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Richard H. Sander

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RICHARD H. SANDER*

ABSTRACT

Thirty years after the Fair Housing Act, blacks remain highly segregated in most American cities. But segregation has changed in important ways, and the changes began in the 1970s, right after fair housing laws came into effect. This article looks closely at the ways that segregation changed during the 1970s, and builds and empirically tests a theory about these changes and the dynamics of modern black/white housing segregation. According to this theory, fair housing law produced significant reductions in housing discrimination but did not eliminate it, leaving it as an important factor influencing housing choices among blacks. In all urban areas, the range of black housing choices increased substantially in the 1970s, but in most cities the new mobility of blacks led only to an expansion of the old ghettos, as newly-integrated neighborhoods rapidly experienced

white fllight and resegregation. In some cities, though, black mobility produced stably-integrated neighborhoods and a sharp decline in segregation levels. The difference, the author argues, was due to the demographic characteristics of different urban areas. In two tests of this theory, regression analysis shows a close link between these demographic characteristics and both (a) changes in segregation during the 1970s, and (b) changes in the "dual" housing market. These findings suggest that fair housing strategies that take account of the metropolitan dynamics of neighborhood change are needed if the nation is to make further progress in reducing segregation.

I. INTRODUCTION

Analyses of black housing conditions over the past fifteen years have been consistently shaded with disappointment over the durability of segregation.[1] Following the civil rights achievements of the 1960s, culminating in the Fair Housing Act of 1968, there was much hope among activists and scholars alike that the extraordinary levels of black housing segregation prevailing in virtually all American cities from the 1920s through the 1960s might decline substantially in the 1970s. However, a series of reports published in the mid-1980s demonstrated what community observers already suspected: blacks continued to be extraordinarily segregated.[2] In the nation's fifteen largest metropolitan areas, which together contain nearly half of the nation's black population, the most widely used index of segregation fell only 5% between 1970 and 1980.[3] Early analyses of 1990 data suggest an even smaller decline during the 1980s.[4]

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1. *See infra* Table I. I imply here that integration is universally endorsed as a desirable goal. This, indeed, appears to be widely assumed by both academics and civil rights activists. *See generally* THE FAIR HOUSING ACT AFTER TWENTY YEARS (Robert G. Schwemm ed., 1989). However, even within the black community there are opponents of this view. *See* Wilhelmina A. Leigh & James D. McGhee, *A Minority Perspective on Residential Racial Integration, in* HOUSING DESEGREGATION AND FEDERAL POLICY 31 (John M. Goering ed., 1986). In Part III, I address the extent to which blacks and whites, in general, desire integration, and conclude that many more desire it than actually experience it.

2. *See* Douglas S. Massey & Nancy A. Denton, *Trends in the Residential Segregation of Blacks, Hispanics, and Asians: 1970-1980,* 52 AM. SOC. REV. 802, 823 (1987); Karl Taeuber, *Racial Residential Segregation, 1980, in* CITIZENS' COMMISSION ON CIVIL RIGHTS, A DECENT HOME: A REPORT ON THE CONTINUING FAILURE OF THE FEDERAL GOVERNMENT TO PROVIDE EQUAL HOUSING OPPORTUNITY app., at 1 (1983).

3. See 1991 STATISTICAL ABSTRACT OF THE UNITED STATES; Massey & Denton, *supra* note 2, at 814. The unit of analysis throughout this Article is the metropolitan area (for the most part following 1970 SMSA boundaries). However, for expositional purposes, the term "cities" will sometimes be used as a shorthand for "metropolitan areas."

4. The *Gannett* newspapers calculated indices of dissimilarity between blacks and non-Hispanic whites, by census tract, for 219 metropolitan areas using 1990 STF-1A data. *See* Patricia Edmonds, *Detroit: "The Face" of U.S. Segregation,* U.S.A. TODAY, Nov. 11, 1991, at 3A. Comparing their results with the generally accepted measures for 1980, suggests that the index of

Virtually lost amid this gloom are some striking signs of progress. The years after 1970 did witness, here and there, substantial drops in black segregation. In cities as diverse as San Antonio, Seattle, and Minneapolis, well over a third of the black residents were living in integrated neighborhoods by 1980. Indeed, there is good reason to believe that in over a dozen of the nation's one hundred largest cities, the ghettos are gradually melting away.[5]

These declines are of only modest significance on a national scale, since most of the cities with large declines in segregation have comparatively small black populations. But, they are of great importance from an analytical point of view, because they provide a rich opportunity to develop testable theories of the causes of segregation. If all cities are more or less uniformly segregated—as they were in 1960)—it is difficult to gainsay any plausible theory. Now, more rigorous tests are possible; a theory of segregation can be judged by its success in explaining how—and where—desegregation occurs.

Perhaps because segregation was homogenous for so long, the tendency of most segregation research was to describe and analyze, rather than to test overarching theories. Geographers studied patterns of ghetto expansion; sociologists surveyed public attitudes towards racial integration; demographers measured life cycles of migration; political scientists documented the origins of segregation in public housing; and economists modeled urban housing markets.[6]

Explanations for the persistence of segregation traditionally take one of two forms. The first and still the most common theory has placed the blame on the continuing high levels of discrimination.[7] It is argued that blacks strongly desire integration, but are excluded from white areas by systematic efforts of white institutions and individuals to keep blacks out of white areas. A second, less common view has been that segregation arises from the operation of black and white preferences in a free,

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dissimilarity declined only 2% during the 1980s in the fifteen MSAs with the largest black populations. The estimates are imprecise, because metropolitan boundaries changed in many areas, changing to some degree the areas covered, and because some census tract boundaries changed in almost all cities, slightly altering the unit of measurement.

