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THE ROLE OF RESIDENTIAL SEGREGATION IN PROMOTING AND MAINTAINING INEQUALITY IN WEALTH AND PROPERTY

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INTRODUCTION

Most people desire wealth and property. Individuals and families acquire wealth and property via three routes: they accumulate them through their earnings or other work, what they have accumulated appreciates over time, or they inherit wealth or property from their families. Many benefit from all three of these routes to the ownership of property and wealth. For some, the routes are interconnected, as when parents, prior to their death, transfer assets to enable their children to attend school, start a business, or purchase a home. In theory (and in law), these routes to the acquisition of wealth and property are available to all. They are not structured by race or ethnicity. The argument in this paper, however, is that in reality, the routes to the ownership of wealth and property are severely constrained by race/ethnicity working through residential segregation. As a result, residential segregation helped create and continues to perpetuate inequality.

In making this argument, my goal is to shift the focus of discussions of residential segregation. Much of the popular and scientific discussion of residential segregation in the past decade, including some of my own work, has focused too narrowly on the consequences of segregation for those at the bottom of the income distribution. Sometimes popularly referred to as “the underclass,”¹ these victims of segregation clearly suffer severe consequences. Though their circumstances warrant discussion, they are not the only people affected by residential segregation.

Limiting discussions of residential segregation to residents of ghetto poverty neighborhoods limits the discussion to people thought to be very different from those doing the discussing or the research, most of whom are middle or upper class. As a result, concentrated poverty neighborhood residents’ individual behaviors concerning schooling, childbearing and labor force participation are

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1. See, e.g., KEN AULETTA, *THE UNDERCLASS* (1982); DOUGLAS S. MASSEY & NANCY A. DENTON, *AMERICAN APARTHEID: SEGREGATION AND THE MAKING OF THE UNDERCLASS* (1993).

emphasized without considering the social structure. Behaviors that are the result of living in highly segregated environments are seen as individual choices and used to generate fear in the minds of many non-poor people of all races.² The consequences of segregation for the working class and middle class people whose lives include jobs and families similar to our own are mentioned only in passing, if at all.

The exclusive focus on the severe effects of segregation for the underclass has two additional consequences. First, the contrast between the very poor and the middle class is a false dichotomy. Most people are not poor, and many are members of the working class or the working poor.³ If, as a result of segregation, working class people of color find their socioeconomic prospects less related to their individual efforts than do similarly situated whites, then their escape from the most devastating consequences of segregation associated with the underclass in no way implies they are unaffected by segregation. Second, discussing only the underclass has permitted some commentators to argue that members of the middle class who desire integration can readily achieve it,⁴ thus attributing remaining segregation solely to preferences. In this view, then, segregation, which constrains people's ability to acquire wealth and property, is viewed as benign. The desire of African Americans to live with their own group⁵ is assumed to be stronger than their desire to acquire wealth and property, a situation not assumed for members of other race/ethnic groups.

In short, we need to show the variety of mechanisms through which segregation can and does block individuals' and families' access to the routes to acquisition of wealth and property. Showing how segregation has consequences for all residents of highly segregated neighborhoods, regardless of their race, and often, regardless of their efforts to succeed in life, will reframe the discussion of why segregation is an important and negative factor in contemporary urban life.

The first part of this paper presents a thirty-year summary of trends in residential segregation in major metropolitan areas in the United States. A familiar story to many, it updates the results presented in *American Apartheid: Segregation and the Making of the Underclass*⁶ and compares the segregation of African Americans to that of Asian and Hispanic Americans. The second part of this paper briefly outlines changes in segregation the author anticipates from Census 2000. The paper then moves to an explication of the main argument that segregation limits the possibilities for wealth and property accumulation for all segregated people, not only the poorest. It concludes by briefly commenting on

2. See Craig St. John & Tamara Heald-Moore, *Fear of Black Strangers*, 24 SOC. SCI. RES. 262, 262-80 (1995).

3. See Hayward Derrick Horton et al., *Lost in the Storm: The Sociology of the Black Working Class, 1850 to 1990*, 65 AM. SOC. REV. 128, 128-37 (2000).

