

RESEARCH BRIEF | JANUARY 2015

# Race and Neighborhoods in the 21st Century

In a recent study, NYU Furman Center researchers set out to describe current patterns of residential racial segregation in the United States and analyze their implications for racial and ethnic disparities in neighborhood environments. We show that 21st Century housing segregation patterns are not that different from those of the last century. Although segregation levels between blacks and whites have declined nationwide over the past several decades, they still remain quite high. Meanwhile, Hispanic and Asian segregation levels have remained relatively unchanged. Further, our findings show that the neighborhood environments of blacks and Hispanics remain very different from those of whites and these gaps are amplified in more segregated metropolitan areas. Black and Hispanic households continue to live among more disadvantaged neighbors, to have access to lower performing schools, and to be exposed to more violent crime.

## 1. Metropolitan Area Segregation and Isolation Today

Researchers typically use two related but different metrics to measure an individual's experience of segregation: the dissimilarity index and the isolation index. The dissimilarity index measures the unevenness with which two different groups (e.g., whites and blacks) are distributed across

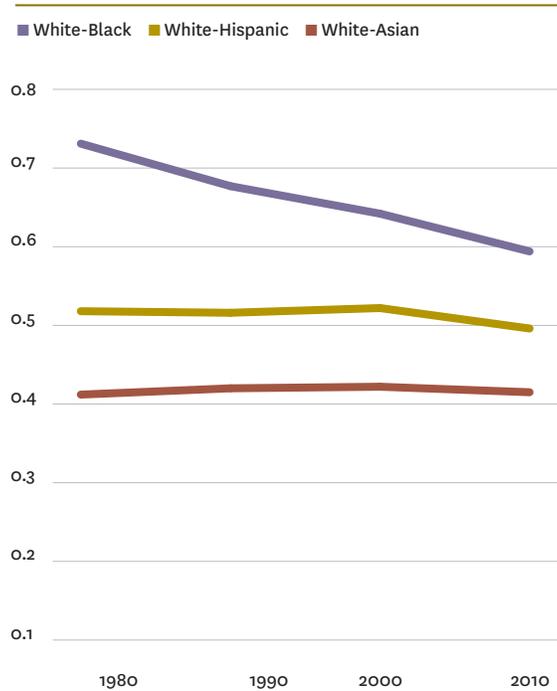
neighborhoods within a metropolitan area. Specifically, the dissimilarity index score shows the proportion of either group that would need to move in order to achieve a uniform distribution of the population across the metropolitan area. The isolation index measures the extent to which the average member of a group in a metropolitan area is exposed to members of her same group within her neighborhood. For example, the black isolation index in a metropolitan area indicates the percentage black in the typical neighborhood lived in by black residents. In our study, we use both measures to describe the trajectory of segregation in U.S. metropolitan areas between 1980 and 2010.

**a. Segregation has declined between white and black residents, but has remained relatively static for Hispanic and Asian residents.**

Figure A presents the level of white-black, white-Hispanic, and white-Asian segregation in U.S. metropolitan areas from 1980 to 2010, using the dissimilarity index.

Although white-black segregation steadily declined from 1980 to 2010, a high degree of segregation still existed in 2010, as Figure A shows. The steady decline in segregation observed for blacks is not mirrored for Hispanics and Asians. White-Hispanic segregation has shown only a slight drop and only in the most recent decade, while white-Asian segregation has been virtually constant.

