

LECTURE NOTES: RESIDENTIAL SEGREGATION HOW DOES LOCATION MATTER?

- African Americans are the most segregated population
- Followed by Hispanics
- Asians
- American Indians

States Today

Of the government's programs and policies continue to perpetuate segregation and concentrate poverty in communities of color, albeit without the explicit design of earlier programs. For example, family public housing is highly segregated and predominantly located in areas of concentrated poverty. Similarly, since 2001, the federal government has implemented policy changes and budget cuts that have restricted affordable housing choice and mobility for participants in the Section 8 Housing Choice Voucher Program.

In addition, the Low Income Housing Tax Credit provides an incentive to develop affordable housing primarily in poor and predominately minority neighborhoods, which often perpetuates residential segregation. These federal programs are augmented by state and local government policies that contribute to residential segregation—including exclusionary zoning rules and school attendance boundaries.

In addition, people of color are more likely than whites with similar borrower characteristics to be victims of predatory lending, to receive higher cost loans, and to lose their homes to foreclosure. Because home equity is the largest pool of wealth for most families in the United States, disparities in homeownership are a major component of persistent racial inequality.

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History

Historically, federal lending programs and GI bill benefits were available to white males, and no other group.

60's and 70's – the building of “public works projects” targeted low income, and African American populations.

HUD current policy is to build additional low income “project” housing in highly segregated/poor neighborhoods. People of color constitute 69% of public housing residents; 46% are African American and 20% are Hispanic.⁴³ Public housing projects are located in census tracts in which, on average, people of color constitute 58% of the population and 29% of the population is below the poverty level.

Systemic discrimination against persons of color, women headed households and “section

8" vouchers by landlords in affluent neighborhoods acerbates the problem.

Translates into education In 2002-2003, only 28% of all white public school students (K-12) attended high-poverty schools (defined as schools where 40% or more of the students were eligible for free or reduced price lunches—a proxy for poverty) In contrast, 71% of all African American public school students and 73% of all Latino public school students attended high-poverty schools during the same period.

Private policies

“Steering” “practice

By which real estate brokers and agents preserve and encourage patterns of racial segregation in available housing by steering members of racial and ethnic groups to buildings occupied primarily by members of such racial and ethnic groups and away from buildings and neighborhoods inhabited primarily by members of other races or groups.”

Predatory lending -Some studies indicate that large differences in mortgage rejection rates based on race occur because “loan officers were far more likely to overlook flaws in the credit scores of white applicants or to arrange creative financing for them than they were in the case of black applicants.” Also higher insurance rates and higher cost of loans

Is Wilson’s problem a class problem or a race problem? Is it both? What should the government be doing? What makes this issue a social problem and we have defined it?