Promoting Neighborhood Diversity

Benefits, Barriers, and Strategies

Margery Austin Turner and Lynette Rawlings

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Promoting Neighborhood Diversity: Benefits, Barriers, and Strategies

In January 2009, a black family moved into the White House. The election of Barack Obama embodies the considerable progress our country has made in the struggle against racial prejudice, inequality, and exclusion. But it also challenges us to look frankly at the disparities that remain, including the persistent separation of neighborhoods based on race and ethnicity.

This paper summarizes the substantial body of evidence that residential segregation undermines the well-being of individuals, communities, and American society as a whole. Although we know much less about the potential benefits of neighborhood diversity than about the costs of segregation, considerable research finds that both whites and minorities gain from diverse communities. Encouragingly, a growing share of U.S. neighborhoods are racially and ethnically diverse, both because recent immigration has made the population much more diverse and because fewer neighborhoods than in the past exclude minorities entirely. But overall levels of segregation are declining only slowly, and low-income African Americans in particular remain highly concentrated in predominantly minority neighborhoods. The goal

<table>
<thead>
<tr>
<th>Residential segregation persists because</th>
<th>Therefore, public policies should</th>
</tr>
</thead>
<tbody>
<tr>
<td>real estate agents and lenders discriminate against minority homeseekers and “steer” homeseekers to</td>
<td>vigorously enforce fair housing laws, including subtle practices like neighborhood steering.</td>
</tr>
<tr>
<td>neighborhoods where their own race predominates.</td>
<td></td>
</tr>
<tr>
<td>real estate marketing practices and families’ search strategies may limit information about the availability of diverse neighborhoods.</td>
<td>provide information and incentives to encourage white and minority households to broaden their horizons and consider living in diverse neighborhoods.</td>
</tr>
<tr>
<td>average incomes and wealth are lower among minorities, so high housing costs exclude them from some predominantly white neighborhoods.</td>
<td>expand the availability of affordable housing in nonpoor neighborhoods and use housing vouchers to enable low-income families to move to better locations.</td>
</tr>
<tr>
<td>minority neighborhoods are still deprived of needed public services and private-sector investments, and are therefore unattractive to homeseekers who have an abundance of choices.</td>
<td>target public investments to equalize the quality of all neighborhoods and give all residents access to services and opportunities available in white neighborhoods.</td>
</tr>
<tr>
<td>white households avoid neighborhoods with rising minority shares, in part because they expect these neighborhoods to suffer from disinvestment and neglect.</td>
<td>target public investments to maintain safety and quality in neighborhoods with growing minority populations.</td>
</tr>
</tbody>
</table>
of healthy, sustainable communities cannot be achieved as long as current levels of neighborhood segregation, exclusion, and inequality persist.

Public policies played a central role in establishing and enforcing patterns of racial segregation in American neighborhoods, alongside discriminatory practices by private-sector institutions and individuals. But no single causal process explains the persistence of residential segregation in America today. Discrimination, information gaps, stereotypes and fears, and disparities in purchasing power all work together to perpetuate segregation, even though many Americans—minority and white—say they want to live in more diverse neighborhoods. Public policies must intervene to break the cycle of residential segregation. But, because the causes of segregation are interconnected, no single intervention can succeed on its own. Instead, we need multidimensional strategies that tackle the multiple causes of segregation simultaneously.

The Value of Neighborhood Diversity

Neighborhoods matter to the well-being of children and families (Ellen and Turner 1997). They are the locus for essential public and private services, with schools perhaps the most significant. Quality grocery stores, reliable child care, safe after-school activities, and healthy recreational facilities also shape the quality of life a neighborhood offers its residents. Neighbors help transmit the norms and values that influence behavior and teach children what is expected of them as they mature. Teenagers in particular are profoundly influenced by their immediate peer groups, which are often dominated by neighbors and school mates who have the potential to either fuel healthy competition over grades and athletics or pressure one another to join risky adventures or engage in illegal activities. Where people live influences their exposure to crime and violence, including the risk of being a victim of burglary or assault. And research increasingly suggests that exposure to crime and violence has far-reaching consequences, such as persistent anxiety and emotional trauma. Finally, some neighborhoods offer better access to job opportunities than others. Although few people work in the same neighborhoods where they live, proximity to job centers and the availability of mass transit can open up or constrain employment opportunities.

Segregation Weakens Minority Neighborhoods

Racial segregation has excluded blacks and other minorities from neighborhoods that offer high-quality housing, schools, and other public services and has deprived predominantly minority neighborhoods of essential public services and private investments. Today, even middle-class minority neighborhoods have lower house price appreciation, fewer neighborhood amenities, lower-performing schools, and higher crime rates than white neighborhoods with comparable income levels (Pattillo-McCoy 1999; Pattillo 2005). For example, Prince George’s County, Maryland, the most affluent African American community in the nation, lacks the department stores, sit-down restaurants, specialty stores, and other amenities typical of comparable white communities (Cashin 2004).

