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Department of Housing and Urban Development  
Policy Development and Research



# Discrimination Against Chicanos in the Dallas Rental Housing Market

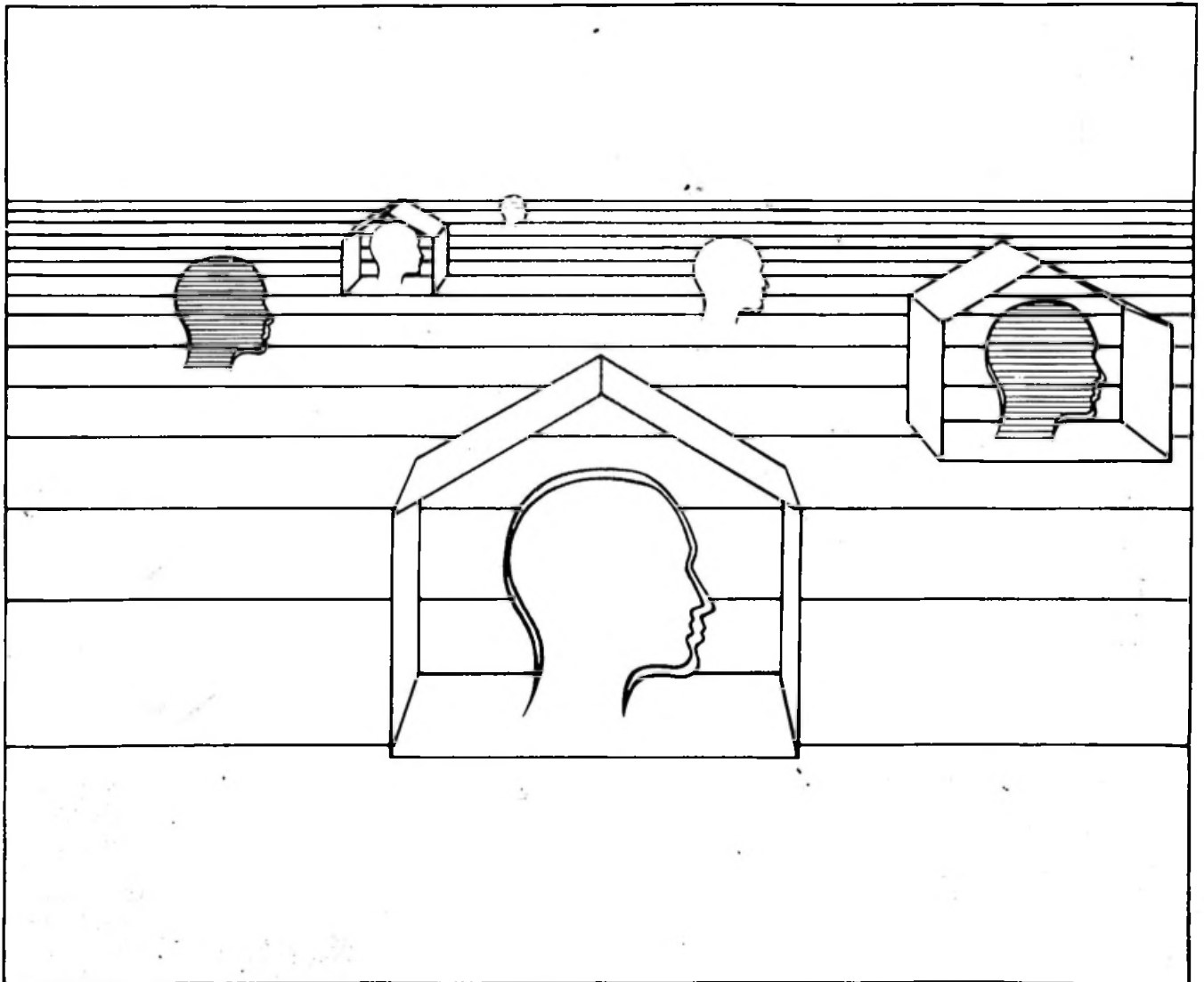
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## An Experimental Extension of the Housing Market Practices Survey



DISCRIMINATION AGAINST CHICANOS IN THE DALLAS  
RENTAL HOUSING MARKET: AN EXPERIMENTAL EXTENSION  
OF THE HOUSING MARKET PRACTICES SURVEY

by

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The research forming the basis for this report was conducted by the Division of Evaluation in the Office of Policy Development and Research, U. S. Department of Housing and Urban Development (HUD).

## FOREWORD

We have long known that we can identify discrimination in housing by using what is called an "audit." In an audit, identical pairs of people simulate the search for housing, but one member of the pair is black and one is white. The difference in the treatment they receive is the measure of discrimination.

HUD's recently released housing market practices survey, Measuring Racial Discrimination in American Housing Markets, has developed and refined the audit methodology for the purpose of measuring the extent of housing discrimination in the Nation. In the present study we show that the methodology is replicable.


To add to our growing body of research relevant to the Spanish-speaking population in America, we decided to test the replication using not blacks and whites but Chicanos and whites. And as a further refinement, the audit methodology took account of the skin color of the Chicano auditors.

As the title indicates, this is a limited study--only a sample of rental agents in Dallas were audited. However, we found clear evidence in Dallas of housing discrimination against Chicanos. Furthermore, housing discrimination against dark-skinned Chicanos in Dallas appears to be more common and more blatant than that against blacks or light-skinned Chicanos.