4. See ORLANDO PATTERSON, *THE ORDEAL OF INTEGRATION: PROGRESS AND RESENTMENT IN AMERICA'S "RACIAL" CRISIS* (1997).

5. See STEPHAN THERNSTROM & ABIGAIL THERNSTROM, *AMERICA IN BLACK AND WHITE: ONE NATION, INDIVISIBLE* (1997).

6. See MASSEY & DENTON, *supra* note 1.

limited sources of optimism for future change in segregation and race or ethnic inequality more generally.

I. OVERVIEW OF RESIDENTIAL SEGREGATION IN THE LAST THIRTY YEARS

Research on patterns of residential segregation based on the censuses of 1970, 1980 and 1990 is unanimous in one conclusion: African Americans are the most residentially segregated group in the United States, followed by Latinos and Asians, respectively. This conclusion holds up across studies, regardless of whether we measure segregation from non-Hispanic whites (the dominant group numerically) or segregation from all racial and ethnic groups other than the particular group being measured. Table One quantifies this statement, showing trends in segregation for blacks, Hispanics and Asians in five large U.S. metro areas for each of the last three censuses.⁷ For example, in San Francisco, segregation of African Americans fell eight points between 1970 and 1980 and another five points between 1980 and 1990, but their segregation in 1990 is still in what is normally considered the “high” range of segregation scores.⁸ In contrast, due to increased immigration, the segregation of Hispanics in San Francisco increased fifteen points, but it started from a much lower initial level and remained at a moderate level. Though also experiencing extensive immigration, the segregation of Asians declined significantly between 1970 and 1990. The difference between the Hispanic and Asian segregation patterns reflects the different economic status of the two groups.

Even when more than five metropolitan areas are examined, the general pattern remains the same. Reynolds Farley and William H. Frey looked at all metropolitan areas and found “a pervasive pattern of modest declines” but the same racial differences.⁹ Black segregation fell from sixty-nine to sixty-four and declined in 194 of the 232 metropolitan areas they studied, while the average segregation of both Hispanic and Asian groups rose slightly between 1980 and 1990, from forty-two to forty-three for Hispanics and forty-one to forty-three for Asians.¹⁰ Such increases are undoubtedly due to the large immigrant population among these groups, because newcomers often initially settle near members of their own group. But the fact remains that African Americans are much more segregated than either of these groups. In 1980, Douglas Massey and the author called the extreme pattern of segregation for African Americans

7. See Table 1, *infra*.

8. Segregation scores above 60 are considered “high,” those between 30 and 60 “moderate,” and those below 30 “low.” See NATHAN KANTROWITZ, *ETHNIC AND RACIAL SEGREGATION IN THE NEW YORK METROPOLIS: RESIDENTIAL PATTERNS AMONG WHITE ETHNIC GROUPS, BLACKS, AND PUERTO RICANS* (1973).

9. Reynolds Farley & William H. Frey, *Changes in the Segregation of Whites from Blacks During the 1980s: Small Steps Toward a More Integrated Society*, 59 AM. SOC. REV. 23, 30 (1994).

10. See *id.* at 30-31.

“hypersegregation,”¹¹ and further research with 1990 data shows that hypersegregation has not abated for African Americans.¹² Taken together, the results from these research studies point to substantial differences in residential segregation across groups but relative persistence of a particular group’s segregation over time.

