

Residential Segregation and the Concentration of Black Poverty

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Abstract

This study aims to examine the issue of concentrated Black poverty in urban areas through the lens of residential segregation and discriminatory housing policy. Several major housing policies impacting African Americans from the Reconstruction Era into the present are first outlined, followed by a literature review of prominent academic works on residential segregation and poverty concentration. Both racial and class-based forms of residential segregation are analyzed. In light of the lingering systemic barriers to racial equality and wealth accumulation for Blacks, and the role residential segregation has played in constructing these obstacles, this study advocates further research into policies of wealth redistribution and job creation to both assist and empower impoverished Blacks to escape the poverty cycle.

Keywords: Residential Segregation, Concentrated Black Poverty, Housing Discrimination

Residential Segregation and the Concentration of Black Poverty

Throughout Black Americans' arduous and ongoing struggle for freedom and equality, racial discrimination has engendered many systemic obstacles which have relegated them to a lesser societal status. A crucial example is residential segregation, defined as the concentration of minorities in urban areas with Whites predominantly in affluent suburbs (Gotham, 1998).

In 2010-2014, Blacks were more than five times more likely than Whites to live in an extremely poor neighborhood; while Whites are 44% of the nation's poor, they are only 18% of those in such neighborhoods (Kneebone and Holmes, 2016). In view of this disparity, this study aims to assess how residential segregation housing policies have concentrated and perpetuated Black urban poverty, creating a contemporary roadblock to racial equality. Major works have yielded important findings regarding the relationship between residential policies and racial poverty: Segregation of poor Blacks from both Whites, more affluent Blacks, and affluent non-

Black neighbors has helped concentrate Black poverty, and the retrenchment marking much of the federal and local housing policy of the mid to late 20th century has exacerbated the issue. Moreover, lacking equal access to homeownership through most of the 20th century, Blacks did not accumulate wealth through equity as did Whites, resulting in a racial wealth gap that makes escaping the poverty cycle difficult. Beginning with an examination of housing policies from Reconstruction through the 1990's, this study first focuses on the history of residential segregation and then outlines the findings of seminal academic works.

An Overview of Modern U.S. Housing Policy

Between the Civil War and the 20th century, Blacks and Whites did not experience modern segregation. Instead, “in the north, a small native Black population was scattered widely throughout white neighborhoods” and “in southern cities...Black servants and laborers lived on alleys and side streets near the mansions of their White employers” (Massey and Denton 1993, 17). This was short-lived, however, as ghettoization soon began in a deliberately discriminatory fashion. Ghettoization refers to the process by which American cities came to contain poor, slum-like sections with predominantly Black residents while Whites occupied separate, wealthier sections, a key development through which the existing racial hierarchy was reformed but nevertheless retained. As Massey and Denton (1993) write, “Through its actions and inactions, white America built and maintained the structure of the ghetto” (19). This became evident following the Great Depression, amidst Jim Crow segregation, when Blacks faced mortgage exclusion, restrictive covenants, and redlining of certain areas to prevent their homeownership in white neighborhoods (Vox, 2018).

These practices continued through the economic downturn of the 1970's despite efforts like the 1968 Fair Housing Act, which protected people from discrimination on account of race and a number of other characteristics when buying a home or securing a mortgage. Despite being one of the key achievements of the Civil Rights Movement, this legislation was unfortunately not enforced in a sufficiently vigorous and systematic manner so as to prevent the discriminatory housing practices that continued to run rampant. The continued oppression brought on by these practices was exacerbated by economic hardship in the 1970's, which devastated poor Black families. To Massey and Denton (1993), "What the Black communities of the 1930's and the 1970's share is a high degree of segregation from the rest of society and a great deal of hardship stemming from larger economic upheavals" (118). Furthermore, Federal housing policy retrenchment from 1970 onward has drastically decreased welfare aid to Blacks living in impoverished areas, while other discriminatory housing market practices such as sub-prime lending lingered into the 1990's (Vox, 2018). This last tactic involved the provision of loans designed for higher risk borrowers to Black individuals at higher interest rates simply because of their race, rendering them much more likely to default on their loans and deflate their credit scores and by and large preventing them from owning homes.