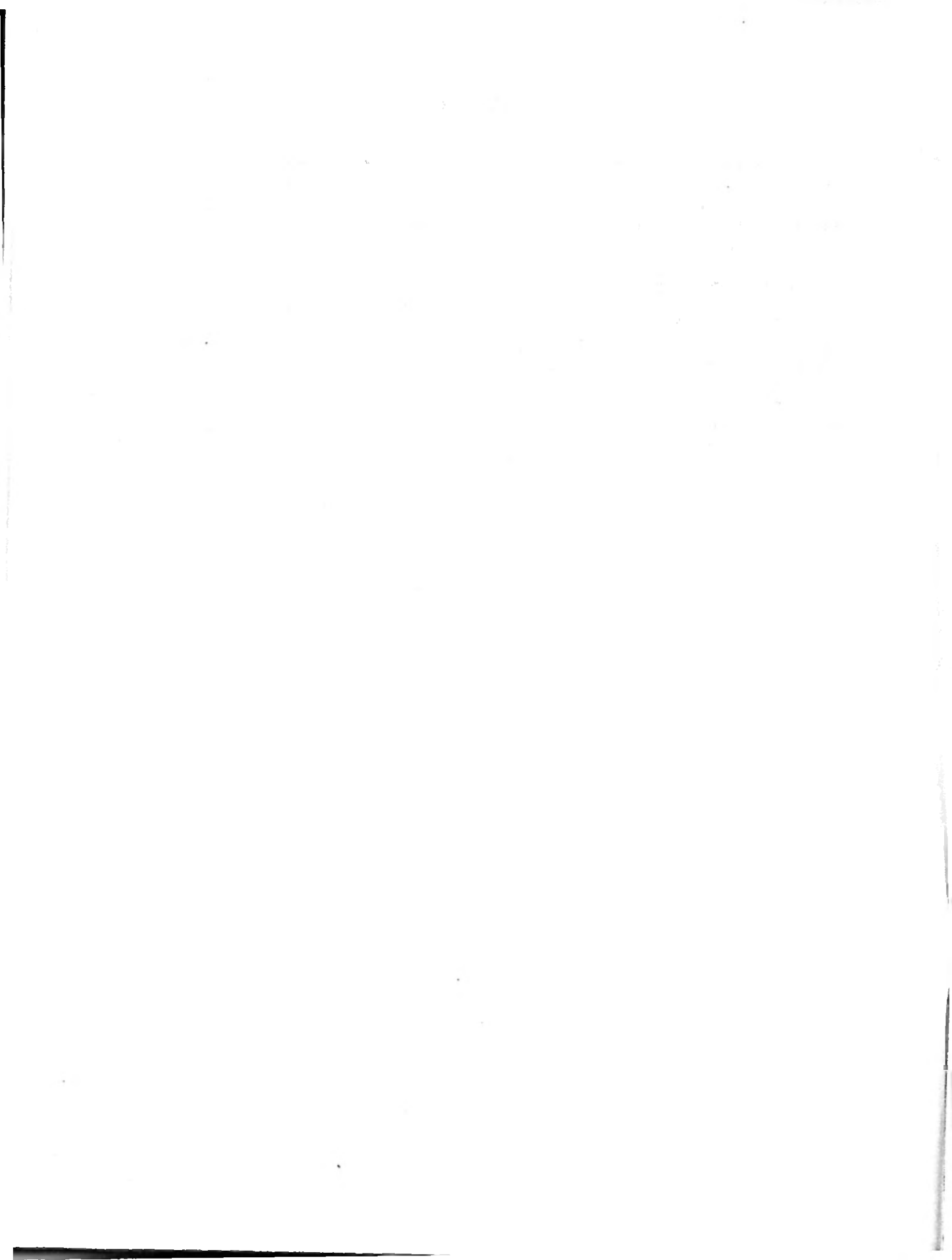
The results indicate that a dark-skinned Chicano has a 96 percent chance of experiencing at least one instance of discrimination in the typical housing search that involves six rental agents. Light-skinned Chicanos will experience a 65 percent chance of encountering discrimination in a similar search.

These results, while suggesting that Chicanos suffer significant discrimination in some housing markets, must not be generalized to the nation. Nevertheless, this study is important because it contributes to our understanding of auditing as a procedure to measure discrimination--against non-black minorities. Local groups interested in fair housing will find here a methodology they can use.

The study arises out of the work of this Office's Division of Evaluation, which prepared the recently released Housing Market Practices Survey, measuring discrimination against blacks in both rental and sales markets across the Nation. The audits were conducted by the Greater Dallas Housing Opportunity Center. The study was prepared and written by Jon Hakken.



Donna E. Shalala  
Assistant Secretary  
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and Research



## I. EXECUTIVE SUMMARY

Most studies of housing discrimination have focused on the housing market experiences of blacks.<sup>1/</sup> Little is known about the nature and extent of housing discrimination against other minorities.

This study was undertaken as an experimental extension of the nationwide Housing Market Practices Survey (HMPS). Using an "audit" technique, the HMPS study measured the extent of housing discrimination against blacks in both the rental and sales markets.<sup>2/</sup> This study was undertaken to determine whether the same audit technique could be used to measure the extent of housing discrimination against another minority, Hispanics. However, because of the experimental nature of this study, the scope of the audit was limited to the treatment of Chicano auditors in the Dallas rental housing market. The study focuses on three issues:

1. What types of discriminatory treatment are Chicanos likely to encounter in the rental housing market?
2. Does the extent to which Chicanos encounter various types of discriminatory treatment depend on their skin color?

<sup>1/</sup>A survey of the current status of research on housing discrimination and segregation and its implications for further research was recently prepared by HUD. See John Yinger et al., The Status of Research into Racial Discrimination and Segregation in American Housing Markets: A Research Agenda for the Department of Housing and Urban Development (Office of Policy Development and Research, Dept. of HUD, forthcoming).

<sup>2/</sup>On the basis of more than 3200 audits which were conducted in 40 metropolitan areas, the HMPS study concludes that blacks encountered discrimination on availability in 27 percent of the rental market audits and 15 percent of the sales market audits. For a detailed presentation of the HMPS findings, see Measuring Racial Discrimination in American Housing Markets: The Housing Market Practices Survey (Office of Policy Development and Research, Dept. of HUD, 1979).

3. How does the extent of discriminatory treatment against Chicanos compare to that against blacks in the same rental housing market?

In order to determine whether skin color affects the extent of discriminatory treatment, approximately half of the audits were conducted with dark-skinned Chicanos, the others were conducted with light-skinned Chicanos, and the levels of discriminatory treatment were compared. Five types of discriminatory, or potentially discriminatory treatment by rental agents were measured: 1) providing false or incomplete information about apartment availability, 2) offering less favorable terms and conditions in the lease, 3) withholding information about the apartment complex or the lease, 4) not providing common courtesies which might facilitate the rental process, and 5) screening the qualifications of apartment seekers in different ways.