**Figure A: Metropolitan area dissimilarity index, 1980–2010**



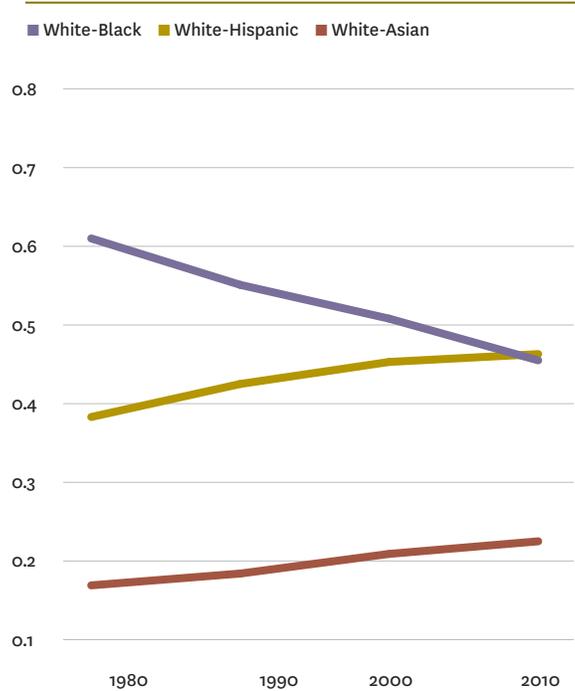
Sources: US2010 Project and NYU Furman

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**b. Isolation has declined for black residents, but has increased for Hispanics and Asians.**

Figure B shows the level of isolation, using the isolation index, of Hispanics, Asians, and blacks from 1980 to 2010. Hispanics and Asians have become steadily more isolated since 1980, although the level of isolation remains much lower among Asians. The low level of Asian isolation is partially attributable to the small share of the overall population that is Asian. Blacks have meanwhile become steadily less isolated during this same time period (in part due to the growing diversity of the U.S. population and the shrinking share of the population that is black), and the level of isolation of Hispanics exceeded that of blacks for the first time in 2010.

**Figure B: Isolation Levels in Metropolitan Areas, 1980–2010**



Sources: US2010 Project and NYU Furman

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## 2. Racial Disparities in Neighborhood Conditions and the Effects of Segregation

Segregation is not inherently troubling. But segregation can have serious consequences for minorities if it leads to the creation of separate and unequal communities. Our research examines and compares some of the key characteristics of the neighborhoods where people of different races live. We consider the poverty and educational levels of neighborhood residents, local school quality, and violent crime, looking at both the neighborhood of the typical person of each race as well as how racial disparities in neighborhood environment vary across metropolitan areas with different levels of segregation. Overall, large racial gaps in neighborhood environments persist and are larger in more segregated metropolitan areas. (See Methodology and Notes for a more detailed explanation of how we calculate the characteristics of the typical neighborhoods lived in by people of different races.)

### **a. Whites live in lower-poverty neighborhoods than blacks and Hispanics; and, in more segregated metropolitan areas, racial gaps in exposure to poverty are wider.**

Although racial gaps in exposure to poverty declined somewhat between 1980 and 2010, the typical white person still found herself in a lower-poverty neighborhood in 2010 than the typical

black or Hispanic person. Notably, the level of metropolitan area segregation was positively associated with black-white and Hispanic-white gaps in exposure to neighborhood poverty, meaning that in metropolitan areas with higher levels of segregation, differences in exposure to poverty between whites and minorities were larger. While white-black and white-Hispanic gaps still existed in metropolitan areas with very low levels of segregation, they were far smaller in magnitude.

### **b. Whites live in neighborhoods with more college-educated residents than blacks and Hispanics; and, in more segregated metropolitan areas, racial gaps in exposure to college-educated neighbors are wider.**

In 2010, blacks and Hispanics lived in neighborhoods that had fewer college-educated residents than the neighborhoods where whites lived. While blacks and Hispanics both experienced an increase in the percentage of neighbors with a college degree between 1980 and 2010, whites enjoyed an even larger increase, and thus, the racial gaps widened.

Once again, minority-white gaps were larger in more segregated metropolitan areas. These results did not change even after considering other potential drivers that could account for this relationship, such as metropolitan area population, income, or the share of residents with a college degree. We also found mixed evidence that the negative relationship between segregation and exposure to college-educated neighbors became stronger (worsened) over time for both blacks and Hispanics.



