



## A SHARED FUTURE

Fostering Communities of  
Inclusion in an Era of Inequality

# Fostering Inclusion in American Neighborhoods

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## **Introduction**

While residential segregation and concentrated disadvantage are not new challenges in the United States, the evolving demography, income distribution, and geography of American communities are changing the nature of these problems and the solutions needed to foster more inclusive communities. The bursting of the housing bubble and the Great Recession greatly exacerbated distress among poor communities—in particular, poor communities of color—leading to an enormous increase in the concentration of poverty in recent years. Throughout the country, job growth in central cities, improved neighborhood amenities, and increased demand for urban living have simultaneously fostered rapid increases in housing costs in longstanding low-income and minority communities in urban cores. While gentrification has been one of the most visible signs of these changes, the suburbanization of lower-income households and the growing self-segregation of high-income households into wealthy enclaves are equally consequential.

At the same time, the racial and economic geographies of many communities remain deeply shaped by legacies of historical segregation and exclusion. A long history of discrimination by both government and private institutions as well as individuals has produced stark patterns of racial segregation in US cities. In the decades since the Fair Housing Act of 1968, the extent and nature of discrimination have changed, but its imprint remains visible in many cities; it continues to influence choices about where people of different races, ethnicities, and income live. In recent years, evidence suggests that these patterns have been sustained by white households' acceptance of only modest levels of racial integration in their neighborhoods, regulatory constraints on affordable housing development, and lingering discrimination in housing markets.

A longstanding body of research documents the severe costs of this separation for all members of society, as well as the disproportionate burdens imposed on residents of neighborhoods with concentrated disadvantage. Residents of such neighborhoods—who are most often members of minority racial and ethnic groups—face risks to their health, safety, and economic mobility. At a national scale, these individual costs constrain the economy from

reaching its full potential while also increasing levels of prejudice and mistrust within the populace, and thus impairing the functioning of our democracy.

While these challenges are complex, a robust set of tools exists for taking positive steps and creating opportunities for progress, if the political will can be found to do so. The Harvard Joint Center for Housing Studies—with support from the Ford Foundation, NeighborWorks America, the JPMorgan Chase Foundation, the Melville Trust, and the Kresge Foundation—therefore convened a symposium that takes stock of the current patterns of residential segregation and integration in the United States and examines the concrete steps that can be taken to foster a more inclusive future. This current effort builds on the findings from a symposium also co-hosted by the Joint Center in 2001—which resulted in the published collection of essays *The Geography of Opportunity*<sup>1</sup>—and provides us an opportunity to explore where progress has been made and what challenges remain. The symposium is organized around a series of discussion papers in which leading academics, practitioners, and policymakers engage with the following question: what it would it take to achieve meaningful progress in reducing and/or mitigating the consequences of residential segregation? At the symposium conference, discussion papers were enriched by the responses of participants from academia, philanthropy, industry, journalism, government, and nonprofits. The result, we hope, is a series of proposals that offer a way forward, describing concrete steps that can be taken over the next five to ten years to achieve meaningful change.

In this framing paper, we offer a brief summary of existing evidence and introduce the rationale and structure for the symposium. The initial sections present an overview of the extent of current residential segregation by race/ethnicity and income (Section 2), the causes of residential segregation in the United States (Section 3), and the consequences for individuals and society (Section 4). We then draw upon this evidence to examine the rationale for government action and the painful public costs of continuing the status quo (Section 5). Lastly, we identify key levers for action going forward, and introduce the organization of the symposium and the book chapters that will follow (Section 6).

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<sup>1</sup> de Souza Briggs (2005).

## **Section 2: Current Patterns of Residential Segregation and Integration**

The symposium is concerned with two dimensions of integration, racial/ethnic and socioeconomic. Given that racial and ethnic minorities are disproportionately represented among those with lower income, wealth, and education, these two dimensions are highly intertwined. Yet the factors contributing to each pattern segregation are also in part distinct, and therefore so are the potential responses to them. In this section, we examine trends in segregation first by race and ethnicity and then by income, and finally assess segregation along both dimensions together.

### **Residential Segregation by Race and Ethnicity**

For much of US history, discussions of racial segregation have focused on blacks and whites. But with a sharp rise in immigration beginning in the 1970s, rapid growth in the Hispanic and Asian populations has broadened discussions beyond the historical black-white dichotomy. Between 1970 and 2015, the non-Hispanic white share of US households decreased from 83 to 62 percent, and the black share of households increased slightly from 11 to 12 percent. Meanwhile, the Hispanic share of households increased from 4 to 17 percent, and the Asian share of households increased from 1 to 5 percent.<sup>2</sup>

Measuring changes in the extent of residential segregation over time requires choosing among several existing measures.<sup>3</sup> One common measure of residential segregation is the “dissimilarity” index, which measures the extent of segregation between two groups—defined as the percent of households in each group that would have to move in order to achieve an even distribution across neighborhoods. Exhibit 1 displays the dissimilarity index values for black-white, Hispanic-white, and Asian-white segregation for each Decennial Census from 1940 to 2010.

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<sup>2</sup> These figures slightly understate the extent of change over time, as the black and Asian population totals for the 1970 Census include individuals who also identify as Hispanic. The Asian population for the 1970 estimate also includes Pacific Islander individuals, who have been excluded from the 2015 figure.

<sup>3</sup> See Appendix B of Iceland, Weinberg, and Steinmetz (2002) or Massey and Denton (1988) for more complete discussions of alternative measures. The concept of “neighborhood” is commonly defined to be the census tract, although studies of segregation may also use the more fine-grained geography of either blocks or block groups.

Tracking the dissimilarity index over time suggests that the residential segregation of black households has declined from Civil-Rights-era highs, but remains considerable. Glaeser and Vigdor calculate the dissimilarity index for black versus non-black segregation for every Decennial Census of the twentieth century, showing that residential segregation of black households increased steadily during the first half of the century, peaking in 1970.<sup>4</sup> In the years since, the residential segregation of black households has declined slowly and consistently, but remained in 2010 at levels above those observed at the start of the twentieth century. The trendlines in Exhibit 1 also indicate that black-white segregation remains well above the levels of observed Hispanic-white and Asian-white segregation. In 2010, the value of the dissimilarity index implies that 59 percent of black households or of white households would have to move to achieve an even distribution of the two groups across neighborhoods, compared to 49 percent for Hispanic-white segregation and 41 percent for Asian-white segregation.<sup>5</sup>

The trendlines in Exhibit 1 for Hispanic-white and Asian-white segregation do not show declines in recent decades. Instead, these measures suggest that Hispanic-white and Asian-white segregation remained relatively constant between 1980 and 2010, even as the population of these groups increased. For both groups, the lack of change in the dissimilarity index belies two offsetting trends: increasing segregation of Hispanic and Asian households in metro areas with large populations, and population flows of Hispanic and Asian households to less segregated areas of the United States.<sup>6</sup>

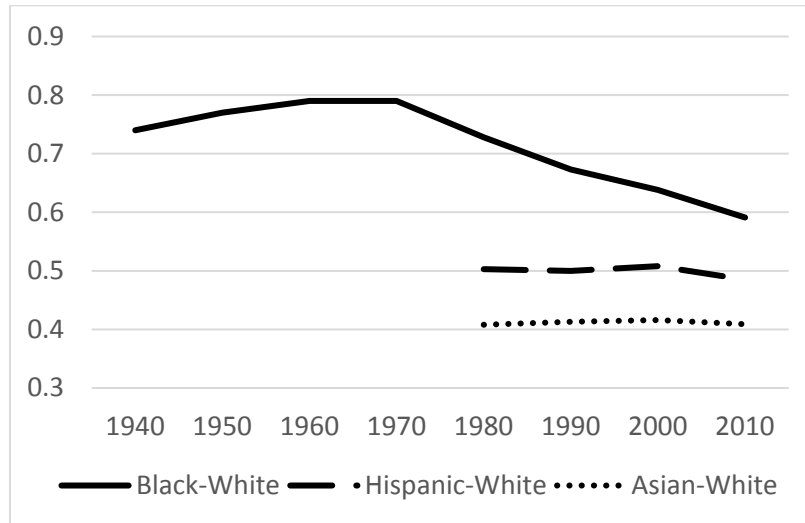
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<sup>4</sup> Glaeser and Vigdor (2012).

<sup>5</sup> Logan and Stults (2011).

<sup>6</sup> Logan and Stults (2011); De la Roca, Ellen, and O'Regan (2014).

**Exhibit 1: Changes in Residential Segregation by Race/Ethnicity, 1940-2010 (Dissimilarity Index)**



Note: The national average values of the dissimilarity index are the weighted average of all metropolitan areas with weights defined to reflect the number of minority group members in the metro.

Source: Logan and Stults (2011).

Exhibit 2 presents an alternative measure of residential segregation that describes the average neighborhood composition of individuals of each race and ethnicity using the most recent Census data available, the 2011-2015 American Community Survey (ACS) 5-year estimates. This measure, frequently called the “exposure” index, provides insight into the extent to which individuals of each race and ethnicity live in neighborhoods where individuals of different races and ethnicities account for a large or small share of neighborhood residents. This measure is also referred to as the “isolation” index when describing the share of neighborhood residents of the same racial or ethnic group.

The results offer a snapshot of current differences in the neighborhoods occupied by white and minority households. The average white individual currently lives in a neighborhood that is 76 percent white, 10 percent Hispanic, 7 percent black, 4 percent Asian, and 3 percent multiracial or some other race or ethnicity. By contrast, the average black individual lives in a neighborhood that is 44 percent black, 35 percent white, 14 percent Hispanic, 4 percent Asian, and 3 percent multiracial/other. Similarly, the average Hispanic individual lives in a neighborhood that is 45 percent Hispanic, 36 percent white, 10 percent black, 6 percent Asian,

and 3 percent multiracial/other. Only Asian and multiracial/other individuals have average neighborhood compositions where individuals of the same race/ethnicity are not a plurality. For each of these two groups, whites account for the largest share of neighborhood residents.

These patterns vary systematically across cities of different sizes, with whites accounting for larger population shares in smaller metros and non-metropolitan areas. For example, in the 10 largest metropolitan areas, the average black individual lives in a neighborhood that is 49 percent black and 23 percent white, compared to 40 percent black and 52 percent white in non-metropolitan areas. Similarly, the average Hispanic individual in the 10 largest cities lives in a neighborhood that is 51 percent Hispanic and 27 percent white, compared to 28 percent Hispanic and 61 percent white in non-metropolitan areas. Appendix Table 1 provides the full set of exposure indices for each group, which show that patterns of residential segregation by race/ethnicity are evident in all areas but that the extent of segregation is most severe in large cities.