The audit results show that, although dark-skinned and light-skinned Chicano auditors encountered all five types of discriminatory treatment, the dark-skinned Chicano auditors encountered discriminatory treatment on availability and on terms and conditions significantly more often than the light-skinned Chicano auditors did. In terms of availability, the dark-skinned Chicano auditors encountered discriminatory treatment at approximately 42.5 percent of the apartment complexes which they visited, while the light-skinned Chicano auditors only encountered discriminatory treatment at approximately 16.0 percent of the apartment complexes which they visited. Dark-skinned Chicano auditors encountered discriminatory treatment on terms and conditions at approximately 20.7 percent of the apartment complexes,

while light-skinned Chicano auditors only encountered discriminatory treatment at approximately 1.4 percent of the apartment complexes.

In order to determine how the extent of discrimination against Chicanos compares to that against blacks, the audit results for Chicanos were compared to the results of similar audits of the same rental housing market which were conducted with black auditors as part of the nationwide Housing Market Practices Survey. The comparison suggests that, in Dallas, the extent of discrimination against blacks is about the same as that against light-skinned Chicanos, but less than that against dark-skinned Chicanos. Black auditors encountered discriminatory treatment on availability at approximately 17.3 percent of the apartment complexes they visited as compared to 16.0 percent for light-skinned Chicanos and 42.5 percent for dark-skinned Chicanos.

That dark-skinned Chicanos in the Dallas rental housing market are discriminated against significantly more often than either blacks or light-skinned Chicanos in the same rental market is clearly the most important finding of the study. There are several possible reasons why dark-skinned Chicanos may encounter more discrimination than either blacks or light-skinned Chicanos. One reason could be that different rental agents discriminate for different reasons and that dark-skinned Chicanos, as a group, are discriminated against not only by agents who discriminate against Chicanos, per se, but also by agents who discriminate solely because of skin color. Another reason could be that rental agents are more averse to renting to Chicanos with dark skins because they consider



them to be less assimilated or of lower socioeconomic status than Chicanos with light skins. It is also possible that dark-skinned Chicanos are more likely to be thought of as illegal immigrants. Although the audit results do not provide a definite explanation of why dark-skinned Chicanos encountered more housing discrimination than light-skinned Chicanos and blacks, they suggest the possibility that Chicanos, and by implication other Hispanics, encounter housing discrimination for a variety of reasons which may include their national origin, their skin color, their lack of assimilation, and their suspected status as illegal immigrants.

In addition to providing badly needed information about the extent of housing discrimination against non-black minorities, the results of the study are important because they demonstrate that the audit technique can be adapted to examine the extent of housing discrimination against non-black minorities. In certain cases, it appears that the audit technique can even be used to examine the extent of housing discrimination against different segments of the same minority group. The audit technique has proven itself to be a useful analytical tool.

## II. AUDIT PROCEDURES AND INDEX CONSTRUCTION

Audits of the Dallas rental housing market were used to measure the incidence of discrimination against Chicanos. This section explains the audit procedure and the method of measuring the incidence of discriminatory treatment.

### The Audit Procedure

A total of 148 audits of the rental market were conducted in November, 1978. The apartment complexes which were audited were randomly chosen from the rental advertisements in a major metropolitan newspaper. For each audit, a Chicano and a white visited the same apartment complex. Approximately half of the audits were conducted with "dark-skinned" Chicanos and the other half were conducted with "light-skinned" Chicanos.<sup>3/</sup> All of the Chicano auditors had noticeable accents which clearly identified them as Hispanics.

The audit procedure used in Dallas was virtually identical to that used for the nationwide Housing Market Practices Survey (HMPS).<sup>4/</sup> The audit procedure prescribed that the two members of each audit team be as similar as possible in every respect except their skin color and ethnicity. Great care was taken to assure that the two members of each audit team were similar in appearance, personality, and socio-economic status. In addition, all of the auditors received rigorous audit training to standardize their behavior as apartment seekers and improve their objectivity.

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<sup>3/</sup>The Greater Dallas Housing Opportunity Center conducted the audits for HUD. GDHOC was responsible for deciding the skin color of the Chicano auditors. The decision was made jointly by the Director, the Assistant Director, and the Chicano auditor.

<sup>4/</sup>For a complete discussion of the audit methodology for the Housing Market Practices Survey, see Measuring Racial Discrimination in American Housing Markets; pp. 8-20.

### Measurement Techniques

For the purpose of this study, discriminatory treatment is defined as any systematic difference in treatment which places one class of people at a disadvantage relative to another class of people. In other words, differential treatment is considered discriminatory only when it is both systematic and detrimental.

In this study, five types of discriminatory, or potentially discriminatory treatment by rental agents are examined. They include:

- providing false or incomplete information about apartment availability,
- offering less favorable terms and conditions in the lease,
- withholding information about the apartment complex or the lease,
- not providing common courtesies which might facilitate the rental process, and
- screening the qualifications of apartment seekers in different ways.

Throughout this report, these five types of discriminatory treatment are referred to as availability, terms and conditions, information, courtesy, and screening, respectively.

The auditors recorded information about the treatment they received on a specially prepared audit questionnaire. The individual items on the questionnaire were assigned to one of the five categories of discriminatory treatment. A treatment item had to meet two criteria before it was assigned to any of the five treatment categories. First, the treatment item had to clearly belong to one, and only one category of discriminatory

treatment. Second, the possible responses to an item had to provide an ordinal ranking of the quality of treatment (i.e., the responses had to clearly distinguish better treatment from worse treatment). On the basis of these criteria, a total of 24 treatment items were assigned to the five treatment categories. As examples, the amount of the security deposit was assigned to the terms and conditions category and the number of apartments that the agent said were available was assigned to the availability category. Favorable treatment on these items involved being quoted a smaller security deposit and being offered more apartments.

A treatment index was constructed for each of the five categories of discriminatory treatment based on the responses to the individual treatment items which were assigned to each category. The indices were constructed because it was felt that random differences in treatment on individual items might obscure systematic differences in the treatment of whites and Chicanos.

The method of index construction that was used in this study is identical to the method used in the HMPS study. Each index was constructed in the following manner:

- If the rental agent treated both auditors equally on all items, the index was classified as "no difference." If the case was ambiguous, with both the white and the Chicano being favored on at least one item, the index was also classified as "no difference."
- If the rental agent treated the white auditor more favorably on one or more items and did not treat the Chicano auditor more favorably on any item, the index was classified as "white favored."

- If the rental agent treated the Chicano auditor more favorably on one or more items and did not treat the white auditor more favorably on any item, the index was classified as "Chicano favored."