Lenders have been less willing to invest in predominantly minority communities (Oliver and Shapiro 1997) or have offered predatory loans and loan terms that strip wealth from minority homeowners rather than helping them build wealth (Calem, Gillen, and Wachter 2004; Engel and McCoy 2008; HUD 2000). Consequently, house values—and property tax revenues—typically lag in predominantly black communities, limiting the capacity of local government to deliver high-quality public services. And public-sector agencies have a history of neglecting or underserving minority communities. Again, the Prince George’s County example is instructive. Despite its overall affluence, the county’s schools are struggling, facing funding shortfalls, low achievement levels, and problems attracting and retaining qualified teachers and administrators (Cashin 2004).

Finally, middle-class minority neighborhoods are more vulnerable to social disorder and distress than comparable white neighborhoods, both because of their proximity to poorer neighborhoods and because they lack financial resources (Pattillo 2005). Some research suggests that, even after controlling for income levels, majority-black communities suffer from higher crime rates than predominantly white communities (Crutchfield, Matsueda, and Drakulich 2006). But other scholars argue that socioeconomic factors other than race explain disparities in crime rates (Sampson and Wilson 1995; Shihadeh and Shrum 2004).
Segregation Concentrates Poverty and Distress

The segregation of neighborhoods along racial lines has fueled the geographic concentration of poverty and the severe distress of very high poverty neighborhoods. As Massey and Denton demonstrated in *American Apartheid* (1993), discriminatory policies and practices confining urban blacks—among whom the incidence of poverty was markedly higher than for whites—to a limited selection of city neighborhoods produced much higher poverty rates than in white neighborhoods. Subsequent job losses and rising unemployment pushed poverty and isolation in many central-city black neighborhoods even higher. Today, although blacks and other minorities are less starkly segregated than in the past, virtually all high-poverty neighborhoods are majority-minority. Poor white households are much more geographically dispersed than poor black or Latino households (Jargowsky 1998, 2003; Kingsley and Pettit 2003). And it is in high-poverty communities that the most destructive consequences of neighborhood segregation and social exclusion are evident (Massey and Denton 1993; Wilson 1987).

Living in profoundly poor neighborhoods seriously undermines people’s well-being and long-term life chances. Preschool children living in low-income neighborhoods exhibit more aggressive behavior when interacting with others (Kupersmidt et al. 1995). Young people from high-poverty neighborhoods are less successful in school than their counterparts from more affluent communities; they earn lower grades, are more likely to drop out, and are less likely to go on to college (Brooks-Gunn et al. 1993; Clark 1992; Dornbusch, Ritter, and Steinberg 1991; Duncan 1994; Garner and Raudenbush 1991). Studies have also documented that neighborhood environment influences teens’ sexual activity and the likelihood that girls will become pregnant during their teen years (Brewster 1994; Brewster, Billy, and Grady 1993; Brooks-Gunn et al. 1993; Crane 1991; Hogan and Kitagawa 1985; Hogan, Astone, and Kitagawa 1985; Ku, Sonenstein, and Pleck 1993). Young people who live in high-crime areas are more likely to commit crimes themselves, other things being equal (Case and Katz 1991). And finally, living in disadvantaged neighborhoods increases the risk of disease and mortality among both children and adults (Aber and Bennett 1997; Acevedo-Garcia and Osypuk 2008).

Segregation Is Costly to Individuals and Society

Decades of rigorous research have documented the high costs of racial and ethnic segregation—not just for individuals, but for society as a whole. A recently published volume, *Segregation: The Rising Costs for America* (Carr and Kutty 2008), assembles the full range of evidence that the persistence of residential segregation sustains racial and ethnic inequality in the United States and undermines prospects for long-term prosperity. The volume’s chapters explain how segregation stunts house price appreciation and, hence, wealth accumulation among minority home owners (Engel and McCoy 2008); undermines school quality and minority educational attainment (McKoy and Vincent 2008); limits employment opportunities and earnings for minority workers (Turner 2008); and damages the health of children and adults (Acevedo-Garcia and Osypuk 2008).

These disparities ultimately hurt everyone by depressing residential property values and, hence, property tax revenues (Harris 1999; M. Orfield 1997; Rusk 1993); raising the costs of delivering public services (Pack 1995); reducing government spending on productive public goods (Alesina, Baqir, and Easterly 1999); undermining the competitiveness of the nation’s workforce (Carr and Kutty 2008); and sustaining racial stereotypes and social polarization (Lehman 1991; Polikoff 2006). High levels of segregation widen racial inequality and constrain the vitality and economic performance of metropolitan regions by sustaining pockets of poverty and distress, thereby fueling flight and sprawling residential development, which raise commuting times and traffic congestion (Cutler and Glaeser 1997; Downs 1994; M. Orfield 1997; Pierce, Johnson, and Hall 1993; Rusk 1993).

Poor Families Benefit When They Move to Diverse Neighborhoods

Less research attention has focused explicitly on the benefits of living in racially and ethnically diverse neighborhoods, but what we know suggests that both whites and minorities benefit. First, evaluations of
programs that use housing vouchers to help low-income families relocate to better neighborhoods find that poor minorities benefit when they are able to escape from severely distressed neighborhoods. However, the emerging evidence from these evaluations indicates that how much movers benefit is sensitive to the racial composition and resources of their new neighborhoods, as well as to families’ length of stay.

