

Housing Segregation in the United States: Does Race Matter?

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Racial segregation is as taken-for-granted as any feature of urban life in the United States. Whites typically live in neighborhoods that are more than 80 percent white, blacks live in neighborhoods that are on average 60 percent black, while Hispanics reside in communities that are approximately 40 percent Hispanic (Blank 2001: 38). The fact of severe and persistent racial segregation of housing patterns in metropolitan areas is not contested, though the causes of segregation are hotly debated.

Unexamined in most of this literature is the experience of segregation and racial discrimination in housing. This study explores the types of neighborhood amenities and characteristics (including their racial composition) families seek out, the ways different racial groups pursue housing opportunities, the outcomes of those processes in terms of the housing that is ultimately secured, how racial minorities respond if they believe they encountered discrimination, attitudes on the extent to which race and racial discrimination affect housing opportunities, and generally the extent to which race affects housing and neighborhood related preferences and practices. Understanding the experiences of various actors in urban housing markets can help explain the phenomenon of segregation and inform current policy debates.

Perspectives on Segregation

Most explanations of racial segregation center on three hypotheses. One perspective focuses on individual choice, arguing that most households generally prefer to live in culturally homogeneous neighborhoods. The housing market, from this perspective, reflects the freely chosen preferences of millions of buyers and thousands of housing providers who make voluntary decisions in a free market (Thernstrom and Thernstrom 1997; Glazer 1975).

A second explanation focuses on economics arguing that the spatial concentration of racial groups basically reflects the relative financial status of those groups. Since whites in general have higher incomes and control more wealth than racial minorities, whites have more (and non-whites have fewer) choices in the housing market (Becker 1957; Clark 1986). If whites are hesitant to move into non-white neighborhoods, it is argued, this reflects race-based neighborhood stereotyping (e.g. concerns about presumed correlations between racial composition and property values as well as other neighborhood characteristics) rather than discrimination per se (Ellen 2000). Housing segregation, therefore, reflects primarily impersonal market forces from this perspective.

A third perspective points to a range of discriminatory private practices and public policies that restrict housing opportunities for non-whites and serve to create and perpetuate segregated housing. It is argued that these policies and practices, and the individual-level prejudices and stereotypes upon which they are based, are primarily responsible for the formation of racial and ethnic ghettos and for the persistence of segregation to this day in urban housing markets (Massey 2001; Massey and Denton 1993; Yinger 1995).

While each of these three sets of factors contributes to the segregation of metropolitan areas, the weight of social science evidence points to the latter set as the primary cause. Specific private industry practices include racial steering, blockbusting and the provision of different levels of service to whites and non-whites by real estate agents (Fix and Struyk 1992). Redlining and racially discriminatory practices by mortgage lenders (Munnell et. al. 1996; Goering and Wienk 1996) and property insurers (Squires 1997), including the refusal to serve and the provision of inferior products and services to minority markets, undercut property values and trap minorities in segregated neighborhoods. Racially discriminatory appraisal practices result in the under-valuation of properties in minority neighborhoods causing lenders to deny mortgages even when willing buyers and sellers had agreed to the price, thus further isolating minorities in segregated communities (Schwemm 1993; Pittenger 1996). When all else fails, violence and intimidation have been utilized to maintain the color line (Massey and Denton 1993).

Public policies include Federal Housing Administration (FHA) lending practices that historically were explicitly discriminatory as illustrated by the following statement in the agency's early underwriting manual, "If a neighborhood is to retain stability, it is necessary that properties shall continue to be occupied by the same social and racial classes" (U.S. Federal Housing Administration 1938: par 937). Enforcement of racially restrictive covenants, exclusionary zoning ordinances, concentration of public housing in central city neighborhoods, and construction of a federal highway system that facilitated suburban development are among a range of public policies that nurtured and reinforced racial segregation (Jackson 1985; Rusk 1999).

The most comprehensive analysis of housing market practices was conducted by HUD and the Urban Institute in 1989. Utilizing paired testing (where comparably qualified white and non-white “testers” posing as homebuyers approach housing providers to rent or purchase advertised, vacant units) researchers found that blacks and Hispanics encountered some form of unlawful discrimination in almost half their encounters with real estate agents (Fix, Galster, and Struyk 1992: 22).

In addition, available evidence tends to undercut the “preference” and “economic” explanations as primary causal factors. Whites do express preferences for predominantly white communities. But public opinion surveys demonstrate that racial minorities prefer integrated to segregated neighborhoods (Schuman et. al. 1997). And among those minority households who do choose homogeneous communities, the motivation is often to avoid the harassment and intimidation they fear may occur in predominantly white areas (Feagin and Sikes 1994). And at least in the case of African Americans, indices of racial segregation vary little with socioeconomic status (Massey 2001). Higher status African Americans may reside in neighborhoods with more whites than do those with less income and education. But middle-class African Americans live in less affluent and desirable neighborhoods than do middle-class whites. Race, in other words, still affects residential options available to middle class African Americans (Alba et. al. 2001).

Race and racial discrimination appear to continue to play a critical role in the segregation of housing patterns in urban communities. This study explores the salience of race by examining differences between blacks and whites in the significance they attach to racial composition and other neighborhood characteristics in the selection of homes and communities, the home-seeking tactics of blacks and whites, initial outcomes of that

process, the frequency with which home-seekers believe they or their friends have experienced discrimination in the housing market, how they respond to the discrimination they believe they have experienced, and general attitudes about the extent to which equal opportunity prevails in the housing market.

A key distinction among the competing explanations for housing segregation is the relative importance attached to race and racial discrimination. The preceding discussion of the perspectives explaining segregation lends itself to the development of a few key hypotheses. The racial discrimination perspective predicts that race will be significant in explaining the variation in the outcomes discussed above, even after controlling for differences that exist between whites and blacks in socioeconomic and demographic characteristics. Indeed, if race is significant with respect to the outcomes related to the home search process, experience with discrimination, and attitudes about the extent to which equal opportunity exists in the housing market, the racial discrimination perspective will be reinforced while the preference and economic perspectives will be further undercut. If race is insignificant in the analyses, the choice and economic perspectives will be supported.

Among the policy implications of the controversy over the causes of housing segregation are debates over the extent to which race-specific as opposed to more universalistic remedies should be pursued and whether those policies should be “pro people” or “pro place.” (Wilson 1996, 1999 Massey and Denton 1993). Presumably, more informed policy decisions can be made as more is learned about the dynamics of segregation and the role of racial discrimination. Informing those policy debates is a primary objective of this research.

Data and Methodology

The data for this study are derived from a telephone survey of 921 adults—480 from the District of Columbia and 441 from the nearby suburbs of Maryland and Virginia¹—that was conducted in the spring of 2001 by the George Washington University Survey Research Center. Through random-digit dialing techniques, telephone numbers were selected and an over-sample was drawn from the District of Columbia. When a call was answered, an interviewer representing the Survey Research Center asked to speak to the “youngest male 18 or older who is at home.” The interviewer asked for “the oldest woman 18 or older who is at home,” if no eligible male was present. Previous research has established that such a selection method produces more demographically representative samples than alternative techniques (Keeter and Fisher 1997; Srinivasan et al. 1996). The cooperation² rate was 45 percent.