The incidence of discrimination for each type of discriminatory behavior is defined as the difference between the percentage of audits in which the white auditor was favored and the percentage of audits in which the Chicano auditor was favored. This method of measuring the incidence of discrimination against Chicanos is based on the assumption that there was no reverse discrimination against white auditors. Therefore, all of the instances of Chicano-favored treatment and an equal number of instances of white-favored treatment were assumed to be the result of random differences in treatment.

It should be noted that the method of measuring discriminatory treatment, which was used in both this and the HMPS study, is not the only possible method of measuring discriminatory treatment. The method was used because of its simplicity and its intuitive appeal. However, it has several apparent shortcomings. First, some audits are assigned to the "no difference" category, even though the auditors were treated differently, because it is unclear which auditor was favored. Second, all of the discriminatory treatment items for a given type of discriminatory treatment are given equal importance, even though some of the items undoubtedly represent more harmful forms of discriminatory treatment than others.

It should also be noted that, even though the method of index construction which was used in this study is identical to that used in the

HMPs study, the indices in the two studies differ somewhat from each other in the assignment of treatment items to each of the five categories of discriminatory behavior. Consequently, direct comparisons of the results of this study to those of the nationwide HMPs study should be undertaken with care.

### III. AUDIT RESULTS FOR CHICANOS IN DALLAS

This section presents the results of 148 audits of housing market practices in the Dallas rental housing market. The audit results provide direct evidence about the extent to which dark-skinned and light-skinned Chicanos encounter various types of housing discrimination. The results for each of the five types of discriminatory treatment--availability, terms and conditions, information, courtesy, and screening--are presented separately.

#### Availability

Discriminatory treatment on housing availability is probably the most fundamental and most serious form of housing discrimination. It is a clear violation of Title VIII of the Civil Rights Act of 1968. Furthermore, if an apartment seeker is given false information on housing availability, other types of discriminatory treatment are of little consequence because the false information effectively precludes the apartment seeker from renting the available apartment.

As a part of the audit procedure, the auditors were instructed to request the same apartment size when they visited a rental complex. If

their first choice was not available, they were instructed to request the same alternative choice. If their second choice was not available, they were instructed to inquire about what was available and what would be available in the near future.

The audit results contain four treatment items on availability for which it was believed that differences in treatment would be discriminatory. The items include:

- whether an apartment was available now or would be in in the near future,
- whether the size of the available unit was the auditor's first or second choice,
- the number of apartments that were suggested to the auditor as serious possibilities,
- the number of apartments that the auditor was invited to inspect.

The audit results for the availability items are presented in Table 1. The table compares the treatment received by dark-skinned and light-skinned Chicanos to that received by whites.

The results on the availability items clearly indicate that the treatment received by Chicano auditors was inferior to that received by white auditors. With the exception of one treatment item for the dark-skinned Chicano audits, the percentage of audits in which the white auditor was favored always exceeds the percentage of audits in which the Chicano auditor was favored.

For the audits involving dark-skinned Chicanos, the difference between the number of white favored cases and the number of Chicano

avored cases is statistically significant for three of the four availability items at the 0.01 level.<sup>5/</sup> This result provides convincing evidence that, at least in regard to apartment availability, the dark-skinned Chicano auditors were being discriminated against by rental agents in the Dallas rental market.

For the audits involving light-skinned Chicanos, the difference between the number of white-favored cases and the number of Chicano-favored cases is not statistically significant for any of the availability items at the 0.05 level. The lack of statistical significance indicates that, even though the white auditors were favored more often than the Chicano auditors, the difference is not large enough, given the sample size, to reject the hypothesis that whites and light-skinned Chicanos are treated equally by rental agents on availability items.

The discriminatory treatment index for availability is also presented in Table 1. The index is computed separately for the dark-skinned and the light-skinned audits. The availability indices indicate that both the dark-skinned and light-skinned Chicano auditors received unfavorable treatment more often than the white auditors. Dark-skinned Chicanos received unfavorable treatment in 54.8 percent of the audits as compared to only 12.3 percent for whites, while light-skinned Chicanos received

<sup>5/</sup>The null hypothesis is that the percentage of white-favored cases is equal to the percentage of Chicano-favored cases. The test statistics is distributed according to a Chi-square distribution with one degree of freedom.



TABLE 1  
AVAILABILITY

Dark-Skinned Chicano Audits

	<u>No Difference</u>	<u>White Favored</u>	<u>Chicano Favored</u>	<u>Net Difference</u>
Something Available (73)	57.5%	35.6%	6.9%	28.7%**
1st Choice (58)	96.6	1.7	1.7	0.0
Number of Serious Possibilities (73)	43.8	46.6	9.6	37.0**
Number Invited to Inspect (73)	57.5	35.6	6.8	28.8**
AVAILABILITY INDEX (73)	32.9	54.8	12.3	42.5**

Light-Skinned Chicano Audits

	<u>No Difference</u>	<u>White Favored</u>	<u>Chicano Favored</u>	<u>Net Difference</u>
Something Available (74)	83.8%	10.8%	5.4%	5.4%
1st Choice (67)	92.5	6.0	1.5	4.5
Number of Serious Possibilities (75)	50.7	32.0	17.3	14.7
Number Invited to Inspect (75)	62.7	24.0	13.3	10.7
AVAILABILITY INDEX (75)	38.7	38.7	22.7	16.0

\*\*Statistically significant at the 0.01 level

The numbers in parentheses are the number of completed audits for each item.

unfavorable treatment in 38.7 percent on the audits as compared to only 22.7 percent for whites. The difference in treatment between dark-skinned Chicanos and whites is statistically significant at the 0.01 level. However, the difference in treatment between light-skinned Chicanos and whites is not statistically significant at a 0.05 level or lower.