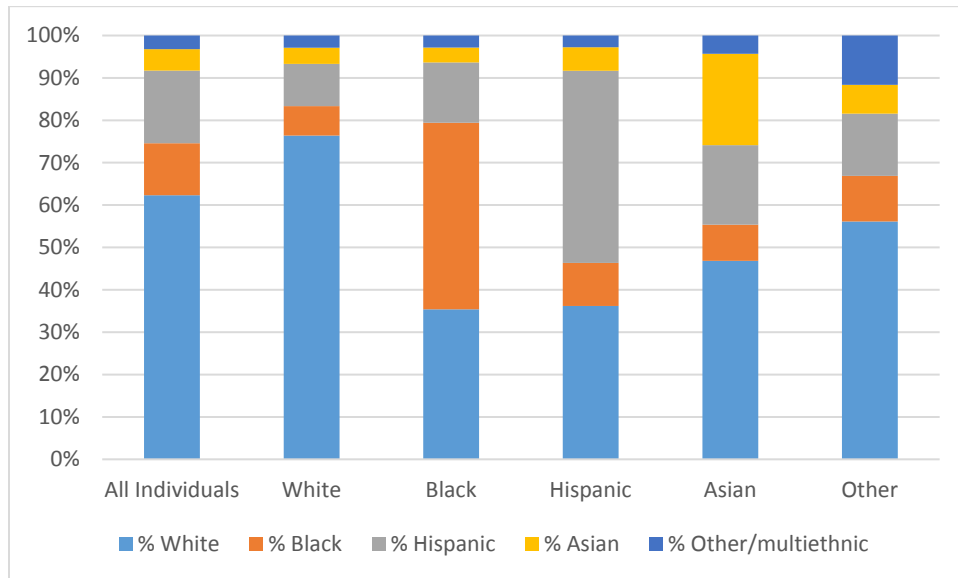
Nonetheless, the extent of residential segregation by race and ethnicity also varies substantially between large metropolitan areas, with higher levels of black-white segregation in older Northeastern cities and lower levels in Western cities that have experienced recent growth. For example, among the 50 largest metropolitan areas in the United States, the Detroit, Milwaukee, and Chicago metropolitan areas rank among the top five metros with the highest levels of black-white segregation according to both the dissimilarity index and the isolation index. In contrast, Las Vegas, Riverside, and Phoenix rank among the five metros with the lowest levels of black-white segregation with respect to each index. This pattern is also apparent for Hispanic-white and Asian-white segregation measures, although the patterns of segregation among Hispanics and Asians are also greater in metros with larger populations of each group.<sup>7</sup>

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<sup>7</sup> Logan and Stults (2011).



## Exhibit 2: Average Neighborhood Composition by Race and Ethnicity across All US Census Tracts



Notes: Neighborhoods are defined as census tracts. Metropolitan areas are defined by CBSA boundaries. White, black, Asian, and other/multiracial individuals are non-Hispanic.

Source: JCHS tabulations of American Community Survey 5-year estimates 2011-2015.

### Residential Integration by Race and Ethnicity

While the presence of racially *integrated* neighborhoods is related to the trends in residential segregation described in the previous section, it is a distinct phenomenon that merits separate attention. In particular, the trends in residential segregation and desegregation reflect residential outcomes in communities throughout the United States regardless of their overall level of diversity. To supplement these measures, a growing literature describes the incidence and characteristics of neighborhoods with substantial levels of racial and ethnic integration. While such neighborhoods remain a minority of all US neighborhoods, their presence, stability, location, and racial composition are each relevant to understanding the prospects for future declines in the extent of residential segregation.

Ellen, Horn, and O'Regan provide the most recent analysis of trends in integration at the national level, describing trends from 1990 to 2010 for four types of integrated neighborhoods—white-black, white-Hispanic, white-Asian/other, and white-mixed minority—which they define as census tracts in which at least 20 percent of neighborhood residents are

white and at least 20 percent are in the identified minority group.<sup>8</sup> Conversely, racially segregated neighborhoods by this definition are those where no group other than the dominant one accounts for more than 20 percent of the population. The results show substantial and consistent growth in the presence of integrated neighborhoods from 20 percent of all metropolitan census tracts in 1990 to 30 percent in 2010. White-Hispanic neighborhoods account for nearly half of the overall increase in the presence of integrated neighborhoods, with each of the other types of integrated neighborhoods also showing growth from 1990 to 2010.

A small portion of this growth is consistent with patterns of gentrification. Specifically, 5.5 percent of nonintegrated black-majority neighborhoods in 2000 became integrated neighborhoods by 2010, and these transitions were associated with central city location, lower homeownership rates, fewer families with children, and increases in median income and the share of residents with college degrees. However, the vast majority (93 percent) of neighborhoods that transitioned from nonintegrated to integrated between 2000 and 2010 were initially predominantly white neighborhoods, and these neighborhoods do not show similar signs of gentrification. Equally important, the likelihood of integrated neighborhoods remaining integrated 10 years later increased from the 1990s to the 2000s, offering some hope that these neighborhoods will become stably integrated and are not simply transitory phases between nonintegrated categories.<sup>9</sup>

The primary caveat to these findings is that no consensus definition exists regarding what constitutes an integrated neighborhood. Ellen, Horn, and O'Regan acknowledge that their choice of 20 percent as the cutoff is somewhat arbitrary, noting that their key findings are robust to alternative thresholds and definitions. Alternatively, Lee, Iceland, and Farrell advocate using a measure in which a neighborhood is considered integrated only if no group accounts for 50 percent or more of the neighborhood population (i.e., no group is a majority in the neighborhood)—but also conclude that racial/ethnic integration has increased consistently in

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<sup>8</sup> Ellen, Horn, and O'Regan (2012). Tracts are defined to be white-mixed minority if at least 20 percent of neighborhood residents are white and the minority shares for at least two of the other groups exceed 20 percent.

<sup>9</sup> Ellen, Horn, and O'Regan (2012).

recent decades using this measure.<sup>10</sup> Other studies vary widely in the group shares by which they define integration, the size of defined neighborhoods, and the extent to which they rely solely on neighborhood composition or also incorporate measures of social interaction.<sup>11</sup>

Studies raise questions about whether the benefits of integration are realized if different blocks within the tract remain segregated or if little social interaction occurs across residents of different races/ethnicities. For example, in case studies of the South End in Boston and Shaw/U Street in Washington, DC, Tach and Hyra find limited social interaction between residents of mixed-income, mixed-race neighborhoods.<sup>12</sup> Hyra argues that such limited interaction between races limits the potential to realize the benefits that might flow from integration and equal access to neighborhood amenities.<sup>13</sup> Yet, some benefits of integration, such as access to schools, police protection, or environmental assets, are likely to occur at the neighborhood level or higher.<sup>14</sup> While neighborhood integration has received increased attention from researchers in recent years, more research is necessary to shed light on these questions and to evaluate alternative methods for measuring changes in the extent of integration over time.

### **Residential Segregation by Income**

Current patterns of residential segregation by income are relevant to discussions of neighborhood inclusion both because of the growing segregation of low- and high-income households and because of the correlation between race, ethnicity, and income in the United States. According to JCHS analysis of the 2015 ACS 1-year estimates, the median household income among non-Hispanic white households is \$61,000, compared to \$36,000 among black households and \$44,800 among Hispanic households. The upshot of these differences is that changes in income segregation are likely to translate into changes in the observed patterns of residential segregation and integration described in the previous sections. At the same time, the growing residential segregation of low- and high-income households creates obstacles to

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<sup>10</sup> Lee, Iceland, and Farrell (2014).

<sup>11</sup> Sin and Krysan (2015); Ellen (2000).

<sup>12</sup> Tach (2009); Hyra (2017).

<sup>13</sup> Hyra (2015).

<sup>14</sup> Tach, Pendall, and Derian (2014).

the economic inclusion of low-income households and contributes to pockets of concentrated disadvantage.

Residential segregation by income has grown in recent decades at all levels of the income distribution.<sup>15</sup> When measured among families in metropolitan areas with population of at least 500,000 people, income segregation shows substantial increases from 1970 to 2009.<sup>16</sup> Exhibit 3 displays the trends in income segregation during this period, showing increases at the 10th, 50th, and 90th percentiles of the income distribution—with the fastest increases occurring during the 1980s and the 2000s. The 10th percentile index measures the extent to which families with incomes at or below the 10th percentile of the income distribution live in different neighborhoods than families in the remainder of the income distribution. This measure captures the *segregation of poverty*, showing that income segregation is more severe among families with very low incomes than among the overall population.

The 90th percentile measure reflects the *segregation of affluence*, and shows that the most extreme levels of residential segregation by income exist among families in the highest income decile. The segregation of affluence has been referred to as “opportunity hoarding” because these most affluent neighborhoods provide residents with access to higher-quality public services, environmental quality, and access to man-made and natural amenities, leaving fewer, worse-quality resources for all other communities. The growing residential segregation of affluent households over time primarily reflects the increasing concentration of high-income households in specific cities and in wealthy enclaves within these cities. In contrast, the increases in income segregation among both low- and middle-income households have occurred at a smaller geographic scale, with households sorting across neighborhoods and municipalities within rather than across metropolitan areas.<sup>17</sup>

Rising income inequality is a primary contributor to the growth in income segregation.<sup>18</sup> Reardon and Bischoff estimate that increases in income inequality explain between 40 and 80

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<sup>15</sup> Reardon, Fox, and Townsend (2015).