More specifically, the earliest housing mobility experiment (the Gautreaux demonstration in Chicago) was implemented as part of the settlement in a desegregation lawsuit (Polikoff 2006). It provided vouchers to black families living in segregated, central-city neighborhoods and required them to move to majority-white neighborhoods in either the city or the surrounding suburbs. Over time, participating families that moved to suburban neighborhoods achieved significant education and employment gains (Keels et al. 2005; Rosenbaum 1995; Rosenbaum and DeLuca 2000; Rubinowitz and Rosenbaum 2000).

The five-city Moving to Opportunity (MTO) demonstration sought to test this type of intervention further with a controlled experimental design, but MTO mandated that participating families move not to majority-white neighborhoods but to low-poverty destinations (Orr et al. 2003). As a consequence, most MTO families moved to majority-minority neighborhoods in central cities, often quite near their original locations. These destination neighborhoods did not offer significantly better schools or employment access, although they were safer. To date, research has documented striking improvements in both mental and physical health among MTO mothers and daughters but no meaningful gains in educational achievement or employment (Kling, Liebman, and Katz 2007; Liebman, Katz, and Kling 2004; Orr et al. 2003; Turner and Briggs 2008).

Families using housing vouchers to relocate from public housing projects being demolished under the HOPE VI program also moved to lower-poverty, but predominantly minority, neighborhoods and experienced significant improvements in safety and health but not education or achievement (Popkin and Cunningham 2009; Turner, Popkin, and Rawlings 2009). Emerging evidence from a court-ordered desegregative mobility program in the Baltimore metropolitan area, however, finds that poor black families are successfully moving to (and remaining in) majority-white suburban neighborhoods, that the schools in these neighborhoods are significantly better than those serving the families’ origin neighborhoods, and that many parents report that their children are doing better in school (ACLU 2009).

Diverse Environments Benefit Both Minorities and Whites

Racially diverse neighborhoods provide opportunities for exposure and interaction between whites and minorities, which appears to contribute to greater tolerance, fair-mindedness, and openness to diverse networks and settings. For example, research finds that residents of more diverse neighborhoods express less racial and ethnic prejudice (Ihlanfeldt and Scafidi 2002). Students who attended desegregated schools in the late 1970s are more culturally sensitive, deal better with diverse work situations, and are less likely to apply racial stereotypes (Wells et al. 2005). Black students who attend integrated schools are more likely to have racially diverse contacts, to report feeling comfortable in majority-white environments, and to be employed in racially diverse occupations and workplaces (Crain and Wells 1994). In other words, exposure to diversity helps broaden people’s social networks by creating meaningful opportunities for interaction across racial and ethnic lines.

Although evidence on the effects of growing up in a diverse neighborhood is sparse, considerably more research has focused on diversity in higher education. These studies find that white and minority students benefit both academically and socially from a racially and ethnically diverse university community (Astin 1993a, 1993b; Chang 1999; Chang, Astin, and Kim 2004; Villalpando 2002). Racial diversity leads to more complex thinking among college students (Antonio et al. 2003). And informal interactions between people of different racial groups improve college students’ academic outcomes and social growth (Gurin et al. 2002).

Neighborhood Diversity Does Not Guarantee Positive Outcomes

The fact that a neighborhood is occupied by people from different racial or ethnic groups does not guarantee that interactions among them will be positive (Dixon, Durrheim, and Tredoux 2005). In fact, some
analysis suggests that residents of ethnically diverse neighborhoods exhibit lower levels of trust, altruism, and community cooperation than residents of homogeneous neighborhoods (Putnam 2007; Stolle, Soroka, and Johnston 2008). And some research points to persistent problems facing African American children (especially boys) in integrated schools and suggests that they might be served as well or better in high-performing schools that are majority- or even predominantly black (Fryer 2006). In fact, some scholars have argued that the “ideal” of neighborhood diversity is used as an excuse for displacement and exclusion of poor and minority residents from neighborhoods undergoing redevelopment (Berrey 2003).

Given America’s history of prejudice, discrimination, inequality, and fear, it is not surprising that diversity within a neighborhood sometimes leads to misunderstanding and conflict rather than beneficial contact. Conscious efforts may be required to nurture positive interactions, resolve conflicts, and overcome neighbors’ stereotypes and fears (Chang et al. 2004; Nyden 2003; Villalpando 2002). Achieving cordial and constructive contact among neighbors (or school mates) of different races may be particularly difficult when their economic or social status differs widely as well (Kleit 2008). Moreover, neighborhood diversity does not automatically yield classroom diversity in public schools (Ellen, Schwartz, and Stiefel 2008). In fact, public schools became more racially and ethnically segregated during the 1990s, when neighborhoods were becoming more diverse (Logan, Stowell, and Oakley 2002; G. Orfield 2001). In sum, given what is currently known, policymakers cannot simply assume that geographic proximity will automatically overcome the pressures of inequality and prejudice or immediately yield all the potential benefits of diversity.

The Extent of Neighborhood Diversity

In 1968, when the federal Fair Housing Act was passed, most whites lived in neighborhoods that were almost exclusively white, while most blacks lived in majority-black areas. At that time, America’s fast-growing suburbs were largely white, while its central cities were becoming increasingly black. And on a scale of 0 to 100 (where 100 represents complete segregation), most large metropolitan areas—including Chicago, Milwaukee, Detroit, Boston, and New York—scored over 70 (Massey and Denton 1987). In the decades since, levels of black-white segregation have declined across most of the country. But the decline has been slow, and (as of 2000) levels of segregation remain high in most big urban areas—especially those where large numbers of blacks live. The average dissimilarity score for the nation’s major metropolitan areas declined from 73.9 in 1980 to 65.1 in 2000, with the biggest declines occurring in the metropolitan areas with the smallest black populations (Logan, Stults, and Farley 2004).