Washington, D.C. is fairly typical of metropolitan areas in terms of the segregated nature of its housing patterns. The index of dissimilarity in Washington has mirrored that of the nation’s major urban centers for at least thirty years reaching the mid-60s even among households with incomes greater than \$50,000 (Massey and Denton 1993: 86). The Washington, D.C. area has a slightly larger black population than most major metropolitan areas. The 2000 Census data show that blacks comprise 26.0 percent of the population in the Washington, DC-MD-VA-WV Primary Metropolitan Statistical Area (PMSA), while in the Detroit, Chicago, New York, and Philadelphia PMSAs, they comprise 22.9 percent, 18.9 percent, 24.6 percent, and 20.1 percent of the populations,

¹ The specific jurisdictions that comprised the nearby suburbs are Arlington and Fairfax counties and the cities of Alexandria, Fairfax, and Falls Church in Virginia; and Montgomery and Prince Georges counties in Maryland.

respectively (U.S. Bureau of the Census 2001a).³ Like many other large cities, Washington, D.C. and the surrounding suburbs have become more diverse. In 2000, Asians comprised 6.7 percent of the Washington, D.C. metropolitan area's population, up from 5.2 percent in 1990 (U.S. Bureau of the Census 2001a).⁴ The Washington, D.C. metropolitan area has also become a magnet for immigration (Singer et al. 2001). In 1998, one in six persons in the area was born outside of the United States (U.S. Bureau of the Census 2000), a striking contrast from 1970 when one in twenty-two persons was foreign born. In Washington, D.C., however, blacks remain the dominant minority group.

Despite the large presence of blacks in the area and the increasing racial and ethnic diversity of the metropolitan area's population, the black/white index of dissimilarity remained virtually unchanged throughout the nineties, going from 65.7 in 1990 to 63.1 in 2000 (Lewis Mumford Center 2001). Moreover, the area's current level of segregation dropped only 9.9 percent from the 1980 black/white index of dissimilarity of 70.0 (Massey and Denton 1993: 76). The persistence of segregation in the area is illustrated by the fact that in 2000, approximately two-thirds of the black population in the Washington, D.C. metropolitan area lived in the District of Columbia and Prince George's county, areas where at least 60 percent of the population was black (U.S. Bureau of the Census 2001a, 2001b, 2001c). Thus, only one-third of the black population in Greater Washington lived in areas that were not predominantly black.

² The cooperation rate is defined as: completed interviews/(completed interviews+refusals).

³ These percentages are derived from the population within the 2000 census that reported only one race. In these particular metropolitan areas, less than 5 percent of the population identified themselves with more than one race (U.S. Bureau of the Census 2001a).

⁴ In the Detroit, Chicago, New York, and Philadelphia PMSAs, Asians comprise 2.3 percent, 4.6 percent, 9.1 percent, and 3.4 percent of the populations, respectively (U.S. Bureau of the Census 2001a).

Interestingly, Fairfax County, the only county in the United States with a median household income over \$90,000 in 2000 (Bredemeier 2000), was comprised of approximately 20 percent of the Washington, D.C. area's population but housed a mere 6.5 percent of the metropolitan area's black population, (U.S. Bureau of the Census 2001a, 2001d). Montgomery County (in Maryland) ranked ninth nationally with respect to median household income (Bredemeier 2000) and housed about 18 percent of the area's population, but only 10.3 percent of the Washington, D.C. metropolitan area's black population lived in the county (U.S. Bureau of the Census 2001a, 2001c, 2001d). The District of Columbia and Prince George's county, the areas where the majority of blacks in Greater Washington reside, had median household incomes that were not even ranked within the top 50 jurisdictions in the country (Bredemeier 2000).

As is the case nationwide, racial discrimination appears to be a major contributor to the segregation that exists in the Washington, D.C. metropolitan area. The Fair Housing Council of Greater Washington utilized paired-testing to investigate the home purchase, rental, and mortgage lending marketplace throughout the metropolitan area in recent years. Investigators found that blacks were discriminated against 36 percent of the time in their efforts to buy homes, 44 percent of the time when they attempted to rent, and 37 percent of the times they applied for mortgage loans. Discriminatory practices included racial steering, misrepresentation about the availability of homes, differences in rental rates for the same units and the number of units that were shown, disparities in mortgage interest rates, differential application of particular standards, and others (The Fair Housing Council of Greater Washington 1997a; 1997b; 1998). (See Appendix,

“Examples of Discriminatory Practices in the Washington, D.C. Housing Market” for specific examples of such practices.)

Because the focus of this study is on the Washington, D.C. metropolitan area, the data collected during the 2001 telephone survey are weighted in order to more accurately represent the area’s population.⁵ Without weights, the data are an over-sample of the District of Columbia. The weights were created in three steps. First, the true population within the District of Columbia and the Maryland and Virginia suburbs was obtained from the 2000 census data. Then, the number of respondents from the sample, within the three areas, was determined. Finally, the true population in each area was divided by the number of respondents in each area. Thus, three weights were developed—for respondents in the District of Columbia, Maryland, and Virginia. The weights, when applied to each individual in the sample, make each individual represent the number of persons within the metropolitan area’s population, so that the 921 individuals in the sample are representative of the 2.7 million people, aged 18 and older, within the Washington, D.C. metropolitan area defined here.

The analyses of the data focus on white and black respondents.⁶ After applying the weights to the data, 53 percent of the sample is white and 29.8 percent is black. The weighted sample is quite representative of the racial composition of the Washington,

⁵ Consistent with the jurisdictions from which the sample was originally collected, the Washington, D.C. metropolitan area is defined here as being comprised of the following jurisdictions: the District of Columbia; Arlington and Fairfax counties and the cities of Alexandria, Fairfax, and Falls Church in Virginia; and Montgomery and Prince Georges counties in Maryland. Consequently, the area is smaller in scope than the Washington, D.C.-MD-VA-WV Primary Metropolitan Statistical Area used in the 2000 census which also includes the following jurisdictions: Clarke, Culpeper, Fauquier, King George, Loudoun, Prince William, Spotsylvania, Stafford, and Warren counties and the cities of Fredericksburg, Manassas, and Manassas Park in Virginia; Charles, Calvert, and Frederick counties in Maryland; and Berkeley and Jefferson counties in West Virginia (U.S. Office of Management and Budget 1999) .

⁶ In the data, whites and blacks refer to whites and blacks of non-Hispanic origin.

D.C. metropolitan area, as defined in this study. Of the 2.7 million residents, aged 18 or older, within the metropolitan area, 50.4 percent are white and 29.2 percent are black (U.S. Bureau of the Census 2001b, 2001c, 2001d).

The 2001 survey elicited comments on a range of quality of life factors in the Washington, D.C. area and how respondents conducted themselves in various milieu. For example, respondents were asked what neighborhood characteristics (e.g. proximity to work, transportation and entertainment, crime levels, economic status of neighbors, racial composition of neighborhood) were important to them when they selected their homes. They were asked what kind of information sources they used when they bought or rented their homes and whether they were able to get their first choice when they were searching for their current homes. They were also asked if they, or anyone they know, encountered any form of racial discrimination within the past three years in their efforts to obtain housing, mortgage loans, a job, or service in a local restaurant or business. Those who did face discrimination in the housing market were asked how they responded (e.g. filed a lawsuit or complaint, looked for another home). Finally, a number of questions were posed to elicit opinions regarding the extent to which racial disparities generally reflect unequal opportunities or different levels of effort on the part of various racial groups.