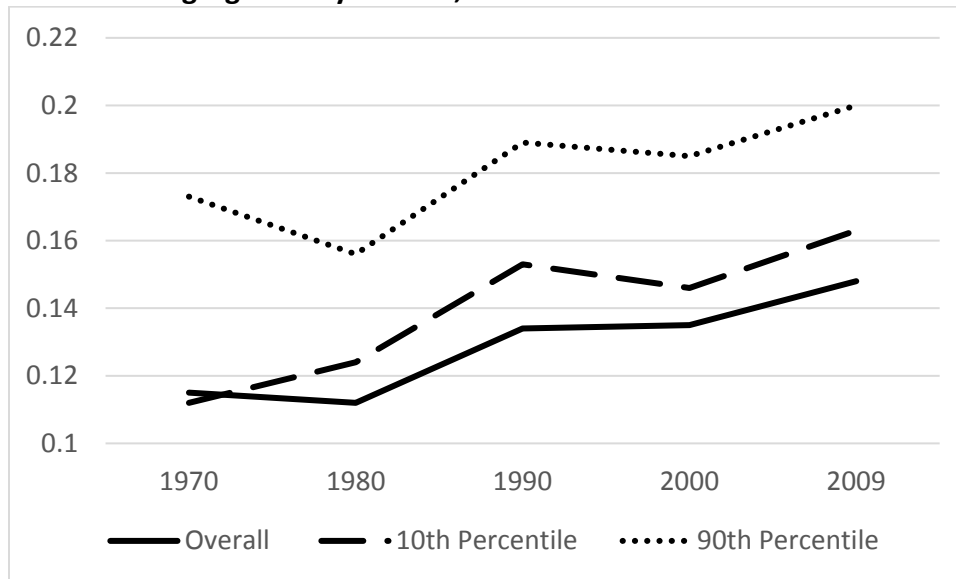
<sup>16</sup> Bischoff and Reardon (2014).

<sup>17</sup> Reardon and Bischoff (2011b); Fischer et al. (2004).

<sup>18</sup> Watson (2009).

percent of the rise in income segregation between 1970 and 2000.<sup>19</sup> However, while income inequality best explains the rise in income segregation among high-income households, increasing inequality is less able to explain changes in income segregation at lower income levels.<sup>20</sup> Instead, the remaining changes likely reflect a multitude of other factors such as the deindustrialization of American cities and changing patterns of racial/ethnic segregation.<sup>21</sup>

**Exhibit 3: Residential Segregation by Income, 1970-2009**



Note: Values reflect the rank-order information theory index for families in metropolitan areas with populations of at least 500,000 people.<sup>22</sup>

Source: Bischoff and Reardon (2014).

Exhibit 4 describes the current levels of segregation by income, presenting exposure index values using the 2011-2015 ACS 5-year estimates. While these figures suggest that income segregation may not be as stark as segregation by race/ethnicity, they nonetheless reveal considerable segregation between low- and high-income households. The average household with income below \$20,000 lives in a neighborhood where 25 percent of

<sup>19</sup> Reardon and Bischoff (2011b).

<sup>20</sup> This pattern is mirrored in findings about the effects of land use controls, which are associated with higher levels of residential segregation among high-income households but not to segregation of the poor. See Lens and Monkkonen (2016).

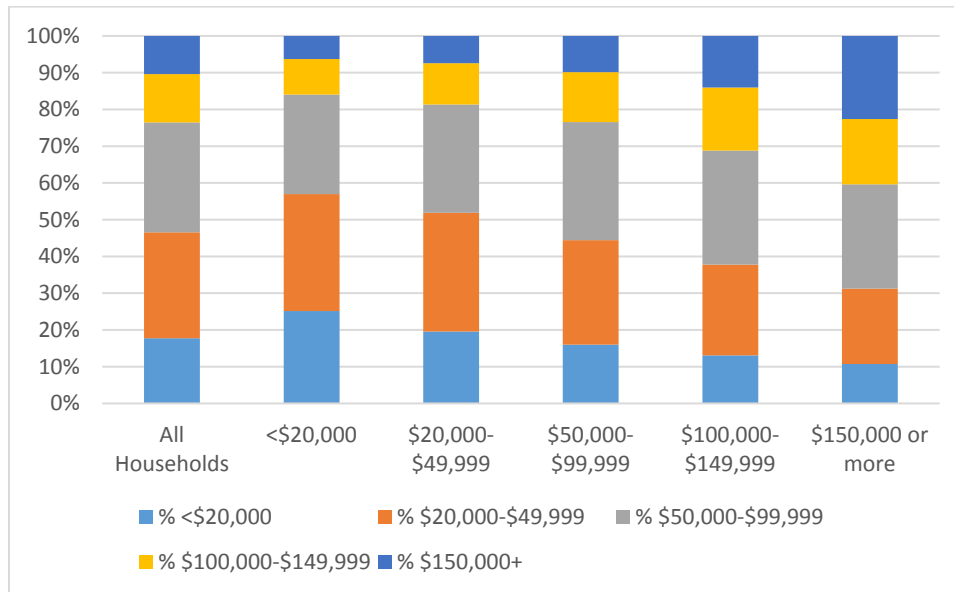
<sup>21</sup> Bischoff and Reardon (2014).

<sup>22</sup> See Reardon (2011) for a more detailed discussion of the rank-order information theory index and alternative measures of income segregation.

neighborhood households have income below \$20,000, 32 percent have household income between \$20,000 and \$50,000, and only 16 percent have household income above \$100,000. By contrast, the average household with income above \$150,000 lives in a neighborhood where 11 percent of neighborhood households have incomes below \$20,000, 21 percent have incomes between \$20,000 and \$50,000, and more than 40 percent have incomes above \$100,000.

These national figures again mask systematic variation across metropolitan areas. Appendix Table 2 replicates the information in Exhibit 4 for metropolitan areas of different sizes, showing that the extent of income segregation increases consistently with the size of the metropolitan area. For example, in non-metropolitan areas, the average neighborhood compositions of households with incomes below \$20,000 and above \$150,000 differ by less than 6 percentage points for each of the categories shown in Exhibit 4. By contrast, in the 10 largest metropolitan areas, the average household with income below \$20,000 lives in a neighborhood in which only 21 percent of residents have household incomes above \$100,000 and 53 percent have household income below \$50,000. Meanwhile, the typical household in these metros with income above \$150,000 lives in a neighborhood in which 47 percent of households have incomes above \$100,000 and only 27 percent of households have incomes below \$50,000. These results reflect both the clustering of high-income households in large metropolitan areas and increased residential segregation of households by income within these areas.

#### Exhibit 4: Average Neighborhood Composition by Income across All U.S. Census Tracts



Notes: Neighborhoods are defined as census tracts.

Source: JCHS tabulations of American Community Survey 5-year estimates 2011-2015.

#### Residential Segregation by Income and Race/Ethnicity

In considering the interaction between segregation by income and by race/ethnicity, there are two questions of interest: whether there are differences in the extent of income segregation by race/ethnicity, and the extent to which differences in income levels by race/ethnicity contribute to segregation by race/ethnicity.

On the first question, Bischoff and Reardon describe changes in the extent of income segregation among racial and ethnic groups, showing considerable change over time.<sup>23</sup> In particular, income segregation among black families was lower than that among white families in 1970 but grew quickly in subsequent years. By 2009, income segregation among black families exceeded income segregation among white families by 65 percent.<sup>24</sup> While the initial growth in income segregation among black families likely reflects the movement of middle- and high-income black families into white suburbs and wealthy black enclaves in response to reduced housing discrimination, the drivers of continued growth in the 2000s are less clear.

<sup>23</sup> Bischoff and Reardon (2014).

<sup>24</sup> This statistic is based on the rank-order index (H) using the 1970-2000 Decennial Censuses and the 2005-2009 American Community Survey for metropolitan areas with at least 500,000 residents. See Bischoff and Reardon (2014).

Less evidence exists regarding the long-term trends among Hispanic and Asian families; however, in recent decades Hispanic families show a similar trend to that of black families, with Hispanics exhibiting both higher levels of income segregation and faster increases in the 2000s than whites.<sup>25</sup>

Other studies examine the extent to which differences in income by race/ethnicity explain observed patterns of residential segregation by race/ethnicity. Such studies consistently find that controlling for household income is not sufficient to explain observed patterns of racial/ethnic segregation.<sup>26</sup> Moreover, black and Hispanic households are more likely than white households with similar incomes to live in neighborhoods with lower median incomes and higher poverty rates. For example, Logan and Stults show that even affluent black and Hispanic households—defined as having income greater than \$75,000 per year—live in neighborhoods with lower incomes, on average, than equally affluent white households.<sup>27</sup> While a portion of these differences is likely to reflect racial/ethnic differences in wealth and other socioeconomic characteristics, they also reflect the patterns of racial/ethnic segregation in US communities.<sup>28</sup>

Taken together, these patterns highlight the complex interrelationships between patterns of residential segregation by race/ethnicity and income. An initial upshot is that clarity in distinguishing between income and race/ethnicity is necessary in considering residential segregation patterns and potential response options. At the same time, such discussions must also recognize the close relationship between income and race/ethnicity in interpreting changes in residential segregation patterns and anticipating the consequences of any action.

### **Neighborhoods with Concentrated Poverty**

While income segregation is highest among high-income households, the concentration of poverty has particular importance for policy and efforts to foster greater economic and racial/ethnic inclusion. In particular, one of the rationales for studying broader patterns of

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<sup>25</sup> Reardon and Bischoff (2011a); Bischoff and Reardon (2014).

<sup>26</sup> Jargowsky (2014); Sharkey and Faber (2014); Logan and Stults (2011); Bayer, McMillan, and Rueben (2004).

<sup>27</sup> Logan and Stults (2011).

<sup>28</sup> Reardon, Fox, and Townsend (2015).



segregation by income and race/ethnicity is that increases in residential segregation among more advantaged households may limit the resources and opportunities available in less advantaged areas.<sup>29</sup>

The prevalence of neighborhoods with concentrated poverty has increased substantially since 2000.<sup>30</sup> Between 2000 and the 2009-2013 ACS 5-year estimates, the number of census tracts with concentrated poverty—defined as a poverty rate above 40 percent—increased from 2,510 to 4,412, an increase of 76 percent. This increase more than offset the reduction in concentrated poverty observed between 1990 and 2000, a decade of broadly-shared income growth.<sup>31</sup>

Minorities are disproportionately represented within neighborhoods with concentrated poverty. Across all concentrated poverty tracts in the United States, 36 percent of residents are black, 31 percent are Hispanic, 25 percent are white, and 7 percent are Asian, multiracial, or some other race or ethnicity. These outcomes reflect the overlap between concentrated poverty and the patterns of residential segregation by race/ethnicity. According to the 2009-2013 ACS, 7.5 percent of poor whites lived in neighborhoods with concentrated poverty, compared to 25.2 percent of poor blacks and 17.4 percent of poor Hispanics.<sup>32</sup>

The post-2000 growth in neighborhoods with concentrated poverty includes several trends that run counter to these historical patterns. First, while the majority of neighborhoods with concentrated poverty are located in large metropolitan areas, small and mid-sized metros show the fastest rates of recent growth, particularly in the Midwest.<sup>33</sup> Since 2000, this growth has increased the share of poor white households that live in concentrated poverty neighborhoods. Additionally, neighborhoods of concentrated poverty in large metropolitan areas have become slightly less clustered, producing a larger number of small pockets of poverty in place of the large clusters of concentrated poverty tracts that existed in 1990. Lastly, while suburbs continue to account for only a small number of neighborhoods with

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<sup>29</sup> Carr and Kutty (2008).

