

Guest Editors' Introduction

Inclusion and Exclusion in American Neighborhoods

Paul Joice

Meena Bavan

U.S. Department of Housing and Urban Development

The views expressed in this article are those of the authors and do not represent the official positions or policies of the Office of Policy Development and Research, the U.S. Department of Housing and Urban Development, or the U.S. government.

The year 2013 saw the commemoration of a few of the most significant events in the history of the civil rights movement: the 150th anniversary of the Emancipation Proclamation and the 50th anniversary of the March on Washington, when the Reverend Martin Luther King, Jr., delivered his famous “I Have a Dream” speech. On August 28, 2013, policymakers and advocates gathered on the steps of the Lincoln Memorial in Washington, D.C., to celebrate the great progress and achievements that have been made. Supreme Court rulings in 1917 and 1948 proscribed the use of municipal ordinances and restrictive covenants to discriminate on the basis of race (*Buchanan v. Warley*; *Shelley v. Kraemer*). In 1963, President John F. Kennedy issued Executive Order 11063 to ban racial discrimination through the Federal Housing Administration (FHA) and in public housing. In the years after the March on Washington, Congress passed several landmark civil rights laws, including the Fair Housing Act of 1968, which outlawed racial discrimination in the private housing market, and the Fair Housing Amendments Act of 1988, which expanded protection to families with children and people with disabilities. Since these legal decisions and legislative acts, residential racial and ethnic discrimination and segregation have declined substantially. A U.S. Department of Housing and Urban Development (HUD)-sponsored Housing Discrimination Study in 1977 found that Black renters were frequently denied access to advertised units that were available to equally qualified Whites; by 2012, the net difference in advertised unit availability to equally qualified Black and White renters had virtually disappeared. A similar trend characterizes the for-sale market; in 2012, when equally qualified White and Black homebuyers called to make an appointment to view an advertised home for sale, they were treated equally in 95.5 percent of cases (Turner et al., 2013). Discrimination in the housing market has not disappeared entirely, but blatant discrimination has declined substantially. Furthermore, neighborhood segregation—the extent to which minority individuals tend to live near others of the same race—peaked around 1970 and has declined 27 percent since that time (Cutler, Glaeser, and Vigdor, 1999; Litschowitz, 2013).

Lingering Disparities

One particularly visible sign of progress on civil rights was a man standing on the speaker's podium at the Lincoln Memorial on the 50th anniversary of the March on Washington: Barack Obama, the first African-American President of the United States. President Obama, like many of the speakers that day, emphasized that, although much progress has been made on civil rights, many important racial and ethnic disparities remain. As of July 2014, the unemployment rate for Black adults was 11.0 percent compared with only 5.2 percent for White adults and 6.1 percent overall (BLS, 2014). Among Black children born into the lowest quintile of the income distribution, 54 percent remained in the bottom quintile as adults, compared with 31 percent for White children. Among Black children born in the middle quintile, 45 percent fell back to the lowest quintile as adults, compared with only 16 percent for White children (Isaacs, 2008).

In the housing world, similar disparities remain. The same national study of housing discrimination against racial and ethnic minorities that showed significant reductions in some forms of blatant discrimination indicates that housing discrimination continues, simply in more subtle forms. Minority renters and homebuyers are likely to be told about and shown fewer housing options, constraining their choices. For example, the study found that in about one-half of in-person rental tests, one tester was told about more available units than the other tester, with White renters significantly more likely to be favored than minority renters. In addition, in about one-third of in-person rental visits, one tester was shown more units than the other tester, again with White renters significantly more likely to be favored than minority renters. Similar trends were found in the sales market for Black and Asian homebuyers and, in some cases, minority homebuyers were also steered toward neighborhoods with a lower percentage of White households (Turner et al., 2013).

In addition to ongoing housing discrimination, minorities are also affected by broader patterns of segregation. Exhibit 1 presents the racial and ethnic composition of the United States in the 2010 census. Examining racial and ethnic composition at the census block-group level makes it clear that most neighborhoods are nowhere near as diverse as the country. Although only 63.7 percent of the U.S. population is White, non-Hispanic, the median block group is 76.1 percent White, non-Hispanic. Nationwide, 57,968 block groups (26.6 percent) have a White, non-Hispanic population equal to or greater than 90 percent. Looking at minority population, the block-group level figures are similarly extreme. Although 12.2 percent of the U.S. population is Black, non-Hispanic, one-half of block groups in the country have a Black, non-Hispanic population of 3 percent or less. Nearly one-third of block groups (67,169 or 30.8 percent) have a Black, non-Hispanic population of less than 1 percent. Most Black households live in a block group that is at least 42.9 percent Black. Hispanic households may be slightly more integrated than Black households but, in most block groups, they are still underrepresented; the population of the median block group is 5.7 percent Hispanic, and 21,825 block groups (10 percent) have a Hispanic population of less than 1 percent. Most Hispanic households live in a block group in which the population is at least 44.1 percent Hispanic.