Over the same period, America’s racial and ethnic composition changed dramatically, making the picture of residential segregation much more complex. As of 2000, the nation’s population was 70 percent non-Hispanic white, 12.5 percent black, 12.5 percent Hispanic, and 4 percent Asian (Turner and Fenderson 2006). Hispanics and Asians are generally less segregated from non-Hispanic whites than are blacks, but their levels of segregation have risen. Specifically, the average index of Hispanic/Anglo segregation registered 51.6 in 2000, up slightly from 50.8 in 1980, and Asian/white segregation stood at 42.1 in 2000, also up slightly from 41.2 in 1980 (Logan et al. 2004).

As the nation’s population becomes more diverse, it becomes increasingly difficult to make sense out of traditional two-way segregation measures. Should all predominantly minority neighborhoods be lumped together and distinguished from neighborhoods that are occupied primarily by non-Hispanic whites? Or should neighborhoods be considered diverse or even integrated if they are occupied by blacks, Latinos, and Asians, but few whites? Does the presence of large immigrant populations change traditional patterns of black-white segregation?

Many Neighborhoods Are Diverse

Analysis of decennial census data for the nation’s 100 largest metropolitan areas finds that both city and suburban neighborhoods exhibit more diversity along lines of race and ethnicity than is commonly recognized (table 1). In 2000, only 25.7 percent of all census tracts in the 100 largest metropolitan areas nationwide were predominantly white (less than 10 percent minority), while 12.2 percent were predominantly minority (more than 90 percent minority).
Among tracts that were between 10 and 50 percent minority (labeled here “majority-white” tracts), the minority populations were often mixed. Specifically, in almost half these tracts, no single racial or ethnic group dominated the minority population. Tracts that were between 50 and 90 percent minority (labeled “majority-minority tracts”) were somewhat more likely to have a single predominant minority group—either black or Hispanic. Not surprisingly, central cities contain fewer majority-white tracts and more majority-minority tracts than do suburbs. But in both cities and suburbs, a substantial share of tracts can clearly be classified as highly diverse: between 10 and 50 percent minority with no single racial or ethnic group dominating the minority population.

Over time, the number of racially and ethnically mixed neighborhoods has been growing, owing to both growing numbers of immigrants to the United States and the entry of minority households into predominantly white neighborhoods (Ellen 2008; Galster et al. 2005). Between 1990 and 2000, the share of all neighborhoods in the top 100 metropolitan areas nationwide that were occupied exclusively by whites (less than 10 percent nonwhite) dropped from 38.1 percent to 25.7 percent. Correspondingly, the share of tracts that were between 10 and 50 percent white, with no single group dominating the nonwhite population, climbed from 18.5 percent of all tracts in the top 100 metropolitan areas to 24.2 percent (table 2).

### Many Diverse Neighborhoods Appear Stable

The racial/ethnic composition of most tracts (73.6 percent) remained relatively stable over the decade, but among those that changed, most gained minorities. Given the long history of racial segregation in the United States, many people suspect that neighborhoods that appear to be racially diverse at any given point in time are actually transitioning (or tipping) from one racial majority to another. In fact, 57.7 percent of majority-white tracts with blacks dominating the nonwhite population and 54.1 percent of majority-white tracts with Hispanics dominating remained in the same category between 1990 and 2000 (table 3). Of those that transitioned, about one-third remained majority-white but with neither blacks nor Hispanics dominating the minority population. The remaining two-thirds became majority-minority. And interestingly, majority-white tracts where Hispanics dominated the minority population in 1990 were more likely to transition to majority-minority status by 2000 than were majority-white tracts where blacks dominated.

Finally, tracts that were majority white in 1990 with neither blacks nor Hispanics dominating the minority population were the most likely to be in the same category in 2000. Almost 7 of every 10 tracts in this category remained the same over the decade. Among those that changed, about a third (35.6 per-
cent) remained majority white but transitioned to either black or Hispanic dominance of the minority population. Another 15.6 percent became majority minority with either blacks or Hispanics dominating the minority population, and 43.6 percent became majority minority with neither blacks nor Hispanics dominating.

| TABLE 2 |
| Change in Distribution of Census Tracts by Racial and Ethnic Composition, 1990–2000 |
| Percent of Census Tracts | 1990 | 2000 |
| Predominantly white (less than 10% nonwhite) | 38.1 | 25.7 |
| Majority-white (10–50% nonwhite) | 38.8 | 42.7 |
| Blacks main minority (more than 60% of all nonwhites) | 10.2 | 9.0 |
| Hispanics main minority (more than 60% of all nonwhites) | 10.1 | 9.5 |
| Other | 18.5 | 24.2 |
| Majority-minority (50–90% nonwhite) | 13.6 | 19.5 |
| Blacks main minority (more than 60% of all nonwhites) | 5.2 | 6.2 |
| Hispanics main minority (more than 60% of all nonwhites) | 5.0 | 7.5 |
| Other | 3.3 | 5.8 |
| Predominantly minority (more than 90% nonwhite) | 9.6 | 12.2 |
| Blacks main minority (more than 60% of all nonwhites) | 6.6 | 7.3 |
| Hispanics main minority (more than 60% of all nonwhites) | 5.0 | 7.8 |
| Other | 3.3 | 5.8 |

Source: Urban Institute analysis of 2000 Census data for the largest 100 metropolitan areas (Turner and Fenderson 2006).