Because this paper’s main argument is that segregation affects those who are not at the very bottom of the income distribution, it is important to know if and how much segregation decreases as income increases. Research on this point is unanimous. High levels of segregation persist across the entire income distribution for African Americans in 1990¹³ as they did in 1980,¹⁴ while segregation declines more sharply as income increases for Asians and Hispanics. Panel A of Table Two illustrates the 1990 changes in segregation in relation to increased income of African Americans, Hispanics and Asians.¹⁵ Clearly, African American segregation is higher than Asian or Hispanic segregation at all income levels.¹⁶ But more importantly, black segregation falls most between the lowest and next lowest income categories, namely between the poor and the lower middle class, but remains relatively constant for all incomes above that. In contrast, the levels of Hispanic and Asian segregation decline monotonically, indicating that moving up the class structure yields gains in integration. The implications of this pattern are particularly important: once out of the very bottom of the income distribution, African Americans face a situation where their residential opportunities are stagnant, whereas Asians and Hispanics see continual gains in residential integration (and presumably corresponding increases in neighborhood-linked opportunities for wealth accumulation) at each step of the income ladder. As a result, the American ideology of “working one’s way up” is much more available to Hispanics and Asians than African Americans.

11. See Douglas S. Massey & Nancy A. Denton, *Hypersegregation in U.S. Metropolitan Areas: Black and Hispanic Segregation Along Five Dimensions*, 26 DEMOGRAPHY 373, 373-91 (1989).

12. See Nancy A. Denton, *Are African Americans Still Hypersegregated?*, in RESIDENTIAL APARTHEID: THE AMERICAN LEGACY, 49-81 (Robert D. Bullard et al. eds., 1994).

13. See Douglas S. Massey & Mary J. Fischer, *Does Rising Income Bring Integration? New Results for Blacks, Hispanics, and Asians in 1990*, 28 SOC. SCI. RES. 316, 316-26 (1999).

14. See Nancy A. Denton & Douglas S. Massey, *Residential Segregation of Blacks, Hispanics, and Asians by Socioeconomic Status and Generation*, 69 SOC. SCI. Q. 797, 797-817 (1988).

15. See Table 2, *infra*.

16. See *id.* Other research indicates that higher status blacks have more opportunity to interact with whites of the same status in their neighborhoods than do lower status blacks, a finding which has important implications for interaction. See Craig St. John & Robert Clymer, *Racial Residential Segregation by Level of Socioeconomic Status*, 81 SOC. SCI. Q. 701, 701-15 (2000). However, they still do not live in the neighborhoods where higher status whites live and therefore miss out on neighborhood benefits. See Richard D. Alba et al., *How Segregated Are Middle-Class African Americans?*, 47 SOCIAL PROBLEMS 543-58 (2000).

The results just discussed are for all metropolitan areas, but spatial assimilation often involves suburbanization. Panels B and C of Table Two illustrate the segregation of blacks, Hispanics and Asians computed for central cities and suburbs separately. This pattern of segregation persists for all metropolitan areas, though at different levels. At all income levels, segregation is higher in central cities than suburbs, and above the lowest income category, segregation declines associated with income gains are most evident for Hispanics and not present for African Americans. Although segregation is uniformly lower in the suburbs for all groups and all income categories, in both places the highest income blacks are more segregated than the lowest income Hispanics. Compared to poor Asians, the highest income blacks are more segregated in cities but about two points less segregated in suburbs. If one of the benefits of rising income is the ability to buy a better home in a better neighborhood,¹⁷ then even if segregation is lower in the suburbs, people of color may still lose neighborhood assets relative to whites of similar incomes. Massey and Fischer found that these contrasts are less pronounced in the South and West than in the Northeast and Midwest. They summarize their results:

Contrary to assertions by the Thernstroms and Patterson, therefore, racial segregation and suburbanization are not simply matters of class. Whereas upper middle class and affluent Hispanic and Asian families routinely achieve moderate levels of segregation, even within central cities, affluent blacks barely make it into the moderate range, even in suburbs, and only within the South and West.¹⁸

In summary, although declines in segregation between 1980 and 1990 are widespread, they are largest in metropolitan areas with fewer African Americans, growing metropolitan areas, new metropolitan areas, and multiethnic metropolitan areas. This is the same pattern found between 1970 and 1980. Segregation of Hispanics and Asians is lower, although it has increased in many metropolitan areas, largely because of their high levels of immigration. The most recent research on segregation by income mirrors that of the past: income is a more important determinant of neighborhood location for Asians and Hispanics than for African Americans.