Descriptive statistics were developed to indicate what differences, if any, were associated with race in each of these areas. Multivariate analyses were then conducted to determine the extent to which these differences were associated with race independent of socioeconomic status, measured in terms of income and educational level, housing tenure, and geographic location (e.g. city or suburb). The primary objectives were to assess the extent to which selected preferences and behaviors as well as outcomes vary by

race, the salience of race and racial discrimination in shaping the taken-for-granted segregated patterns of most urban housing markets, how attitudes about inequality are influenced by race, and finally what, if anything, can be accomplished via public policy to ameliorate racial inequality.

Findings

Blacks do not have the same experiences and do not enjoy the same outcomes in the home search process as do whites. Even after controlling on a range of demographic characteristics, in the Washington, D.C. area racial disparities persist as salient features of the local housing market.

Table 1 presents the descriptive statistics, by race, of our dependent variables, namely characteristics surrounding the respondent's housing search for their current home, their neighborhood satisfaction, experience with discrimination, and their attitudes about racial equality. With respect to the housing search, blacks and whites differed significantly on most of the characteristics that they rated as very important when they were selecting their current neighborhood of residence. For example, more than half of black respondents (i.e., 58.13 percent) rated proximity to public transportation as very important as compared to about one-third of whites (i.e., 33.96 percent). Blacks were also significantly more likely than whites to rate level of crime, neighborhood racial composition, taxes, and public services as being very important in the selection of their current neighborhood of residence.

(Insert Table 1 here)

Housing affordability, school quality, and proximity to work were equally important to blacks and whites. The fact that blacks were more likely than whites to rate neighborhood characteristics, like the proximity to public transportation and public services, as very important in the selection of their current neighborhood may reflect the fewer private resources blacks have to draw from to obtain these services. Whites have more resources to provide for transportation (e.g. automobiles), security guards (e.g. gated communities), recreation (e.g. country clubs), and other amenities. Although the median household income of blacks is almost 70% of that of whites, blacks control less than one-tenth the wealth of white households nationwide (Oliver and Shapiro 1995: 85-86). Therefore, blacks may believe they have to be much more selective in terms of the neighborhoods in which they decide to live.

The second variable examined in Table 1, neighborhood racial preferences, indirectly relates to the characteristics that blacks and whites might have looked for when choosing their current neighborhood. Respondents were asked, “if you could find your ideal neighborhood in the two or three blocks around your home, how many of the families would be black?” As expected, Table 1 reveals that about 50 percent of whites, compared to 77 percent of blacks, would prefer a neighborhood that is racially mixed or where blacks comprise the majority of residents. Interestingly, about 1 in 4 whites, as compared to 1 in 10 blacks, claim that in deciding upon an ideal neighborhood in which to live, the number of blacks present in the neighborhood does not matter to them. Whether these are whites’ honest answers to this question is somewhat questionable. Previous research has demonstrated that educated whites, which are the majority of whites in our sample (see the discussion below of Table 2), often answer more liberally

about race questions during a face-to-face and modified face-to-face interview, including telephone interviews, as compared to a mail-in questionnaire because they believe such responses are more socially acceptable (Krysan 1999).

The third characteristic in Table 1 refers to the most important source of information used by whites and blacks when they bought or rented their homes. Although blacks were less likely than whites to use real estate agents in their search, the difference is not statistically significant. Indeed, the results reveal that whites and blacks are no different, statistically, with respect to the sources of information that they found to be most helpful in searching for their current housing units.

The next set of characteristics in Table 1 that refers to the housing search focuses on the outcome of the search. Respondents were asked if they were able to get their first choice of available housing units when they were searching for the home in which they currently live. If they were unable to get their first choice, they were asked why this was the case.⁷ Blacks were significantly less likely than whites to obtain their first choice. Approximately 33 percent of blacks were not able to move into their first choice, as compared to 20 percent of their white counterparts. Contrary to what might be expected according to the economic perspective, blacks who did not get their first choice were no more or less likely than whites in the same situation to report that they were unable to meet the financial requirements involved with obtaining their first choice. However, blacks were significantly more likely than whites to report some “other” reason for their inability to obtain their preference. Taken together, these results suggest that blacks may be experiencing discrimination in the housing market.

The findings for the next variable displayed in Table 1, neighborhood satisfaction, are not surprising considering that blacks were significantly less likely than whites to obtain their first choice of housing units. Table 1 shows that blacks are significantly less likely than whites to be satisfied with their current residence. More than 16 percent of blacks would prefer to live somewhere else in the Washington, D.C. metropolitan area as compared to 7.1 percent of whites. Considering that blacks were unable to get their first choice of housing units during the search for their current unit, it is likely they will have difficulty again if they try to move in order to find a more satisfactory home and neighborhood.

The next set of indicators in Table 1 speaks to the issue of discrimination directly. Respondents were asked if they, or anyone they know, encountered any form of racial discrimination within the past three years in their efforts to obtain housing and mortgage loans. Those who reported that they faced discrimination in the housing market were asked how they responded (e.g. filed a lawsuit or complaint, looked for another home). Consistent with the racial discrimination perspective, blacks were significantly more likely than whites to experience discrimination themselves or know of someone who experienced discrimination in their efforts to obtain housing or secure financing for housing. Black respondents were more than 3 times as likely as white respondents to report that they had experienced discrimination themselves, and they were more than twice as likely as whites to report that they knew someone who experienced discrimination. These results are consistent with the testing evidence described earlier

⁷ However, the follow-up question of why they were unable to get their first choice was not an open-ended question. They were asked to choose one of the reasons reported in Table 1.

(See Appendix, “*Examples of Discriminatory Practices in the Washington, D.C. Housing Market,*” for examples of such evidence).

What is interesting is the response that blacks had to the discrimination that they encountered, the next set of characteristics displayed in Table 1. Just over 95 percent of blacks neither filed a complaint with a civil rights or fair housing organization nor filed a lawsuit. About 62 percent of blacks talked with family members, friends, and neighbors about their encounter with discrimination but decided to take no legal action. The results for whites are similar to those for blacks, even though fewer whites said they experienced racial discrimination in their efforts to obtain a home or secure financing.

Why did the majority of blacks⁸ fail to take legal action even though they experienced discrimination? About 30 percent reported that they did not have the time; 20 percent of blacks did not have the funds; and 17.3 percent did not know where to file a complaint. The most surprising result, however, was that approximately 50 percent of blacks reported that they did not think anything would come of filing a complaint or a lawsuit. Fifty percent of whites felt the same way. This clearly suggests a lack of confidence in the administrative and legal systems that are in place presumably to protect those subject to racial discrimination.

The final set of characteristics examined in Table 1 focuses on respondents’ views on whether whites and non-whites with similar incomes experience equal opportunity in the housing market and their opinions regarding the extent to which racial disparities generally reflect unequal opportunities or different levels of effort on the part of various

⁸ About 93% of blacks neither filed a complaint nor filed a lawsuit. The reason this number is slightly lower than the two percentages presented in Table 1 is because of the missing values present for each of the variables that are deleted when examining the joint distribution.

racial groups. While about 58 percent of whites believe that whites and blacks have the same choices and opportunities in the local housing market, only 16.1 percent of blacks feel the same way. A similar disparity exists between whites and blacks in their beliefs about the housing opportunities available to Hispanics as compared to whites.

