Residential segregation is the linchpin of racial division and separation. By segregation, I mean the separation of groups into neighborhoods dominated by members of a single racial or ethnic group. In most Northeastern and Midwestern metropolitan areas, as in the nation, the degree of black-white racial separation in residence remains high, despite evidence of shifting white attitudes about race, despite successful court challenges to programs that perpetuated racial segregation, such as *Shelley v. Kraemer* (1948), which ruled that racially restrictive covenants were unenforceable, and *Hills v. Gautreaux* (1976), which ruled against racially isolated public housing projects, and despite the Fair Housing Act of 1968 and litigation against discrimination in rental and real estate practices in the last three decades.

At the opening of the twenty-first century, the fifteen most segregated metropolitan areas in the United States were in the Northeast and Midwest. A half century after the Supreme Court struck down separate, unequal schools as unconstitutional, racial segregation is the still the norm in northern public schools. The five states with highest rates of school segregation are all outside the South—New York, New Jersey, Illinois, Michigan, and California. The degree of black-white segregation has tended to lessen in communities with small black populations, areas around military bases (reflecting the racial heterogeneity of the armed services), and university towns, but in a country where residential segregation is still the norm, these places are anomalous.

Residential segregation by race has deep roots in private real estate practices, in American public policy, and in grassroots activism, especially by white homeowners, to maintain residential segregation. It is important not to draw a bright line between past and present, for the history of official and unofficial acts of housing discrimination has set into place patterns of racial separation that have been difficult to uproot—and has fostered major racial inequalities, particularly in multigenerational wealth accumulation.

**The Deep Roots of Housing Segregation**

Patterns of residential segregation were set into place with the development of racially restrictive covenants in the late nineteenth and early twentieth century. Included in deeds and enforced in civil courts, restrictive covenants controlled how a property could be developed, how it could be used, and who could live there. A device to preserve a neighborhood’s homogeneity, covenants often specified minimum lot sizes, forbade multiple family housing, and by so doing priced out poor and working-class purchasers. Other restrictions further blocked access by low-income residents. In the early twentieth century, when most working-class people, especially rural migrants, kept chickens or pigs
as a matter of survival, suburban developers put restrictions on household animals, not just to keep out squealing pigs, but their owners too. By the 1920s, restrictive language grew more specific in categorizing not just undesirable uses but undesirable users. By the 1920s, deeds in nearly every new housing development in the North prevented the use or ownership of houses by people other than “the Caucasian race.” Using the racial argot of the day, covenants variously forbade home sales or rentals to “Africans, Negroes, and Ethiopians,” and less frequently Asians, Mexicans, and Jews. It was not until 1948 that the Supreme Court in Shelley v. Kraemer ruled that restrictive covenants were legally unenforceable.

But even in the absence of restrictive covenants, real estate brokers staunchly defended the practice of racial segregation. From the 1930s through the 1960s, the National Association of Real Estate Boards (which trademarked the name Realtor) issued ethical guidelines that specified that a Realtor “should never be instrumental in introducing to a neighborhood a character of property or occupancy, members of any race or nationality, or any individual whose presence will be clearly detrimental to property values in a neighborhood.” Lest there be any confusion, an industry brochure offered guidance. “[T]he prospective buyer might be a bootlegger who would cause considerable annoyance to his neighbors, a madam who had a number of call girls on her string, a gangster who wants a screen for his activities by living in a better neighborhood, a colored man of means who was giving his children a college education and thought they were entitled to live among whites…No matter what the motive or character of the would-be purchaser, if the deal would institute a form of blight, then certainly the well-meaning broker must work against its consummation.”

Private real estate practices alone did not shape the metropolitan landscape of segregation. Federal housing programs—especially those introduced in the New Deal mixed the gravel of racism into the mortar of public policy. FDR made the reform of the housing market one of the linchpins of his social policy. To that end, the government created the Home Owners Loan Corporation (HOLC) in 1933, which provided low-interest loans to homeowners at risk of foreclosure. In 1934, Roosevelt signed legislation creating the Federal Housing Administration, which wholly restructured the American mortgage market. The FHA--and for returning veterans after World War II, the Veterans Administration--guaranteed mortgages from default. These government programs wholly remade America’s real estate and banking industries by minimizing the risk of home loans. Federal guarantees allowed lenders to package long-term (usually thirty-year) mortgages at low interest rates. More than that, the FHA provided crucial financial support to the housing industry. Without federal intervention in the housing market, massive suburbanization would have been impossible. In 1930, only 30 percent of Americans owned their own homes; by 1960, more than 60 percent were homeowners. Homeownership became an emblem of American citizenship.

Federally-backed loans and mortgages were, however, seldom available to residents of racially mixed or “transitional” neighborhoods. The presence of even a single black family rendered a whole neighborhood “actuarially unsound.” To assist lenders, the HOLC prepared "neighborhood security maps." The maps were elaborately drawn and
backed up with detailed descriptions of a neighborhood's housing stock and racial, ethnic, and class composition. The best neighborhoods, denoted "A" and "B" were colored green and blue; the riskiest neighborhoods were denoted "C" and "D" and colored yellow and red. If "inharmonious racial and ethnic groups" lived in a neighborhood, "stability" would be at risk. Residents in neighborhoods with old housing stock (at risk of "transition to lower class occupancy") or with even a handful of black residents were marked "D" and were usually ineligible for FHA-backed loans. To preserve stability, FHA officials supported the use of restrictive covenants.