5. Table I illustrates the sharp differences in segregation trends between what I will call "segregated" and "desegregating" cities.

6. *See* Richard Sander, Individual Rights and Demographic Realities: The Problem of Fair Housing (1990)(unpublished Ph.D. dissertation, Northwestern University)(on file with author).

7. *See* Joe T. Darden, *Choosing Neighbors and Neighborhoods: The Role of Race in Housing Preference, in* Divided Neighborhoods: Changing Patterns of Racial Segregation 15, 37 (Gary A. Tobin ed., 1987); Nancy A. Denton & Douglas S. Massey, *Patterns of Neighborhood Transition in a Multiethnic World: U.S. Metropolitan Areas 1970-1980,* 28 DEMOGRAPHY 41, 60 (1991); Gary A. Tobin, *Introduction: Housing Segregation in the 1980s, in* Divided Neighborhoods: Changing Patterns of Racial Segregation 8 (Gary A. Tobin ed., 1987).

open housing market.[8] Proponents of this theory believe that whites have a substantial preference for all-white neighborhoods, and will pay a premium to live in such areas. Thus, blacks are "priced out" of white communities by a sort of racial "Tiebout" mechanism.[9]

Both theories, in their pure form, founder on their inability to account for the rise of integration in the desegregating cities.[10] Why should discrimination, or a white desire for homogeneity, be intense in Milwaukee, but be dissipating in San Antonio?

Several papers have capitalized on the wealth of descriptive research, and the new diversity of segregation levels, to develop and test more complex and powerful theories of segregation.[11] This Article is one such attempt. I have sought to combine methodologies and data from a wide range of disciplines to outline a comprehensive theory of how changes in social attitudes, housing markets, and the law have interacted at the neighborhood level to fundamentally change the mechanisms of segregation over the past generation. To be sure, both discrimination and preferences play an important role in this theory. But, three other factors are also of central importance: (1) the tendency of collective behavior to defeat individual choices through the process of resegregation; (2) the characteristics of ghetto expansion under the pressure of black population growth; and (3) the influence of local demographic factors in shaping the interaction of all the other factors.

Part II of this Article provides some descriptive background on segregation for the non-specialist. In Part III, I outline the theory in some detail, and create three urban scenarios to illustrate the distinctive patterns of segregation that have arisen over the past thirty years. This is followed, in Part IV, by two empirical tests of the theory: one which

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8. *See* RICHARD F. MUTH, CITIES AND HOUSING 107-08 (1969); Richard F. Muth, *The Causes of Housing Segregation, in* Issues in Housing Discrimination 3, 8-9 (1986).

9. C.M. Tiebout argued that if there are a large number of different local communities (and other simplifying assumptions are met), individuals will reveal their preferred level of public good expenditures by sorting themselves into communities which adopt those expenditure levels. *See* ANTHONY B. ATKINSON & JOSEPH E. STIGLITZ, LECTURES ON PUBLIC ECONOMICS 519-20 (1980).

It will be noted that from an economic point of view, the discrimination theory and the preferences theory are very similar. Both are based on assumptions about the aversion of whites to black neighbors. They differ chiefly in their policy implications: the discrimination view suggests that changes in the institutional and legal environments will permit integration to occur, while the preference theory suggests that changes in the law will simply lead to higher prices in all-white areas.

10. *See infra* Table I.

11. *See* George C. Galster & W. Mark Keeney, *Race, Residence, Discrimination, and Economic Opportunity: Modelling the Nexus of Urban Racial Phenomena,* 24 URB. AFF. Q. 84 (1987); Douglas Massey & Andrew Gross, *Explaining Trends in Racial Segregation, 1970-1980,* 27 URB. AFF. Q. 13 (1991); Robert J. Wilger, Black-White Residential Segregation in 1980 (1988) (unpublished Ph.D. dissertation, University of Michigan) (on file with author).

models changes in metropolitan segregation levels from 1970 to 1980, and one which models some profound changes in black housing prices over the same period.

TABLE I

CHANGING PATTERNS OF SEGREGATION AND DESEGREGATION
1960-1980

Segregated SMSAs	Level of Segregation			1970-80 Rate of Resegregation (central city only)
	1960	1970	1980	
Baltimore	.82	.81	.74	.67
Chicago	.91	.91	.88	.69
Cleveland	.90	.90	.88	.88
Milwaukee	.90	.89	.84	.86
New Orleans	.65	.74	.73	.73
Desegregating SMSAs				
Denver	.85	.85	.64	.15
Minneapolis	.83	.86	.68	—
Phoenix	.81	.82	.59	.20
San Diego	.79	.76	.62	.21
San Antonio	.77	.74	.60	.12
Intermediate SMSAs				
Jacksonville	.78	.82	.68	.42
Los Angeles	.89	.88	.79	.32
Washington, D.C.	.78	.81	.70	.44

"Segregation" refers to the SMSA dissimilarity index measure for each SMSA. "Resegregation" refers to the percent of 1970 "integrated" tracts in each SMSA's central city (tracts 10% to 90% black) that had a significant (5% or more) increase in the tract's percent black by 1980.

Sources: 1960 dissimilarity measures for Phoenix and Minneapolis are from Van Valey, Roof & Wilcox (1977); 1970 and 1980 measures for those cities are from Massey & Denton (1987); dissimilarity measures for other cities are from Farley & Wilger (1987). Data on resegregation are from Lee (1985).