Exhibit 1

Racial and Ethnic Composition of the United States (excluding Puerto Rico), 2010

	Population	Percent
Total	308,745,538	
Not Hispanic or Latino	258,267,944	83.7
White alone	196,817,552	63.7
Black or African-American alone	37,685,848	12.2
American Indian or Alaska Native alone	2,247,098	0.7
Asian alone	14,465,124	4.7
Native Hawaiian or other Pacific Islander alone	481,576	0.2
Some other race alone	604,265	0.2
Two or more races	5,966,481	1.9
Hispanic or Latino	50,477,594	16.3
White alone	26,735,713	8.7
Black or African-American alone	1,243,471	0.4
American Indian or Alaska native alone	685,150	0.2
Asian alone	209,128	0.1
Native Hawaiian or other Pacific Islander alone	58,437	0.0
Some other race alone	18,503,103	6.0
Two or more races	3,042,592	1.0

Source: 2010 census

The numbers and percentages in exhibit 1 confirm the experience many of us have in our daily lives; although neighborhood diversity has increased since 1970, our cities are still full of homogenous neighborhoods. It is important to ask why this pattern persists and what its implications are. Segregation historically was promoted by government action such as racially restrictive covenants and ordinances and by redlining by the FHA. Although the most blatantly exclusionary policies have been overturned, some continuing policies, such as large-lot zoning and limits on multifamily housing, can have the effect of restricting housing opportunities for minority populations. The most prevalent and stubborn forces preventing integrated neighborhoods, however, may be the economic and social realities that minority households face. High-opportunity neighborhoods with low crime and poverty, good schools, and other public amenities have high housing costs that put them out of reach to low-income minority families; and when these families do manage to find an opportunity, perhaps through well-located assisted housing, they find it difficult to fit in with their new neighbors. The goal of this symposium is to examine the forces that limit inclusion in American neighborhoods.

Neighborhood Effects

Some may wonder why any of this matters. If the goal is to help all Americans, regardless of income or race, access opportunity, why not focus on the people themselves rather than the neighborhoods in which live? Why focus specifically on the racial composition of the neighborhood? These questions are complicated and have inspired a significant body of research during the past few decades; many researchers have concluded that neighborhood conditions affect a wide range of individual outcomes (Ellen and Turner, 1997; Jencks and Mayer, 1990).

Two watershed moments in the study of race in American neighborhoods were the 1976 Supreme Court decision in *Hills v. Gautreaux* and William Julius Wilson's 1987 book *The Truly Disadvantaged*. The *Gautreaux* decision launched a massive housing mobility project with the explicit goal of reducing segregation in Chicago public housing. Research on the program showed broad-based improvements in education outcomes for children whose families relocated to lower poverty and less segregated neighborhoods (Rubinowitz and Rosenbaum, 2000). The *Gautreaux* demonstration was a vigorous effort to break the cycle of poverty that gripped poor, minority households—a phenomenon that Wilson's book put in the spotlight.

In 1994, HUD launched Moving to Opportunity (MTO), a demonstration program meant to rigorously test the findings from *Gautreaux*. A total of 4,604 low-income households in Baltimore, Boston, Chicago, Los Angeles, and New York participated in the program and were randomly assigned to one of three groups: (1) the treatment group, which received a housing choice voucher to use in a low-poverty neighborhood, plus relocation support; (2) the Section 8 group, which received an unrestricted voucher and no special support; and (3) a control group, which remained on the waiting list for assistance. The findings from the final impact evaluation indicate that households in the treatment group did experience significant improvements in health—both physical and mental. The treatment group did not have significantly better outcomes, however, on measures of economic self-sufficiency or education (Sanbonmatsu et al., 2011). In the context of this symposium, one notable caveat is that MTO generated only modest changes in the racial composition of census tracts where treatment households lived (Ludwig, 2012).