II. OUTLOOK FOR SEGREGATION MEASURES FROM THE 2000 CENSUS

Given that the patterns of segregation set forth above did not show dramatic changes, it is important to consider what the latest census will show. Where (or whether) to expect change in segregation from the 2000 Census data is best predicted from where the greatest changes were seen in recent decades. Farley and Frey summarize part of the situation in 1990:

The [twenty-five] percent of metropolitan areas with the largest decreases in segregation in the 1980-1990 decade had the lowest average

17. See Alba et al., *supra* note 16.

18. Massey & Fischer, *supra* note 13, at 321.

percent black, exhibited the highest average annual growth rate for blacks over the 1980s, and the highest average annual growth rate in mean household income of blacks, suggesting that segregation may remain low in these areas.¹⁹

In addition, they identify two other sources of change associated with declines in segregation: increases in new immigrants and overall metropolitan population growth.

Table Three presents the percentage of foreign-born individuals in 1990 and 1997, as well as the percentage choosing these metropolitan areas as their intended residence in 1997 for the five metropolitan areas examined above.²⁰ Clearly, these areas are still attracting immigrants and their foreign-born population continues to grow. About one-third of the immigrants admitted to the United States in 1997 indicated these metropolitan areas as their choice of residence. During the first seven years of the last decade, all metropolitan areas experienced increases in their foreign-born population. Miami's increase was the largest, rising five percentage points. The percentage of the metropolitan area's foreign-born population in 1997 ranges from a high of nearly forty percent in Miami to a low of thirteen percent in Chicago. New York and San Francisco have approximately twenty percent and Los Angeles about thirty percent. If segregation decreased more in multi-ethnic metropolitan areas in the 1990s, as it did in the 1980s,²¹ further declines in segregation will most likely occur in these places.²²

Population growth is another factor associated with changes in segregation. Table Four depicts estimated population growth for five slow-growing metropolitan areas and for the five immigrant metropolitan areas examined above.²³ Older metropolitan areas in the Northeast and Midwest, such as Buffalo, Cleveland, Detroit, Milwaukee, and Pittsburgh, saw their populations grow only slightly during the 1990s.²⁴ These are highly segregated metropolitan areas and all were hypersegregated in 1980 through 1990. If migration patterns detected in the previous decade persisted through the 1990s, these areas will see a further decline in their white populations,²⁵ and it is unlikely that their segregation will decline appreciably. This will be particularly true if blacks are less likely to migrate from these areas to those with greater opportunity.²⁶

19. Farley & Frey, *supra* note 9, at 41.

20. See Table 3, *infra*.

21. See William H. Frey & Reynolds Farley, *Latino, Asian, and Black Segregation in U.S. Metropolitan Areas: Are Multi-ethnic Metros Different?*, 33 DEMOGRAPHY 35, 35-50 (1996).

22. Author's calculations from INS and census bureau web pages.

23. See Table 4, *infra*.

24. See *id.*; see also Census Bureau web site, at <http://www.census.gov/>.

25. See William H. Frey, *The New Geography of Population Shifts: Trends Toward Balkanization*, in STATE OF THE UNION: AMERICA IN THE 1990s, VOLUME TWO: SOCIAL TRENDS (Reynolds Farley ed., 1995).

26. See Jeffrey A. Burr et al., *Migration and Metropolitan Opportunity Structures: A*

In addition to population growth and immigration, two other factors associated with changes in segregation between 1980 and 1990 will likely play a similar role in the 1990 to 2000 period. In the 1980's segregation increased in retirement communities,²⁷ and, with the aging of the baby boom population, this effect will continue and possibly intensify. At the same time, segregation was lower in metropolitan areas with a large military presence,²⁸ such as Norfolk and San Diego. Because there is little reason to expect a dramatic increase in the military or its expansion into more areas, the effects of the military on segregation will probably remain about the same in 2000 as they were in 1990.