<sup>30</sup> Kneebone and Holmes (2016); Jargowsky (2015).

<sup>31</sup> Jargowsky (2015).

<sup>32</sup> Ibid.

<sup>33</sup> Jargowsky (2013).

concentrated poverty, the suburbanization of poverty has increased the share of poor households living in suburban areas, as well as the number of suburban neighborhoods exceeding 10 percent or 20 percent poverty rates.<sup>34</sup>

Looking forward, it is not yet clear whether the recent increases in the number of tracts with concentrated poverty will persist as the economy recovers from the Great Recession. Trends since the 1990s suggest that the concentration of poverty is quite sensitive to the rise and fall in the distribution of household incomes. Thus, if recent gains in household incomes continue, some improvement may be seen at the neighborhood level. But given the enormous increases in the number of these distressed neighborhoods since 2000, it would take a prolonged period of income growth to register significant recovery. Moreover, recent rises in household income have primarily benefited those at the top of the socioeconomic ladder; unless this trend is mitigated, it is unlikely that further overall income increases will much improve the fortunes of high-poverty communities.

### **Section 3: Contributors to Residential Segregation and Integration**

In order to identify the levers that may be employed to promote greater degrees of integration by race/ethnicity and income, it is important to understand the forces that have produced these patterns. The segregated communities that exist today are the result of numerous factors, including a long history of discriminatory practices and the multitude of influences that have shaped households' choices about where to live in recent decades.<sup>35</sup> As a means of both motivating and framing policy responses, this section reviews the primary factors contributing to segregation today.

#### **Historical Government Actions**

First and foremost, many of the cities with the highest levels of racial/ethnic segregation continue to reflect the residential patterns that emerged during the Great Migration of black households from the rural South to Northern cities between 1910 and 1970. During this period, racially discriminatory public policies and the collective actions of whites limited the

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<sup>34</sup> Kneebone and Holmes (2016); Kneebone and Berube (2014).

<sup>35</sup> For a more exhaustive review of the history and causes of residential segregation in the United States, see Massey and Denton (1988).

neighborhoods available to black households. While many of these policies are no longer in place, current patterns of residential segregation in many cities still follow the historical lines of separation that these policies and practices generated.

The process of redlining is the most notable, although far from the only, government action that contributed to historical patterns of residential segregation. This process was formally initiated by the Homeowners Loan Corporation (HOLC) in the 1930s with the establishment of a neighborhood quality index.<sup>36</sup> Under this rating system, black neighborhoods were universally given the poorest quality rating and declared unfit for investment from banks and other lenders. In these neighborhoods, demand for owner-occupied housing by both blacks and whites was cut off and a downward spiral of investment encouraged. As a result, the broad adoption of the HOLC system and other redlining practices by private banks, the Federal Housing Administration (FHA), and the Veterans Administration (VA) institutionalized these patterns of disinvestment and neglect broadly throughout the housing market.

Both prior to and during this period, racially restrictive covenants—provisions written into property deeds that prohibited black occupancy of a property—were legal and widespread, further limiting black households' access to white neighborhoods. While neighborhood associations and realtors were instrumental in encouraging white homeowners to adopt such covenants, they were also encouraged by the FHA and VA until the US Supreme Court declared them unconstitutional in 1948.<sup>37</sup> The impacts of these covenants were reinforced by other forms of discrimination in housing markets and by the expansion of mortgage financing through the FHA and VA. This further contributed to the outmigration to the suburbs of white households with preferences for new construction over rehab, greenfield over city, and other incentives that made it cheaper for them to buy suburban homes than to stay in the city.<sup>38</sup>

The Federal Highway Act of 1956 and concurrent urban renewal policies further segregated many cities. These policies subsidized the development of white suburbs and erected highway infrastructure that displaced black households and separated white and black

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<sup>36</sup> Jackson (1985).

<sup>37</sup> Powell and Cardwell (2015); Jackson (1985).

<sup>38</sup> Massey (2008).

neighborhoods. Public housing developments were constructed under policies that reserved specific developments for white households and others for black households. The cumulative result of this history is the nearly complete residential segregation of black and white households by 1970 (shown in Exhibit 1).

### **Discrimination in Housing Markets**

The residential segregation of black and white households during the twentieth century was reinforced by the collective actions of whites, acting in both professional capacities and as private citizens. In particular, realtors and other housing market professionals played central roles in facilitating residential segregation by race. The code of the National Association of Real Estate Brokers instructed members that “a Realtor should never be instrumental in introducing into a neighborhood members of any race or nationality whose presence will clearly be detrimental to property values in the neighborhood”—a provision that remained until 1950.

Neighborhood associations and loosely organized mobs used intimidation and violence to further prevent blacks from moving into their white neighborhoods, often aided by a lack of police intervention.<sup>39</sup> Such actions occurred frequently during the early decades of the twentieth century and continued into later periods, including the decades following the Supreme Court’s ban on racially restrictive covenants.

The Fair Housing Act of 1968 eventually prohibited discrimination on the basis of race, color, religion, and national origin at any stage of the process for renting or buying a home. However, lacking effective enforcement mechanisms, the law did not have a significant impact on the prevalence of discriminatory treatment in the market.<sup>40</sup> Studies employing paired-testing methodologies continued to find clear signs of discrimination against minority homeseekers in the decades following the passage of the Fair Housing Act. The US Department of Housing and Urban Development’s (HUD’s) initial housing discrimination study in 1977 found that black renters and homebuyers were commonly told that advertised units were not

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<sup>39</sup> In one instance in 1963, a mob of 600 whites descended on a Detroit-area home rumored to have been purchased by a black man and his pregnant wife, throwing stones and bottles. The terrified homeowner could not persuade local police to act until his lawyer produced documents showing that he had rented the home to a white man who had merely hired two black men as movers, one of whom had brought along his pregnant wife. See Galster (2012).

<sup>40</sup> Massey and Denton (1993).

available or were shown fewer units than equally qualified whites.<sup>41</sup> A similar 1989 audit study also found significant levels of discrimination on these measures against both black and Hispanic homeseekers.<sup>42</sup>

The extent of such discrimination has declined in recent decades, but has not disappeared. HUD's most recent housing discrimination study in 2012 finds no significant differences between whites and blacks, Hispanics, or Asians in the likelihood of being told that an advertised unit is available or of being told about at least one available unit. However, the 2012 study continues to find significant differences in the number of units about which minority homeseekers are told, as well as the number of units that these homeseekers are shown.<sup>43</sup>

Evidence on the presence of discrimination in mortgage lending similarly suggests that the nature of discrimination has evolved but not disappeared in the decades following passage of the Fair Housing Act of 1968 and the Equal Credit Opportunity Act of 1974, which outlaws discrimination in any step of the mortgage lending process.<sup>44</sup> In 1992, the Federal Reserve Bank of Boston concluded that black and Hispanic mortgage loan applicants in Boston were 60 percent more likely to be denied credit than equally qualified whites.<sup>45</sup>

More recently, Wells Fargo's settlement for discriminatory lending practices during the 2000s subprime lending boom is the most high-profile example of the lending practices that led subprime loans to be disproportionately concentrated in minority communities.<sup>46</sup> In describing the practices used to steer minority customers into subprime mortgage products, the Wells Fargo case also highlights the potential for aggressive marketing practices to produce disparities in the cost and terms of credit.

In a similar way, it is possible that discriminatory forms of advertising and marketing may contribute to residential segregation patterns by altering the nature of information to which different homeseekers are exposed as they evaluate their ability to afford a home in

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<sup>41</sup> Wienk et al. (1979).

<sup>42</sup> Turner, Struyk, and Yinger (1991).

<sup>43</sup> Significant disparities appear for black, Hispanic, and Asian rental inquiries and for black and Asian home purchase inquiries. See Turner et al. (2013).

<sup>44</sup> Engel and McCoy (2008).

<sup>45</sup> Munnell et al. (1996).

<sup>46</sup> Calem, Gillen, and Wachter (2004).

various neighborhoods.<sup>47</sup> However, little research examines whether disparities exist in the information available to homeseekers prior to inquiring about a unit.<sup>48</sup> While the advent of the internet and online sources have dramatically increased the amount of information broadly available to the public, disparities in the use of online information or in the types of online tools consulted may result in search processes that vary widely across racial/ethnic groups.

### **Neighborhood Preferences of Homeseekers**

Research on the neighborhood preferences of white and minority homeseekers suggests that households' voluntary sorting processes further contribute to residential segregation patterns. In particular, white survey respondents on average rank communities with higher shares of white residents as the most desirable and show the greatest aversion to living in neighborhoods with more than a small percentage of black residents.<sup>49</sup> For example, using a representative telephone-based survey that presented alternative neighborhood options, Emerson, Chai, and Yancey found that white respondents reported on average that they preferred neighborhoods where fewer than 10 percent of residents were black, were "neutral" toward neighborhoods where 10-15 percent of residents were black, and would be unlikely to purchase a home in neighborhoods where more than 15 percent of residents were black.<sup>50</sup>

By contrast, multiple studies over time have suggested that the preferred neighborhood for the average black household is one with approximately 50 percent black residents and 50 percent residents of other races.<sup>51</sup> These studies further suggest that many black households are willing to consider neighborhoods with lower shares of black households, but that few black households prefer to live in predominantly white or predominantly black neighborhoods. In

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<sup>47</sup> Essene and Apgar (2007); Apgar and Calder (2005).

<sup>48</sup> Turner and Rawlings (2009); Crowder and Krysan (2016).

<sup>49</sup> Ellen (2000); Zubrinsky and Bobo (1996).

<sup>50</sup> Emerson, Chai, and Yancey (2001). While it is tempting to think that such attitudes might be less prevalent among the diverse Millennial generation, recent survey evidence suggests that white Millennials' racial attitudes are at best only slightly more tolerant than those of white Baby Boomers. Citing the General Social Survey, the *Washington Post* reports that 15 percent of white Millennials oppose living in majority-black neighborhoods, compared to 20 percent of white Baby Boomers. See Clement (2015).