II. SOME PRELIMINARY ISSUES

A. *The Measurement of Segregation*

There are no less than twenty different quantitative indexes that measure the intensity of a city's housing segregation.[12] Fortunately, the

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12. *See* Douglas S. Massey & Nancy A. Denton, *The Dimensions of Residential Segregation*, 67 SOC. FORCES 281, 282 (1988).

vast bulk of research in this field has adopted a single measure: the "index of residential dissimilarity."[13] As its name implies, the index gauges the degree to which two groups of urban residents are isolated from one another. When applied to racial segregation, the index measures what proportion of a city's black population would have to resettle in order to achieve a uniform racial balance in every area of the city (assuming that whites remain where they are). An index measure of one, for example, indicates complete segregation—no blacks living in white areas, and vice versa. An index measure of zero, on the other hand, is equivalent to complete integration—the proportion of blacks in each neighborhood equals the proportion of blacks in the entire city. The dissimilarity index has three major attractions: it is essentially neutral with respect to the relative number of blacks and whites; it correlates well with many other measures of segregation; and it has been calculated for a large number of cities and metropolitan areas from 1940 to 1980. I will rely on the index throughout this analysis.

B. *The Formation of the Ghetto*

The American black ghetto is, to a large degree, an invention of the twentieth century. Eighty years ago, housing segregation was one of the least significant problems facing blacks. While blacks had second-class status in the job market and in public facilities, they were often less residentially isolated than some European immigrant groups.[14] Widespread housing discrimination directed at blacks intensified around World War I, when a large black migration to the cities created, in the eyes of many whites, a new—and easily identified—economic and social threat. From the late 1910s to the late 1940s, cities, realtor groups, banks, builders, and even the federal government adopted a range of policies that encouraged blacks to live in circumscribed ghettos,

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13. This widespread adoption came after Otis and Beverly Duncan made a cogent case for the index. Otis Dudley Duncan & Beverly Duncan, *A Methodological Analysis of Segregation Indexes,* 20 AM. SOC. REV. 210, 211 (1955). One of several mathematical expressions of the dissimilarity index is

$$D = 1/2 \ \Sigma - (Wi \ / \ TW) - (Bi \ / \ TB) -$$

for all i subareas, where TW = total whites, TB = total blacks, Wi = number of whites in subarea i, and Bi = number of blacks in subarea i.

14. *See* Allan H. Spear, BLACK CHICAGO: THE MAKING OF A NEGRO GHETTO 1890-1920, at 14-15 (1967); ROBERT C. WEAVER, THE NEGRO GHETTO 18 (1948). Two caveats should be noted: (1) the data for this early period is quite sketchy, and (2) in some cities, such as Chicago, careful research has shown that "black belts" developed as early as the 1890s, though these were not as predominantly black as the post-World War I ghettos were to become. *See* THOMAS LEE PHILPOTT, THE SLUM AND THE GHETTO: NEIGHBORHOOD DETERIORATION AND MIDDLE-CLASS REFORM, CHICAGO, 1880-1930, at 120-21 (1978).

and strongly discouraged the entry of blacks into white neighborhoods.[15] By the 1940s, when scholars began to measure segregation systematically, black segregation was an accomplished fact; virtually every substantial city in the United States had a black/white dissimilarity index measure of .85 or more.[16]

After World War II, however, the tide began to turn against organized efforts to promote segregation. A vigorous fair housing movement arose during the 1950s and gathered strength in the 1960s. The Supreme Court weakened racial covenants[17] in 1948, and vitiated them altogether in 1953.[18] Subsequently, state and local governments began passing fair housing ordinances in the late 1950s and early 1960s, and Congress passed the most ambitious law of all—the Fair Housing Act—in 1968.[19] In *Jones v. Alfred H. Mayer Company*, decided in that same year, the Supreme Court held that the Civil Rights Act of 1866 gave private individuals a cause of action against persons who interfered with their right to purchase or rent property on the basis of race.[20]

Until 1970, nothing appeared to have much impact upon levels of segregation. In that year, the nation's twenty-eight largest cities had an average dissimilarity measure of .87.[21] However, during the 1970s, the average index fell significantly—to a 1980 level of .81.[22] As previously noted, that decline was very unevenly spread across metropolitan areas.

C. *The Role of Income Differences*

One factor that has been generally ruled out as a cause of housing segregation is black poverty.[23] The degree of "economic dissimilarity" between blacks and whites is much lower—between .20 and .30—than

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15. *See* Davis McEntire, Residence and Race 242-45 (1960); Gunnar Myrdal, An American Dilemma: The Negro Problem and Modern Democracy 623-24 (1944).

16. *See* Karl E. Taeuber & Alma F. Taeuber, Negroes in Cities: Residential Segregation and Neighborhood Change 53-55 (1965).

17. Restrictive covenants are property deed provisions that typically bar the current and future owners from using the property for specific purposes. Racial covenants prohibit the owner from selling to a member of particular racial groups (*e.g.*, blacks and Jews).

18. The Court's two key decisions were *Shelley v. Kraemer*, 334 U.S. 1 (1948), which held that racial covenants could not be enforced in a court of law to prevent a black from purchasing property, and *Barrows v. Jackson*, 346 U.S. 249 (1953), which held that a white who agreed to, but later breached a restrictive racial covenant, could not be held liable for damages to his neighbors.

19. 42 U.S.C. §§ 3601-3619, 3631 (1997).