In short, little in the demographic estimates of current population trends suggests that the pattern of changes in segregation witnessed in the past will change when the results from the 2000 Census are available.²⁹ The dynamic, growing multi-ethnic metropolitan areas as well as those with small black populations, will continue to see their segregation decline, while older metropolitan areas with large black populations will not. Unless there is an unanticipated migration of minorities, especially African Americans, from these areas, a large proportion of the minority population in the United States will continue to live in areas in which their routes to the acquisition of property and wealth are blocked. This fact increases the importance of the question of how segregation operates to limit property and wealth acquisition.

III. HOW DOES SEGREGATION LIMIT ACCESS TO WEALTH AND PROPERTY?

Through what mechanisms does the segregation just described limit opportunities for ownership of wealth and property? Though many discussions of segregation focus on the issues of group preferences, individual attitudes, and personal identity, the focus here is on the concrete asset and wealth implications of segregation. The three major routes to wealth and property acquisition—individual accumulation, appreciation, and inheritance—will each be discussed.

Residential segregation limits individual accumulation of human capital via education and the job market. Anyone who regularly reads a metropolitan newspaper is routinely treated to articles about failing schools and low student achievement. In nearly every case these schools are located either in segregated inner city areas, or in suburban areas with large minority populations. Research also shows that living in segregated neighborhoods negatively affects student performance.³⁰ For example, Yongmin Sun found measures of community socioeconomic status to be associated with eighth grade performance in a variety

Demographic Response to Racial Inequality, 21 SOC. SCI. RES. 380, 380-405 (1992).

27. See Frey & Farley, *supra* note 21.

28. See *id.*

29. As this Article is being written, Census 2000 data are just beginning to be released. The Lewis Mumford Center at SUNY Albany is putting up segregation scores for metropolitan areas and their center cities and suburbs. The web site is <http://www.albany.edu/mumford/census/>.

30. See, e.g., Yongmin Sun, *The Contextual Effects of Community Social Capital on Academic Performance*, 28 SOC. SCI. RES. 403, 403-426 (1999).

of subjects.³¹ James Ainsworth-Darnell reached similar conclusions.³² April Pattavina found similar effects for children in all grades, while controlling for community socio-economic status and school violence.³³ In addition to its effects on educational performance and the school environment, segregation also negatively affects the chances of completing a college education because it limits home value, the asset that has the largest positive impact on college completion rates.³⁴ To the extent that people with more and higher quality education have better paying jobs, segregation limits earning opportunities.³⁵ In addition, segregated neighborhoods often lack access to job networks³⁶ and transportation to available jobs.³⁷ Conley concludes that “the value of a family’s home positively affects how much offspring work when they become adults, suggesting support for spatial (neighborhood) dynamics.”³⁸ By preventing residents of segregated neighborhoods from obtaining high quality educations and jobs, segregation imposes limits on how much wealth and property they can amass as a result of their own efforts, a facet overlooked in a focus on “endowments” and “returns to endowments.”³⁹

Segregation also works to limit people’s accumulation of wealth through asset appreciation, particularly that of houses and businesses. Especially for the middle and lower middle classes, home appreciation is a large component of wealth.⁴⁰ Of course, to realize gains from housing appreciation, one must first

31. *See id.*

32. *See* James W. Ainsworth Darnell, *Does It Take a Village? How Neighborhood Context Affects School Performance Across Racial Groups* (1999) (unpublished Ph.D. dissertation, The Ohio State University) (on file with author).

33. *See* April Pattavina, *The Influence of Community Violence on Child Development in an Urban Setting*, 7 RES. POL. & SOC. 163, 163-82 (1999).

34. *See* DALTON CONLEY, BEING BLACK, LIVING IN THE RED: RACE, WEALTH AND SOCIAL POLICY IN AMERICA 74 (1999).

35. *See* Douglas S. Massey & Kumiko Shibuya, *Unraveling the Tangle of Pathology: The Effect of Spatially Concentrated Joblessness on the Well-Being of African Americans*, 24 SOC. SCI. RES. 352, 352-66 (1995).