**c. Whites live in neighborhoods with higher-performing public elementary schools than blacks and Hispanics; and, in more segregated metropolitan areas, racial gaps in school performance are wider.**

We only have information on school performance for 2008. In that year, the average white person lived in a neighborhood where the nearest elementary school ranked at the 58th percentile with respect to state passing rates on standardized tests (averaged across math and reading). In contrast, the average black person lived in a neighborhood where the elementary school ranked at the 37th percentile, resulting in a 22 percentage-point gap. The white-Hispanic gap is somewhat smaller at 16 percentage points. Further, blacks and Hispanics in more segregated areas lived near schools with significantly lower proficiency rates relative to whites in the same metropolitan area.

Higher poverty rates among minorities cannot explain these racial gaps in school performance. For example, the white-black gap is so large that the average poor white person lived near a school with a higher ranking than the average non-poor black person. When we restrict the analysis to include only households with children (rather than the full population), the white-black and white-Hispanic gaps are even more pronounced.

**d. Whites live in neighborhoods with lower violent crime rates than blacks and Hispanics; and, in more segregated metropolitan areas, racial gaps in exposure to violent crime are wider.**

We only have information on crime for 2000 and for a selected pool of central cities in metropolitan areas. Based on these data, we find large white-black and white-Hispanic gaps in the exposure to violent crime, about a third of which could be explained by differences in poverty. While the average white person lived in a neighborhood with a violent crime rate at the 37th percentile in her city, the average black person and average Hispanic person lived in a tract with a violent crime rate at the 66th and 58th percentile, respectively, resulting in racial gaps of 29 percentage points for blacks and 21 percentage points for Hispanics.

Even after controlling for differences in poverty, large gaps remain in the exposure to violent crime. Indeed, the average poor white person in the year 2000 lived in a neighborhood with a lower violent crime rate than the average non-poor black person. After controlling for other metropolitan area characteristics, we still find that blacks and Hispanics in more segregated metropolitan areas were exposed to significantly more violent crime in their neighborhoods relative to whites in the same metropolitan area.



### 3. Conclusion

Despite some reductions in residential segregation levels, neighborhood environments of blacks and Hispanics continued to be unequal to those of whites in 2010. Black and Hispanics continued to live among more disadvantaged neighbors even after controlling for racial differences in poverty, to have access to lower performing schools, and to be exposed to higher levels of violent crime. Further, these differences are amplified in more segregated metropolitan areas. Segregation in the 21st century, in other words, continues to result not only in separate but also in decidedly unequal communities.

Our first set of neighborhood indicators that capture the socioeconomic status of residents is drawn from census data. In addition to these census measures, we consider two key neighborhood attributes often noted as important by researchers but rarely examined due to data limitations: the performance of elementary schools and safety levels. For information on school performance, we rely on data from the Department of Education (DOE) that report the proficiency rates in math and English for students in all public schools in the country for the 2008-2009 school year. For crime, we use data from the National Neighborhood Crime Study, a nationally representative sample of crime data for 9,583 census tracts in 91 U.S. cities, collected by Peterson and Krivo (2000).

### 4. Methodology and Notes

The research underlying this report relies on a variety of different data sources to capture neighborhood conditions and environment. We use census tracts to proxy for neighborhoods.

We calculate weighted averages of all these neighborhood attributes to capture the characteristics of the typical neighborhoods lived in by people of different races. Specifically, we construct exposure indices, which weight the neighborhood attribute by the actual share of people of a given race in the neighborhood, resulting in a weighted average of the conditions faced by people in that group.

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*The complete working paper, titled, “Race and neighborhoods in the 21st century: What does segregation mean today?,” by authors Jorge De la Roca, Ingrid Gould Ellen, and Katherine M. O’Regan, is available at [furmancenter.org](http://furmancenter.org). Also forthcoming in “Regional Science and Urban Economics.”*

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**The NYU Furman Center** advances research and debate on housing, neighborhoods, and urban policy. Established in 1995, it is a joint center of the New York University School of Law and the Wagner Graduate School of Public Service. More information about the Furman Center can be found at [www.furmancenter.org](http://www.furmancenter.org).