Where Y’at, Fair Housing?

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As we say in New Orleans, to learn how a person is doing, it is an appropriate time to ask: Where Y’at, Fair Housing? Significant gains for homeownership have been won for people of color in the last 50 years. Due largely to the success of the Civil Rights Fair Housing legislation, African-American homeownership increased from one in three in 1950, to nearly one in two by 2000.

However, significant disparities between white home ownership and African-American homeownership persist and are associated with high levels of racial segregation. Some social scientists call residential segregation the “structural lynchpin” of American racial inequality. Housing location is critical to predicting access to quality public education, development of personal wealth, employment, health and safety, democratic participation, transportation, and child care.

Nationally, whites are more likely to gain home ownership, are able to acquire more home equity over a lifetime, and will own a home earlier in life than people of color. Studies indicate that the relatively higher proportion of initial wealth of whites is dependent upon inheritances and gifts. At age 25, nearly 40 percent of whites and less than 20 percent of nonwhites are homeowners, and by age 35, nearly 80 percent of whites are homeowners compared with less than half of nonwhites. More importantly, whites are 2.65 times more likely than nonwhites to achieve $50k in home equity, 3.9 times more likely to achieve $100k, and 6.15 times more likely to achieve $200k in home equity than nonwhites. The real estate mantra “location, location, location,” is also about the ways that home valuation is color-coded.

Even the wealthiest African-American suburban communities lack access to the opportunities available in predominantly white neighborhoods. People of color may find it increasingly difficult to translate economic gains, including homeownership, into neighborhood quality. Real estate steering and discrimination, exclusionary zoning and localism, and discriminatory lending practices compound and exacerbate the geography of racial wealth disparity.

A study by the Center for Responsible Lending demonstrates that African-Americans and Latino borrowers are more likely to receive higher-rate subprime loans than white borrowers, even when studies are controlled for legitimate risk factors. Institutional discrimination in housing and lending markets is one significant way that racial wealth inequality extends historic discrimination into the future.

Racial inequality and segregation are not only evident between cities and suburbs; increasingly, in the South “within-city segregation and within-suburb segregation contribute equally to overall metropolitan segregation levels.” Segregation may even be greater in suburbs and more difficult to change.

For example, the southern part of East Baton Rouge Parish and part of West Baton Rouge Parish have the highest median earnings ($32,631), the lowest percentage of adults without a high school diploma (8.8 percent) and the second-highest life expectancy (77.3 years) in Louisiana. This part of Baton Rouge is nearly 70 percent white, 23 percent African American, and 5 percent Latino. Yet neighboring north and central parts of East Baton Rouge have the lowest median earnings ($16,398), third-lowest life expectancy (72.7 years), and its population is 88 percent African American, 9 percent white, and one percent Latino.

As John a. powell, executive director of the Kirwan Institute for the Study of Race and Ethnicity at Ohio State University concludes, “Failure to ensure fair housing for all Americans will undoubtedly undermine efforts to promote integration in every other area of American life.”