36. *See* James R. Elliot, *Social Isolation and Labor Market Insulation: Network and Neighborhood Effects on Less-Educated Urban Workers*, 40 SOC. Q. 199, 199-216 (1999).

37. *See* Stuart A. Gabriel & Stuart S. Rosenthal, *Commutes, Neighborhood Effects, and Earnings: An Analysis of Racial Discrimination and Compensating Differentials*, 40 J. URB. ECON. 61, 61-83 (1996).

38. CONLEY, *supra* note 34, at 102 fig. 4.5 (alteration in original).

39. Thomas A. DiPrete, *Discrimination, Choice, and Group Inequality: A Discussion of How Allocative and Choice-Based Processes Complicate the Standard Decomposition*, 22 SOC. SCI. RES. 415, 415-40 (1993).

40. *See* Thomas M. Holloway, *The Role of Homeownership and Home Price Appreciation in the Accumulation and Distribution of Household Sector Wealth*, 26 BUS. ECON. 38 (1991); Oliver and Shapiro estimate that homes account for about forty-three percent of whites assets and sixty-three percent of black’s assets. *See* MELVIN L. OLIVER & THOMAS M. SHAPIRO, BLACK WEALTH/WHITE WEALTH: A NEW PERSPECTIVE ON RACIAL INEQUITY 106 (1997); *see also* Miriam

own a house. Though home ownership rates are at an all time high, whites are still far more likely to be homeowners than other groups. In 1998, 72.6% of whites owned their own homes, as compared to only 46.1% of blacks and 44.7% of Hispanics. Just over half of persons of "other races," 53.7%, owned homes, a category that includes Asians and Native Americans.⁴¹ Even among homeowners, however, African Americans consistently own homes of lower value, regardless of their socioeconomic status and household structure.⁴² As discussed, Oliver and Shapiro estimate that the current generation of African Americans lost out on \$82 billion in wealth accumulation through home ownership, with lack of appreciation in housing value accounting for seventy-one percent (\$58 billion) of that loss.⁴³ Though no studies specifically make such estimates for Hispanics or Asians, it is likely that they lose less than blacks but do not gain as much as whites.

This author's own current work is looking at housing appreciation at the neighborhood level. If we consider the median value of a home in the neighborhood to reflect both structural value (bricks and mortar) and the location of the house with respect to schools, jobs, and other amenities, then by comparing housing values and housing value change in more and less segregated neighborhoods, we can begin to see the effect of segregation on housing values. Together with several of my colleagues, I have been seeking to understand this phenomenon in Washington, D.C. Though the work is not yet complete, our initial findings reveal that both blacks and whites are penalized for living in neighborhoods that are more heavily black. The housing values shown in Table Five reveal a substantial penalty associated with living in predominately black neighborhoods, regardless of one's race.⁴⁴ Changes in housing values (appreciation) from 1980-1990 (data not shown) reveal a similar pattern. These results corroborate the conclusions of David Harris, who found that units lose approximately sixteen percent of their value when neighborhood composition increases from less than ten percent black to between ten percent and sixty percent black, and they lose forty-six percent of their value if the neighborhood's black population rises above sixty percent.⁴⁵ These results vary significantly by region, following the same pattern as the declines in segregation discussed above.

Western housing loses no more than 33% of its value when located in neighborhoods that are more than 10% black. By contrast, reductions in

Wasserman, *Appreciating the House*, 8 REG. REV. 20 (1998).

41. See George S. Masnick et al., *A Critical Look at Rising Home Ownership Rates in the United States Since 1994* (unpublished working paper) (on file with author).

42. Hayward Derrick Horton & Melvin E. Thomas, *Race, Class, and Family Structure: Differences in Housing Values for Black and White Homeowners*, 68 SOC. INQ. 114, 114-36 (1998).