Compounding the discriminatory effects of housing policy were federal experiments in public housing during the New Deal and Truman’s Fair Deal. The 1937 Wagner-Steagall Housing Act created the U.S. Housing Authority, fulfilling Roosevelt’s pledge to assist the “one third of a nation ill housed.” The USHA made real inroads in providing affordable housing for blacks—but, with few exceptions—by segregating public housing projects. Public housing programs, while federally funded, were locally administered. Public officials in northern cities chose the sites for housing projects and enforced eligibility requirements. In every major northern city, public housing projects were sited in deference to local housing patterns. The few “colored” projects usually adjoined segregated neighborhoods or were built on marginal land near waterfronts, industrial sites, railroad tracks, or highways. Blacks’ pent-up demand for housing remained unfulfilled.

Reinforcing covenants and racially discriminatory lending policies were extralegal actions. Whites fought tenaciously to keep “undesirables” out of their neighborhoods as blacks migrated northward. Whites had economic reasons to resist the “Negro invasion,” as they called it. Their ability to secure mortgages and loans was at risk. But their motivations were not solely economic. Intertwined with concerns about property values were fears of black predation. Above all, whites—both north and south—recoiled at the prospect of miscegenation. In the South, those fears were allayed through legal restrictions on intermarriage and racial mixing in public places; in the North, those fears were addressed by the regulation of housing markets. Whites protested, picketed and used violence to keep blacks out of their neighborhoods, to prevent the construction of racially-integrated public housing projects in their communities, and to resist the development of affordable housing open to minorities.

Cross-burnings, arson, window breakings, and mobs greeted black newcomers to white neighborhoods in nearly every major northern city between the 1920s and the 1960s. In Detroit, between 1945 and 1965, nearly 200 white neighborhood associations—most with the explicit purpose of keeping blacks away. In Chicago, mobs of angry whites beset blacks who had the temerity to cross the city’s sharply defined neighborhood color lines in hundreds of racial incidents. In the 1966, when the Reverend Martin Luther King, Jr. led open housing marches in white Chicago neighborhoods, he and fellow nonviolent protestors were pelted with bricks and stones. In Philadelphia, blacks who breached neighborhood boundaries were often victims of physical attacks—and racial incidents plagued racially changing neighborhoods as late as the 1990s. Even if the intensity and frequency of violence toward black newcomers waned after the 1960s in most
metropolitan areas, survey researchers showed that African Americans continued to perceive many neighborhoods and suburban communities as hostile and unwelcoming because of their white residents’ history of racial violence.

While many whites stayed their ground, many more decamped when blacks moved nearby—and many more simply avoided racially-mixed cities altogether. The mass migration of whites to suburbia resulted in staggering change. Between 1950 and 1960, 700,000 whites moved to Philadelphia’s suburbs, at the same time that the city lost 225,000 whites and gained 153,000 blacks. Suburban Chicago gained more than one million whites, but the city lost 399,000 whites and gained 320,000 blacks. During the same period, the numbers of black suburbanites grew very slowly. Most blacks had no choice but to live in central cities. Those who suburbanized were confined to established black enclaves. As a consequence of the exclusion of blacks from many suburban areas, northern metropolitan area are divided by many invisible lines of race.

**Residential Segregation: The Last Forty Years**

The 1968 federal Fair Housing Act forbade discrimination against minorities by real estate brokers, property owners, and landlords. But real estate agents developed more furtive tactics to preserve the racial homogeneity of neighborhoods. The most significant was "steering," that is the practice of directing white home buyers to all-white communities and black home buyers to predominantly black or racially transitional neighborhoods. Real estate brokers catered to what they believed were the prejudices of their white customers. A 1979 study of real estate practices in metropolitan Detroit revealed the prevalence of racial steering by brokers who showed blacks houses in black or racially mixed neighborhoods and seldom showed whites houses in racially diverse communities or in places that had any visible minority population. More recent audit studies of housing discrimination conducted by the Department of Housing and Urban Development and by local housing and non-profit agencies -- where matched pairs of black and whites "testers" are sent to randomly selected real estate offices, consistently show the persistence of discriminatory treatment of black homeseekers and renters. Those findings have been borne out by research conducted by local fair housing agencies. In the eastern suburbs of Cleveland, for example, local housing officials documented steering and blockbusting activities well into the 1990s (before the lack of funding led to a cessation of testing and studies of real estate practices). In short, discrimination by brokers has played a significant role in maintaining patterns of racial segregation throughout the United States, with an especially pronounced effect in metropolitan Detroit. Put differently, discriminatory real estate practices assure that blacks and Hispanics do not have the same degree of choice when they are house hunting as do whites.