Galster and colleagues (2005) applied slightly more stringent criteria to classify census tracts as diverse but reached similar conclusions (also see Sandoval 2003). They found a significant (and growing) share of racially and ethnically mixed tracts in both cities and suburbs, and they concluded that many diverse neighborhoods remain stable over time, rather than

| TABLE 3 |
| Distribution of Census Tracts That Were Majority-White in 1990 by Racial and Ethnic Composition in 2000 |

<table>
<thead>
<tr>
<th>Composition in 1990 (%)</th>
<th>Blacks main minority</th>
<th>Hispanics main minority</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Predominantly white (less than 10% nonwhite)</td>
<td>3.1</td>
<td>1.6</td>
<td>1.5</td>
</tr>
<tr>
<td>Majority white (10–50% nonwhite)</td>
<td>72.3</td>
<td>69.5</td>
<td>79.8</td>
</tr>
<tr>
<td>Blacks main minority (more than 60% of all nonwhites)</td>
<td>57.7</td>
<td>0.1</td>
<td>3.5</td>
</tr>
<tr>
<td>Hispanics main minority (more than 60% of all nonwhites)</td>
<td>0.7</td>
<td>54.1</td>
<td>7.6</td>
</tr>
<tr>
<td>Other</td>
<td>13.9</td>
<td>15.3</td>
<td>68.8</td>
</tr>
<tr>
<td>Majority-minority (50–90% nonwhite)</td>
<td>24.5</td>
<td>28.8</td>
<td>18.5</td>
</tr>
<tr>
<td>Blacks main minority (more than 60% of all nonwhites)</td>
<td>21.1</td>
<td>1.4</td>
<td>2.9</td>
</tr>
<tr>
<td>Hispanics main minority (more than 60% of all nonwhites)</td>
<td>0.5</td>
<td>26.6</td>
<td>3.5</td>
</tr>
<tr>
<td>Other</td>
<td>2.9</td>
<td>2.1</td>
<td>13.6</td>
</tr>
<tr>
<td>Predominantly minority (more than 90% nonwhite)</td>
<td>0.2</td>
<td>1.0</td>
<td>0.1</td>
</tr>
<tr>
<td>Blacks main minority (more than 60% of all nonwhites)</td>
<td>0.2</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Hispanics main minority (more than 60% of all nonwhites)</td>
<td>0.0</td>
<td>0.1</td>
<td>0.0</td>
</tr>
<tr>
<td>Other</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Source: Urban Institute analysis of 2000 Census data for the largest 100 metropolitan areas (Turner and Fenderson 2006).
automatically “tipping” toward either exclusion or isolation of minority groups. As discussed earlier, living within the same geographic boundaries does not automatically yield meaningful social interaction or integration, and it is entirely possible for apparent diversity to mask either social separation or conflict within a neighborhood. Nonetheless, the fact that more American neighborhoods are racially and ethnically mixed represents a significant departure from the country’s starkly segregated past.

But Many Neighborhoods Remain Racially Exclusive or Isolated

Despite these encouraging trends, about 25 percent of tracts in the nation’s top 100 metropolitan areas remain predominantly white. Most of these “exclusive” neighborhoods are located in suburban jurisdictions, and many are economically exclusive as well (Turner and Fenderson 2006). In contrast, most of the nation’s predominantly minority neighborhoods are located in central cities, and most are low income. Predominantly minority neighborhoods where blacks dominate the minority population are more likely to be economically isolated than those in which other ethnic groups dominate. And very few predominantly minority neighborhoods appear to be shifting toward greater diversity, at least through 2000.

In effect, while minorities are gradually entering previously all-white neighborhoods, relatively few whites move into predominantly minority neighborhoods (Ellen 2008; Turner and Fenderson 2006). It is possible that since 2000, more white migration into minority neighborhoods has occurred, as once-distressed central-city neighborhoods experienced gentrification (see, for example, Turner et al. 2005, which describes racial change occurring in Washington, D.C., neighborhoods). But the magnitude of this trend appears to be much smaller than the growth of minority populations in predominantly white communities nationwide.

Mechanisms That Sustain Segregation

Research strongly suggests that Americans want more racially and ethnically mixed neighborhoods than they are getting. A substantial majority of whites say they would be comfortable living in a neighborhood that is more than 20 percent black, and more than half say they would be comfortable in a neighborhood that is more than one-third black. When asked to choose the racial mix they would most prefer, most blacks select a neighborhood that is roughly half white and half black, but most would be willing to move into a neighborhood with a larger share of whites in order to obtain high-quality, affordable housing (Farley, Fielding, and Krysan 1997).