<sup>51</sup> Krysan and Farley (2002); Farley et al. (1978); Farley et al. (1994); Schuman et al. (1997); Farley, Fielding, and Krysan (1997).

particular, many black households prefer not to be one of the first black households to move into predominantly a white neighborhood due to concerns about white hostility.<sup>52</sup> Recent evidence further suggests that neighborhood preferences are particularly pronounced among white parents with children. White parents disproportionately sort into neighborhoods with segregated white public schools, while black parents show fewer differences from non-parents in their neighborhood choices.<sup>53</sup>

Taken together, these neighborhood preferences are consistent with racial ‘tipping’ models in which the differences between the neighborhood preferences of whites and blacks over time lead whites to avoid mixed neighborhoods, resulting in increasing shares of black residents in these neighborhoods.<sup>54</sup> Discussions of these tipping models highlight that this outcome can be self-reinforcing to the extent that white avoidance of integrated neighborhoods is due to expectations of future neighborhood change and its implications for property values. Ellen calls the use of a neighborhood’s racial composition to form perceptions about neighborhood amenities or future neighborhood outcomes “race-based neighborhood stereotyping,” and shows that it may be a primary contributor to white avoidance of integrated neighborhoods.<sup>55</sup>

While the literature on neighborhood preferences predominantly focuses on white-black dynamics, recent studies suggest that white avoidance of Hispanic and Asian neighbors exists, though to a lesser degree than white avoidance of black neighbors.<sup>56</sup> Preferences for in-group clustering may also play a larger role in explaining patterns of residential segregation among Hispanic and Asian households, particularly among recent immigrants who may seek out neighbors who emigrated from the same birth country or who speak shared languages.

### **Affordability Barriers**

Differences in purchasing power contribute directly to the segmentation of housing markets as households sort across neighborhoods according to differences in amenities and the

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<sup>52</sup> Krysan and Farley (2002).

<sup>53</sup> Rich (2017).

<sup>54</sup> Fossett (2006); W. Clark, (1991); Schelling (1971).

<sup>55</sup> Ellen (2000).

<sup>56</sup> Zubrinsky and Bobo (1996); Ellen (2000).

associated costs of housing. Local public finance theory implies that differences in neighborhood amenities, such as school quality and safety, will be capitalized into the costs of housing as households bid up home prices based on these amenities.<sup>57</sup> Residential segregation by income is a direct result of this process if affordable units are not set aside in higher-income neighborhoods. Moreover, because income and wealth disparities correlate with race/ethnicity, affordability barriers also contribute to residential segregation by race/ethnicity.

Land use and zoning restrictions have exacerbated affordability barriers in many high-cost areas by artificially limiting the number and types of units available, particularly the development of new multifamily and affordable units. In a study of communities in the nation's 25 largest metropolitan areas, Pendall found that low-density zoning—which he defines as fewer than eight dwelling units per acre—reduced local shares of both multifamily and rental housing over the period studied.<sup>58</sup> At the same time, a study of 187 Massachusetts cities and towns suggests that municipalities with less restrictive multifamily zoning issued more multifamily housing permits.<sup>59</sup> In this way, local decisions to institute minimum lot sizes or otherwise limit the land available for multifamily development reduce the supply of multifamily units and are associated with higher levels of income segregation, particularly the segregation of affluent households.<sup>60</sup>

Conversely, inclusionary zoning, subsidies for the development of affordable housing, and lower barriers to the development of lower-cost units can serve as counterweights to income segregation. While such measures increase lower-income households' access to higher-cost neighborhoods, they do not fully resolve the differences in affordability across neighborhoods. Additionally, because economic differences explain only a small share of observed residential segregation by race/ethnicity, such measures may do more to reduce segregation by income than by race/ethnicity, particularly between black and white households.

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<sup>57</sup> Ross and Yinger (1999).

<sup>58</sup> Pendall (2000).

<sup>59</sup> Schuetz (2006).

<sup>60</sup> Lens and Monkonen (2016); Glaeser (2011); Knaap et al. (2007).



## **Geographic Population Flows**

Lastly, longer-term shifts in the regional distribution of the US population and in economic activity also contribute to observed levels of residential segregation by income and race/ethnicity. Since 1970, the geographic distribution of the population has shifted considerably, with the fastest rates of growth appearing in Sunbelt cities and much slower rates of growth in Northern cities. To the extent that high-growth and low-growth cities have varying levels of residential segregation, these population flows carry implications for national-level figures. For example, Glaeser and Vigdor argue that population loss from majority-black neighborhoods in Northern cities and the corresponding flows to both suburbs and Sunbelt cities contributed to reductions in black-white segregation between 1970 and 2010.<sup>61</sup>

Recent changes in the intracity geography of jobs and population carry further implications for residential outcomes. In particular, recent decades have witnessed increasing flows of high-income jobs and residents to central-city neighborhoods.<sup>62</sup> While the gentrification of central-city neighborhoods is one of the most visible outcomes, the increasing presence of low-income and minority households in suburban neighborhoods is equally consequential.<sup>63</sup> More research is needed to understand how these changes will contribute to increases or decreases in residential segregation by both income and race/ethnicity.

## **Section 4: The Consequences of Segregation for Individuals and Society**

An enormous empirical literature documents the wide range of costs associated with racial and economic residential segregation, particularly for minorities living in racially segregated areas of concentrated poverty. Residents of such communities tend to have poor outcomes in a number of areas—including educational attainment, employment and socioeconomic mobility, and health.<sup>64</sup> Additionally, segregation has been shown to carry substantial costs for society and the economy overall, by undermining social cohesion,

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<sup>61</sup> Glaeser and Vigdor (2012).

<sup>62</sup> Couture and Handbury (2015).

<sup>63</sup> Kneebone and Berube (2014).

<sup>64</sup> Jencks and Mayer (1990); Cutler and Glaeser (1997); Brooks-Gunn (1997); Leventhal and Brooks-Gunn (2000); and Sampson, Morenoff, and Gannon-Rowley (2002).

perpetuating racial stereotyping and prejudice, eroding democracy, fomenting social instability, and dragging down long-term economic growth.

Given the amount of research on the effects of residential segregation and concentrated disadvantage on residents' outcomes, this section provides only a brief overview of the costs of segregation for both individuals and society. In particular, this review pays attention to the disproportionate costs imposed on residents of racially segregated areas of concentrated poverty, which we refer to hereafter as neighborhoods with *concentrated disadvantage*.

### **Costs of Segregation to Individuals**

Segregation creates vastly different environmental and social conditions that tend to constrain access to quality education, housing, and job opportunities for residents of communities with concentrated disadvantage. As a result, the residents of such neighborhoods have been shown to have worse life outcomes on a number of measures, including educational attainment and achievement, economic mobility, and health.

### ***Educational Outcomes***

Segregation has been described as a “stubborn, multidimensional, and deeply important cause of educational inequality.”<sup>65</sup> Racial segregation is shown to be a significant contributor to racial disparities in educational performance, with one study finding that fully one-quarter of the black-white SAT score gap can be attributed to racial residential segregation.<sup>66</sup> Segregation by socioeconomic status also has damaging educational outcomes for children who live in neighborhoods with concentrated disadvantage. Youth who grow up in high-poverty neighborhoods perform worse in school, are more likely to drop out of high school, and are less likely to go to college than their peers in more affluent communities.<sup>67</sup> The amount of time children spend in neighborhoods with concentrated disadvantage while growing up has also been found to be important. Children who spend longer living in high-poverty neighborhoods have worse educational outcomes,<sup>68</sup> while those who move from high- to low-poverty areas

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<sup>65</sup> G. Orfield and Lee (2005), 5.

<sup>66</sup> Card and Rothstein (2007).

<sup>67</sup> Brooks-Gunn et al. (1993); R. Clark (1992); Dornbusch, Ritter, and Steinberg (1991); Duncan (1994); Garner and Raudenbush (1991).

<sup>68</sup> Crowder and South (2011); Wodtke, Harding, and Elwert (2011).

experience better outcomes in income and college attendance; the younger children are when they move away from disadvantaged neighborhoods, the better their outcomes.<sup>69</sup>

Importantly, because school enrollment areas are often tied to residential location, neighborhood and school diversity (and segregation) are highly interconnected; indeed, as Rusk and Schwartz have both noted, “housing policy is school policy.”<sup>70</sup> Research has thoroughly documented that schools in high-poverty neighborhoods tend to have high dropout rates and poor academic achievement overall.<sup>71</sup>

### ***Economic Opportunity***

As Massey and Denton argue in their seminal *American Apartheid*, “Barriers to spatial mobility are barriers to social mobility, and by confining blacks to a small set of relatively disadvantaged neighborhoods, segregation constitutes a very powerful impediment to black socioeconomic progress.”<sup>72</sup> Evidence conclusively shows that segregation is negatively correlated with upward economic mobility.<sup>73</sup> Chetty and colleagues demonstrate that segregation’s negative effect on upward mobility is strongest for residents of high-poverty areas and areas with large African American populations, leaving them least likely to move up in income distribution.<sup>74</sup>

Employment outcomes are demonstrably worse for minorities living in highly segregated metro areas, contributing to their limited upward mobility. Dickerson studied employment rates for residents of the 95 largest US cities between 1980 and 2000, and found that for both blacks and Latinos, employment rates were lower in cities where racial segregation was worse and decreased further as segregation increased over time.<sup>75</sup>

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<sup>69</sup> Chetty and Hendren (2015).

<sup>70</sup> Rusk (2002); Schwartz (2010).

<sup>71</sup> Leventhal and Brooks-Gunn (2000); Burdick-Will et al. (2011); Duncan and Murnane (2011).

<sup>72</sup> Massey and Denton (1993), 14.

<sup>73</sup> Chetty et al. (2014), Massey and Denton (1993); Cutler, Glaeser, and Vigdor (1999); Graham and Sharkey (2013).

<sup>74</sup> Chetty et al. (2014)’s geographical unit of analysis is the “commuting zone,” defined as “geographical aggregations of counties that are similar to metro areas but cover the entire US, including rural areas.”

<sup>75</sup> Dickerson vonLockette and Johnson (2010); Dickerson (2007).