20. *See* Jones v. Alfred H. Mayer Co., 392 U.S. 409, 428 (1968).

21. *See* Taeuber, *supra* note 2, app. at 4.

22. *See id.*

23. For a dissenting view, see W.A.V. Clark, *Residential Segregation in American Cities, in* Issues in Housing Discrimination 29, 35 (1986), who points out, for example, that studies showing high segregation of blacks and whites of comparable income do not control for the generally lower wealth of blacks relative to whites with similar incomes.

levels of residential dissimilarity. Moreover, a number of studies have computed measures of segregation that control for income differences. These studies have consistently shown that the most affluent blacks experience roughly the same degree of segregation as the least affluent blacks.[24] Income differences may place an upper threshold on the degree of integration that is possible in the desegregating cities;[25] but they explain little about the intense segregation prevailing throughout the rest of the country.

III. A THEORY OF SEGREGATION

I have suggested that neigher discriminatioon, income differences nor the differences in the racial preferences of blacks and whites can alone explain the varying patterns of segregation and desegregation that occurred in the 1970s. In this section, I will examine what we know about each of these phenomena and weave them together with other urban forces to form a general model of contemporary segregation patterns. I will then give three examples of how these patterns play themselves out.

A. *Five Components*

1. DISCRIMINATION AS AN ECONOMIC COST

With some notable exceptions,[26] scholars of housing segregation have tended to view discrimination in absolute terms. Discrimination, they imply, either is present or it is not—rather like a fence which can be put up or taken down. This is not a bad analogy if discrimination is officially sanctioned and encouraged, as it was earlier in this century. But, in a society where nearly all housing discrimination is carried out surreptitiously and illegally, it is far more realistic and useful to think of discrimination as a variable cost—actually, two costs—facing blacks in the housing market.

The first discrimination variable can be described as a "search cost."[27] This is a familiar concept to labor economists, but its meaning

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24. *See* REYNOLDS FARLEY & WALTER R. ALLEN, THE COLOR LINE AND THE QUALITY OF LIFE IN AMERICA 149-50 (1987).

25. Even this claim is suspect: given the considerable range of housing prices that prevail in most neighborhoods, it appears that most cities could be completely integrated without altering the housing composition of individual neighborhoods.

26. *See* George C. Galster, *The Ecology of Racial Discrimination in Housing: An Exploratory Model,* 23 URB. AFF. Q. 84, 91-95 (1987); John Yinger, *Measuring Racial Discrimination With Fair Housing Audits: Caught in the Act,* 76 AM. ECON. REV. 881, 882-85 (1986).

27. *See* Robert W. Lake, *The Fair Housing Act in a Discriminatory Market: The Persisting Dilemma,* 47 AM. PLANNING ASS'N J. 48, 51 (1981).

here is slightly different. If a black attempting to buy a home in a white community encounters discrimination 50% of the time, and receives equal treatment in his other encounters, it will take him essentially twice as long as a similarly situated white to find his desired housing. This creates a real cost to him, which may be compounded by the humiliation he experiences. His search cost, therefore, may be much more than twice the search cost facing the comparable white. The important point is that his search cost will be a variable, changing from one neighborhood to another with the frequency of market discrimination in each area.

"Hostility cost" describes the second component of discrimination. If a black successfully secures housing in a white community, his new neighbors may show their hostility in a variety of ways, ranging from subtle social snubbing to outright violence. The 1976 Detroit-Area survey found that one-sixth of black respondents did not wish to move into all-white neighborhoods because they feared physical violence; an additional 34% believed they would encounter significant hostility.[28] Even if violence is rare, it is a disturbing unknown risk and, for many blacks, the potential costs of hostility are high. In comparing prospective neighborhoods, black resdients are likely to incorporate any hostility cost they anticipate into their calculus of choice.

A very important general determinant of search costs and hostility costs is the racial composition of each neighborhood. For instance, a neighborhood which is 2% black should have much lower levels of discrimination than an all-white area. Search costs are lower because interested blacks can get information from blacks already residing in the neighborhood, or from realtors who view the neighborhood as integrated. Hostility costs go down because, even if overall white hostility is as high as ever, any individual black is less likely to be the target of that hostility. In other words, there is safety in numbers.

Of course, discrimination rates are affected by broad, national trends as well as neighborhood conditions. Much of my theoretical analysis rests on two hypotheses about these national trends:

Hypothesis One: Discrimination costs dropped substantially between the early 1960s and the late 1970s. Both fair housing legislation and changing social attitudes probably contributed to the transformation of discrimination from an acceptable norm to an illegal behavior that was abandoned by many sellers in the housing market.

Hypothesis Two: The decline in discrimination occurred nationally. Cities throughout the country had uniformly high rates of discrimi-

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28. *See* Reynolds Farley et al., *Barriers to the Racial Integration of Neighborhoods: The Detroit Case,* 441 ANNALS AM. ACAD. POL. & SOC. SCI. 97, 109 (1979).

nation in the 1950s and early 1960s. And, although the drop in discrimination that subsequently occurred varied from place to place, the general drop was more significant than local differences.

I describe these as hypotheses because no systematic, authoritative study of discrimination rates was conducted until 1977.[29] Th 1977 study, and several subsequent analyses, found that blacks encountered housing market discrimination in 30% to 50% of their contracts with realtors and rental agents.[30] The scattered evidence from the 1950s and 1960s suggests that discrimination rates were far higher during that period, ranging perhaps from 85% to nearly 100%.[31] In terms of search costs, a decline in discrimination rates from around 90% to around 50% makes a dramatic difference: instead of having to contact ten sellers to receive equal treatment, a black buyer must contact only two.

