they leave.)

While the full consequences of such neighborhood conditions continue to be debated, the latest evidence from the MTO Program, together with myriad non-experimental studies, suggests that neighborhood disadvantage matters, though perhaps not in the ways that John Kain, John Quigley and other urban economists originally suspected ([Ludwig et al., 2011](#); [Burdick-Will et al., 2011](#)). Unfortunately, existing studies do little to help us get inside the ‘black box’ of neighborhood disadvantage. Socioeconomic status may matter in itself or it may instead be a proxy for the quality of neighborhood services and conditions.

There is relatively little research examining such potential disparities in these types of features across neighborhoods, in part because of the difficulty of obtaining nationally-consistent data. The research that does exist tends to show that minority households live in less accessible and lower amenity neighborhoods. Consider access to employment. John Kain (1968) first pointed to the disparities in job access between white and minority communities. Later studies confirmed this same pattern, consistently showing that black workers lived further from growing job opportunities than white workers ([Raphael, 1998](#); [Raphael and Stoll, 2002](#)). [O’Regan and Quigley, \(1996\)](#) and [O’Regan and Quigley \(1998\)](#) highlighted not only racial disparities in physical access to jobs but also access to social networks that could connect workers to jobs. As for crime [Peterson and Krivo \(2010\)](#) collected neighborhood-level crime data for 91 cities around the year 2000 and showed that largely black and largely Hispanic neighborhoods had significantly higher rates of violent crime on average than largely white areas.

Our work re-visits the nature of differences in neighborhood environments experienced by minority and white households. We extend prior work by using more recent data, considering three different minority groups (blacks, Hispanics, and Asians), analyzing neighborhood attributes rarely examined, and exploring whether disparities in exposure to neighborhood conditions within a metropolitan area vary with the level of segregation.

3. How segregated are we?

[Glaeser and Vigdor \(2012\)](#) provocatively titled their most recent paper on segregation, ‘The End of the Segregated Century,’ implying that we no longer have to worry about segregation in the United States. To be sure, the world has changed since 1970 when John Quigley first started studying the issue. [Fig. 1](#) draws on data from us2010,⁴ a joint project between the Russell Sage Foundation and Brown University, to

⁴ See <http://www.s4.brown.edu/us2010/About/History.htm> and [Logan and Stults \(2011\)](#).

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