Consistent with expectations derived under the racial discrimination perspective, blacks were significantly more likely than whites to agree with the opinion that generations of slavery and discrimination have created conditions that make it difficult for blacks to experience upward mobility. Whites, however, are no more or less likely than blacks to believe that the reason racial inequality exists is because blacks do not try hard enough to be as well off as whites.

In summary, a number of key findings emerge from our descriptive analysis of respondents' experience with residential segregation in the Washington, D.C. metropolitan area. Various aspects of the housing search differ between whites and blacks. Blacks are significantly less likely than whites to obtain their first choice of housing units they visited and are, consequently, significantly less likely than whites to be satisfied with their residential circumstances. Blacks were significantly more likely than whites to encounter discrimination and know others who have experienced it. Interestingly, however, out of the 10.9 percent of blacks who reported that they experienced discrimination within the housing market, more than 90 percent did not take legal action, and one of the key reasons for not doing so was because they thought that nothing would come of it. Finally, whites are significantly more likely than blacks to believe that there is equal opportunity within the housing market for whites and

minorities. Such attitudes make it more difficult to combat the discrimination that exists against minorities within the housing market.

Although the results in Table 1 are quite informative with respect to the experiences that whites and blacks have within the racially segregated housing market within Washington, D.C. and nearby suburbs, the descriptive analyses do not control for the socioeconomic and demographic differences that exist between the two groups. Table 2 reveals such differences. As might be expected, blacks are significantly less likely than whites to own their homes, have a household income above \$75,000, have a college or graduate degree, and live in the suburbs. In addition, blacks are more likely than whites to have a household income of less than \$30,000. A question that arises is whether, after taking into account the differences that exist between whites and blacks on such socioeconomic variables, race continues to play an important role in the experiences of residents within the area's housing market.

(Insert Table 2 here)

Table 3 reports the results of logistic regression models that address this question. Column 1 of Table 3 reveals that race continues to be salient with respect to respondents' abilities to obtain their first choice housing unit when they were searching for their current home. Consistent with the racial discrimination perspective, blacks are .57 times as likely as whites⁹—about half as likely—to obtain their first choice housing unit, even

⁹ We transformed the coefficient in the table (i.e., -0.5619) to an odds ratio (i.e., $e^{-0.5619}=0.57$) in order to arrive at such an interpretation of the results.

after controlling for differences in income, education, housing tenure, and their place of residence.

(Insert Table 3 here)

Contrary to expectations under the racial discrimination perspective, however, columns 2 and 3 reveal that blacks were no more or less likely than whites to either use a real estate agent or family and friends as sources of information in their search for housing. Thus, after controlling for the differences between the groups on socioeconomic status and area of residence, race remains insignificant. Also inconsistent with the racial discrimination argument, column 4 shows that blacks are no more or less likely than whites to be satisfied with their residential environment after controlling for socioeconomic and demographic characteristics. These results are consistent with the economic argument. Nevertheless, given that blacks have lower incomes and far less wealth than whites, the unadjusted results for these variables still indicate that blacks and whites have very different experiences which may well warrant new policy initiatives, as discussed below.

The results in columns 5 through 7 all reveal support for the racial discrimination perspective. Columns 5 and 6 reveal that blacks are significantly more likely than whites to report that they, or someone they know, have experienced discrimination in their efforts to obtain housing or mortgage financing. Finally, column 7 reveals that blacks are significantly less likely than whites to believe that blacks and whites have the same opportunities within the housing market.

Overall, the racial discrimination perspective is supported by these findings. And they suggest a number of directions for policy initiatives to ameliorate discrimination and segregation in urban housing markets.

Policy and Research Implications

Black home-seekers simply do not enjoy the same opportunities as whites in the Washington, D.C. area. Their priorities for neighborhood amenities differ from whites in part because they are more dependent on the provision of public services due to the fewer private resources they command. Blacks are far less likely to obtain their first choice when they are in the housing market. But even when they believe they have been victims of discrimination, they are unlikely to take legal action, in large part because they believe such action would be futile. And one reason these conditions persist is because the majority of whites, compared to less than one-quarter of blacks, believe equal opportunity prevails in the housing market, at least for blacks and whites with similar incomes. These findings suggest a number of policy initiatives.

Community Reinvestment

The greater importance blacks place on such neighborhood amenities as proximity to public transportation and public services in general reinforces the importance of public investment in basic services. Such investment improves the quality of life for all residents, increases the attractiveness of local communities to private business aiding economic development efforts, and helps ameliorate racial disparities on several quality of life measures. Spending on highways and other public amenities is often viewed as an expenditure that must be minimized to balance budgets. But these costs should be

understood as investments to be maximized in order to assure prosperity for current and future generations of urban residents. Some progress has been made along these lines as indicated by the varied types of school reform and related training initiatives currently underway, “new urbanism” and “smart growth” experiments to improve public transportation and encourage job growth on mass transit lines, and the growing population in recent years of many cities that had been losing population for decades (Grogan and Proscio 2000; Glaeser and Shapiro 2001; Bullard 2001).

At the same time, public investment must be complemented by private investment. Disinvestment of urban communities, particularly redlining and racially discriminatory practices by financial institutions, have long undercut redevelopment efforts in older neighborhoods, particularly those with large minority populations (Goldsmith and Blakely 1992; Squires 1994). The federal Community Reinvestment Act (CRA), passed in 1977, prohibits redlining and requires federally chartered depository institutions to affirmatively ascertain and be responsive to the credit needs of their entire service areas, including low- and moderate-income areas. According to the National Community Reinvestment Coalition, this statute has led to more than \$1 trillion in new private investment for community development (Silver 1999). But the CRA applies only to depository institutions (e.g. banks, savings and loans) that account for less than half of all mortgage loans in today’s market. Independent mortgage banks, insurance companies, and other financial service providers account for an increasing share of housing finance and are not covered by the CRA. Enactment of the Community Reinvestment Modernization Act (HR 865), introduced by Congressmen Tom Barrett (D-WI) and Luis Gutierrez (D-IL) in 2001, would expand the CRA to independent mortgage banks and

create comparable community reinvestment obligations for insurance companies, securities firms and other financial service providers.

Such “place based” approaches can ameliorate segregation in two general ways. First, by reinvesting in distressed neighborhoods those areas become more desirable places to live and property values increase. This increases the chances for residents (or at least homeowners) in these neighborhoods to move, if they should so desire. Second, by revitalizing previously distressed neighborhoods, at least some whites who previously shunned those areas will begin to buy into them, particularly if they offer amenities like proximity to downtown offices, cultural attractions and other traditionally appealing aspects of city life.