2. THE DIVERSITY OF RACIAL PREFERENCES

When home-seekers assess "neighborhood quality," they are assessing many factors that are relatively objective: How big are the houses? How good are the schools? In a segregated metropolitan area, however, perceptions about neighborhood quality are necessarily influenced by race.

Yet, these perceptions should not be oversimplified. The notion that most whites have an aversion to black neighbors is an assumption widely shared by scholars and laymen alike. But, if empirical survey research is to be believed, white preferences have become far more complex over the past generation. When asked, many whites continue to express an aversion to racial integration, but a roughly equal number claim that they would prefer an integrated neighborhood to an all-white one[32]—with two significant caveats. First, whites want their black neighbors to have roughly the same socioeconomic status as their white neighbors. Indeed, some white opposition to black integration stems from an assumption that a black neighbor is more likely to be "poor" or "lower class." If status fears are allayed, opposition to integration drops.

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29. *See* RONALD E. WIENK ET AL., U.S. DEP'T OF HOUS. URB. DEV., MEASURING RACIAL DISCRIMINATION IN AMERICAN HOUSING MARKETS: THE HOUSING MARKET PRACTICES SURVEY 1 (1979).

30. *See* Harriet Newburger, U.S. Dep't of Hous. Urb. Dev. Recent Evidence on Discrimination in Housing 7-13 (1984); WIENK ET AL., *supra* note 29, at 180-81; Judith D. Feins & Rachel G. Bratt, *Barred in Boston: Racial Discrimination in Housing,* 49 AM. PLANNING ASS'N J. 344, 353 (1983). The 30% to 50% may be overstated, since some poor treatment occurs at random or for reasons unrelated to race. To correct for this overstatement, most audit studies subtract the proportion of times blacks are favored from the proportion of times whites are favored to determine a "net" discrimination rate—usually from 15% to 35%.

31. *See* MCENTIRE, *supra* note 15, at 239-40.

32. *See* Clark, *supra* note 23, at 39.

This phenomenon was illustrated as early as 1963, when a national survey found that 55% of whites objected to the idea of a black family moving in next door. When the pollster specified that the black family would have "as much income and education as you have," only 35% of those surveyed objected.[33] Second, whites generally do not want to be "outnumbered" by blacks in an integrated community. When surveyed about hypothetical neighborhoods, white interest in integration drops off quickly when the proposed black presence passes 50% of the population.[34] Apart from these two consistent concerns, white attitudes in the post-civil rights era seem remarkably varied and increasingly tolerant. Thus, where white concerns about the status and number of black entrants are allayed—namely, the status of the entrants is high and the number is relatively low—then the arrival of blacks in a white community may cause relatively few whites to leave, and may actually attract new white residents.

Black preferences are also varied: some blacks appear to be indifferent towards integration or prefer predominantly black areas; other blacks prefer predominantly white communities. However, the majority of blacks express a strong preference for integration. In several studies summarized by Clark,[35] 62% to 85% of blacks (depending on the city in which interviews occurred) said they preferred neighborhoods that were half-black and half-white. Moreover, 5% to 12% preferred "all-black" neighborhoods, and only 3% to 10% preferred "mostly-white" neighborhoods. It is likely that these sentiments partly reflect a quest for better neighborhoods rather than integration for its own sake; just as whites are concerned about the "low status" of black neighbors, blacks commonly express the belief that integrated areas have higher status and better schools than all-black communities.

The black desire for integration is often tempered by a desire to remain close to the ghetto. After all, blacks in a segregated city are likely to have strong ties to family, friends, jobs, churches, and other social institutions in the ghetto. These ties are not easily abandoned. Moving to a white neighborhood that is far from the ghetto may entail very substantial costs.

These considerations have produced relatively few blacks who prefer white neighborhoods so strongly that they are willing to accept the costs and be the first black to enter a white neighborhood. But even though their numbers are relatively small, these blacks play a crucial

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33. *See* Thomas Pettigrew, *Attitudes on Race and Housing: A Social-Psychological View, in* SEGREGATION IN RESIDENTIAL AREAS 21, 25 (Amos H. Hawley & Vincent P. Rock eds., 1973).

34. *See* Farley et al., *supra* note 28, at 105-06.

35. *See* Clark, *supra* note 23, at 38-39.

role in ghetto dynamics. The black "pioneers" pave the way for either integration or resegregation.

3. THE MECHANISM OF RESEGREGATION

If discrimination is not sufficiently severe to bar blacks from white areas, and if there is a wide range of white and black preferences compatible with integrated communities, why is integration so rare? A major part of the answer is resegregation.

Twenty years ago, economist Thomas Schelling showed that a city can become racially segregated even if all of its residents have some tolerance—or even some preference—for integration.[36] As long as both whites and blacks have a strong aversion to being "outnumbered" by persons of the other race, it is likely that, in any given residential distribution, some persons will feel outnumbered and will move into racially homogenous areas. But, as some whites leave black areas and some blacks leave white areas, others will feel outnumbered, perpetuating departures from integrated regions. The end result, for a wide range of initial distributions and preferences, is complete racial segregation.

Schelling's important theoretical work has been almost completely neglected in empirical studies of segregation.[37] Yet, resegregation—in particular, the transformation of neighborhoods from all-white to all-black—is enormously important in perpetuating racial isolation. One reason resegregation is so common is that it can occur even if whites do not "flee" an integrated neighborhood. As long as there is an imbalance between white and black demand, normal rates of turnover in a neighborhood can lead inexorably to a one-race environment.

