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The Contemporary Context Of Housing Discrimination

Karl Taeuber*

The racial structure of housing in the United States is rooted in history. As I thought about how to present this historical context, I became disturbed with the assigned title for this panel: The Contemporary Context of Housing Discrimination. In desperation I looked up “contemporary” in my battered desk dictionary and found that it “may refer to any time or any duration.” As a feeling of relief swept over me, I realized that starting a paper with a dictionary definition is a habit rooted in my own history, beginning when I was a college freshman assigned a weekly essay in English. The dictionary I reached for was not just any dictionary, but the very same Webster’s New Collegiate, 1951 edition, that I used in college, now missing a few pages and held together with yellowing tape. Old habits never die, they just fade from view. So it is with housing discrimination. Old patterns never die, though sometimes they fade from view.

Fifty years after Emancipation the Negro population of the United States still resided in overwhelming proportion in the rural areas of the southern states. During the next fifty years, sustained massive demographic, economic, social, and political changes produced an overwhelmingly urban black population spread throughout all regions of the country.¹ These changes were dramatic, traumatic, conflicting, and surprising. In retrospect, we can see the present continually emerging from the past. The black family sharecropping in the pre-World War I South is linked to the young black man leading the Democratic field half-way through the 1988 presidential primaries.


The first great migration of blacks to cities began just before World War I. The massive exodus of young adults transformed the places left behind, but it is the destination cities that are of interest in this abbreviated telling of the story. Recent histories document, city by city, the struggles by the growing black populations for a place to live, a chance to work, an education for their children, and a share of freedom, justice, and political rights.

The Negro urban population lived like many other recent migrants who were poor and at the bottom of the social ladder. Each city had a few areas where Negroes were concentrated, but most of these locations also housed others of varying ethnicity. During the war years and the 1920s, the whites who controlled the shelter industry devised and implemented ways to contain the black population. Lending agencies, developers, sales and rental agents, public zoning agencies, school districts, police, and other governmental agencies collaborated to confine blacks to existing areas of concentration, to channel expanding black populations to limited additional areas, and to steer whites elsewhere. Racially restrictive covenants became prevalent in deeds throughout urban and suburban areas, even in locations far from any Negro resident. Jim Crow's strange career took a sharp turn to the urban north, and rigid racial segregation became institutionalized in city life.

During the years from 1915 to 1930, first and second generation immigrants from the final waves of mass European migration began to disperse from their original areas of concentration in the central cities. Some found new areas of settlement with an ethnic flavor, while others merged into the general white residential milieu. Millions of descendants of earlier immigrants moved from farms and small towns to cities and merged into the general white population. During these years, only the blacks experienced reduced residential choice and increased residential segregation. By the late 1920s, the place of blacks in urban America was uniquely constrained to be separate and unequal; the contemporary context of housing discrimination had become deeply rooted.

The great depression brought a halt to urbanization and spawned an alphabet soup of new federal programs. Through its agricultural policies, the New Deal planted the seeds for the final expulsion of blacks from southern farms and for the mass urbanization of the

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1940s through the 1960s. The housing policies of the New Deal brought the full force of the federal government to the aid of institutionalized racial segregation. Black organizations struggled against discriminatory policies, but won few victories. In public housing programs, the best they could achieve was the designation of some projects as black projects. The Federal Housing Administration (FHA), with its new program of guaranteed mortgages, established its credentials in the business community by adopting prudent lending practices and embracing racial discrimination. The FHA guidelines for mortgage appraisal, codified for use by local field offices, called for protection of neighborhoods from the "infiltration of inharmonious racial groups." 4

During World War II, industrial expansion and displacement from agricultural jobs brought millions of new families to the cities. The supply of new housing, constricted by a decade of depression, remained low, and urban housing became severely crowded. A program of federally sponsored housing for defense workers augmented the housing supply in some cities, but this program too was operated on a segregated basis.

Chicago of the 1940s has become the prototypical example of racial residential succession. 5 "Blockbusting" opened new areas close to established Negro ghettos to blacks. Entry of blacks into a local housing market, accompanied by scare tactics to induce white owners to sell at low prices to speculators, produced racial succession, consolidation, and absorption of new areas into the ghetto. Integration in housing came to refer to the situation during the few months between entry of the first black and exit of the last white.

Rapid urbanization continued through the 1940s, 1950s, and 1960s. Blacks and whites, displaced from rural pursuits, moved in large numbers to many of the nation's cities. Veterans' Administration (VA) housing programs supplemented FHA programs. Private financial markets began to offer low down payments and long-term mortgages. These new financial mechanisms, aided by postwar prosperity, a resurgence in the importance of the family, the baby boom, new construction techniques, federal and state highway programs, and state-regulated annexation and zoning practices, fueled a suburban explosion. Homeownership became prevalent among steadily employed white families. Black families, on the other hand,

received few of the new mortgages and little of the new suburban housing. They remained concentrated in central cities.