If Americans would prefer to live in more racially mixed neighborhoods, why does residential segregation remain at such stubbornly high levels? The historical record clearly demonstrates that our nation’s stark patterns of racial segregation were established through public policy, including the enforcement of restrictive covenants, local land use regulations, underwriting requirements for federally insured mortgage loans, and siting and occupancy regulations for public housing (Massey and Denton 1987; Polikoff 2006). But the dynamics that sustain segregation now are far more complex and subtle. No single causal factor explains the persistence of racial and ethnic segregation today. Instead, research documents multiple factors at work to perpetuate segregation and undermine the stability of the mixed neighborhoods many Americans would prefer (Ananat and Siegel 2003). These factors include racial and ethnic discrimination, differences in information sources, differences in purchasing power, and the preferences and ultimate choices of homemakers.

Discrimination Persists and Constrains Housing Search

Trends in the incidence of racial and ethnic discrimination in both rental and sales markets have been rigorously tracked since the late 1970s through a series of nationwide paired testing studies. The most recent national study (HDS2000) found statistically significant levels of discrimination against African American, Hispanic, Asian, and Native American homemakers. In the rental market, estimates of discrimination are relatively similar across racial/ethnic groups, ranging from 20 percent for blacks to 29 percent for Native Americans. In the sales market, levels of discrimination are somewhat lower, but still significant, ranging from 17 percent for African Americans to 20 percent for Asians (Turner and Ross 2003a, 2003b; Turner, Ross, et al. 2002). Between 1989 and 2000, the incidence of discrimination against
African Americans declined significantly, in both rental and sales markets nationwide. The incidence of discrimination against Hispanic homebuyers also declined, but no significant change occurred for Hispanic renters (Turner, Ross, et al. 2002). Discrimination against Asians and Native Americans was not systematically measured before HDS2000, so trends over time cannot be assessed.

The general reductions in sales discrimination during the 1990s mask underlying changes in patterns of discrimination. Black homebuyers are more likely to be told about the same number of available homes as whites than they were in 1989, but they are also more likely to be steered to racially mixed neighborhoods (while comparable whites are steered to predominantly white neighborhoods). Hispanic homebuyers are also much more likely now than in 1989 to be told about and to inspect the same number of homes as non-Hispanic whites. However, over the course of 1990s, agents appear to have expanded the assistance and information about financing that they provide to white customers, but not Hispanics, leading to an increase in the level of adverse treatment experienced by Hispanics on measures of financing assistance.

In addition to the national estimates of discrimination by real estate and rental agents, a pilot paired testing study of mortgage lending institutions in Chicago and Los Angeles revealed significant discrimination (Turner, Freiberg, et al. 2002). Results indicate that in both metropolitan areas, African American and Hispanic homeseekers face a significant risk of being denied information that comparable white customers receive. Minority homeseekers were denied basic information about how much they could afford to borrow, told about fewer loan products, offered less “coaching” about how to qualify for mortgage financing, and received less aggressive follow-up from loan officers.

In sum, paired testing research shows that discrimination persists in America’s housing markets, limiting homeseekers’ information about available housing options, raising their costs of search, and steering them away from predominantly white neighborhoods. But discrimination rarely takes the form of outright denial of access to rental or for-sale housing in predominantly white neighborhoods. Thus, although discrimination remains a serious problem, it alone cannot account for the high levels of segregation that persist in most metropolitan housing markets.

Advertising and Information Sources May Limit Housing Choices

A small number of studies (all conducted over a decade ago) find that homes in minority neighborhoods are advertised differently than similarly priced homes in predominantly white neighborhoods, and that blacks and whites rely on different sources of information and employ different search strategies (Ellen 2008). For example, in the Washington, D.C., region, homes for sale in predominantly black neighborhoods are much less likely to be advertised in the regional newspaper (Turner and Wienk 1993). However, patterns of advertising and housing search vary widely across markets, and all these studies were completed before the widespread use of the Internet in real estate marketing and information gathering. Therefore, we do not know whether disparities in information sources and search strategies between minorities and whites play any significant role in the perpetuation of segregation today.

Affordability Barriers Contribute to Racial and Ethnic Segregation

A third set of factors contributing to patterns of neighborhood segregation is disparities between whites and minorities in purchasing power. Whites on average have higher incomes and wealth (due in part to past patterns of discrimination and segregation) and can therefore afford to live in neighborhoods that are out of reach for many minorities. Persistent disparities in income and wealth, combined with policies that exclude moderately priced housing from many desirable communities, contribute to patterns of residential segregation (Crowder, South, and Chavez 2006). But economic differences do not account for most of the segregation that remains today, particularly between blacks and whites. If households were distributed across neighborhoods entirely on the basis of income rather than race or ethnicity, levels of black-white segregation would be dramatically lower (Charles 2003; Ellen 2008). Income and wealth differences account for a somewhat larger share of segregation between Hispanics and non-Hispanic whites (Bayer, McMillan, and Rueben 2004; Ellen 2008; Estrada and Mare 2003; South, Crowder, and Pais 2008).
Most Minority Homeseekers Prefer Mixed Neighborhoods

Some people argue that neighborhood segregation today is largely a matter of choice—that minorities prefer to live in neighborhoods where their own race or ethnicity predominates and choose not to move to white neighborhoods (Ihlanfeldt and Scafidi 2002; Patterson 1997). Indeed, the evidence suggests that the average black person’s ideal neighborhood has more blacks living in it than the average white person’s ideal neighborhood (Adelman 2005), that few blacks want to be the first black household to move into a white neighborhood, and that most blacks would prefer to live in neighborhoods where their own race accounts for about half the population (Bobo and Zubrinsky 1996; Charles 2000; Farley et al. 1978, 1993). However, few blacks express a preference for living in predominantly black neighborhoods (Harris 2001). And it is difficult to disentangle a positive preference for living among other black families from fear of hostility from white neighbors. Surveys suggest that many blacks are hesitant to move to predominantly white neighborhoods primarily because of concerns about hostility (Farley, Steeh, and Krysan 1994; Krysan and Farley 2002).