In a segregated metropolis, discrimination, residential preferences, and resegregation all interact dynamically. If discrimination is great, for example, then blacks seeking to leave the ghetto will migrate to integrated neighborhoods where discrimination is lower. Thus, the entry of a few blacks into a neighborhood—enough to reduce the discrimination costs for other blacks—can trigger a surge in black demand and lead to resegregation. Conversely, the level of discrimination (and white preferences for homogeneity) will be greater in a neighborhood that fears resegregation. Furthermore, in a metropolitan area where resegregation is the normal consequence of black entry, whites are likely to have lower preferences for integration.

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36. THOMAS C. SCHELLING, MICROMOTIVES AND MACROBEHAVIOR 155-56 (1978); Thomas Schelling, *Dynamic Models of Segregation,* 1 J. MATHEMATICAL SOC'Y 143, 167-71 (1971).

37. A recent and very notable exception is W.A.V. Clark, *Residential Preferences and Neighborhood Racial Segregation: A Test of the Schelling Segregation Model,* 28 DEMOGRAPHY 1, 4-9 (1991).

4. THE PATTERN OF GHETTO EXPANSION

Much of the foregoing discussion has implied that in a segregated environment, the black ghetto is somehow in stasis, surrounded by similarly static white areas. In fact, this is rarely the case. When the black population increases, as it has in most cities throughout the twentieth century, the ghetto will inevitably expand.

By making a number of simplifying assumptions, a stylized picture of ghetto expansion can be drawn. First, assume that the neighborhood housing quality and affluence increase with distance from the city's center.[38] Second, assume that, initially, the black ghetto is concentrated on one side of the city, relatively close to downtown. Third, assume that more affluent blacks are, on average, more eager and better able to leave the ghetto than are poorer blacks. Fourth, assume that some of the risks involved in moving out of the ghetto—loss of employment, loss of access to social institutions, and discrimination—increase with distance from the ghetto. Assuming these conditions are met, the ghetto will tend to expand in a single direction—away from downtown. Blacks moving out of a west-side ghetto will enter the most affluent white neighborhoods adjoining the ghetto—those on its western border. As this process is repeated, the ghetto takes on the shape of a growing slice of pie, with its tip pointed towards downtown and with expansion occurring along the middle-class "crust."

Once established, this pattern acquires a momentum of its own. The gradual, block-by-block expansion of the "pie crust" encounters increasingly less resistance from whites. A white block on the border may be perceived as an integrated neighborhood by some white residents, as well as realtors and banks. As a consequence, blacks will encounter less market discrimination in those neighborhoods, and lower search costs. Likewise, hostility costs to blacks may be low because, in such an environment, it is difficult for whites to single out even the first black arrival on the block as a target for violence. Anyone contemplating violence may also be concerned about the reaction of the large black population close by. Thus, the sense of racial insularity is already ebbing by the time the first black arrives, making resegregation more likely.

In contrast, the two "sides" of the pie are less attractive to black pioneers, because the housing is no better than the ghetto's existing stock. From the whites' point of view, however, this very fact increases the danger of rapid resegregation. If expansion into these areas does not

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38. This "concentric circle" notion of urban development, introduced by urban ecologists early in the twentieth century, often does not fit modern urban reality particularly where inner-city gentrification is occurring. But, it is accurate often enough to serve its purpose here.

occur, the borders become well-defined and rigid. And, a long-standing border between white and black areas tends to acquire independent significance. The border becomes a line dividing two "turfs," respected by both whites and blacks. Blacks attempting to move across the line would be directly challenging an established norm, and thus, would encounter high search costs and hostility costs. As a result, the border tends to endure.

This simplified picture of ghetto expansion is not a far-fetched notion. On the contrary, Timothy Kenny has demonstrated that an expanding, wedge-shaped ghetto is typical in American cities.[39] However, it seems obvious that this pattern partly depends on whether an individual city conforms to the simple "concentric circle" model of socioeconomic clustering, and whether local geographic features (e.g., rivers, expressways, and industrial areas) detour or inhibit ghetto expansion.

5. THE DEMOGRAPHIC ENVIRONMENT

Local geography is not the only factor that differentiates segregation patterns among cities, nor is it the most important. A number of local demographic characteristics also play a role. Since so many of the forces leading to segregation are endogenously shaped by one another, the influence of the exogenous demographic characteristics of a metropolitan area take on great importance.

One of these influential factors is the relative size of a city's black population. A small black population slows the cycle of resegregation. The entry of a few blacks into a white neighborhood is unlikely to trigger a ballooning black demand, since few blacks are in the housing market at any one time. Conversely, white residents are less likely to expect resegregation and to flee an integrated area.

Another important factor is the degree to which white communities near the ghetto are cohesive. It is well known that some urban neighborhoods have a stronger sense of community identity than others. Accordingly, areas with a strong identity will impede integration. Firstly, a cohesive community is more likely to have well-defined borders (thus creating the "turf" effect mentioned earlier). Secondly, members of the community may have a stronger sense of loyalty to their neighbors, and thus, if they sell their homes, they may be more willing to engage in market discrimination to protect the area from perceived threats to its stability (e.g., black pioneers). Thirdly, if black entry does occur, the

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39. Timothy J. Kenny, Black Population Distribution and Racial Change in Major American Cities: A Modified Sector Model of Black Neighborhood Growth (1981) (unpublished Ph.D. dissertation, Loyola University of Chicago) (on file with author).

white residents may be more likely to abandon the area *en masse*, producing rapid resegregation. Consequently, demographic factors that contribute to cohesion, such as the presence of many white ethnic enclaves or a low rate of metropolitan growth, will contribute to segregation.