## ***Health and Well-being***

Decades of research convincingly illustrate that segregation has contributed to worse health and safety outcomes for residents of high-poverty and racially isolated minority communities. Studies show that after taking individual-level factors into account, neighborhoods with concentrated disadvantage have a detrimental influence on adult and infant mortality, physical and mental health of children and adults, and health behaviors.<sup>76</sup> For example, Aneshensel and Sucoff found that youth living in neighborhoods of low socioeconomic status are more likely than their peers living in more affluent neighborhoods to perceive their neighborhoods as dangerous and consequently to suffer from anxiety, depression, and other mental health disorders.<sup>77</sup> Similarly, Ellen finds that studies agree that in the long-term, the accumulated stress of living in a disadvantaged community erodes the overall health of residents in ways that make them more vulnerable to disease and other negative health outcomes.<sup>78</sup>

Given the close connection between racial and economic segregation in the United States, poor minorities are far more likely to live in conditions of concentrated poverty compared with poor whites, putting minorities in “double jeopardy” of negative health consequences associated not only with individual but also with neighborhood poverty.<sup>79</sup> In an extensive review of the scale and breadth of black-white health disparities, Williams and Collins conclude that racial residential segregation “creates conditions inimical to health in the physical and social environment” by constraining socioeconomic mobility and limiting minorities’ residential options to areas with lower-quality housing and urban infrastructure, higher homicide rates, and less access to nutritious and affordable food and to medical care.<sup>80</sup> The environmental justice literature further chronicles how poor minority communities are not only disproportionately likely to host various environmental hazards including poor air quality and

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<sup>76</sup> LaVeist (1993); Aneshensel and Sucoff (1996); Diez-Roux et al. (2001); Pickett and Pearl (2001); Kawachi and Berkman (2003).

<sup>77</sup> Aneshensel and Sucoff (1996).

<sup>78</sup> Ellen (2000).

<sup>79</sup> Acevedo-Garcia et al. (2008).

<sup>80</sup> Williams and Collins (2001), 116.

high levels of toxins,<sup>81</sup> but also have less access to urban green space, which is related to promoting physical activity, psychological well-being, and general public health.<sup>82</sup>

### **Social and Economic Costs of Segregation**

As the above sections describe, substantial empirical evidence indicates that living in a racially segregated, high-poverty neighborhood is detrimental to resident outcomes in a number of arenas. Turner and Rawlings note that these disparities “ultimately hurt everyone” by depressing residential property values and property tax revenues and reducing the competitiveness of the nation’s workforce.<sup>83</sup> Evidence also indicates that segregation has detrimental consequences for society at large by reducing social cohesion, fueling prejudice, hindering democracy, and dampening long-term economic growth.

### ***Prejudice and Trust***

In a review of over 500 studies, Pettigrew and Tropp found that intergroup contact significantly reduces intergroup prejudice by increasing knowledge about the out-group, reducing anxiety about intergroup contact, and increasing empathy and perspective-taking.<sup>84</sup> By limiting intergroup contact, segregation hinders the development of social cohesion and trust while perpetuating social fragmentation and instability—both of which have costs for economic performance and for the effectiveness of democracy at the national level.<sup>85</sup>

Putnam’s research on “generalized trust” (where one believes that people in general can be trusted) further elucidates how segregation reduces overall social cohesion.<sup>86</sup> Putnam finds that while segregation may actually result in higher levels of in-group trust, it significantly reduces inter-group trust by limiting social interactions across racial and ethnic lines. Because the condition of “generalized trust” is dependent on both forms of trust, it is undermined by segregation. Although evidence suggests that transitional periods of increasing diversity can be

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<sup>81</sup> Pastor, Sadd, and Hipp (2001).

<sup>82</sup> Wolch, Byrne, and Newell (2014).

<sup>83</sup> Turner and Rawlings (2009), 3. See also Harris (2009); M. Orfield (1997); Rusk (1993); Carr and Kutty (2008).

<sup>84</sup> Pettigrew and Tropp (2008).

<sup>85</sup> For a discussion of costs for economic performance, see Fukuyama (1995). For costs to democracy, see Uslaner (2002).

<sup>86</sup> Putnam (2000); Putnam (2007).

characterized by lower levels of social cohesion and trust as people temporarily “hunker down” in response to long-term change, researchers find that simply increasing opportunities for meaningful social interactions across ethnic lines allows for diversity and trust to complement one another.<sup>87</sup>

### ***Democracy***

Segregation has a negative effect on democracy by decreasing the political influence and participation of residents of low-income minority neighborhoods. Massey and Denton argue that persistent residential segregation has resulted in the political disenfranchisement of African Americans, in particular, by undermining their ability to build coalitions with other groups and accumulate political power.<sup>88</sup> Since segregated black ghettos typically contain few residents from other racial/ethnic groups, resources allocated to black neighborhoods have few, if any, benefits for other groups, leaving little incentive for interracial coalitions to form.<sup>89</sup> Racial residential segregation has therefore decreased blacks’ capacity to participate in the democratic process by limiting their political influence and marginalizing them within the American polity.<sup>90</sup>

Oliver presents complementary evidence of the negative impact of socioeconomic segregation on democratic processes.<sup>91</sup> Oliver finds that socioeconomic segregation has a dampening effect on public participation for those at both the upper and lower ends of the economic spectrum, and consequently that civic participation is highest in diverse, middle-income cities. Poor urban residents may find themselves “unable to exit from their circumstances or to shape city policies from fiscal constraints” and decide to disengage from political life, while the residents of homogeneous, affluent suburbs have fewer social “needs” and are distanced from the social issues of the larger metropolitan economy on which they depend, lowering their incentive for civic involvement.<sup>92</sup> Oliver concludes that metropolitan

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<sup>87</sup> Stolle, Soroka, and Johnston (2008); Putnam (2007).

<sup>88</sup> Massey and Denton (1993).

<sup>89</sup> *Ibid.*

<sup>90</sup> Massey and Denton (1993), 14.

<sup>91</sup> J. Oliver (1999).

<sup>92</sup> *Ibid.*, 206.

fragmentation is therefore a “cause for alarm” that “may be undermining the health of American democracy.”<sup>93</sup>

### ***Economic Growth***

In addition to threatening democracy, research also demonstrates that segregation may have damaging consequences for long-term economic growth. As the sections above describe, segregation constrains opportunity and exacerbates negative educational and economic outcomes for poor minorities living in disadvantaged areas while accentuating the advantages of white residents of wealthy enclaves, thus perpetuating socioeconomic inequality. Importantly, research suggests that income inequality has negative outcomes not just for poor individuals but also for economic growth and social stability overall, implying that persistent residential segregation plays an important role in producing worse outcomes for the nation as a whole.

Benner and Pastor note that traditional economic theory posits there is a “tradeoff between equity and efficiency, between fairness and economic growth.”<sup>94</sup> However, in the 1990s, a wave of new studies arose that challenged the notion that equity and economic growth are at odds. In a review of this literature, Aghion, Caroli, and Garcia-Penalosa note that these studies all drew the “impressively unambiguous” picture that “greater inequality reduces the rate of growth.”<sup>95</sup> Bénabou specifically connected segregation to weak economic growth, finding that the racial and economic segregation responsible for the “typical pattern of city-suburb polarization” in the US reduces the productivity of regional economies by constraining skill development and workforce participation of those in segregated areas.<sup>96</sup>

More recently, international studies conducted by researchers at the International Monetary Fund and the Organization for Economic Co-Operation and Development (OECD) to measure the effects of increasing income inequality have reaffirmed that, in the long term, a trade-off between efficiency and equality does not exist. Berg, Ostry, and Zettelmeyer reviewed economic growth in 140 countries between 1950 and 2000, and found that “duration of growth

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<sup>93</sup> *Ibid.*, 206.

<sup>94</sup> Benner and Pastor (2015a), 25. See also Kaldor (1977); Kuznets (1955).

<sup>95</sup> Aghion, Caroli, and Garcia-Penalosa (1998), 1617.

<sup>96</sup> Bénabou (1996), 249.

spells is strongly related to income distribution: more equal societies tend to sustain growth longer.”<sup>97</sup> Similarly, a 2015 OECD report analyzed how inequality affected growth in OECD countries and found that “when income inequality rises, economic growth falls.” The report ties income inequality to a reduced capacity of poorer segments of the population to invest in their own skills and education, which in turn “drags down economic growth” overall.<sup>98</sup>

Scholars have produced similar results at the metropolitan scale for the United States. Benner and Pastor apply the methodology used by Berg, Ostry, and Zettelmeyer to study international economic growth trends to US metros.<sup>99</sup> In line with Berg, Ostry, and Zettelmeyer’s results, they found that the “most significant and important predictor” of sustained growth was the metropolitan area having a lower Gini coefficient, indicating a lower level of income inequality.<sup>100</sup> Earlier studies substantiate these findings, indicating that economic growth in US metros is negatively associated not only with income inequality, but also more specifically with city-suburb disparities, the re-production of concentrated poverty, and racial residential segregation.<sup>101</sup>

## **Section 5: The Case for Change**

The previous section highlights the extent to which the substantial costs of residential segregation and concentrated disadvantage extend across multiple outcomes and ultimately affect all members of society. These costs, along with the potential benefits of greater integration for both individuals and the nation as a whole, provide a compelling and central justification for public action.<sup>102</sup> Still, several arguments are commonly used to question whether integration, particularly racial/ethnic integration, is necessary to realize these benefits. Since this symposium is based on the premise that racial, ethnic, and socioeconomic integration should be an important policy goal, these alternative points of view need to be considered.

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<sup>97</sup> Berg, Ostry, and Zettelmeyer (2012), 150.

<sup>98</sup> OECD (2015), 15.

<sup>99</sup> Benner and Pastor (2015b); Berg, Ostry, and Zettelmeyer (2012).

<sup>100</sup> Benner and Pastor (2016), 7.

<sup>101</sup> Rusk (1993); Pastor (2006); Pastor and Benner (2008); Voith (1998).

<sup>102</sup> See Galster (2002) and Galster (2013) for more detailed discussions of the rationales for public action to foster greater integration.



*Argument #1: To the extent that the costs of segregation flow from the fact that segregation has produced communities lacking adequate public and private amenities, redistribution of public investment and incentives for private investment could address these shortfalls without the need to integrate these communities. Put another way, this argument suggests that there is no reason why predominantly African American, Latino, or Asian communities cannot be vibrant, healthy communities of opportunity, with racial/ethnic enclaves having the potential to provide greater social cohesion and to shield residents from the effects of prejudice and discrimination.*

While there is validity to the view that predominantly minority communities can be communities of opportunity, several counterpoints should be considered before this view is allowed to guide broader policy decisions. First, given that wealth and political power are concentrated among the white majority population, it has historically been challenging to generate support for the public and private investment needed in predominantly minority communities. Relatedly, in many areas the minority population may not be large enough to create a broad range of predominantly minority neighborhoods. Finally, given that a large share of the existing neighborhoods that offer high levels of opportunity for well-being and advancement are majority-white and relatively affluent, efforts to expand access to these neighborhoods for a broader range of households by race/ethnicity and socioeconomic status must be a part of any strategy to expand access to opportunity.