Governmental programs continued to influence urban structure during this period. Federally subsidized highway construction and urban renewal programs had multiple goals, including slum clearance, urban economic development, and improved housing quality. In practice, these programs often reduced the supply of low-cost housing, disrupted neighborhoods, relocated slums, and intensified racial segregation. "Negro removal" became a pejorative label for these activities. Civil rights concerns prompted reforms such as improved relocation services for persons displaced by highway or slum clearance; but by the time these reforms came, funding for development programs had been cut back.

Southern cities experienced especially great transformations during the 1940s, 1950s, and 1960s. Traditional employment patterns in the South persisted through the depression years, with black women holding positions in domestic service and black men concentrated in labor and service jobs. Because blacks needed to be within walking distance of white residential areas, they lived in small pockets in all parts of town. As southern cities became more integrated into the national economy and the national system of cities, however, increasing proportions of the black labor force found employment in industrial and commercial locations. New zoning practices, public transportation systems, urban renewal programs, and other interventions reduced the scattered residential pockets of blacks and consolidated their housing in larger concentrations. According to studies using census-based indexes of segregation, southern cities in 1940 were less segregated than cities in other regions; by 1960, they were more segregated.

The Fair Housing Act of 1968 comes very late in this story, after the core civil rights acts of 1964 and 1965, after the urban conflagrations of the mid-to-late 1960s, and after the National Advisory Commission on Civil Disorders warned that the nation was becoming two societies, separate and unequal. Was the Fair Housing Act a sufficient response to that warning? Has the nation sustained a movement toward housing integration? Or was the Commission's

8. K. Taeuber, & A. Taeuber, supra note 3, at 22-68.
9. U.S. Nat'l Advisory Comm'n on Civil Disorders, supra note 7, at 1.
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report a prophecy to which the nation responded with symbolic gestures and too little action? Has the nation moved even farther toward racially separate communities? Social scientists provide some answers to these questions, but the answers are inconsistent and are often based on selective reading of the evidence. The rest of my remarks briefly sketch three contemporary views of racial residential segregation: (1) that discrimination and segregation have diminished; (2) that racial discrimination has diminished, but that poverty and class distinctions sustain a high degree of segregation; and (3) that racism is still deeply institutionalized, and that it perpetuates residential segregation.

Some believe that the Fair Housing Act and other civil rights programs are working well. The facts that state and local fair housing laws have proliferated and that many agencies receive and investigate complaints about housing discrimination support this view. Settlements and fines have made most homeowners, apartment managers, mortgage lenders, and others in the shelter industry, especially those operating on a large scale, aware of their legal obligations. Opinion surveys document that most white respondents accept the basic principles of fair housing. Gentrification has brought whites back to the central cities, often into residential proximity with blacks. Local authorities now administer public housing and public-subsidized housing without racial discrimination. Rates of suburbanization increased sharply for blacks in the 1970s. Census-based segregation indexes, whether calculated for central cities or for entire metropolitan areas, show a prevalent pattern of decreasing segregation. While the chocolate city, vanilla suburb pattern obviously persists, there is movement in the direction of fudge ripple.

A second perspective is that although racial discrimination has declined and is no longer a significant barrier to residential desegregation, housing segregation does not diminish in tandem with diminishing discrimination. Persistence of segregation has a variety

10. For the leading scholarly statement of this general view, see W. Wilson, The Declining Significance of Race 144-154 (1978).
of causes other than discrimination. Economic differences are the prime factor. According to this view, most blacks cannot afford most suburban housing, and even many city neighborhoods are too costly. Job accessibility also contributes to segregation. Many blacks work in the central city, often in government jobs, and prefer to live close to work. Residence in black neighborhoods also allows easy access to relatives, friends, churches, cultural institutions, and “black” products and services. Furthermore, customary modes of locating housing sustain ghetto expansion, not integration. People looking for a different apartment or house ask friends and co-workers and search along their usual transportation routes. They find housing near where they already live.

Personal preferences are also alleged to be reasons for continued segregation. Blacks prefer to live in neighborhoods at least half black. Whites prefer to live in neighborhoods more than half white. Racially mixed residential locations are therefore unstable. Whites who perceive that a location is becoming increasingly black will choose not to move there. Blacks who perceive a neighborhood to be dominated by whites will choose to stay away. Free choices by those looking for housing are sufficient, according to this interpretation, to ensure that most neighborhoods are predominantly black or predominantly white. This “tipping” will occur even if there is no illegal steering, no panic-induced white flight, and no externally imposed restrictions on the housing choices of blacks.