B. *Three Types of Outcome*

The five different forces I have discussed, each of which influences the extent and shape of urban segregation, produce particular levels of segregation through their joint interaction. Perhaps the best way to illustrate their interrelatedness is by portraying, as stylized stories, three distinct patterns these forces can form.

1. THE CONTAINED GHETTO

Throughout the twenty years following World War II, almost all American cities had very similar, and very high, levels of segregation.[40] The probable reason for such homogeneity was the dominant role of housing discrimination during this period. Since the search costs and hostility costs faced by blacks were very high, they had very strong incentives to remain in the ghetto. Even black pioneers entered white neighborhoods only when population pressure inflated housing prices in the ghetto to a point that offset discrimination costs. When that happened, the pioneers tended to move into one of the white neighborhoods along the ghetto "pie crust," where discrimination was lowest. After the pioneers entered, other blacks followed, and resegregation quickly incorporated the neighborhood into the ghetto. The dominant characteristics of this pattern were high population density in the ghetto, a dual housing market (with black home prices higher than comparable white home prices), rapid resegregation of integrated communities, and very few blacks living outside the ghetto.[41]

2. THE DISTENDED GHETTO

As housing discrimination declined in the late 1960s and early 1970s, other forces affecting segregation—particularly local demographic conditions—assumed a larger role. Consequently, black migration patterns and the level of segregation followed more diverse paths. One of these paths was the "distended ghetto."

The distended ghetto developed in cities where, despite the decline in discrimination, black pioneers, nonetheless, had very limited options.

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40. *See* Taeuber, *supra* note 2, app. at 3.

41. *See* Duncan & Duncan, *supra* note 13, at 215-16.

Institutionalized discrimination might have been much lower, but hostility costs were still high in neighborhoods where white residents believed black entry would lead to rapid resegregation. Such fears were strong in cities with relatively large black populations, which had a substantial, pent-up black demand for integrated housing and a long history of neighborhood resegregation. These fears were even stronger in white communities close to the ghetto, and strongest in tightly-knit, cohesive communities.

The hostility spawned by fear afforded blacks two general options. Lower discrimination made it easier to move to predominantly white neighborhoods far from the ghetto, where antipathy to blacks and fear of resegregation was lower. Alternatively, blacks could continue to expand into neighborhoods along the crust of the ghetto pie. Those black pioneers with very strong preferences for white neighborhoods, but relatively low attachment to black community institutions, tended to choose outlying white areas. With the pioneers no longer compelled to seek "safety in numbers," the number of blacks living in predominantly white communities increased significantly, and the number of white neighborhoods with no blacks fell sharply.

In the metropolitan Chicago of 1970, for example, three-quarters of all tracts outside the ghetto were over 99% non-black. By 1980, less than half of the non-ghetto tracts were over 99% non-black, and less than a fifth had no blacks at all. Most of this change was wrought by comparatively few blacks—perhaps 20,000 blacks out of a Chicago metropolitan black population of 1.4 million.[42] Similarly, the number of census tracts in Los Angeles County with no blacks fell from 245 tracts in 1970 to twenty-eight tracts in 1980.[43] The experiences in these urban areas seem consistent with national trends.[44]

However, for most blacks, the balancing of preferences was tilted towards integrated or white neighborhoods close to the ghetto. With continuing resistance on the edges of the pie, blacks moved beyond the "crust" on a larger scale than before. Rather than a block-by-block entry into the white periphery, blacks might "leapfrog" over several blocks, seeking to find areas that would remain integrated. However, the increased access blacks individually perceived in these neighborhoods meant, in the aggregate, that black demand for housing in those areas was greater than ever before. The result was resegregation on a massive scale, and a relatively rapid expansion of the inner-city ghetto. In many

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42. *See* Sander, *supra* note 6, at 247.

43. *See* Richard Sander, Fair Housing Policy in Southern California: Achieving the Goals 49 (1992) (unpublished manuscript, on file with the author).

44. *See* Denton & Massey, *supra* note 7, at 51. *See also* Table I.

metropolitan areas, the ghetto expanded across the borders of the central city and into the suburbs, incorporating wide swaths of suburbia into the middle-class sections of the ghetto.

The expansion of the ghetto was tempered by a national decline in the rate of black migration to the cities. In most metropolitan areas, the black population grew at a much slower rate in the 1970s than in the 1960s.[45] This slowed growth eased the pressure to push into the white housing market. But, the slower growth was more than offset by the lower cost—due to lower discrimination—of entering the white housing market. Blacks were so attracted to nearby white and integrated neighborhoods that they purchased housing in those areas even when prices were as high as, or higher than, the price of comparable housing in the ghetto. If resegregation later occurred, as was usual, then the housing was added to the ghetto stock. The remarkable long-term result was a relative surplus of middle-class housing in the ghetto. While the dual housing market had once exacted a stiff premium from blacks in the ghetto by excluding them from the white market, it now engendered a large pool of black housing effectively insulated from the inflationary pressures of the white housing market. The ghetto was distended, artificially expanded by the odd, but widespread combination of declining discrimination and continuing resegregation.