The MTO findings have led to a vigorous debate about the importance of neighborhood effects (Clampet-Lundquist and Massey, 2008; Edin, DeLuca, and Owens, 2012; Ludwig, 2012; Ludwig et al., 2008; Turner et al., 2011).¹ In his book, *Great American City: Chicago and the Enduring Neighborhood Effect*, Robert Sampson (2012) addresses the state of the neighborhood effects literature post-MTO. He offers a series of neighborhood facts: (1) considerable social inequity exists between neighborhoods, especially in terms of socioeconomic and racial diversity; (2) concentrated economic disadvantage often coincides with racial and ethnic concentrations; (3) public safety and health issues are bundled at the neighborhood level and can be predicted by other neighborhood characteristics; and (4) positive indicators, such as affluence and computer literacy, are also clustered geographically (Sampson, 2012). Although questions remain about the mechanisms by which neighborhood conditions affect individual outcomes, these four simple facts make it clear that neighborhoods matter and that policymakers and researchers should be concerned about inclusion and exclusion at the neighborhood level.

In stark contrast with the exclusionary government policies of the early and middle 20th century, today HUD has a strategic goal specifically to “reduce housing discrimination, affirmatively further fair housing (AFFH) through HUD programs, and promote diverse, inclusive communities.” A variety of HUD programs and policies seek to achieve this goal.

¹ For an extensive discussion of MTO, see the *Cityscape* symposium, Moving to Opportunity (Volume 14, Number 2), at <http://www.huduser.org/portal/periodicals/cityscpe/vol14num2/index.html>.

One of HUD's signature programs in the Obama Administration is Choice Neighborhoods, which seeks to reinvest in distressed communities, often with a high concentration of minority households. This place-based strategy seeks to increase diversity and opportunity by improving neighborhoods that are currently occupied by low-income individuals. The interagency Promise Zones and Neighborhood Revitalization Initiative seek to align programs from other agencies with Choice Neighborhoods to bring about comprehensive neighborhood revitalization.

Although HUD's Housing Discrimination Studies have shown declines in blatant forms of racial housing discrimination, more subtle forms of discrimination persist that limit housing choices for minority and low-income (assisted) households. Education and enforcement efforts conducted by local fair housing organizations that are funded through HUD's Fair Housing Initiatives Program and Fair Housing Assistance Program are critical to continued enforcement to identify systemic patterns of discrimination and to identify policies and practices that may have a disparate effect on minority households.

In addition, HUD is currently developing enhanced regulations related to the AFFH requirement of Section 808(e)(5) of the Fair Housing Act. This rule would encourage community development partners—in particular, state and local governments and public housing authorities—to proactively work to develop more inclusive communities, acknowledging that opportunities for success are influenced by a variety of neighborhood factors beyond housing. Local government policies to affirmatively further fair housing include enhanced mobility programs accompanied by housing counseling and supportive services, enacting small area fair market rents to allow for HUD payment standards to be higher in high-opportunity neighborhoods, and implementing inclusionary zoning ordinances to provide affordable housing along with new market-rate development.

Finally, recent research suggests that it is not enough to simply ensure that people of different backgrounds are able to live in proximity (as summarized by Joseph, 2013). To achieve more integrated mixed-income communities, it is essential to also create opportunities for community engagement—including planning that involves all members of a community and developing public spaces that can promote social capital and interaction across diverse income and ethnic groups.

Symposium Articles

This symposium explores recent research on several topics related to ongoing segregation and efforts to develop sustainable and inclusive mixed-race, mixed-income communities. All articles were peer reviewed through a double-blind process.

Another recent *Cityscape* symposium, *Mixed Messages on Mixed Income* (Volume 15, Number 2), explored recent research related to mixed-income neighborhoods. A natural overlap exists between research on mixed-income and mixed-race populations, because in American society the correlation between income and race is persistent. As noted previously, American neighborhoods historically have been—and continue to be—highly segregated by race and by income. Thus, as housing and community development practitioners seek to develop mixed-income neighborhoods, they are also usually dealing with complicated issues around race and class.

In *Mixed Messages on Mixed Income*, contributors discussed many challenges related to the development of mixed-income neighborhoods. Levy, McDade, and Bertumen (2013) present the basic elements of a mixed-income housing strategy and discuss the theory of how such neighborhoods are expected to benefit low-income households. Several articles in that issue present case studies of particular mixed-income developments, programs, and strategies (Basolo, 2013; Keller et al., 2013; Kleinhans and van Ham, 2013; Oakley, Ruel, and Reid, 2013; Skobba and Goetz, 2013). A consistent finding of these and other studies—best summarized by Joseph’s (2013) synthesis of income-mixing policies—is that mixed-income strategies often fall short of the ambitious goals theorized to result. As a result, a major question that remains relates to the extent to which individuals of different income levels actually interact and create opportunities for mutually beneficial relationships. Two of the articles in this symposium explore that question through the lens of race and class.