Enforcement

The different outcomes of the housing searches of blacks and whites and the fact that 29 percent of black respondents believe they or someone they know have been subject to racial discrimination in efforts to purchase or finance a home¹⁰ suggest that unlawful discrimination may still be a non-trivial factor in today’s markets. And when 93 percent¹¹ of those who believe they have been victimized by discrimination fail to take legal action, with half of these respondents stating as their reason that they believed nothing would come of such action, a lack of confidence in the existing civil right enforcement mechanisms appears to be pervasive. In light of the number who took no legal action because they did not have the time or money, or did not know where to take a

¹⁰ This percentage is derived from the numbers in Table 1 (i.e., 10.9 percent + 25.4 percent = 36.3 percent), but the black respondents who answered yes to both are subtracted out so as not to be double counted (i.e., 36.3 percent – 7.4 percent = 28.9 percent).

¹¹ See footnote 8.

complaint, there appears to be a substantial misunderstanding of the rights available to housing discrimination victims.

The lack of confidence in current enforcement entities is understandable. When the federal Fair Housing Act was first passed in 1968, one of the compromises required to get the necessary votes was a weak enforcement mechanism. HUD, the primary law enforcement agency, was given only the power to attempt to conciliate complaints or refer them to the Department of Justice for prosecution. For the first 20 years of its life, enforcement depended primarily on private actions brought by non-profit fair housing organizations and sympathetic attorneys. The Fair Housing Amendments Act of 1988 gave HUD more authority (it could levy fines, issue cease and desist orders, take cases directly to administrative law judges) but enforcement still relies heavily on private actors (Massey and Denton 1993). HUD has estimated that less than one percent of illegal acts of housing discrimination become the subject of a complaint (Fix, Galster, and Struyk 1992: 41). And between 1989 and 1997 less than six percent of those complaints filed with HUD that were not settled resulted in a charge of discrimination against the respondent (Schill and Friedman 1999: 66).

State and local enforcement agencies have not been much more effective. The Washington, D.C. Office of Human Rights has a backlog of more than 500 cases (covering all areas of civil rights, not just housing) with individual cases taking 16-19 months to process. This reflects the fact that the staff has been reduced from 70 to 20 and it experiences substantial turnover, in part because its five investigators (three of whom are lawyers) are paid an average salary of \$29,000 (Chan 2001). As indicated above, the Fair Housing Council of Greater Washington, D.C. has demonstrated the pervasiveness

of discrimination in local housing and lending markets. Clearly, stronger enforcement efforts are warranted.

One important step would be to increase the use of paired testing along the lines carried out by the local Fair Housing Council. There is some evidence that where testing is employed, enforcement agencies secure larger settlements for complainants (Fix and Turner 1999). Most, but not all, fair housing and fair lending agencies utilize this investigative technique.

A second step would be for HUD to make greater utilization of Secretary initiated systemic investigations. By law HUD is required to investigate each complaint it receives. But the processing of even large numbers of individual complaints is not necessarily responsive to the broader, institutionalized practices which result in disparate treatment and yield an adverse disparate impact on racial minorities. (Under the Fair Housing Act, a policy or practice that disproportionately and adversely affects racial minorities would be illegal even if no discriminatory intent motivated that policy or practice, unless the defendant could establish that it was required by “business necessity” and there was no less discriminatory alternative that could serve the same business objective.) Those practices could be more effectively targeted by carefully developed Secretary initiated complaints.

Education

At the same time, HUD and private housing providers could more effectively educate the public about its rights under the law. Many protected class members may not realize that HUD is obligated to investigate each complaint it receives, or that the agency will provide complainants representation if the case is taken before an administrative law

judge. In other words, processing such complaints would not cost plaintiffs anything. HUD already works with several state and local agencies and private housing providers on a range of initiatives. But the message is not getting through as effectively as it should. Perhaps public and private authorities should work more closely with faith-based organizations to deliver this message. The church has long been a vital part of civil rights initiatives in the black community. Today churches are increasingly active on a range of community development initiatives. No doubt, their congregants could benefit from such efforts.

Enforcement and education can be mutually reinforcing. High visibility cases not only provide remedies for the immediate victims, but others hear and read about them. As residents become more informed about and confident in available law enforcement agencies and remedies, the more they will utilize those tools. As more people in more communities become informed about the prevalence of discriminatory housing practices, disparities between blacks and whites in their perceptions of the extent to which equal opportunity prevails will likely ameliorate. This, in turn, would lead to broader support for stronger enforcement efforts. Education and enforcement clearly go hand-in-hand.

Mobility Programs

Another response to racial segregation has been a small number of programs designed to help low-income residents of central city neighborhoods, often in public housing complexes, move to outlying urban and suburban areas. Perhaps the best known is the Gautreaux program in Chicago. Subsequent to a lawsuit filed in 1966 against the Chicago Housing Authority (CHA) and ensuing litigation against the U.S. Department of Housing and Urban Development (HUD) for intentionally segregating public housing in

Chicago, a settlement was reached in 1976 in which the parties agreed to assist 7,100 families in moving from that city's public housing to other locations throughout the metropolitan area, with at least 75 percent to be relocated to the suburbs as part of the conscious effort to move families from predominantly black to predominantly white areas. The goal was finally reached and the program ended in 1998. In comparing the former public housing residents who moved to the suburbs with those who moved to other city neighborhoods, Rabinowitz and Rosenbaum (2001) found that children who moved to the suburbs were more likely to be in school, attend college, attend four year colleges, have a job, make more money in jobs they held, and have fewer encounters with police.

Another indirect outcome of Gautreaux is HUD's Moving to Opportunity (MTO) program which has assisted 4,610 low-income families move from high-poverty public housing units to low-poverty neighborhoods in five metropolitan areas (Baltimore, Boston, Chicago, Los Angeles, and New York). Participants were randomly placed in three groups. The experimental group received Section 8 rental subsidies that could only be used in private housing units in tracts where poverty was less than 10 percent. A comparison group was given subsidies with no geographic restrictions and no counseling. The control group received no subsidies. The MTO findings are much more preliminary but generally favorable. For example, mothers in the experimental group report better mental health outcomes, greater reductions in the receipt of welfare, and children appear to be performing better in school (Johnson, Ladd, and Ludwig 2001).

The numbers of participants in these programs are quite small. Given the politically feasible level at which they are likely to be supported, they will not

substantially change indices of segregation. Another concern is that the neighborhoods left behind may lose key community leaders. But these programs appear to make a positive difference in the lives of program participants and they appear to demonstrate that, under the right conditions, low-income black residents can thrive, along with their new neighbors, in middle-income white neighborhoods.

Fair Share

In order to maximize housing choice, some communities have taken steps to increase the availability of affordable housing in suburban jurisdictions where housing, in general, has been more expensive. One of the challenges confronting fair housing and affordable housing advocates has been the exclusionary zoning laws of most suburban municipalities. Restrictions on the number of multi-family housing units, minimum lot size and maximum density requirements, and front and rear setback requirements are just some of the rules that increase the cost and exclusionary nature of much suburban housing (Jackson 1985; Orfield 1997; Rusk 1999). A number of approaches have been taken to provide affordable housing choices regionwide.