43. See OLIVER & SHAPIRO, *supra* note 40, at 151.

44. See Table 5, *infra*.

45. See David R. Harris, "Property Values Drop When Blacks Move In, Because . . .": *Racial and Socioeconomic Determinants of Neighborhood Desirability*, 64 AM. SOC. REV. 461, 461-79 (1999).

annual costs are as much as 40% in the South, 52% in the Midwest and 70% in the Northeast for dwellings located in neighborhoods that are more than 10% black.⁴⁶

In one sense, it is important not to overinterpret these data by assigning a causal role to racial composition. As Harris shows, the effects of a neighborhood's black population disappear when one controls for poverty, unemployment, and lack of college education, indicating that the association between housing value and black population reflects the fact that people prefer affluent, well-educated neighbors; these traits that are currently more prevalent in the white than black population.⁴⁷ At the same time, the implied financial losses to individuals remain unchanged, regardless of whether people are responding to the race or the socioeconomic status of their potential neighbors.

Another way to accumulate wealth is through self employment and business ownership. A recent article by Douglas Massey and Mary Fischer documents the effects of segregation on the probability of business ownership.⁴⁸ They found that, to a point, segregation helps by providing a concentrated consumer base, but, if it gets too high, it becomes a hindrance; this is the situation in which African Americans, more than Asians or Hispanics, are likely to find themselves.⁴⁹ Although there is no available research that documents the specific effects of segregation on business appreciation, the lower net proceeds of those serving segregated markets strongly suggests the negative impact of segregation because the value of a business is a function of its earnings. When considered in conjunction with the lower disposable income of many non-white groups, it is hardly surprising that segregation limits the ability to establish businesses and accumulate wealth through business ownership.

Finally, segregation limits people's ability to acquire wealth and property via inheritance and inter-vivos transfers. Research shows that whites are much more likely to receive parental help with the down payment on a home than blacks.⁵⁰ To the extent that segregation blocks pathways to human capital accumulation and appreciation of assets, logic dictates that there are fewer assets to be inherited by the next generation. Living in segregated neighborhoods thus constrains a group's average class standing, which, in turn, limits estate size. Both of these phenomena are both reflected in the lower net worth of the most segregated group, African Americans.⁵¹

46. *Id.* at 472.

47. *See id.*

48. *See* Mary J. Fischer & Douglas S. Massey, *Residential Segregation and Ethnic Enterprise in U.S. Metropolitan Areas*, 47 SOC. PROBS. 408, 408-24 (2000).

49. *See id.*

50. *See* Paul L. Menchik & Nancy Ammon Jianakoplos, *Black-White Wealth Inequality: Is Inheritance the Reason?*, 35 ECON. INQ. 428, 428-42 (1997); Moira Munro, *Housing Wealth and Inheritance* 17 J. SOC. POL'Y 417 (1988).

51. *See* Kenneth C. Land & Stephen T. Russell, *Wealth Accumulation Across the Adult Life Course: Stability and Change in Sociodemographic Covariate Structures of Net Worth Data in*

In short, there are a wide variety of mechanisms through which segregated neighborhoods can negatively affect people's ability to acquire wealth and property. All of these are properly thought of as characteristics of the neighborhood and, as Kathleen Engel has pointed out, people who live in segregated neighborhoods are deprived of intangible community benefits, a fact that traditional remedies for housing discrimination do not address.⁵² Though this discussion has touched on several mechanisms by which segregation impacts wealth accumulation, more research into the details of how they work and the magnitude of their effects is needed.