It is important to note that residential segregation by race is not a natural consequence of disparities in income between blacks and whites. Middle-class and wealthy blacks are no more likely to live near whites than poor blacks. In an examination of the thirty metropolitan areas with the largest black populations in the United States, sociologists Douglas Massey and Nancy Denton found no significant difference in the
segregation rates of poor, middle-class, and well-to-do African Americans. "Even if black incomes continued to rise," write Massey and Denton, "segregation would not have declined: no matter how much blacks earned, they remained racially separated from whites." In metropolitan Detroit in 1990, the degree of residential segregation was uniformly high for blacks across the economic spectrum. The Index of Dissimilarity for black households with incomes below $5,000 was three points lower than that of black households with incomes of greater than $100,000. Rates of segregation among blacks and whites of equal incomes, ranging between $5,000 and $75,000 were even higher. In addition, large sections northern suburbs have housing that most blacks can afford.

**Consequences of Racial Segregation: The Legacy of a Troubled Past**

The questions -- where do you live? and who are your neighbors? -- are not trivial. A person's perspectives on the world, his friends, her group of childhood peers, his networks and job opportunities, her wealth or lack of wealth, his quality of education -- all of these are determined to a great extent by where he or she lives.

The persistence of racial separation has had profound consequences for minorities and whites alike. It creates racially homogenous public institutions that are geographically defined, most importantly school districts. It limits the access of many minorities to employment opportunities, particularly in predominantly white areas (largely rural and suburban areas) that have experienced rapid development and economic growth over the last half century. It limits minorities' access to place based networks that provide access to jobs and economic opportunities, particularly for youth. It leads to a racial concentration of poverty in cities and to racial polarization in politics and in the distribution of resources. Because of strict segregation in cities and suburbs, blacks and whites do not perceive their interests to be common; better-off white suburbanites are increasingly unwilling to see their tax dollars spent on programs that they perceive will benefit cities and their minority residents. Fleeing whites then look back onto their old neighborhood and blame minorities for its deterioration, without acknowledging the role that stereotypes, population flight, and disinvestment played in the reshaping of those neighborhoods. Racial separation has become a self-fulfilling prophecy. Whites do not live near minorities. Their residential distance fosters misinformation and mistrust. It leads to a perpetuation of racial stereotypes that then become a basis and justification for racial segregation.

Most Americans continue to live in neighborhoods that are not diverse racially or ethnically. There are few places where children of different racial backgrounds play together. Blacks and whites seldom talk across the fence. They rarely meet causally on the streets. They do not worry together at their schools' parent-teacher nights. They do not often attend each other's birthday parties or belong to the same social clubs and churches or attend town meetings together. As children, they seldom belong to the same neighborhood sports teams. They rarely swim in the same pools. As teenagers, they rarely hang out together in malls or go on camping trips together or date. As adults, they intermarry very infrequently. They are not often at each others' weddings or funerals. Chance events or rituals, profound moments of bonding, or everyday social interactions --
these are the fabric of everyday life, the basis of relationships, of community, of commonality. Whites and non-whites are usually not part of each other's daily routines or witnesses to each other's life-changing events. Those routines and events occur in separate worlds. However diverse the United States has become in aggregate, the daily events and experiences that make up most Americans' lives take place in strikingly homogeneous settings.

Even more perniciously, past and present housing segregation has had devastating consequences for wealth accumulation by minorities, especially African Americans. In the postwar period, when whites were buying homes in unprecedented numbers—and accumulating wealth as a consequence of federal mortgage subsidies—blacks were disproportionately renters. Their houses depreciated in value because of systematic disinvestment in segregated, majority black neighborhoods. The result was that African Americans did not accumulate capital to pass to their children to the same extent as did whites.

Today, the starkest racial disparities in the United States are in wealth (a category that includes such assets as stocks, bonds, and especially real estate). Census surveys and social scientific studies have documented an enormous gap in asset holdings between blacks and whites, largely because of differences in holdings in real estate, the only significant asset that most Americans own. Blacks are still less likely to own their own homes (only about 45 percent, compared to 74 percent of whites). And because of persistent racial segregation, the value of homes that blacks own is significantly lower than that of whites. Using the most recent census data, the U.S. Census Bureau calculated that white households had a median net worth of $74,900, whereas black households had a median net worth of only $7,500. Whereas many whites can expect financial support at crucial junctures in their lives (going to college, getting married, buying a home) and inheritances as the result of their parents' accumulated wealth, few blacks can expect such good fortune.

In sum, persistent residential division by race remains a jarring anachronism in an increasingly racially diverse society. Residents of American metropolitan areas, especially in the Northeast and Midwest, have created a cognitive map of the city based on racial classifications. Those classifications exact a high price. The high degree of segregation by race reinforces and hardens perceptions of racial difference. It has profound effects on racial attitudes and opportunities. It perpetuates racial inequalities in schooling. It maintains the extraordinarily large gap in wealth between whites and non-whites. And it creates a domino effect, seriously limiting interracial contact in many other arenas of American life. Past and present, housing segregation remains an unresolved legacy of America’s troubled racial past.