Voluntary ethnic clustering appears to play a bigger role in explaining neighborhood outcomes for Asians and Hispanics—especially among new immigrants—than for blacks. For newcomers to the United States, living with neighbors who speak the same language and share familiar customs may be an important priority. And in fact, levels of segregation for Hispanics and Asians decline with time in country (Alba, Logan, and Stults 2000) and with English language ability and citizenship (Bayer et al. 2004).

Many Whites Avoid Neighborhoods with Large or Growing Minority Populations

Considerable evidence suggests that the fears of white people perpetuate neighborhood segregation, despite the fact that most whites say they want to live in more mixed neighborhoods than they do. Few whites express any interest in moving into neighborhoods that are predominantly minority. This likely reflects the unfortunate reality (discussed earlier) that predominantly minority neighborhoods have been deprived of the public and private investments that comparable white neighborhoods enjoy. In other words, the legacy of past discrimination and disinvestment puts most minority neighborhoods at a significant disadvantage from the perspective of white homeseekers for whom alternative choices abound (Cashin 2004).

But many whites are also unwilling to move to (or remain in) neighborhoods with smaller, but significant or rising, minority shares. To some extent, this reflects racial prejudice—an aversion among some whites to have blacks (or other minorities) as neighbors. In addition, for some whites, living in an area with black neighbors is perceived as an indicator of lower social status (Bobo and Zubrinsky 1996). However, survey evidence suggests that these attitudes have steadily declined over recent decades (Schuman et al. 1997). And as discussed earlier, very few neighborhoods in U.S. metropolitan areas remain exclusively white, suggesting that most white households have accepted having at least some minority neighbors.

Ellen (2000a, 2008) has argued that white avoidance of minority neighborhoods stems from “race-based neighborhood stereotyping.” Specifically, many white people fear that a substantial minority presence in a neighborhood will inevitably lead to the neighborhood becoming predominantly minority, with a subsequent downward spiral of declining property values, disinvestment, and rising crime (Harris 2001; Krysan 2002a). These fears cause whites to avoid moving into mixed neighborhoods and, in some cases, to flee as minorities move into neighborhoods where they live (Krysan 2002b). This avoidance by whites of neighborhoods that probably look especially welcoming to minority homeseekers leads to resegregation and reinforces expectations about racial tipping (Charles 2003, 2005; Farley et al. 1994).

Whites appear most likely to avoid or flee neighborhoods with large or growing black populations. Both prejudice and neighborhood stereotyping are less pronounced when whites consider either Hispanics or Asians as potential neighbors (Charles 2000; Bobo and Zubrinsky 1996; Ellen 2000b).

Policy Solutions

Given the complexity—and subtlety—of the processes sustaining residential segregation in urban America today, how should policymakers respond? First, there can be no question that public intervention is essential. Past public policies were responsible for establishing
residential segregation in the United States, and the consequences of persistent segregation violate basic standards of fairness and undermine the country’s future prosperity. The evidence argues for a multi-pronged strategy: enforcement—to combat persistent discrimination; education—about the availability and desirability of diverse neighborhoods; affordable housing development—to open up exclusive communities; reinvestment—to equalize the quality of minority neighborhoods; and new incentives—to encourage and nurture stable diversity. Each component is essential to achieving the full potential of the rest.

**Vigorously Enforce Fair Housing Laws**

The vigor of federal fair housing enforcement has waxed and waned over the past four decades, but it has consistently relied too heavily on complaints from victims of discrimination as the trigger for investigation and action. Because discrimination today is so hard to detect, much of it goes unrecognized, and when homeseekers do suspect discrimination, most feel that taking action is not worth the time and effort it would require (Abravanel 2006; Abravanel and Cunningham 2002). The federal government should provide more funding to support proactive paired testing of real estate agents, rental housing providers, lending institutions, and mortgage brokers in city and suburban communities across the country. This kind of testing does not have to meet the scientific standards of research studies, but it should be thoughtfully designed and targeted, and responsibly implemented to detect discrimination that may be prevalent in particular neighborhoods, rental complexes, or companies. Proactive testing can reveal discriminatory practices that would otherwise go unpunished; plus, when housing providers know that testing is ongoing, they are more likely to comply with the law.