In short, while supporting and expanding the set of predominantly minority neighborhoods that are strong, vibrant communities remains a desirable objective, there is still a strong justification for expanding the range of integrated neighborhoods in which people can choose to live. Nor are these objectives mutually exclusive in practice. Instead, fostering more inclusive communities in the United States requires simultaneous efforts to foster greater integration and to attract public and private investments to neighborhoods with concentrated disadvantage.

*Argument #2: A related argument in support of fostering stronger predominantly minority communities is that a racially/ethnically integrated community is not the same as one that is inclusive, and that inclusion is necessary to truly reap the benefits of integration.*

An inclusive community is one in which all community members have equal voice in collective decisions about the use of public resources and the rules and norms that affect residents' quality of life. This argument therefore asserts that racial and ethnic integration by itself does not ensure that communities are inclusive of all residents and so may not deliver the desired benefits of integration. Mayorga-Gallo's *Behind the White Picket Fence* paints a portrait of how simply having a racially and ethnically diverse community does not necessarily produce a situation where all groups have equal voice. In her study, she finds that longstanding white homeowners still make most decisions about the use of resources and community norms, with minorities, renters, and more recent arrivals largely excluded from the neighborhood power structure.<sup>103</sup> Similarly, Hyra illustrates that simply creating mixed-income, mixed-race neighborhoods may not result in inclusive, cohesive communities if people do not also develop meaningful social interactions across race and class groups.<sup>104</sup> Hyra notes that in some HOPE VI developments, for example, higher-income residents have dominated resident boards, leaving low-income residents with limited influence over their neighborhoods. Mary Pattillo's *Black on the Block* documents a similar power dynamic in a predominantly African-American neighborhood in Chicago where higher-socioeconomic status homeowners wield more power and influence than lower-status renters.<sup>105</sup>

To be clear, the issue of whether integration without inclusion is likely to produce the same level of benefits is an important one. However, the challenge of achieving meaningful inclusion does not detract from the value of integration itself. Even if the goal of inclusion is not fully realized, increased integration may still provide access to better-quality schools, safer and healthier communities, and regional employment opportunities. Ultimately, integration and inclusion should be kept in mind as distinct goals: inclusion brings valuable additional benefits to integration, and spatial integration by race/ethnicity and socioeconomic status is an important and necessary step on the path to inclusion. For example, Rob Breymaier's discussion paper for this symposium describes the Oak Park Regional Housing Center's "Pyramid of

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<sup>103</sup> Mayorga-Gallo (2014).

<sup>104</sup> Hyra (2015).

<sup>105</sup> Pattillo (2008).

Progress,” which defines diversity as a foundation for integration, followed by inclusion, and ultimately by equity.

*Argument #3: While segregation clearly imposes costs, the appropriate response is to remove barriers to unfettered choice about where to live rather than pursue explicit efforts to foster integration. On this argument, efforts should concentrate on removing discrimination and allowing market forces to determine where individuals live, with efforts that go beyond removing obstacles to affirmatively support integration amounting to “social engineering.”*

This argument presumes that market forces alone are likely to increase neighborhood choice. To what extent will they, in fact, do so? Even if it were possible to remove all explicit and implicit traces of discrimination, people would be choosing where to live in an environment that has been shaped by long historical legacies of discrimination. The highly segregated patterns of living that exist today did not arise through simple market forces; on the contrary, they reflect the accumulation of efforts to keep certain racial/ethnic groups and the poor in segregated communities. Given that the existing locations of both people and the housing stock will influence people’s future choices about where to live, there is a good argument that conscious action is needed to remedy this past legacy and to create a broader range of choices regarding the degree of integration and the types of housing available in different communities. Additionally, white households’ preferences for majority-white communities are undoubtedly shaped by a history that suggests any other population mix is inherently unstable. These views will change only to the extent that integrated neighborhoods exist to show that such areas can be stable, healthy, vibrant communities.

Finally, the view that free market forces alone should be allowed to determine residential choices ignores social benefits from integration that go beyond the benefits individuals derive from where they live. In the language of economics, these externalities, which include a more productive economy and the diminishment of misperceptions and prejudice that sustain segregation, warrant public action to bring about a greater degree of integration than markets by themselves would provide.

It is for all these reasons that this symposium is focused on what can be done to promote greater racial/ethnic and socioeconomic integration.

## **Section 6: A Path Forward**

The role housing plays in determining the well-being of individuals is central to the discussions planned for this symposium. As the previous sections make clear, housing and residential segregation are critical in determining the schools and jobs available to individuals, as well as the water they drink, the air quality that surrounds them, and all of the other features of the environment that shape how they interact with the world. Put simply, place matters to individuals' life chances and overall well-being. While other individual-level factors also contribute importantly to these outcomes, this symposium focuses on the role of housing and residential segregation.

Given the complexity of these challenges, this symposium is also designed with the understanding that the path forward is really multiple paths: just as segregation has many causes, fighting it will require many solutions. There is no silver bullet. The responses below, as well as those proposed in the symposium papers, should therefore be understood not as mutually exclusive, but rather as complementary and mutually reinforcing.

### **Enforce Anti-Discrimination Laws**

A foundational step in responding to the causes of residential segregation by race/ethnicity is to ensure that existing anti-discrimination laws are enforced broadly and effectively. The groundbreaking Civil Rights Act of 1964 banned racial discrimination and segregation in schools, in the workplace, and in public facilities. A few years later, the Fair Housing Act of 1968 prohibited discrimination specifically in housing sales, rentals, and financing, banning the type of explicit racism inherent in redlining and other housing policies of the early twentieth century. Enforcement of these provisions and of their subsequent amendments and other related legislation is a critical and necessary step in ensuring equal treatment in housing markets.

While much progress has been made since the passage of the Fair Housing Act in 1968, the findings of HUD's 2012 housing discrimination study highlight the need for enforcement of anti-discrimination laws to remain a foundational component of any effort to reduce residential segregation. Important questions exist about whether to expand the set of groups defined as

protected classes, about which methods are most effective in implementing fair housing enforcement, and about how to best allocate limited resources.<sup>106</sup>

In addition to addressing ongoing discrimination in the housing market, the Fair Housing Act's affirmatively-furthering fair housing (AFFH) mandate acknowledges the need for anti-discrimination measures to take affirmative steps to remedy the lasting consequences of past discrimination. HUD strengthened the rules associated with this AFFH mandate in 2016, issuing a Final Rule that encourages local recipients of HUD funds to meet their longstanding obligations to affirmatively further fair housing in their use of those funds. However, the introduction of this rule also illustrated the uneven compliance with fair housing law since the passage of the Fair Housing Act.<sup>107</sup>

### **Support Efforts to Improve Understanding and Reduce Prejudice**

Fostering racially integrated neighborhoods depends not only on legally prohibiting discrimination, but also on changes in the beliefs and perceptions of homeseekers. As research on the neighborhood preferences of homeseekers makes clear, differences in preferences across racial/ethnic groups—particularly white households' lower tolerance for racially/ethnically integrated neighborhoods—contribute to segregation and to the instability of racially integrated neighborhoods. As a result, efforts to foster intergroup contact and otherwise reduce prejudice are likely necessary if integrated neighborhoods are to become commonplace.

While such efforts have been relatively infrequent, several localities have pioneered them. For example, in the 1970s, the township of Oak Park, Illinois instituted some of the first local-level policies designed to promote racial diversity. More recently, a handful of cities and counties across the country, including Seattle, Washington; St. Paul, Minnesota; Madison, Wisconsin; Portland, Oregon; and King County, Washington, have sought to complement local policies that promote socioeconomic inclusion by establishing racial equity initiatives intended to foster racial inclusion and achieve equitable outcomes.

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<sup>106</sup> Squires (2008); Turner and Rawlings (2009).

<sup>107</sup> GAO (2010).

Fostering integration within schools may also be a particularly effective channel for increasing intergroup contact and reducing prejudice. Studies of the long-term effects of school desegregation suggest that attending a diverse high school leaves students better prepared for life in a racially diverse society and better able to understand people from backgrounds different than their own.<sup>108</sup> Recent school-based efforts to support integration have developed intentional strategies for designing curriculum and other tools to foster intergroup contact and understanding within diverse student bodies.

### **Remove Exclusionary Barriers**

While the preceding actions focus on eliminating racial prejudice and discrimination, further steps are needed in response to growing income segregation. Beyond their direct effects on income segregation, such actions are likely to produce gains in racial integration due to the close relationship between income and race/ethnicity. A foundational step in responding to growing income segregation is to address exclusionary barriers to the development of multi-family buildings, affordable housing, and other units accessible to lower-income households. However, because such efforts involve reviewing and revising local zoning and land use requirements, they have been hampered by local politics.

Instead, several of the most promising approaches involve state- and regional-level efforts to facilitate development. For example, the state of Oregon established a comprehensive approach for managing urban sprawl that includes prohibitions against exclusionary zoning and that has effectively reduced the extent of income segregation in its cities.<sup>109</sup> State-level programs in Massachusetts and New Jersey offer alternative approaches to reducing the influence of exclusionary actions at the local level.

### **Preserve and Increase the Stock of Affordable Units**

While taking steps to remove exclusionary barriers to development is critically necessary, it will reduce income segregation only to the extent that the market can support the introduction of new supply in high-opportunity neighborhoods. As a result, increasing neighborhood choice and opportunity for low-income residents requires that such efforts be

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<sup>108</sup> Holme, Wells, and Revilla (2005).

<sup>109</sup> M. Oliver and Shapiro (2006).

coupled with increases in support for the development and preservation of affordable housing units. State and local inclusionary zoning programs offer one promising tool for ensuring that affordable units are developed in higher-cost areas experiencing substantial development. State and local housing trust funds, community land trusts, tax-increment financing programs, and other approaches offer additional options for supporting the provision of affordable housing. However, these models operate at relatively small scales compared with the level of assistance delivered through federal housing programs.

As a result, federally assisted housing programs are likely to be a central component of any effort to increase the stock of affordable units in higher-income neighborhoods. The scoring systems used to award low-income housing tax credits (LIHTCs) determine where new assisted units will be constructed.<sup>110</sup> Management and preservation of the existing stock of federally assisted units will require critical decisions at the federal level about the incentives and resources that determine whether (and if so, which) units are lost from the stock of affordable units. Lastly, the small-area fair market rent demonstration program has illustrated the extent to which the incentives built into the Housing Choice Voucher program can alter the residential locations of voucher recipients.<sup>111</sup>

Federal support has further increased the availability of income-restricted homeownership units, as well as down payment assistance and housing counseling programs that support homeownership attainment. In all cases, increased support for federal assistance is a critical determinant of the extent to which lower-income households are able to find and retain housing units in socioeconomically integrated neighborhoods.

