

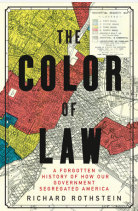
First & Last Name: _____

Excerpt 3: *The Color of Law: Creating Racially Segregated Communities*

Excerpt #3 by Richard Rothstein

Directions:

- ☐ Within your groups, read and annotate this excerpt, looking for evidence for why segregation or inequality persists in America. .
- ☐ Be prepared to share five unvarnished truths with the class.

**Annotate for:
ARGUMENT ON THE WEALTH GAP**

How did practices such as the ones adopted by landlords during rent freezes contribute to poverty and inequality?

These inequities [of segregated housing] were exacerbated during World War II and its aftermath, when the Office of Price Administration froze rents nationwide. Without violating regulations, landlords subdivided apartments in already-crowded urban areas and then charged more. These higher costs accumulated throughout the twentieth century, making it more difficult for African Americans, even with stable employment, to save. Reduced savings made it less likely they could afford even modest down payments for houses in middle-class neighborhoods—were such homes made available to them.

By the time the federal government finally decided to allow African Americans into the suburbs, the window of opportunity for an integrated nation had mostly closed. In 1948, for example, Levittown homes sold for about \$8,000, or about \$75,000 in today's dollars. Now, properties in Levittown without major remodeling (i.e., one-bath houses) sell for \$350,000 and up. White working-class families who bought those homes in 1948 have gained, over three generations, more than \$200,000 in wealth.

Most African American families—who were denied the opportunity to buy into Levittown or into the thousands of subdivisions like it across the country—remained renters, often in depressed neighborhoods, and gained no equity. Others bought into less-desirable neighborhoods. Vince Mereday, who helped build Levittown but was prohibited from living there, bought a home in the nearby, almost all-black suburb of Lakeview. It remains 74 percent African American today. His relatives can't say precisely what he paid for his Lakeview house in 1948, but with Levittown being the least expensive, best bargain of the time, it was probably no less than the \$75,000 he would have paid in Levittown. Although white suburban borrowers could obtain VA mortgages with no down payments, Vince Mereday could not because he was African American. He would have had to make a down payment, probably about 20 percent, or \$15,000.

How did the initial lack of access to suburban homes hinder African Americans' access to better housing in the long term?

Why do working class African Americans hold less wealth than whites today?

In your opinion, of the reasons listed for why residential segregation is hard to undo, what is the hardest obstacle for people to

One-bath homes in Lakeview currently sell for \$90,000 to \$120,000. At most, the Mereday family gained \$45,000 in equity appreciation over three generations, perhaps 20 percent of the wealth gained by white veterans in Levittown. Making matters worse, it was lower-middle-class African American communities like Lakeview that mortgage brokers targeted for subprime lending during the pre-2008 housing bubble, leaving many more African American families subject to default and foreclosure than economically similar white families.

Seventy years ago, many working- and lower-middle-class African American families could have afforded suburban single-family homes that cost about \$75,000 (in today's currency) with no down payment. Millions of whites did so. But working- and lower-middle-class African American families cannot now buy homes for \$350,000 and more with down payments of 20 percent, \$70,000.

The Fair Housing Act of 1968 prohibited future discrimination, but it was not primarily discrimination (although this still contributed) that kept African Americans out of most white suburbs after the law was passed. It was primarily *unaffordability*. The right that was unconstitutionally denied to African Americans in the late 1940s cannot be restored by passing a Fair Housing law that tells their descendants they can now buy homes in the suburbs, if only they can afford it. The advantage that FHA and VA loans gave the white lower- middle-class in the 1940s and '50s has become permanent.

Yet unlike the progress we anticipated from other civil rights laws, we shouldn't have expected much to happen from a Fair Housing Act that allowed African Americans now to resettle in a white suburb. Moving from an urban apartment to a suburban home is incomparably more difficult than registering to vote, applying for a job, changing seats on a bus, sitting down in a restaurant, or even attending a neighborhood school.

Residential segregation is hard to undo for several reasons:

- Parents' economic status is commonly replicated in the next generation, so once the government prevented African Americans from fully participating in the mid-twentieth-century free labor market, depressed incomes became, for many, a multigenerational trait.
- The value of white working- and middle-class families' suburban housing appreciated substantially over the years, resulting in vast wealth differences between whites and blacks that helped to permanently define our racial living arrangements. Because

overcome?	parents can bequeath assets to their children, the racial wealth gap is even more persistent down through the generations than income differences. • We waited too long to try to undo it. By the time labor market discrimination abated sufficiently for substantial numbers of African Americans to reach for the middle class, homes outside urban black neighborhoods had mostly become unaffordable for working- and lower-middle-class families. • Once segregation was established, seemingly race-neutral policies reinforced it to make remedies even more difficult. Perhaps most pernicious has been the federal tax code's mortgage interest deduction, which increased the subsidies to higher-income suburban homeowners while providing no corresponding tax benefit for renters. Because <i>de jure</i> policies of segregation ensured that whites would more likely be owners and African Americans more likely be renters, the tax code contributes to making African Americans and whites less equal, despite the code's purportedly nonracial provisions. • Contemporary federal, state, and local programs have reinforced residential segregation rather than diminished it. Federal subsidies for low-income families' housing have been used mainly to support those families' ability to rent apartments in minority areas where economic opportunity is scarce, not in integrated neighborhoods. Likewise developers of low-income housing have used federal tax credits mostly to construct apartments in already-segregated neighborhoods. Even half a century after the government ceased to promote segregation explicitly, it continues to promote it implicitly, every year making remedial action more difficult.
What role did racism play in people's opinions of transportation policy?	We have invested heavily in highways to connect commuters to their downtown offices but comparatively little in buses, subways, and light rail to put suburban jobs within reach of urban African Americans and to reduce their isolation from the broader community. Although in many cases urban spurs of the interstate highway system were unconstitutionally routed to clear African Americans away from white neighborhoods and businesses, that was not the system's primary purpose, and the decision to invest limited transportation funds in highways rather than subways and buses has had a disparate impact on African Americans. Transportation policies that affected the African American population in Baltimore illustrate those followed throughout the country. Over four decades, successive proposals for rail lines or even a highway to connect African American neighborhoods to better opportunities have been scuttled because finances were short and building expressways to serve suburbanites was a

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How did limiting access to jobs for African Americans create inequality, whether it was done on purpose or as a side effect of other programs?	higher priority. Isolating African Americans was not the stated purpose of Maryland's transportation decisions, though there also may have been some racial motivation. In 1975, when Maryland proposed a rail line to connect suburban Anne Arundel County and downtown Baltimore, white suburbanites pressed their political leaders to oppose the plan, which they did. A review by Johns Hopkins University researchers concluded that the residents believed that the rail line "would enable poor, inner-city blacks to travel to the suburbs, steal residents' T.V.s and then return to their ghettos." Maryland's state transportation secretary stated that his office "would not force a transit line on an area that clearly does not want it," failing to explain how he balanced the desires of a white suburban area "that clearly does not want it" with the desires of urban African Americans who needed it.
Exit Ticket	1. What result did the government actions mentioned in the passage have on African American people and communities? 2. Identify FIVE unvarnished truths that your group will share out with the class

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