The indices clearly support the belief that dark-skinned Chicanos encounter more discrimination than light-skinned Chicanos. Using the difference between the percentage of white-favored cases and the percentage of Chicano favored cases as a measure of the incidence of discrimination, the incidence of discrimination against dark-skinned Chicanos on availability is 42.5 percent as opposed to only 16.0 percent for light-skinned Chicanos. The difference in the treatment of light-skinned and dark-skinned Chicanos is statistically significant at the 0.01 level.<sup>6/</sup>

#### Terms and Conditions

Differential treatment on the terms and conditions of apartment rental is also a potentially important form of discriminatory treatment and a clear violation of fair housing statutes. Even if rental agents reply positively about apartment availability, the stipulated terms and

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<sup>6/</sup>The statistical significance of the difference in the incidences of discrimination was tested using a t-test of the difference of two sample means.

conditions for renting an available unit will affect its attractiveness. An apartment seeker who is offered unfavorable terms and conditions may choose not to rent the apartment as a result.

As a part of the audit procedure, auditors were instructed to obtain information about the rental price of available apartments, the amount of the security deposit, and whether an application fee was required. In addition, auditors were instructed to record the apartment numbers of available apartments whenever possible. However, auditors were often unable to determine the apartment number because they were shown models.

Four treatment items on terms and conditions were identified as being either discriminatory or potentially discriminatory in nature. The items include:

- the rental price of the "same" apartment,
- the rental prices of "similarly sized" apartments,
- the amount of the security deposit relative to the rental price,
- whether an application fee was required.

In determining whether the auditors were offered the "same" apartment, it was assumed that they were offered the same apartment only if both auditor recorded the same apartment number. For those audits in which the auditors were clearly offered the same unit, the rental prices could be directly compared. However, in a majority of the audits it could not be determined that the auditors were offered the same apartment. Therefore, a comparison of the rental prices of "similarly sized" apartments was undertaken. Apartments were defined as "similarly sized" if they

had the same number of bedrooms. In those cases in which the auditors were offered apartments of a similar size, the range of rental prices for that size for each auditor was compared. If the ranges for the two auditors overlapped, then the auditors were assumed to have been treated equally. If the ranges did not overlap, then the auditor who was offered the lower range of rental prices was assumed to have received favorable treatment.

The audit results for the terms and conditions and their indices are presented in Table 2. The results for the individual items indicate that, in general, the terms and conditions offered Chicanos were the same as those offered whites. The one notable exception is that the amount of the security deposit quoted dark-skinned Chicanos was greater than that quoted whites in 20 percent of the audits. This difference in treatment is statistically significant at the 0.01 level.

The discriminatory treatment index on terms and conditions for the dark-skinned Chicano audits indicates that the overall treatment that the dark-skinned Chicano auditors received was inferior to that received by the white auditors. Whites received favorable treatment in 27.0 percent of the audits, while dark-skinned Chicanos received favorable treatment in only 6.3 percent of the audits. The difference is statistically significant at the 0.01 level. However, it should be noted that the difference in the overall treatment of dark-skinned Chicanos and whites is primarily the result of the difference in treatment on one item, the amount of the security deposit.

TABLE 2  
TERMS AND CONDITIONS

Dark-Skinned Chicano Audits

	<u>No Difference</u>	<u>White Favored</u>	<u>Chicano Favored</u>	<u>Net Difference</u>
Price of Same Unit (15)	93.3%	0.0%	6.7%	- 6.7%
Price of Similarly Sized unit (46)	69.6	17.4	13.0	4.4
Amount of Security Deposit (61)	80.3	19.7	0.0	19.7**
Application Fee Required (4)	100.0	0.0	0.0	0.0
TERMS & CONDITIONS INDEX (63)	66.7	27.0	6.3	20.7**

Light-Skinned Chicano Audits

	<u>No Difference</u>	<u>White Favored</u>	<u>Chicano Favored</u>	<u>Net Difference</u>
Price of Same Unit (22)	100.0%	0.0%	0.0%	0.0%
Price of Similarly sized Unit (61)	83.3	8.3	8.3	0.0
Amount of Security Deposit (70)	98.6	1.4	0.0	1.4
Application Fee Required (11)	81.8	18.2	0.0	18.2
TERMS & CONDITIONS INDEX (71)	87.3	7.0	5.6	1.4

\*\*Statistically significant at the 0.01 level

The numbers in parentheses are the number of completed audits for each item.

The discriminatory treatment index on terms and conditions for the light-skinned Chicano audits indicates that the overall treatment that the light-skinned Chicano auditors received was virtually identical to that received by the white auditors. Whites received favorable treatment in 7.0 percent of the audits, while light-skinned Chicanos received favorable treatment in 5.6 percent of the audits.

The indices on terms and conditions, like those presented previously for availability, tend to confirm the belief that dark-skinned Chicanos encounter more discrimination than light-skinned Chicanos. Measuring the incidence of discrimination in the same manner as before, the incidence of discrimination against dark-skinned Chicanos on terms and conditions is 20.7 percent, while the incidence of discrimination against light-skinned Chicanos is only 1.4 percent. The difference is statistically significant at the 0.01 level.

#### Information

Another possible type of discriminatory treatment is the manner in which a rental agent conveys information to apartment seekers. By volunteering information that would be useful to an apartment seeker, a rental agent can facilitate the exchange of useful information. The agent can also restrict the exchange of useful information by being passive or nonresponsive. It is possible that this kind of treatment is a subtle but systematic form of discrimination.

Auditors were supposed to behave as bona fide apartment seekers. As a part of the audit procedure, they were instructed to inquire about the

availability of apartments with a specified number of bedrooms and to show an interest in any apartment which the rental agent suggested. If the rental agent did not volunteer certain information, the auditors were instructed to ask for the information. If the rental agent did not respond, the auditors were instructed not to be overly persistent.

The "passiveness" of the rental agent in providing useful information was determined by the following treatment items:

- whether the agent offered literature about the apartment, or the apartment complex,
- whether the agent offered information about the lease,
- whether the agent offered information about the security deposit,
- whether the agent invited the auditor to file an application.