### **Invest in Neighborhoods with Concentrated Disadvantage**

Lastly, a comprehensive solution to the challenges of residential segregation by race/ethnicity and income requires investment in neighborhoods of concentrated disadvantage. While a more detailed consideration of the most effective programs and strategies for investments in these neighborhoods is beyond the scope of this symposium,<sup>112</sup> it is nonetheless a necessary component of a comprehensive approach to the challenges of

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<sup>110</sup> Ellen et al. (2015).

<sup>111</sup> Collinson and Ganong (2016).

<sup>112</sup> For such a discussion, see Andrews et al. (2012).

residential segregation and concentrated disadvantage. As we describe above, the path forward is in fact multiple paths, and the proposals outlined in this symposium should be pursued concurrently with a strategy of investment in neighborhoods with concentrated disadvantage.

### **The Symposium: Identifying a Path Forward**

Tremendous work remains to be done in achieving universal access to inclusive, high-opportunity neighborhoods. Taken together, the current patterns and causes of racial and socioeconomic segregation point to a multitude of potential levers for action in public policy, local land use planning, private-sector real estate practices, and households' decision-making processes. The goal of this symposium is to identify and explore forward-thinking strategies capable of achieving meaningful improvements in racial and socioeconomic inclusion in neighborhoods throughout the country. Each of the seven panels therefore explores a different facet of this challenge.

The first panel motivates the symposium by examining the definition of inclusion and the central goals for efforts to support it. In this introductory discussion, panelists examine the rationales and objectives for public actions to reduce residential segregation by race/ethnicity and income, as well as the costs of segregation for children, adults, and society at large. By tracing the roots, evolution, and outcomes of the deep racial and socioeconomic divides that characterize our nation's communities, and examining what the alternative scenario of inclusion could look like, this first panel sets the stage for those that follow.

The second panel turns to the role of individual agency in driving patterns of residential sorting, asking the question, "What would it take to promote residential choices that result in greater integration and more equitable neighborhood outcomes?" Recognizing the interaction of individual preferences and housing search processes in households' decisions about where to live, this panel examines how shifting racial attitudes and the advent of new technologies, data, and search processes might improve (or exacerbate) patterns of residential segregation, as well as how these new phenomena might open new avenues of policy response to segregation.

The third panel takes a regional view of both residential patterns and potential responses, asking the question, "What would it take to make new neighborhoods and remake old ones so that regions move decisively toward integration?" This panel turns to case studies



of three very different metropolitan areas—Houston, Chicago, and Washington, DC—to examine this question within different regional contexts. In each area, the discussion will shed light on the changing nature of residential settlement patterns and the steps that might be taken to foster greater inclusion.

Federal housing policy represents another key lever for change. The fourth panel focuses on HUD’s important new federal commitment to fair housing, its Affirmatively Furthering Fair Housing (AFFH) rule. This panel is dedicated to the question, “What would it take for the HUD AFFH rule to meaningfully increase inclusion?” Panelists assess the rule’s potential and the roles of HUD, localities, civil rights lawyers, and community groups in its implementation in coming years.

The fifth panel examines a broad and complex topic that has been the focus of considerable research and debate: housing subsidies. Its motivating question is, “What would it take for housing subsidies to overcome affordability barriers to inclusion in all neighborhoods?” Panelists were asked to identify promising approaches and priorities for action. In particular, this panel delves into the questions of how to balance the development of assisted housing in higher-income neighborhoods with investments in low-income communities; how to increase the neighborhood options available to subsidized housing recipients; and how to better structure financial incentives and subsidies for homeownership to promote inclusion rather than exclusion.

The sixth panel returns the focus to cities, exploring potential responses to the growth in gentrification and displacement pressures in many urban communities across the county. This panel asks, “What would it take for cities experiencing gentrification pressures to foster inclusion rather than replacement?” It acknowledges that while gentrification has historically lead to the disenfranchisement or displacement of legacy residents, there may be potential to instead leverage it to foster stable mixed-income neighborhoods. In addition to asking if and how we can re-imagine gentrification as a possible force for increasing neighborhood integration, this panel seeks to promote fruitful discussion around how to ensure that existing residents’ voices are represented in local decision-making processes.

The final panel examines the complex interdependencies between housing and school outcomes, asking the question, “What would it take to foster residential outcomes that support school integration, and vice versa?” While many facets of residential segregation—specifically housing policy, housing search processes, and housing affordability—are specific to housing markets, this section acknowledges and examines the interaction between residential segregation and school segregation. The discussion unpacks the role of school quality in creating residential segregation, identifies effective strategies for reducing school segregation, and discusses proven ways to create and sustain neighborhood and school integration.

Taken together, these topics are not intended to be an exhaustive review of potential strategies for responding to residential segregation. Instead, they represent a selection of topics offering opportunities for progress. Solving the multifaceted challenges of residential segregation in the context of evolving American cities will ultimately require a combination of these and other proposals.

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Appendix Table 1: Average Neighborhood Composition by Race and Ethnicity across All US Census Tracts and by Metropolitan Area Population.

	Metropolitan Areas by CBSA Population Rank					
	All Tracts	10 Largest	11-50	51-150	150+	Non-CBSA
<i>All Individuals</i>						
% White	62%	53%	62%	64%	72%	76%
% Black	12%	14%	13%	11%	10%	10%
% Hispanic	17%	22%	16%	17%	13%	9%
% Asian	5%	8%	6%	4%	2%	1%
% Other/multiethnic	3%	2%	3%	3%	4%	4%
<i>White Individuals</i>						
% White	76%	67%	74%	77%	83%	86%
% Black	7%	8%	8%	7%	6%	6%
% Hispanic	10%	15%	11%	10%	7%	5%
% Asian	4%	8%	5%	3%	2%	0%
% Other/multiethnic	3%	2%	3%	3%	3%	3%
<i>Black Individuals</i>						
% White	35%	23%	36%	44%	51%	52%
% Black	44%	49%	45%	39%	37%	40%
% Hispanic	14%	21%	12%	11%	8%	5%
% Asian	4%	5%	4%	3%	1%	0%
% Other/multiethnic	3%	2%	3%	3%	3%	2%
<i>Hispanic Individuals</i>						
% White	36%	27%	40%	37%	51%	61%
% Black	10%	13%	10%	7%	6%	7%
% Hispanic	45%	51%	40%	49%	38%	28%
% Asian	6%	7%	7%	4%	2%	1%
% Other/multiethnic	3%	2%	3%	3%	3%	3%
<i>Asian Individuals</i>						
% White	47%	42%	48%	49%	66%	74%
% Black	9%	9%	8%	8%	7%	7%
% Hispanic	19%	22%	17%	17%	12%	8%
% Asian	22%	24%	22%	18%	10%	5%
% Other/multiethnic	4%	3%	4%	8%	6%	6%
<i>Other/Multiracial Individuals</i>						
% White	56%	47%	57%	56%	63%	56%
% Black	11%	16%	12%	10%	7%	4%
% Hispanic	15%	22%	16%	15%	10%	5%
% Asian	7%	10%	8%	8%	3%	1%
% Other/multiethnic	12%	5%	6%	11%	18%	34%
Population	316515020	83924977	89221741	58392185	66479066	18497052
% of Population	100%	27%	28%	18%	21%	6%

Source: JCHS tabulations of ACS 5-year estimates 2011-2015. N=72,424 census tracts.

Appendix Table 2: Average Neighborhood Composition by Household Income across All US Census Tracts and by Metropolitan Area Population.

	Metropolitan Areas by CBSA Population Rank					
	All Tracts	10 Largest	11-50	51-150	150+	Non-CBSA
<i>All Households</i>						
% <\$20,000	18%	16%	16%	18%	20%	23%
% \$20,000-\$49,999	29%	26%	28%	30%	32%	35%
% \$50,000-\$99,999	30%	29%	30%	31%	31%	29%
% \$100,000-\$149,999	13%	15%	14%	13%	11%	9%
% \$150,000+	10%	15%	11%	9%	6%	4%
<i>Households with Income &lt;\$20,000</i>						
% <\$20,000	25%	24%	24%	26%	26%	27%
% \$20,000-\$49,999	32%	29%	31%	33%	33%	35%
% \$50,000-\$99,999	27%	26%	27%	27%	27%	27%
% \$100,000-\$149,999	10%	11%	10%	9%	9%	8%
% \$150,000+	6%	10%	7%	5%	4%	3%
<i>Households with Income \$20,000-\$49,999</i>						
% <\$20,000	20%	18%	18%	20%	21%	24%
% \$20,000-\$49,999	32%	29%	31%	33%	34%	36%
% \$50,000-\$99,999	29%	29%	30%	30%	30%	29%
% \$100,000-\$149,999	11%	13%	12%	11%	10%	8%
% \$150,000+	7%	11%	8%	6%	5%	4%
<i>Households with Income &lt;\$50,000-\$99,999</i>						
% <\$20,000	16%	14%	14%	16%	18%	22%
% \$20,000-\$49,999	28%	25%	27%	30%	32%	34%
% \$50,000-\$99,999	32%	31%	33%	33%	32%	30%
% \$100,000-\$149,999	14%	16%	15%	13%	11%	9%
% \$150,000+	10%	14%	11%	8%	6%	4%
<i>Households with Income &lt;\$100,000-\$149,999</i>						
% <\$20,000	13%	11%	12%	13%	16%	21%
% \$20,000-\$49,999	25%	21%	23%	26%	30%	34%
% \$50,000-\$99,999	31%	29%	32%	32%	32%	30%
% \$100,000-\$149,999	17%	19%	18%	17%	14%	11%
% \$150,000+	14%	19%	15%	12%	8%	5%
<i>Households with Income \$150,000 or more</i>						
% <\$20,000	11%	9%	10%	11%	15%	21%
% \$20,000-\$49,999	21%	17%	20%	23%	28%	33%
% \$50,000-\$99,999	28%	26%	29%	30%	32%	30%
% \$100,000-\$149,999	18%	19%	19%	17%	14%	10%
% \$150,000+	23%	28%	23%	18%	11%	6%
Households	116926311	29572546	33193208	21663498	25302450	7194610
% of All Households	100%	25%	28%	19%	22%	6%

Source: JCHS tabulations of ACS 5-year estimates 2011-2015. N=72,247 census tracts.