Race and Neighborhoods in the 21st Century: Northeast United States

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Trends in Integration
Share of Integrated Tracts—U.S. and NE Metro Areas
End of a segregated century?
Residential Income Segregation Index (RISI) by Region, 1980 and 2010

<table>
<thead>
<tr>
<th>Region</th>
<th>2010</th>
<th>1980</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southwest</td>
<td>57</td>
<td>35</td>
</tr>
<tr>
<td>Northeast</td>
<td>48</td>
<td>40</td>
</tr>
<tr>
<td>Midwest</td>
<td>44</td>
<td>34</td>
</tr>
<tr>
<td>West</td>
<td>38</td>
<td>31</td>
</tr>
<tr>
<td>Southeast</td>
<td>35</td>
<td>28</td>
</tr>
</tbody>
</table>

Notes: The regional RISI is computed by averaging the RISI scores for the large metros in the region. The averages shown are the simple unweighted averages.


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Separate but equal Neighborhoods?
Mean Neighborhood Poverty Rate, 2007-2011

White
Black
Hispanic
Asian
Mean Percentile Ranking of Neighborhood School Test Scores, 2008
Mean Percentile Ranking of Neighborhood Violent Crime Rate, 2000

- White
- Black
- Hispanic
- Asian
The Share of Poor and Total Population Living in High Poverty Neighborhoods

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Does Neighborhood Matter?

- Kids in high poverty neighborhoods fare worse
- Recent research casts some doubt about causes
- But strong evidence that the very highest poverty neighborhoods are not healthy places to live
  - Pat Sharkey’s work suggests that children who live in the most severely disadvantaged environments show large improvements in cognitive skills when they
CAUSES of segregation
Causes of Income Segregation

- Growing income inequality
- Differences in price of housing
- Preferences – interaction with racial segregation
- Public policies
  - Current policies and legacy of past policies
Causes of Racial Segregation

- **Market Forces**
  - Differences in income and wealth play small part
  - Preferences – but not fixed and maybe not so benign

- **Market Failures**
  - Information
  - Housing market discrimination – current and past

- **Public policies**
  - Current policies and legacy of past policies
Do Current Policies Contribute?

- Structure of local government invites segregation
  - Fiscal incentives for exclusion
- Exclusionary zoning/land use regulations
- Place-based subsidized housing programs
  - Siting of newly created subsidized housing?
  - Choices about which subsidized housing to preserve?

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Where are Subsidized housing units located?
Mean Neighborhood Poverty Rate

Poverty Rate LIHTC  Poverty Rate All Units
Mean Neighborhood Percentage Black

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Which schools are near to Subsidized renters?
LIHTC: To proxy for units with children, all units with fewer than 2 bedrooms are removed.

Source: Furman Center 2012, “Do Federally Assisted Households Have Access to High Performing Public Schools?”, Prepared for PPRAC.
School Outcomes Worse for Subsidized Tenants in MSAs in Northeast U.S.

- 15 of 100 Largest MSAs are in NY, NJ, CT, or MA
- These 15 MSAs are ranked among lowest in terms of access to good schools for subsidized tenants
  - *Voucher Holders*: 14 of 15 are ranked in bottom half of 100 MSAs; 12 of 15 are ranked in bottom quarter.
  - *Public Housing*: 13 of 15 are ranked in bottom half of 100 MSAs; 8 of 15 are ranked in bottom quarter.
  - *LIHTC*: 12 of 15 are ranked in bottom half of 100 MSAs; 9 of 15 are ranked in bottom quarter.
Neighborhood revitalization
Research on Neighborhood Impacts of LIHTC Investments in NYC

- Multiple Furman Center studies of the impacts of the substantial investments NYC made in affordable housing during late 1980s-early 2000s.
- Focus on impacts on the value of immediately surrounding properties
- Supported by MacArthur Foundation
Impact of an Average-Sized LIHTC Development on Property Values in NYC

Source: Ellen and Voicu, 2007
Is the New York City Story Unique?

**NYC = Unusual Case?**
- Other research is more mixed
- New York City made these investments as part of a concerted plan to improve blighted, depopulated neighborhoods
- Scale of investment was massive
- Some effort to mix lower-income and moderate/middle-income housing
- City as a whole was growing during the same time period

**But**
- Results suggest the housing itself improved neighborhoods – not other investments

The impacts appear to be somewhat larger in lower density areas