From a third perspective, institutionalized racism and the web of discrimination are persistent features of American society. Current and past discrimination in school systems, labor markets, health services, neighborhood environments, and other life settings perpetuate racial segregation. The vicious circle that Gunnar Myrdal identified nearly fifty years ago continues to restrict successive generations. For example, many thousands of black families were excluded by race from participation in the FHA, VA, and government-regulated private banking programs that made homeownership and suburban residence possible for whites. Therefore, while home equity has become the major form of capital investment for most

15. Id. at 106.
16. Id. at 116.
American families, black families have little of it.\textsuperscript{18} According to this view, the fact that black families are less able than white families to purchase homes reflects a lack of inherited wealth that resulted from past racial discrimination. Similar arguments can be made about components of human capital such as education, job skills, health, and political experience. Human capital investments in black children are still restricted by the heritage of blatant discrimination.

The continuation of racism in institutional and personal behavior matches the persistence of the effects of past racism. Racial testing of behavior in housing markets repeatedly reveals differential treatment of blacks.\textsuperscript{19} The fact that blacks are disproportionately employed in jobs requiring that they live in the central city is not a neutral fact but a direct consequence of the discriminatory exclusion of blacks from other jobs and from suburban housing. The fact that some blacks are hesitant to move into predominantly white areas is not a simple cultural preference but a direct consequence of the cross-burnings, window-smashings, and name-callings experienced by other blacks. Discrimination in employment and other domains may be less visible and more subtle than in the past, but it continues to make a difference in people's lives.

The three views of the contemporary context of racial residential segregation are not incompatible in all of their details. They differ greatly, however, in the understanding they provide of today's situation and of the policies needed to enhance fair housing. My sympathies with the view that deeply institutionalized racism perpetuates residential segregation are apparent in this historical account, where I have emphasized overt discrimination and intentional segregation. Most proponents of the first two views fail to recognize that the institutional means for imposing and maintaining racial residential segregation are not mere relics of ancient folkways gradually losing force in contemporary society. They were created by public and private agencies during the first half of this century. Furthermore, I find abundant evidence that housing discrimination persists, and I do not agree that racial differentiations have dissolved into a class-based social and economic order. But I am not blind to change. I chose a historical approach not only to call attention to the genesis and persistence of racial housing practices but also to emphasize the


fluidity of American race relations. The future is not fully predictable from the past. Deliberate policies early in this century created the racial ghettos, and subsequent policies have sustained them. Choices we make today can help us to escape the heritage of this dismal past.

The conditions that gave rise to the two periods of massive black migration to cities no longer exist. Prototypical Chicago-style racial succession was a product of particular circumstances. Today there are fewer constraints on black suburbanization, and this situation presents an opportunity for the implementation of public policies that intercede in an effort to enhance housing choices. Not every white fears racial integration. Not every black insists on living in a predominantly black neighborhood. Many residential areas once closed to blacks have opened up. Some blacks are moving into communities where there is already a majority black presence, but others are seeking and finding racially integrated city and suburban communities.

The old succession model and the new tipping theory would predict a future of reduced choice, where the middle range between token black presence and scattered white presence has disappeared. I think the slow pace of black and white population growth in metropolitan areas changes the dynamics of the housing market, particularly the tendency for black renters or buyers to dominate in any location open to them. I think the Fair Housing Act and other civil rights activities contributed to the remarkable reduction in the number of suburbs that have no black residents. This, in turn, has helped spread the demand by other black families over many possible locations and enhances the prospects for more complete integration.

Much can be done to help develop and preserve a range of racial compositions among suburban communities so that integration will be a realistic choice for blacks and whites. Public officials should use fair housing laws and affirmative assistance to open up still more areas to their first few black families, strictly prosecute incidents of racial intimidation, foster multicultural education and employment practices in the suburbs, help black and white families become aware of housing choices, improve the relative economic status of the poor and use direct or indirect means to provide affordable

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housing, use metropolitan fair share programs to disperse subsidized renters and low-rent housing more widely, and revive and improve programs to help families move from the rental to the buying market.

Many of these programs would help improve the quality of housing in existing black ghettos, but I am not proposing a housing solution for the nation's central cities. Rather, I have identified within the contemporary context a domain, outside of the ghetto, where a vigorous and broadly conceived fair housing program could contribute rapidly to increasing residential choice for metropolitan Americans. Failure to act promptly and forcefully will allow the Jim Crow urban housing pattern created in the 1920s to solidify its grip over the metropolis and to survive to its one-hundredth birthday. This old pattern is not about to fade away, but it can be overcome.