Laura M. Tach’s article, “Diversity, Inequality, and Microsegregation: Dynamics of Inclusion and Exclusion in a Racially and Economically Diverse Community,” includes finely grained qualitative analysis of the South End, an economically, racially, and culturally diverse neighborhood in Boston. Tach directly takes on the question of how individuals of varied backgrounds actually interact in a neighborhood that appears on the surface to be very diverse. She finds that race- and class-based patterns of inclusion and exclusion emerge from the daily routines of residents, which create a phenomenon she describes as “microsegregation.”

The second article in the symposium—“Building Ties: The Social Networks of Affordable-Housing Residents,” by Elyzabeth Gaumer, Ahuva Jacobowitz, and Jeanne Brooks-Gunn—includes a discussion of social networks in a mixed-income environment. The authors present novel analytic work on the nature and extent of the social networks of low- and moderate-income households living in a new affordable housing development in New York City. They find that residents interact less frequently with building neighbors, report fewer close ties in the building, and do not perceive building neighbors to be essential resources compared with networks of individuals who are more similar to residents who live in the same neighborhood but not the same building. They find that building residents do serve as an informational resource to residents, however.

The third article in the symposium—“Why and Where Do Homeowners Associations Form?” by Ron Cheung and Rachel Meltzer—takes a different approach to the issue of inclusion and exclusion. Homeowners associations (HOAs) have proliferated in recent decades, particularly in high-growth regions like Florida. The authors examine spatial and temporal variation in the formation of HOAs in Florida. This analysis is related to inclusion and exclusion in two important ways. First, the authors find that race/ethnicity and income are important predictors of where HOAs form. To the extent that HOAs represent an innovative form of local governance, minorities and low-income individuals may be missing out on more effective provision of public services. Second, HOAs essentially fragment the services traditionally performed by local government, creating an environment in which public services are provided unevenly even within a single jurisdiction. Just as suburbanization and “White flight” left behind distressed inner cities, HOAs may produce an uneven playing field, excluding nonresidents from the opportunities available to residents.

In the final article in the symposium, “Race, Segregation, and Choice: Race and Ethnicity in Choice Neighborhoods Initiative Applicant Neighborhoods, 2010–2012,” Matthew F. Gebhardt examines the Choice Neighborhoods Initiative (Choice), which forms the centerpiece of HUD’s involvement in the interagency Neighborhood Revitalization Initiative. Choice seeks to build on the tradition of HOPE VI, revitalizing distressed public and assisted housing and transforming neighborhoods of concentrated poverty into neighborhoods of opportunity. Gebhardt analyzes the characteristics of the neighborhoods that have received funding through Choice planning grants, with a specific focus on the sociodemographic and socioeconomic characteristics of the neighborhoods. He finds that although racial desegregation is not an explicit goal of the program, Choice Planning Grant-applicant neighborhoods are in fact highly segregated by race and ethnicity, and this segregation is linked to disparities in educational attainment, unemployment, and income. The intention of the program is, of course, to transform these neighborhoods into less segregated, high-opportunity neighborhoods, and it will be important to monitor progress toward this goal in the coming years.

The articles in this symposium find many challenges that continue to hinder the development of inclusive neighborhoods. This symposium should be of particular interest to local practitioners working to develop more diverse, inclusive neighborhoods and to help low-income individuals access and benefit from neighborhoods of opportunity.

Acknowledgments

We thank all the authors of articles, blind peer reviewers of this symposium, and the editorial staff of *Cityscape*.

Authors

Paul Joice is a social science analyst in the Office of Policy Development and Research at the U.S. Department of Housing and Urban Development.

Meena Bavan is a social science analyst in the Office of Policy Development and Research at the U.S. Department of Housing and Urban Development.

References

Basolo, Victoria. 2013. “Examining Mobility Outcomes in the Housing Choice Voucher Program: Neighborhood Poverty, Employment, and Public School Quality,” *Cityscape* 15 (2): 135–154.

Bureau of Labor Statistics (BLS). 2014. “Labor Force Statistics From the Current Population Survey.” http://www.bls.gov/web/empst/cpsee_e16.htm.

Clampet-Lundquist, Susan, and Douglas Massey. 2008. “Neighborhood Effects on Self-Sufficiency: A Reconsideration of the Moving to Opportunity Experiment,” *American Journal of Sociology* 114 (1): 107–143.