The Roles of Race and Class in Residential Segregation

Massey and Denton's seminal work *American Apartheid* has been a key entry point for other scholars into the larger discourse. In a research simulation with four purely hypothetical cities controlled for relevant demographic factors, Massey (1993) applied different degrees of segregation to explore their effect on racial group poverty. The four cities were designed to match major metropolitan areas like Chicago, Los Angeles, and New York City in 1970 in terms

of racial composition, size, and racial group poverty rates. After assigning each hypothetical city an increased level of racial segregation in each successive stage of the simulation, Massey found the absence of racial or class-based segregation corresponded to unchanged group poverty rates. However, higher racial segregation increased poverty concentration and exposure for Blacks while simultaneously lowering such exposure for Whites. When class segregation is simulated in addition to racial segregation, Black poverty levels again rise disproportionately; in other words, the impact of racial segregation on Black poverty is worsened by class segregation, though Massey views class as a secondary factor (Massey and Denton, 1993).

Some scholars criticize the book's primary focus on race, arguing class segregation has combined equally with racial segregation to concentrate minority poverty in the context of post-1970 federal housing policy retrenchment. Analyzing post-1970 Kansas City's urban core using census data and housing documentation, Gotham (1998) highlights the elevation of Black joblessness spurred by the replacement of urban manufacturing with suburban service jobs. According to him, retrenchment in public housing and welfare, along with "blind faith in the free market," translated into efforts by municipalities to de-emphasize public service provision and general social redistribution in favor of attracting business investment by "creating a favorable business climate" (Gotham 1998, 13). Businesses investing in urban areas lack incentive in the short term to ameliorate conditions for the poor, since the primary concern of the former is to make money and to appeal to those capable of spending it. Thus, without any accompanying socioeconomic investment into the community, the emphasis on cultivating a favorable business climate leaves the poor to fend for themselves with less assistance. Given his examination of nationwide factors like federal housing policy retrenchment, racial discrimination, and broader

macroeconomic change and their impact on poverty concentration, Gotham's findings could extend to other metropolitan areas that have faced similar challenges.

While some scholars contend market-reliant housing policies impact the poor equally, regardless of race, recent studies illustrate certain policies have been intensely harmful for poor Blacks in particular. DeLuca (2013) discusses a modern welfare alternative, Housing and Urban Development's (HUD) Section 8 Voucher program, delineating its perpetuation of concentrated poverty in residentially segregated areas. Beginning in 1974, the Section 8 Voucher Program is a HUD initiative designed to provide housing assistance payments and rent subsidies to very-low-income families. DeLuca collected longitudinal qualitative interview data with 100 families living below the poverty line in Mobile, Alabama in an effort to examine the ineffectiveness of HUD's voucher program in helping minority families escape impoverished, segregated neighborhoods. As market-based remedies proliferated, she argued, the voucher program failed to adequately assist poor Blacks. With inefficient wait lists, time constraints for finding new residence, and little housing counseling for Blacks accustomed to poverty, the program essentially sent them into the low-income rental market alone, without facilitating their escape from poor areas. As a result, most people land in places equally poor and racially segregated as those which they aimed to escape (DeLuca, 2013). Though she studied one city, DeLuca's findings address the lack of research on housing in small, Southern cities, and are reflective of other urban locations because of similarities in the types of residential housing offered. Hence, excessive reliance on the free market has exposed poor Blacks to the pervasive effects of historical residential segregation-based housing policy instead of helping them overcome the poverty trap.