After more than 20 years of litigation, legislation, and other political battles, the Mt. Laurel case in New Jersey resulted in the state requiring each municipality to develop a plan for housing their “fair share” of their community’s low-income households (Kirp, Dwyer, and Rosenthal 1995). The fair share concept has driven other initiatives. In Montgomery County, a Maryland suburb bordering Washington, D.C.’s northwest side, new subdivisions must set aside 15 percent of housing units for moderate income households (Rusk 1999). Such regional approaches offer the possibilities for some unique political alliances. Traditionally, fair housing and affordable housing community

organizations have been lonely voices calling for elimination of exclusionary zoning laws and development of affordable housing throughout metropolitan areas. But in recent years, with many suburban employers unable to recruit the workers they need (in part because those workers cannot afford the housing near those suburban work sites) they have become involved in affordable housing fights. Some suburban developers who would like to develop such housing, and local lenders who would like to finance these units, are also beginning to see how their financial interests are undercut by exclusionary suburban zoning laws. At least some members of these various groups have begun to work together to change local and state zoning laws in order to provide for more units of affordable suburban housing (Squires, O'Connor, Grover, and Walrath 1999).

A Modest Research Agenda

Two findings stand out from this survey. Most striking is the disparity in the percentage of blacks and whites who were able to secure their first choice when they moved in to their current home. As noted earlier, blacks were almost twice as likely as whites to be unable to get their first choice. Also revealing is the share of respondents who did not take any legal action after they believed they had been a victim of racial discrimination and the reasons for that lack of action. Again, notably, half took no action because they believed nothing would come of it.

Further research into the question of why no legal action was taken should include in depth qualitative interviews with white and non-white home-seekers. Respondents should be asked questions like the following: if they believed nothing would come of legal action, was that a result of their own previous experience or information they received from others; did anyone ever advise them of their rights under the law; would

they have acted differently if they knew HUD would investigate their case at no cost to them; were they angry, hurt, shamed, intimidated or otherwise affected by the discriminatory treatment; if they spoke to an investigator with a fair housing enforcement agency or a private attorney, what kind of advice and information did they receive; and would they respond differently today?

The fair housing investigative process itself needs to be better understood. Most agencies are short-staffed and have large backlogs of cases. But some cases do get investigated and, in some instances, plaintiffs do obtain relief. How decisions are made to pursue some cases and “no-cause” others and how aggressively different cases are pursued remain unclear. Ideally, participant observation techniques would be utilized to get inside HUD’s Office for Fair Housing and Equal Opportunity, the Housing and Civil Enforcement Section in the Civil Rights Division of the U.S. Department of Justice and other fair housing and fair lending enforcement agencies. An alternative would be a series of in-depth personal interviews and focus group discussions with investigators and others with their supervisors. Several questions should be explored including the following: what would an adequate budget consist of to do the job that is required by current law and regulations; to what extent, if at all, do politics—particularly the lobbying of interest groups and friendly elected officials—influence decisions to pursue certain kinds of cases (e.g. race, gender, age, handicap) and not pursue others; are there pressures to close cases with no-cause findings in order to reduce backlogs; are incentives offered to investigators if larger settlements are reached; if new case law can be established, does that affect the treatment of a case; and how accurate is the information given to potential complainants when they contact the agencies?

Closing these racial disparities may well require broad based macro-economic restructuring, increasing the human and social capital of racial minorities, educating all segments of the population about the opportunity structure confronting different groups, and other societal changes. But the often mundane details of how people react to adverse experiences they encounter in the housing market and how the relevant law enforcement agencies work constitute critical parts of urban housing markets which need to be better understood to ameliorate those disparities.

Conclusions—Making Race Matter Less

Matters of race and practices of racial discrimination continue to be salient elements of the housing market and of neighborhood life generally in Washington, D.C. and in urban communities around the nation. Preferences and economic circumstances play a role. But it is difficult to disentangle the choices people make and the circumstances they find themselves in from attitudes and practices that have long been, and continue to be, grounded in the dynamics of race. Consequently, current research and policy debates often take on a rather polarizing character. Should the focus be on race specific or universalistic policies? Should the target be people or places? In fact, it is not as easy as much current debate suggests, to separate policy choices along these dimensions. And where specific policies appear to fit one label more closely than another, it also appears that each approach may be necessary. A few examples will illustrate these complexities.

Urban revitalization strategies are, arguably, universalistic. Improving schools, hiring police, repairing the roads should benefit entire communities, assuming these

improvements are not explicitly racially gerrymandered as has often been the case historically. But in the minds of many, “urban” means black. And even when such stereotypes do not hold, given the reality of racial segregation, these “universalistic” strategies clearly disproportionately benefit non-whites. Affirmative action, arguably a race specific strategy, can benefit an entire community by enabling it to draw from the entire stock of human capital and not just those who have been privileged in the past.

Place-based strategies (e.g. creation of empowerment zones, implementation of community reinvestment agreements) obviously benefit those households that live in the target area receiving the resources; households that are usually considered the appropriate beneficiaries of public policy. Mobility programs that are directed to specific types of families (i.e. pro-people strategies) can benefit entire metropolitan areas by reducing the concentration of poverty and the many metropolitan-wide social costs associated with uneven development (e.g. policing and security costs, political unrest, declining social capital). Each of these tools, and more, has a place in what Christopher Edley Jr. has referred to as “the opportunity agenda” (Edley, Jr. 1996: 46). And each has a role in expanding housing opportunities specifically as well as in enhancing the overall quality of neighborhood life for racial minorities in urban communities.

One of the researchers who participated in Russell Sage’s recent multi-city study of urban inequality concluded that, “Race is woven into the fabric of residential and industrial location choices, of hiring and wage determination, and of the human perceptions that underlie all these processes” (O’Connor 2001: 28). If this is the reality today, it is a reflection of policy choices that have been made. And this fabric can be unraveled with different policies. Racial segregation is not inevitable. It may be

pervasive, even normal, but it is not healthy. And it is not something a willing community must tolerate in perpetuity.

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Appendix

Examples of Discriminatory Practices in the Washington, D.C. Housing Market

Home Purchase

- A real estate agent in Washington, D.C. told the white tester that, legally, she could not steer people, but that she did not think the tester would want to live in Mt. Pleasant or Brightwood because they were fringe areas and could be rough. The agent told the tester to drive through and he would see why he would not want to live there.
- In Silver Spring, Maryland, a real estate agent recommended that a black tester consider looking in Prince George's County, even though she asked to look at homes in Silver Spring. The previous day a white tester had met with the same agent, who only discussed opportunities in Silver Spring.
- In McLean, Virginia, a Latino tester was required to give his social security number so the agency could investigate his credit before showing him any homes. When he refused, the broker came in and explained that it was the agent's first day on the job so she may have been rude in her approach—but that the tester still needed to be pre-qualified. The previous day the white tester had met with the same agent and he was shown three homes without any mention of pre-qualification.

- In Old Town, Alexandria, Virginia, a real estate agent pointed out public housing only to the Latino tester, informing him that the City is trying to break up the ghetto by relocating people to other parts of Alexandria.
- In Arlington, Virginia, a real estate agent showed six homes to a white tester with no mention of the tester's income. After visiting one home, the agent told the tester that he should drive around the neighborhood to check the condition and make-up of it. The next day, a Latino tester met with the same agent, who asked the Latino tester about his income and insisted on calling a lender before showing him any homes.
- In Alexandria, Virginia, a real estate agent informed a white tester that he could not steer her, but that she should call the police before living in a neighborhood like DelRay. The agent indicated certain neighborhoods that the tester might be able to eliminate by driving through them.
- When a Latino tester called an agent in Silver Spring, Maryland, the agent was sarcastic to the tester and never phoned back that evening as promised. When a white tester phoned the next day, the agent was very accommodating, and even offered to come to downtown Washington, D.C. for an initial meeting.
- A Latino tester was informed by a real estate agent in Silver Spring, Maryland that the tester needed to pre-qualify in order not to waste the agent's time. The next day a white tester was shown two homes and no mention was made about a need to pre-qualify.