The audit results for the information items and their indices are presented in Table 3. The results suggest that, even though there was substantial variation in the information volunteered, in general, Chicanos and whites were treated equally. The one notable exception is that white auditors were offered apartment literature more often than Chicano auditors. This difference in treatment is especially apparent in the case of the light-skinned Chicanos. Whites were favored in the provision of literature in 27.0 percent of the audits, while light-skinned Chicanos were not favored in any of the audits. The difference in treatment is statistically significant at the 0.01 level. Dark-skinned Chicano auditors also experienced a noticeable, though statistically insignificant difference in treatment with respect to the provision of literature. Whites were

TABLE 3  
INFORMATION

Dark-Skinned Chicano Audits

	<u>No Difference</u>	<u>White Favored</u>	<u>Chicano Favored</u>	<u>Net Difference</u>
Offered Literature (71)	69.0%	21.1%	9.9%	11.2%
Offered Lease Info (68)	50.0	17.6	32.4	-14.8
Offered Deposit Info (67)	58.2	20.9	20.9	0.0
Application Invited (65)	87.7	6.2	6.2	0.0
INFORMATION INDEX (71)	43.7	31.0	25.4	5.6

Light-Skinned Chicano Audits

	<u>No Difference</u>	<u>White Favored</u>	<u>Chicano Favored</u>	<u>Net Difference</u>
Offered Literature (74)	73.0%	27.0%	0.0%	27.0%**
Offered Lease Info (69)	66.7	18.8	14.5	4.3
Offered Deposit Info (74)	68.9	21.6	9.5	12.1
Application Invited (74)	71.6	9.5	18.9	-9.4
INFORMATION INDEX (74)	47.3	35.1	17.6	17.5

\*Statistically significant at the 0.05 level

\*\*Statistically significant at the 0.01 level

The numbers in parentheses are the number of completed audits for each item.



avored in 21.1 percent of the audits, while dark-skinned Chicanos were favored in only 9.9 percent of the audits. The discriminatory treatment index on information is not statistically significant at a 0.05 level or lower for either the dark-skinned or the light-skinned Chicano audits.

It is perhaps surprising to find that the incidence of discrimination on the provision of useful information is greater for light-skinned Chicanos than it is for dark-skinned Chicanos. The incidence of discrimination against light-skinned Chicanos is 17.5 percent as opposed to only 5.6 percent for dark-skinned Chicanos. Despite the size of this difference, it is not statistically significant at the 0.05 level.

#### Courtesy

Another possible form of discriminatory treatment is the manner in which a rental agent behaves toward apartment seekers. It is expected that a rental agent will treat all apartment seekers respectfully even if the agent intends to discriminate against certain apartment seekers. Indeed, an apartment seeker may be a victim of discrimination even though the rental agent has treated him courteously. However, if the rental agent is intent on renting an apartment to an apartment seeker, the rental agent will want to establish an effective means of communication between himself and the apartment seeker in order to facilitate the possible exchange of information at some later date. The communication links are often established by common acts of courtesy. The willingness of a rental agent to establish such communication links is determined by the following courtesy items:

- whether the agent introduced himself,
- whether the agent offered the auditor a business card,
- whether the agent asked the auditor's name,
- whether the agent invited the auditor to call back,
- whether the agent asked the auditor's phone number.

The audit results for the courtesy items and their indices are presented in Table 4. The results for the individual courtesy items indicate that white and light-skinned Chicano auditors were generally afforded equally courteous treatment, while dark-skinned Chicano auditors were generally afforded fewer courtesies than white auditors.

In general, the differences in treatment on individual courtesy items are not statistically significant. The two exceptions are that dark-skinned Chicano auditors were offered a business card significantly less often than white auditors and light-skinned Chicano auditors were asked their name significantly less often than white auditors.

The courtesy index for the dark-skinned Chicano audits indicates that dark-skinned Chicano auditors were afforded fewer courtesies than white auditors. The difference in treatment is statistically significant at the 0.05 level. This result suggests that rental agents were less intent on establishing communication links with dark-skinned Chicanos that they were with whites. Presumably, this reflects the fact that the agents were less intent on renting to dark-skinned Chicanos than they were to whites.

The courtesy index for the light-skinned Chicano audits indicates that light-skinned Chicano auditors were afforded fewer courtesies than white auditors, but the difference in treatment is not statistically significant.

TABLE 4

COURTESY

Dark-Skinned Chicano Audits

	<u>No Difference</u>	<u>White Favored</u>	<u>Chicano Favored</u>	<u>Net Difference</u>
Agent Intro (71)	76.1%	9.9%	14.1%	- 4.2%
Offer Card (71)	76.1	19.7	4.2	15.5*
Ask Name (71)	76.0	15.5	8.5	7.0
Invite Call Back (71)	53.5	29.6	16.9	12.7
Ask Phone Number (71)	80.3	12.7	7.0	5.7
COURTESY INDEX (71)	49.3	35.2	15.5	19.7*

Light-Skinned Chicano Audits

	<u>No Difference</u>	<u>White Favored</u>	<u>Chicano Favored</u>	<u>Net Difference</u>
Agent Intro (75)	62.7%	17.3%	20.0%	- 2.7%
Offer Card (75)	80.0	8.0	12.0	- 4.0
Ask Name (75)	53.3	33.3	13.3	20.0*
Invite Call Back (75)	73.3	12.0	14.7	- 2.7
Ask Phone Number (75)	85.3	10.7	4.0	6.7
COURTESY INDEX (75)	38.7	34.7	26.7	8.0

\*Statistically significant at the 0.05 level

The numbers in parentheses are the number of completed audits for each item.

The indices also indicate that, in regard to the provision of courtesies, dark-skinned Chicanos encountered more discrimination than light-skinned Chicanos. The incidence of discrimination against dark-skinned Chicanos is 19.7 percent as opposed to only 8.0 percent for light-skinned Chicanos. However, the difference is not statistically significant at a 0.05 level.

### Screening

"Screening" is a process by which information about an individual is gathered so that inferences can be made about the individual's ability to perform certain tasks or undertake certain obligations. For example, a prospective employer may seek information about education in order to infer whether a prospective employee can perform a certain job adequately. Similarly, a rental agent may seek information about debts and job stability in order to determine whether a prospective renter can meet the obligations of a lease agreement. If the method of screening is systematically applied, it is not necessarily discriminatory. However, if some apartment seekers are screened while others are not or if apartment seekers are screened in different ways, then screening is discriminatory.

As part of the audit procedure, auditors were instructed not to volunteer information about themselves, but to answer the agent's inquiries on the basis of their assumed characteristics and to record the kinds of information requested.

The information items which may be part of the screening process include:

- whether the agent asked the auditor's income
- whether the agent asked about the auditor's assets
- whether the agent asked about the auditor's debts
- whether the agent asked the auditor about his source of employment
- whether the agent asked the auditor for references
- whether the agent asked the auditor's address, but not his phone number
- whether the agent told the auditor that a credit check would be required.