- Cutler, David M., Edward L. Glaeser, and Jacob L. Vigdor. 1999. "The Rise and Decline of the American Ghetto," *Journal of Political Economy* 107 (3): 455–506.
- Edin, Kathryn, Stefanie DeLuca, and Ann Owens. 2012. "Constrained Compliance: Solving the Puzzle of MTO's Lease-Up Rates and Why Mobility Matters," *Cityscape* 14 (2): 181–194.
- Ellen, Ingrid Gould, and Margery Austin Turner. 1997. "Does Neighborhood Matter? Assessing Recent Evidence," *Housing Policy Debate* 8 (4): 833–866.
- Isaacs, Julia. 2008. "Economic Mobility of Black and White Families." In *Getting Ahead or Losing Ground: Economic Mobility in America*, edited by The Brookings Institution. Washington, DC: The Pew Charitable Trusts, Economic Mobility Project. Chapter VI: 1–10.
- Jencks, Christopher, and Susan E. Mayer. 1990. "The Social Consequences of Growing Up in a Poor Neighborhood." In *Inner-City Poverty in the United States*, edited by Laurence E. Lynn, Jr., and Michael G.H. McGeary. Washington, DC: National Academies Press: 111–186.
- Joseph, Mark. 2013. "Cityscape Mixed-Income Symposium Summary and Response: Implications for Antipoverty Policy," *Cityscape* 15 (2): 215–222.
- Keller, JoDee, Janice Laakso, Christine Stevens, and Cathy Tashiro. 2013. "Ethnically Diverse HOPE VI Redevelopments: A Community Case Study From the Pacific Northwest," *Cityscape* 15 (2): 29–46.
- Kleinhans, Reinout, and Maarten van Ham. 2013. "Lessons Learned From the Largest Tenure-Mix Operation in the World: Right to Buy in the United Kingdom," *Cityscape* 15 (2): 101–118.
- Levy, Diane K., Zach McDade, and Kassie Bertumen. 2013. "Mixed-Income Living: Anticipated and Realized Benefits for Low-Income Households," *Cityscape* 15 (2): 15–28.
- Litschwartz, Sophie. 2013. "How Far Have We Come Since the Fair Housing Act? Black-White Segregation in the Last 45 Years." *Metrotrends*. http://metrotrends.org/commentary/segregation_1970_2010.cfm.
- Ludwig, Jens. 2012. "Guest Editor's Introduction," *Cityscape* 14 (2): 1–28.
- Ludwig, Jens, Jeffrey B. Liebman, Jeffrey R. Kling, Greg J. Duncan, Lawrence F. Katz, Ronald C. Kessler, and Lisa Sanbonmatsu. 2008. "What Can We Learn About Neighborhood Effects From the Moving to Opportunity Experiment?" *American Journal of Sociology* 114 (1): 144–188.
- Oakley, Dierdre, Erin Ruel, and Lesley Reid. 2013. "'It was really hard. ...It was alright. ...It was easy:' Public Housing Relocation Experiences and Destination Satisfaction in Atlanta," *Cityscape* 15 (2): 173–192.
- Rubinowitz, Leonard S., and James E. Rosenbaum. 2000. *Crossing the Class and Color Lines: From Public Housing to White Suburbia*. Chicago: University of Chicago Press.
- Sampson, Robert J. 2012. *Great American City: Chicago and the Enduring Neighborhood Effect*. Chicago: University of Chicago Press.

Sanbonmatsu, Lisa, Jens Ludwig, Larry F. Katz, Lisa A. Gennetian, Greg J. Duncan, Ronald C. Kessler, Emma Adam, Thomas W. McDade, and Stacy Tessler Lindau. 2011. *Moving to Opportunity for Fair Housing Demonstration Program: Final Impacts Evaluation*. Report prepared by the National Bureau of Economic Research for the U.S. Department of Housing and Urban Development, Office of Policy Development and Research. Washington, DC: U.S. Department of Housing and Urban Development, Office of Policy Development and Research.

Skobba, Kimberly, and Edward G. Goetz. 2013. "Mobility Decisions of Very Low-Income Households," *Cityscape* 15 (2): 155-172.

Turner, Margery Austin, Jennifer Comey, Daniel Kuehn, and Austin Nichols. 2011. *Residential Mobility and Exposure to High-Opportunity Neighborhoods: Insights From the Moving to Opportunity Demonstration*. Washington, DC: U.S. Department of Housing and Urban Development.

Turner, Margery Austin, Rob Santos, Diane K. Levy, Doug Wissoker, Claudia Aranda, and Rob Pitingilo. 2013. *Housing Discrimination Against Racial and Ethnic Minorities 2012*. Report prepared by the Urban Institute for the U.S. Department of Housing and Urban Development, Office of Policy Development and Research. Washington, DC: U.S. Department of Housing and Urban Development, Office of Policy Development and Research.

Wilson, William Julius. 1987. *The Truly Disadvantaged: the Inner City, The Underclass and Public Policy*. Chicago: University of Chicago Press.