**Help White and Minority Homeseekers Find Homes in Diverse Neighborhoods**

But enforcement alone is not enough; discrimination is no longer the primary barrier to residential mixing. In most metropolitan areas today, a substantial number of neighborhoods—at a range of income levels—are racially and ethnically diverse. But many homeseekers—both minority and white—are likely to be more familiar with neighborhoods where their race predominates and may be doubtful about the viability or openness of more diverse communities. A public education campaign, possibly in conjunction with an easily accessible information clearinghouse, that highlights the existence and assets of racially diverse neighborhoods could help overcome fears and stereotypes among both minority and white homeseekers. This kind of public information effort could be conducted by a local fair housing organization or a metropolitan housing counseling center, possibly in partnership with regional associations of rental property owners and real estate agents.

**Expand Affordable Housing Options in Exclusive Neighborhoods**

Housing affordability challenges contribute to the persistence of racial and ethnic exclusion in many metropolitan regions. Historically, affluent white jurisdictions used their regulatory powers to limit the production of rental housing as well as modestly priced for-sale housing, thereby excluding both lower-income and minority residents. Whether or not these exclusionary practices are intentionally race based, they must be addressed as part of a serious strategy to reverse long-standing patterns of racial and ethnic segregation. The federal government can and should create incentives that encourage jurisdictions with high housing costs to implement more inclusionary zoning strategies, allocate Low Income Housing Tax Credits to opportunity-rich locations, and expand the supply of moderately priced housing in communities where it is scarce (Katz and Turner 2008). In addition, the federal government should encourage and support regional strategies that help low-income families with Housing Choice Vouchers move to opportunity-rich neighborhoods (Katz and Turner 2001; Turner and Briggs 2008).

**Strengthen Services and Amenities in Minority Neighborhoods**

In addition to opening up opportunities for minority homeseekers to gain access to neighborhoods from which they have historically been excluded, a comprehensive strategy must address the legacy of disinvestment that undermines quality of life and access.
to opportunities in neighborhoods where minorities predominate. Poor-quality schools, lax police protection, inferior retail options, and the absence of parks, playgrounds, and recreational facilities deny residents of minority neighborhoods amenities that whites with comparable incomes take for granted. These disparities in neighborhood quality are inherently unfair and contribute to the social costs of segregation. But they also help sustain segregation by reinforcing white stereotypes about minority neighborhoods and fueling white fears about minority neighbors. Thus, targeted neighborhood revitalization strategies, like HOPE VI, the Harlem Children’s Zone, and foundation-sponsored comprehensive community initiatives, play a critical role in equalizing neighborhood quality and ultimately ending segregation (Turner et al. 2009).

**Invest in Supports for Diverse and Diversifying Neighborhoods**

The last essential prong in a meaningful fair housing strategy for the 21st century calls for explicit incentives that enhance the viability and stability of diverse neighborhoods. Examples of such incentives include enhanced down payment assistance or low-interest loans for homebuyers who move to a neighborhood where their race or ethnicity does not predominate, equity insurance programs that guarantee home owners in diversifying neighborhoods a reasonable sales price in the future if they remain in their homes today, and targeted enhancements to school quality, police protection, streetscapes, or parks and recreational facilities in neighborhoods that are racially or ethnically mixed. These types of incentives and investments are needed to short-circuit the self-fulfilling prophecy of racial tipping and disinvestment that can undermine the stability of diverse neighborhoods (Turner et al. 2009). Community-building investments that help neighbors from diverse backgrounds overcome their fears and suspicions and build positive social relationships across racial and ethnic lines may also help strengthen and stabilize newly diversifying neighborhoods and enable residents to enjoy the potential benefits (Stolle et al. 2008).

**Conclusion**

The past four decades have witnessed substantial victories in the battle against housing discrimination and residential segregation. But too many Americans still live in neighborhoods that are less diverse and inclusive than they would prefer. And everyone suffers as a consequence. Collective efforts to build healthy, sustainable communities for all Americans cannot succeed if they fail to tackle the fundamental problems of neighborhood segregation, exclusion, and inequality. Because the dynamics that sustain segregation today are complex and subtle, strategies for overcoming them must become more nuanced and comprehensive, addressing the interacting barriers of discrimination, information gaps, affordability constraints, prejudice, and fear. The federal government should take the lead in making such a multidimensional strategy a reality, providing money, mandates, and leadership to local governments and nonprofit organizations, so we can all enjoy the benefits of a vibrant and diverse society.
Notes


2. The discussion that follows is drawn from Turner and Fenderson (2006).

3. In a paired test, two individuals—one white and the other minority—pose as equally qualified homeseekers. Both testers are carefully trained to make the same inquiries, express the same preferences, and offer the same qualifications and needs. Systematic differences in treatment provide powerful evidence of discrimination (National Research Council 2002).

4. The discrimination estimates reported here are based on the share of tests in which the white tester was consistently favored over his or her minority partner (Turner, Ross, et al. 2002). Tests for discrimination against Native American homeseekers were only conducted in the rental market, not the sales market.

5. These tests were conducted before the recent boom in subprime mortgage lending.

6. All the studies of advertising and search processes focused on black-white differences, so even less is known about the housing search strategies of other ethnic minorities. It is possible that recent immigrants, particularly non-English speakers, rely on co-ethnics for information about available housing, and that this reliance may contribute to some neighborhood clustering.

7. Such incentives would have to be carefully framed to make it clear that no homeseeker is required to make a pro-integrative move and that whites and minorities alike can qualify for a “bonus” if and when they choose diversity.
References


Promoting Neighborhood Diversity: Benefits, Barriers, and Strategies