There is some ambiguity about which auditor was favored when one auditor was screened and the other auditor was not. It could be that, by screening an auditor, a rental agent was attempting to facilitate the rental process or it could be that the rental agent was looking for some basis to discriminate. Therefore, in the following presentation of the audit results, treatment is classified as no difference, only Chicano screened, and only white screened.

The audit results for the screening items and indices are presented in Table 5. The results indicate that for many of the screening questions Chicanos and whites were treated equally. However, in more than 98 percent of the audits, neither auditor was asked about his income, assets, debts or references. This implies that these items were not used to screen potential renters and that only the remaining three items -- address, source of employment, and credit check -- could have been used for screening purposes. The audit results indicate that Chicano auditors

TABLE 5  
SCREENING

Dark-Skinned Chicano Audits

	<u>No Difference</u>	<u>Only Chicano Screened</u>	<u>Only White Screened</u>	<u>Net Difference</u>
Asked Income (71)	98.6%	1.4%	0.0%	1.4%
Asked Assets (71)	100.0	0.0	0.0	0.0
Asked Debts (71)	100.0	0.0	0.0	0.0
Asked Employment (71)	80.3	12.7	7.0	5.7
Asked References (71)	98.6	0.0	1.4	- 1.4
Asked Address, Not Phone (11)	72.7	27.3	0.0	27.3
Credit Check Required (70)	90.0	7.1	2.9	4.2
SCREENING INDEX (71)	69.0	21.1	9.9	11.2

Light-Skinned Chicano Audits

	<u>No Difference</u>	<u>Only Chicano Screened</u>	<u>Only White Screened</u>	<u>Net Difference</u>
Asked Income (75)	98.7%	0.0%	1.3%	- 1.3%
Asked Assets (75)	100.0	0.0	0.0	0.0
Asked Debts (75)	100.0	0.0	0.0	0.0
Asked Employment (75)	89.3	0.0	10.7	- 10.7*
Asked References (75)	98.7	0.0	1.3	- 1.3
Asked Address, Not Phone (14)	78.6	21.4	0.0	21.4
Credit Check Required (73)	74.0	21.9	4.1	17.8**
SCREENING INDEX (75)	62.2	23.0	14.9	8.1

\*Statistically significant at the 0.05 level

\*\*Statistically significant at the 0.01 level

The numbers in parentheses are the number of valid cases for each item.

were screened on the remaining items somewhat more often than white auditors: dark-skinned Chicanos were asked all three screening questions more often than whites and light-skinned Chicanos were asked two of the three questions more often than whites.

Perhaps the most interesting difference in treatment is the number of instances in which the Chicano auditor was asked his address, but not his telephone number. In these instances, it is assumed that the agent was not attempting to establish a means of communication, but instead was attempting to learn whether the apartment seeker was living in an acceptable neighborhood.

It is also interesting that whites were asked significantly more often about their source of employment, while the light-skinned Chicanos were told significantly more often that a credit check would be required. This difference seems to suggest that the agents were attempting to facilitate the credit check for whites, but not for Chicanos.

The screening indices indicate that Chicano auditors were screened somewhat more often than white auditors, however, the difference in treatment is not statistically significant at the 0.05 level for either the dark-skinned or the light-skinned Chicanos.

#### Associations Among the Treatment Indices

A rental agent may use several types of discriminatory behavior in order to exclude or discourage certain apartment seekers. If different agents use similar combinations of discriminatory behavior, then systematic patterns of discriminatory treatment will appear in the audit results.

Table 6 presents statistical measures of association among four of the five discriminatory treatment indices.<sup>7/</sup> The screening index is excluded because of its ambiguity. The audits for light-skinned and dark-skinned Chicanos were pooled because the pattern of discriminatory behavior by agents was similar for the two groups, even though the levels were different.

The statistical significance of the positive association between the availability and information indices and between the availability and courtesy indices indicates that rental agents who discriminate tend to restrict, either actively or passively, all forms of useful information. As a result, apartment seekers who receive inferior information about availability are more likely to receive inferior information about the apartment complex and less information which might facilitate the rental process.

#### IV. AUDIT RESULTS FOR BLACKS IN THE SAME MARKET

This section compares the audit results for Hispanics with the audit results for blacks in the same rental housing market. The comparison is possible because Dallas was one of the in-depth sites for the nationwide Housing Market Practices Survey (HMPS) for which a relatively large

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<sup>7/</sup>The statistical measure of association is Kendall's rank correlation coefficient (tau). It has a maximum value of 1 for strong positive associations and a minimum value of -1 for strong negative associations. For a discussion of the derivation and the statistical properties of Kendall's tau, see S. Siegal, Nonparametric Statistics for the Behavioral Sciences.



TABLE 6

ASSOCIATION AMONG THE  
TREATMENT INDICES

	<u>Availability</u>	<u>Terms and Conditions</u>	<u>Information</u>
Terms and Conditions	.008		
Information	.157*	- .106	
Courtesy	.218**	- .005	.023

\* Statistically significant at the 0.05 level

\*\* Statistically significant at the 0.01 level

number of audits were conducted in both the rental and sales markets in the summer of 1977 using matched teams of black and white auditors.

It is worth noting that the Hispanic population in Dallas is different from the black population in several ways which might make Hispanics, as a group, less objectionable to prejudiced whites. First, Hispanics are a much smaller minority group than blacks.<sup>8/</sup> Second, among renters, the income of Hispanic households is substantially greater than that of black households.<sup>9/</sup> As a result of these differences, one might expect a decrease in the level of discrimination against Chicanos relative to that against blacks. Therefore, the observed levels of discrimination against blacks and Chicanos, which are presented in this section, are somewhat surprising.

The HMPS's audits of the Dallas rental market were used to construct the same five indices of discriminatory treatment which were used in the previous section to examine discrimination against Hispanics. The results for blacks are presented in Table 7. The indices indicate that black auditors received inferior treatment on availability, information, and

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<sup>8/</sup>According to the 1970 Census of Population, blacks comprised 15.9 percent of the SMSA population and 24.9 percent of the central city population of Dallas while Hispanics comprised only 6.5 percent of the SMSA population and only 10.5 percent of the central city population. However, given the rapid growth of the Dallas SMSA during the last decade, the relative sizes of the two minority populations may have changed considerably since the 1970 census.