CONCLUSION

Current trends in segregation and how it links wealth and property accumulation does not bode well for the reduction of inequality. Segregated persons of color experience negative effects from their segregation even if they are able, at an individual or family level, to avoid the crime, drugs, and other social problems too often found in the most segregated neighborhoods. Lower levels of segregation in multi-ethnic metropolitan areas and increasing neighborhood integration (though with small proportions of minorities) in many metropolitan areas, which will no doubt be prominent findings from the 2000 Census, offer only small grounds for optimism, because they will affect only a small proportion of the metropolitan black, Hispanic and Asian populations. Those who remain in highly segregated cities and highly segregated neighborhoods will continue to lose with respect to their ability to acquire wealth and property, their children's acquisition of needed human capital to achieve high earnings, and the appreciation of the investments which comprise their estates. Until neighborhood racial composition, particularly black racial composition, ceases to signal low demand for housing and amenities in the larger housing market, all who live in segregated neighborhoods, regardless of their race, will be restricted in their access to the means of property and wealth accumulation. However, because by definition, those who live in highly segregated non-white neighborhoods are not white, the burden of segregation will continue to fall not on whites, but on non-whites.

the Survey of Income and Program Participation, 1984-1991, 25 SOC. SCI. RES. 423, 423-62 (1996).

52. See Kathleen C. Engel, *Moving up the Residential Hierarchy: A New Remedy for an Old Injury Arising from Housing Discrimination*, 77 WASH. U. L.Q. 1153 (1999).

Table 1. Trends in the Residential Segregation of African Americans, Hispanics and Asians in Five Major Metropolitan Areas, 1970-1990.

Blacks	1970	1980	1990
Chicago	91.9	87.8	85.8
Los Angeles	91.0	81.1	73.1
Miami	85.1	77.8	71.8
New York	81.0	82.0	82.2
San Francisco	80.1	71.7	66.8
Hispanics			
Chicago	58.4	63.5	63.2
Los Angeles	46.8	57.0	61.1
Miami	50.4	51.9	50.3
New York	64.9	65.6	65.8
San Francisco	34.7	40.2	49.8
Asians			
Chicago	55.8	43.9	43.2
Los Angeles	53.1	43.1	46.3
Miami	39.2	29.8	26.3
New York	56.1	48.1	48.4
San Francisco	48.6	44.4	38.5

Table 2. Segregation of Blacks, Hispanics, and Asians by Income and by Central City and Suburbs, 1990.

Panel A			
Average	Black	Hispanic	Asian
\$0-14,999	72.3	58.1	59.8
\$15-34,999	65.7	50.1	49.7
\$35-49,999	64.7	46.3	49.0
\$50+	62.2	39.7	44.2
Panel B			
Central City			
\$0-14,999	74.5	59.5	57.0
\$15-34,999	68.1	51.4	48.0
\$35-49,999	68.1	47.2	48.8
\$50+	67.5	40.6	45.0
Panel C			
Suburbs			
\$0-14,999	64.3	53.3	58.7
\$15-34,999	58.9	46.6	48.5
\$35-49,999	59.1	44.3	48.1
\$50+	56.7	38.2	43.2

Table 3. Percentage of the Population Foreign-Born in 1990 and 1997 and Percentage of Immigrants Admitted in 1997 Choosing Metropolitan Area as Intended Residence.

Metropolitan Area	% Foreign Born in 1990	% Foreign Born in 1997	Intended Residence in 1997
Chicago	11.3	13.0	4.4
Los Angeles	27.1	30.5	7.8
Miami	33.6	38.6	5.7
New York	19.6	22.8	13.5
San Francisco	20.0	20.8	2.1

Table 4. Estimated Percentage Increase in Metropolitan Populations, 1990-99.

Slow-Growing	% Increase	Immigrant Receiving	% Increase
Buffalo	-4.0	Chicago	+7.8
Cleveland	+1.9	Los Angeles	+10.7
Detroit	+5.4	Miami	+16.2
Milwaukee	+2.6	New York	+3.2
Pittsburgh	-2.7	San Francisco	+9.5

Table 5. Average 1990 Median Home Value (in thousands) of Homes Owned by Blacks and Whites by Percentage of Blacks in Neighborhood, 1980, Washington, D.C. Metropolitan Area.

	<5%	5-9%	10-19%	20-29%	30-39%	40-49%	50-59%	60-69%	70-79%	80-89%	90-100%
White	\$248	172	176	138	153	153	126	115	95	91	74
Black	\$219	146	145	131	120	109	118	109	96	90	83