Opposition to Massey's Narrative and its Enhancement

Others have countered this general line of thinking, particularly Massey's assertion that racial segregation is the primary driver of concentrated poverty. Gans, the notable contrarian, argues the term "concentrated poverty" itself is misleading (Gans 2010, 83). He views the notion that high poverty concentration breeds more poverty as empirically unsound, warning such a conception leads to policies that merely break up neighborhoods without addressing root causes like joblessness. He additionally views the term as potentially punitive, as poor Blacks become increasingly associated with the social ills of poverty through its usage, despite the lack of resources and policy relief to assuage them. Fearing a misattribution of poverty's negative consequences, Gans contends many of the afflictions of high-poverty areas result both directly and indirectly from extreme poverty itself, not explicitly from its concentration (Gans, 2010).

Gans (2010) aligns himself with Wilson (1992), who focuses on class issues as the dominant source of poverty concentration and emphasizes the centrality of Black joblessness to the presence of an urban underclass mired in extreme poverty and social isolation. Citing historical discrimination and the outmigration of middle- and upper-class Blacks from the cities to areas previously unavailable due to restricted covenants in a 1992 reflection on his 1987 book *The Truly Disadvantaged*, Wilson argues a particularly young Black urban labor force was quite vulnerable to the macroeconomic changes of the 1970's. These included a shift toward service-producing rather than goods-producing industries, the widening gap between low and high wage sectors of the labor market, and the advent of modern technology to replace manufacturing jobs. According to Wilson, Black joblessness in urban areas increased during this period of deindustrialization, leading to increased poverty concentration, single-parent households, and

welfare dependency. Social isolation for this underclass was facilitated by the absence of a middle-class buffer, a term that refers to the integrated presence of a middle-class population alongside the urban poor. Such a buffer had previously provided enhanced stability through community investment as well as a vision of upward mobility for the poor before outmigration cut its presence (Wilson, 1992).

The assertions of Gans and Wilson in view of Massey's thinking suggest two notions: First, deconcentrating poverty will neither fully eliminate it nor curb the social consequences associated with it. Second, race- and class-based forms of residential segregation may concentrate Black poverty in tandem, rather than separately. Relying on census tract data from 2000, Quillian (2012) enhances Massey's model into a decomposition model accounting for originally neglected class demographics whose omission obscures the impact of segregation on poverty concentration. One such factor meriting attention is income-status segregation across races, specifically the separation of poor Blacks from high- and middle-income Whites (Quillian, 2012). Quillian offers this as a third major factor at play in the concentration of Black poverty through residential segregation, augmenting Massey's focus on pure racial segregation and intra-race income segregation. Thus, by current consensus, three bases of residential segregation have concentrated Black poverty: race, income status within race, and cross-racial income status.

Conclusion

In view of the plethora of racially discriminatory and segregationist housing policies that have plagued Black Americans since the Civil War, it is evident residential segregation has played a decisive role in concentrating Black poverty in urban communities. The problem persists today, as the odds of upward social mobility are stacked against Blacks due to the racial

wealth gap. Generally, residential segregation based on a combination of racial discrimination and class separation, isolating poor Blacks from middle- and high- income residents of all races, is regarded as the most significant factor concentrating Black poverty.

Ultimately, the way in which redistributive policies might be revamped to deconcentrate the poverty entrenched by residential segregation constitutes the most noteworthy gap in the present research. Due to the embedded, systemic racism in the American housing market, strict reliance on the free market and the expectation of Black autonomy are ineffective remedies for racial residential segregation. Until the roadblocks to Black upward socioeconomic mobility are removed, Black autonomy cannot flourish independently. A reversal of the drastic reduction of welfare assistance to poor Blacks in conjunction with a legitimate, universal effort to create jobs thus seems the most needed course of action at present, while the aim of helping Blacks to leave poor, segregated areas for diverse, mixed-income ones should also be central. As such, further research should explore how more innovative redistributive policies might assuage the plight of the Black urban poor; this literature review points in these directions.

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