<sup>9/</sup>According to the 1974 Annual Housing Survey, the median income of Hispanic renters in the Dallas SMSA was \$6,400 while the median income of black renters was only \$4,900.

TABLE 7

DISCRIMINATORY TREATMENT INDICES FOR BLACKS

	<u>No Difference</u>	<u>White Favored</u>	<u>Black Favored</u>	<u>Net Difference</u>
AVAILABILITY (116)	29.3%	44.0%	26.7%	17.3%*
TERMS & CONDITIONS (107)	74.8	9.3	15.9	- 6.6
INFORMATION (116)	33.6	47.4	19.0	28.4**
COURTESY (116)	31.0	38.8	30.2	8.6
SCREENING (116) <sup>a</sup>	72.4	19.0	8.6	10.4

\* Statistically significant at the 0.05 level

\*\* Statistically significant at the 0.01 level

<sup>a</sup>The reported results assume screening is unfavorable treatment.

The numbers in parentheses are the number of completed cases for each item.

courtesy, and were screened more often than whites. The difference in treatment on availability and information is statistically significant at a 0.05 level or less.

Estimates of the incidence of discrimination against dark-skinned Chicanos, light-skinned Chicanos and blacks are presented in Table 8 for the five types of discriminatory treatment. The incidence of discrimination is measured by the difference between the percentage of audits in which the white auditor was favored and the percentage of audits in which the minority auditor was favored. The estimates are based on 73 audits using dark-skinned Chicanos, 75 audits using light-skinned Chicanos, and 116 audits using blacks. Since the confidence intervals for the estimates are fairly large, the estimates should be interpreted as "ballpark" estimates of the incidence of discrimination against each of the three groups.

The audit results show that the incidence of discriminatory treatment against light-skinned Chicanos is very similar to that against blacks. The incidence of discriminatory treatment on availability, courtesy and screening is almost identical for blacks and light-skinned Chicanos. Furthermore, while blacks seem to encounter discriminatory treatment on information somewhat more often than light-skinned Chicanos, light-skinned Chicanos seem to encounter discriminatory treatment on terms and conditions somewhat more often than blacks. None of the differences between black and light-skinned Chicanos are statistically significant at the 0.05 level.

TABLE 8

COMPARISON OF THE INCIDENCE OF  
DISCRIMINATORY TREATMENT AGAINST  
CHICANOS AND BLACKS

	<u>Dark Chicanos</u>	<u>Light Chicanos</u>	<u>Blacks</u>
AVAILABILITY	42.5%**	16.0%	17.3%
TERMS & CONDITIONS	20.7%**	1.4	- 6.6
INFORMATION	5.6	17.5	28.4
COURTESY	19.7	8.0	8.6
SCREENING <sup>a</sup>	11.2	8.1	10.4

\*\*Significantly different from the other two groups at the 0.01 level.

<sup>a</sup>The reported results assume screening is unfavorable treatment.

The audit results also show that the incidence of discriminatory treatment against dark-skinned Chicanos is far greater than that against either blacks or light-skinned Chicanos. The incidence of discriminatory treatment against dark-skinned Chicanos on availability appears to be about 2 1/2 times as great as that against either blacks or light-skinned Chicanos. The incidence of discriminatory treatment against dark-skinned Chicanos on terms and conditions is also far greater than that against either blacks or light-skinned Chicanos. These differences are statistically significant at the 0.01 level. The fact that dark-skinned Chicanos appear to encounter less discriminatory treatment on information and about the same amount of discriminatory treatment on screening may simply be due to the fact that they are more likely to have been effectively excluded from renting an apartment by other forms of discriminatory treatment. In any case, these differences are not statistically significant at a 0.05 level or lower.

#### V. DISCUSSION OF STUDY FINDINGS

Unlike most studies of housing discrimination, this study was undertaken for the expressed purpose of examining the nature and extent of housing discrimination against Hispanics. The study findings are based on 148 audits of the Dallas rental housing market using white and Chicano auditors.

The study finds substantial and fairly consistent evidence of discriminatory housing market practices against Chicanos. Furthermore, the study finds that dark-skinned Chicanos encounter blatant forms of housing discrimination much more often than light-skinned Chicanos. Finally, the study finds that,

at least in the Dallas rental market, light-skinned Chicanos appear to encounter discriminatory treatment about as often as blacks, while dark-skinned Chicanos appear to encounter discriminatory treatment more often than blacks.

That dark-skinned Chicanos in Dallas are discriminated against significantly more often than either blacks or light-skinned Chicanos is clearly the most important finding of the study. There are several possible explanations why dark-skinned Chicanos encounter more discrimination. One explanation could be that different rental agents discriminate for different reasons and that dark-skinned Chicanos, as a group, are discriminated against not only by agents who discriminate against Chicanos, per se, but also by agents who discriminate because of skin color. Another explanation could be that rental agents are more averse to renting to Chicanos with dark skins because they consider them to be less assimilated or of lower socioeconomic status than those with light skins. It is also possible that dark-skinned Chicanos are more likely to be thought of as illegal immigrants.

It should be kept in mind that all of the audits used in this study were conducted in the Dallas metropolitan area; levels of housing discrimination against Chicanos and other Hispanics in other metropolitan areas may be quite different. In fact, in two other cities, Houston and San Jose, where audit studies of housing discrimination against both Chicanos and blacks have been conducted, the studies found that black auditors encountered discriminatory treatment more often than

Chicano auditors.<sup>10/</sup> The other audit studies clearly suggest that the findings of this study are not readily generalizable to other metropolitan areas. However, despite the narrow scope of this study, its findings are important because they demonstrate that, at least in certain instances, the audit technique can be used to examine the extent of housing discrimination against non-black minorities. This is especially important because so little is known about the extent of housing discrimination against these groups.

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<sup>10/</sup>The Houston audit study was conducted by the League of Women Voters of Houston in 1973. The study found that at "white" apartment complexes, black auditors encountered some form of discriminatory treatment in 42 percent of their visits, while Chicano auditors encountered some form of discriminatory treatment in only 10 percent of their visits.

The San Jose study was conducted by the San Jose Housing Service Center in 1978. The study found that blacks auditors encountered some form of discriminatory treatment in 58 percent of their visits while Chicano auditors encountered some form of discriminatory treatment in only 20 percent of their visits.



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