- In Laurel, Maryland, a black tester was informed by a real estate agent that the tester needed to meet with a mortgage lender before the agent would show homes. On the same day, a white tester was shown two homes without pre-qualifying. In addition, the white tester was steered to Howard County over Prince George's County, with claims by the agent that Howard County has better schools, lower taxes and better resale value than Prince George's County.
- On Capitol Hill in Washington, D.C., a white tester was shown a home by a real estate agent, with warnings to be careful because the area could change from block to block. The next day, a black tester was informed that the office is not really into sales and the tester should try another nearby agency.
- In Clinton, Maryland, a white tester was discouraged from looking at homes in the Clinton area with comments about crime and drugs. Instead, the white tester was encouraged to look at Waldorf, Upper Marlboro, Bowie and Marlton. No such steering was encountered by the black tester.
- In Springfield, Virginia, a real estate agent volunteered to a white tester that the tester should call Fairfax County if the tester wanted to know how many blacks or Latinos live in any specific neighborhood.
- In Franconia, Virginia, a real estate agent grilled a Latino tester about his income and debts and the agent refused to show the tester homes until the tester talked to a lender. The next day, a white tester was shown five homes without questions about the tester's income.

- A Greenbelt, Maryland real estate agent showed a white tester four homes in predominately white neighborhoods in College Park and Berwyn Heights. The next day, the same agent showed a black tester homes in diverse neighborhoods located in Lanham and Seabrook.

Rental

- A Latino tester inquired about one-bedroom apartments at a building in Northwest Washington, DC. He was told there was only a two-bedroom apartment available at this building but he should check out another building that might have some available. A white tester, less than an hour later, met with the same agent and was told about an efficiency apartment available and was offered one month free rent if he signed a 12-month lease.
- A black tester was quoted a rate of \$675 per month for a one-bedroom apartment in a building in Northwest Washington, DC. One hour later, a white tester was quoted \$625 per month for the same exact apartment.
- A black tester visited an apartment complex in Rockville, Maryland and was politely shown a model apartment and given basic information about the apartments. Fifteen minutes later, a white tester visited the same complex and was shown three actual apartments in addition to the model apartment. The white tester was also offered one month free rent if he signed a 12-month lease.
- A black tester visited an apartment complex in Silver Spring, Maryland and was told of one apartment that was available. However, the black tester was questioned about

whether she made enough money to live there and was told that she needed to provide proof of her income and proof that she currently pays her rent on a timely basis.

When the white tester visited less than one-half hour later, she was told of two available apartments. In addition, she was not questioned about her income or her current landlord.

- A black tester asked about two-bedroom apartments at a building in Silver Spring, Maryland. She was told that there were two apartments coming available but there was nothing to see that day. One hour later, a white tester met with the same agent and was shown a two-bedroom apartment. The white tester was also offered a special of one month free rent.
- A black tester visited an apartment building in Takoma Park, Maryland. He was informed by the agent that company policy required applications to be filled out in the office, adding that it only takes twenty minutes or so. When the white tester met with the same agent soon after, not only was he given an application to take home but he was told about a special “fast-app” program to get instant approval.
- A black tester was put on a waiting list for one-bedroom apartments at a complex in Arlington, Virginia one hour before a white tester was put on the same waiting list. The white tester received a call one week later informing him that his name was at the top of the waiting list while the black tester never received a phone call from the complex.

- A black tester was quoted a rent of \$625 per month for an apartment in Fort Washington, Maryland. A white tester was told, one hour later, about a special for the same unit lowering the rent to \$570 per month.
- A black tester and a white tester visited an apartment complex in Springfield, Virginia and were both given similar information. However, a week later the white tester received a phone call from the agent offering \$100 off the rent for the first three months. The black tester received no follow-up from the complex.
- A Latino tester visited an apartment complex in Gaithersburg, Maryland and asked about a one-bedroom apartment. The tester was questioned about his credit history and was informed that it would take the complex 30 days to check his credit background. A white tester visiting soon after was not even asked about his credit history. In addition, the white tester received a follow-up phone call from the agent while the Latino tester did not.

Lending

- A Rockville, MD lender advised a black tester that the lender does not make loans to first time homebuyers. The same lender met with a white tester, also posing as a first time homebuyer, who was given an appointment and encouraged to apply for the mortgage loan.
- A black tester made an appointment with a mortgage lender in Bethesda, MD and was told to bring the sales contract and other documentation. When the black tester arrived without the documentation, he was informed the lender could not assist him.

The lender advised the black tester that he needed to pay \$788 (credit report, appraisal, document preparation and tax service) to proceed. The white tester visited the same location, also without the requested documentation, and the agent spent 60 minutes with the tester, explaining all of the loan options available. The white tester was told \$363 for credit report and appraisal was all that was needed to continue the process.

- An Annandale, VA lender informed a Latino tester that the tester would need to pay one point at approval to show that the tester was committed to taking the loan. The white tester was not informed of such a policy. In addition, the lender phoned the white tester to confirm their appointment, while no such call was made to the Latino tester. The lender was 30 minutes late for his appointment with the Latino tester and did not offer any apology or explanation.
- A black tester was steered to an FHA loan by a Greenbelt, MD lender, who thought the loan would be best for the tester because FHA allows a lower down payment and is more lenient on credit issues. This was after the black tester informed the lender that her credit was good and she had enough money for a 10% down payment. The white tester was informed by the same lender that she could save about \$21,000 over 30 years with a conventional loan versus an FHA loan.
- A Latino tester was informed by a Greenbelt, MD lender that, prior to any face-to-face meeting, the lender must have the tester's social security number to pull a credit report to see if the tester qualified. The white tester was given an appointment without any mention of social security number or pre-qualification.

- A black tester was told by a Fairfax, VA lender that it was no use to come in to the office without a credit report being pulled prior to the meeting. A white tester was given an appointment with the same lender without any mention of a credit report. A black tester was informed by a Washington, D.C. lender that the loan officer could not assist him without all of his documentation. The black tester was instructed to return when he had everything together. The same lender gave the white tester detailed information about mortgage loans without requiring any of his documentation. The white tester was also invited to a training class for first time homebuyers.
- When a black tester visited a College Park, MD lender, the tester was informed that no information could be supplied to the tester at that time because the loan officer would need to play with the numbers and see what possibilities existed. When the black tester volunteered to wait, the loan officer advised her it would take too long; the loan officer later phoned the black tester, and only recommended an FHA loan for her. In contrast, the white tester was given specific information during her visit with the same lender, and was also informed of three possible loan products that met her needs.
- At a Columbia, MD lender, the loan officer asked the black tester only a few questions about his situation and informed him that she would have to mail the tester any information about possible loan products or closing costs. The black tester never received anything in the mail from this lender. The white tester was given detailed information, as well as an application packet, from the same lender.

- A Latino tester left three messages with a Vienna, VA lender prior to the lender returning his call. When the lender finally did return the call, the lender advised the Latino tester that his first available appointment was in 10 days. The Latino tester left a message to confirm his appointment, but when he showed up for the appointment, the loan officer was not there. At the receptionist's suggestion, the Latino tester left a written note advising the officer that he had come for the appointment and to please call him to reschedule. The Latino tester never heard back. The white tester was able to obtain an appointment with his first phone call and the loan officer was there to greet him.
- A Rockville, MD loan officer informed the black tester that the loan officer could not offer much information until the black tester consented to having his credit report pulled—that way, the loan officer would know what loans the tester could qualify for. The same lender offered the white tester detailed information about the loan products with no mention of pulling a credit report.
- When a white tester phoned a Columbia, MD lender, the lender asked about the white tester's credit. When the tester informed the lender that his credit was good, the lender said that the tester should try a bank since this lender specializes in high interest loans to people with poor credit. When the Latino tester phoned the same lender, he was given an appointment with no mention of his credit. During his appointment, the agent never asked about the tester's credit and tried hard to sell the Latino tester on the high interest loan. The loan officer made three follow-up phone calls to the Latino tester to convince him to consider the loan.

- A Latino tester was told by a McLean, VA lender, in response to an inquiry into the approximate amount of closing costs, that “it would be stupid to respond in detail because I would only be guessing.” The same lender indicated that he could only give a general estimate of monthly payment until the tester applies for the mortgage. The white tester was given specific information about both closing costs and monthly payment amounts. In addition, the white tester received a follow-up phone call from this lender while the Latino tester did not.

Table 1: Race Differences in Housing Opportunities and Attitudes about Housing Equality (Weighted)

	Percentage:	
	White	Black
Housing Search:		
Factors considered important when selecting current home:		
Affordability	68.52	68.87
School Quality	58.27	59.65
Proximity to Work	56.78	51.13
Proximity to Public Transportation	33.96**	58.13
Level of Crime	67.50†	73.09
Neighborhood Racial Composition	17.19**	33.76
Taxes	27.50**	44.93
Public Services	60.17**	69.64
Number of blacks in ideal neighborhood		
None	2.92*	0.92
Only a few	21.55**	10.60
Many but less than 1/2	40.20**	26.97
More than half	9.30**	50.05
It does not matter	26.03**	11.46

†p<=.10; *p<=.05; **p<=.01

Table 1: Race Differences in Housing Opportunities and Attitudes about Housing Equality (Weighted) (cont'd.)

	Percentage:	
	White	Black
Most Helpful Source		
Real Estate Agent	43.32	38.86
Major Daily Newspaper	20.18	21.97
Neighborhood Newspaper	4.86	3.01
Family/Friends	31.63	36.16
Ability to Get First Choice ('yes')		
	80.48**	67.43
Reasons Unable to Get First Choice		
Home taken off the market	16.92	18.46
Someone else made offer	37.20**	15.48
Unable to meet financial requirements	22.14	30.41
Other reason	23.75†	35.65
Neighborhood Satisfaction		
Satisfied	81.57**	72.26
Prefer somewhere else in DC area	7.11**	16.05
Prefer outside DC area	11.31	11.70
Experience with Discrimination ('yes!')		
Self: obtain house/apt or secure financing	2.21**	10.90
Know of others: obtain house/apt or secure financing	9.18**	25.40

†p<=.10; *p<=.05; **p<=.01

Table 1: Race Differences in Housing Opportunities and Attitudes about Housing Equality (Weighted) (cont'd.)

	Percentage:	
	White	Black
Response to Discrimination:		
Looked for & found another home	68.71	61.24
Did not file complaint	100.00	95.13
Did not file lawsuit	100.00	95.36
Talk but no legal action	58.68	62.32
Reasons for no legal action		
No time	37.16	29.83
Not enough funds	0.00†	20.12
Nothing would come of it	50.75	49.65
Did not know where to file	6.80	17.27
Attitudes about Racial Inequality:		
Same choices in housing market for:		
Whites & blacks	57.88**	16.07
Whites & Hispanics	55.30**	20.69
Reason for inequality:		
Blacks do not try hard enough	25.01	27.73
Slavery & discrim make it difficult to work way up	44.50**	55.41

†p<=.10; *p<=.05; **p<=.01

Table 2: Race Differences in Socioeconomic & Demographic Characteristics of Respondents (Weighted)

Characteristics	Percentage:	
	White	Black
Homeowner	68.59**	56.54
Length of stay in current neighborhood (mean years)	14.44**	13.28
Income		
less than \$30,000	14.71**	25.91
\$30,000 but less than \$75,000	43.00	47.61
\$75,000 or more	42.29**	26.49
Education:		
Less than high school	2.28**	9.30
High school graduate and some college	33.75**	59.66
College or graduate degree	63.97**	31.04
Age (mean)	47.95**	44.65
Living in the suburbs	90.32**	66.67

†p<=.10; *p<=.05; **p<=.01

Table 3. Logistic Regression Coefficients of Models Predicting Housing Opportunities, Experiences, and Attitudes about Housing Equality (Weighted)

Variables	Got first housing choice (1)	Used real estate agent (2)	Learned from family/friends (3)	Satisfied with neighborhood (4)	Experienced discrimination in housing or financing (5)	Family/friend experienced discrimination in housing or financing (6)	Blacks and whites have the same choices in housing (7)
Black	-0.5619** (0.1964)	0.0806 (0.2001)	0.1307 (0.1987)	-0.3313 (0.2037)	1.9019** (0.3956)	1.4421** (0.2354)	-2.0408** (0.2203)
Homeowner	0.5383** (0.1884)	1.8821** (0.2142)	-0.9034** (0.1823)	0.6618** (0.1931)	-1.0121** (0.3552)	-0.1312 (0.2289)	0.3760† (0.1946)
Income							
\$30,000 but less than \$75,000	0.0979 (0.2171)	0.0306 (0.2250)	-0.6022** (0.2093)	-0.2666 (0.2218)	0.9239* (0.4588)	0.4230 (0.2733)	-0.6052** (0.2240)
\$75,000 or more	0.1664 (0.2457)	0.3870 (0.2361)	-0.7242** (0.2366)	0.1466 (0.2640)	0.6205 (0.5500)	0.3161 (0.3094)	-0.3943 (0.2400)
College or graduate degree	0.3086 (0.1890)	-0.0172 (0.1849)	0.1988 (0.1878)	0.4884* (0.1974)	0.5771 (0.3659)	0.6332** (0.2345)	-0.2896 (0.1885)
Lives in suburbs	-0.1344 (0.2428)	0.2399 (0.2548)	-0.1206 (0.2349)	-0.1837 (0.2504)	0.4076 (0.4384)	-0.0964 (0.2687)	0.2615 (0.2573)
Intercept	0.8841** (0.2841)	-2.0309** (0.3305)	0.2346 (0.2836)	0.9925** (0.2954)	-4.5909** (0.6108)	-2.8476** (0.3565)	0.3777 (0.3112)
Model Chi-Square	28.91**	118.08**	49.15**	35.65**	40.93**	46.81**	137.25**
df	6	6	6	6	6	6	6
N	719	654	654	735	744	744	668

**p<0.01; *p<0.05; †p<0.10

NOTE: Standard errors are in parentheses.