3. THE DISSOLVING GHETTO

In cities with favorable demographic conditions, cities like San Diego or Minneapolis, the decline in discrimination set in motion a very different pattern during the 1970s. If the black population was relatively small, most of the communities near the ghetto were not particularly cohesive. Additionallly, rapid population growth created an atmosphere of impermanence and change throughout the metropolitan area, while declining discrimination opened a fairly wide range of residential options for blacks. Rather than being constrained to follow the established path of ghetto expansion, blacks could move out of the ghetto in several directions.

Once this dispersion occurred, and small groups of black pioneers gained footholds in five or six neighborhoods close to the ghetto, something new happened—or, more precisely, some things *did not* happen. White demand did not drop off dramatically, and black demand did not explode. Whites had a lower fear of resegregation in these cities, since they were aware that the black population was small; there simply were not enough blacks to flood the neighborhood. Black demand in these

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45. In the fifteen metropolitan areas listed in note 2, the aggregate black population grew less than half as quickly during the 1970s as during the 1960s.

areas went up somewhat, since the entry of pioneers lowered the entry costs of other blacks. But, black migration was spread across the different areas where the pioneers moved.

Once a certain threshold in such cities is passed, the cycle of resegregation apparently yields to a cycle of expanding integration. More diffuse black demand in the various integrated neighborhoods further encourages whites to remain in, or to keep moving into those areas. And, as residential integration spreads, both black and white preferences change in ways that make racial considerations less relevant. For example, blacks in integrated areas are less likely to belong to exclusively black churches, and may be more receptive to housing opportunities further from predominantly black neighborhoods. Whites who observe widespread integration in middle-class areas may be less inclined to associate neighborhood status with racial composition. Under these conditions, segregation should steadily recede.

C.   *Reprise*

The explanation of segregation presented here is complex, and in many ways, reads more like a novel than a set of cogent theorems. Therefore, I end this Section with some succinct conclusions which follow from this analysis, and which will be tested in the next Section:

1) The dynamics of segregation changed in fundamental ways after 1970, probably due to significant declines in discrimination. In all large urban areas, black migration into white neighborhoods accelerated and the number of all-white neighborhoods fell sharply. Whether this migration led to integration, or simply resegregation on a massive scale, depended mostly on the demographic environment.

2) Both of the possible outcomes from black migration—integration or resegregation—changed the dual housing market during the 1970s. Where integration increased, racial demarcations in the housing market declined, and black/white prices tended to converge to a common level. Where resegregation occurred on a large scale, the incorporation of broad swaths of previously white housing into predominantly black neighborhoods "inverted" the dual housing market, causing black prices to fall sharply relative to white housing prices.

IV.   EMPIRICAL TESTS OF THE THEORY

A.   *Intermetropolitan Differences*

The demographic environment of particular cities determines the extent to which black migration was dispersed in the 1970s—producing some integration by 1980—or concentrated—allowing a continuation of

segregation. It follows that changes in segregation across metropolitan areas that occurred from 1970 to 1980 should be strongly associated with, or "predicted" by, particular demographic characteristics of those metropolitan areas.

For example, the theory predicts that in cities with smaller black populations, black migration to white neighborhoods was more likely to lead to stable integration. The smaller black population indicates that black demand for housing in the integrated neighborhoods, and white fears about resegregation in those neighborhoods, are likely to be lower. Thus, the 1970-1980 change in metropolitan segregation levels should be positively correlated with the log of the black proportion of metropolitan residents in 1970.[46]

Another crucial exogenous factor is the degree of community cohesion in white neighborhoods close to the ghetto. If those communities are tightly-knit, the theory predicts that resistance to black entry will be greater, and both whites and blacks will be keenly aware of existing racial lines. What demographic characteristics at the metropolitan level will be closely related to this "cohesion" variable? One measure is the city's overall "ethnicity." It is well known that some white ethnics are more cohesive—that is, more likely to live in ethnically homogenous communities—than others.[47] These communities have historically been concentrated in older parts of metropolitan areas, close to black ghettos. The proportion of whites who are members of these ethnic groups should tell us something about the prevalence of ethnic enclaves in the SMSA. Consequently, the second explanatory variable can be defined as the 1970 proportion of SMSA whites who are of Greek, Hungarian, Polish, Czech, and Italian foreign stock.[48] The theory predicts that this

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46. I use the log of the 1970 SMSA percentage black, since the relationship between "percent black" and "desegregation" should be non-linear. For example, the difference in the level of white fears about resegregation will be much greater between cities that are 1% to 7% black, than between cities that are 21% to 27% black. Likewise, it would be unreasonable to suppose that segregation would decline twenty times faster in a metropolis that is 20% black than in one that is 1% black. Note that the 1970-1980 change in segregation lowers as more segregation declines, since a decline translates into a negative number. Thus, the smaller the metropolitan black population, the more negative—i.e., the "greater"—the change in segregation.

47. In one study, Farley and Allen used 1980 census tract data on the ethnic "heritage" of urban whites to compute the degree of ethnic isolation in sixteen metropolitan areas. They computed the index of dissimilarity between persons of "English" descent and persons giving each of eleven other ethnic heritages. The most concentrated ethnic groups, in declining order, were Russians, Greeks, Hungarians, Poles, and Italians. *See* FARLEY & ALLEN, *supra* note 24, at 147.

48. Although, as noted earlier, Russians are the most concentrated of all European ethnic groups in American cities, they were not included in the "ethnicity" index, because a large proportion of Russian immigrants are Jewish, and urban Jewish communities have been found, in several studies, to be singularly unresistant to black entry. *See* PETER BINZEN, WHITE-TOWN, U.S.A. (1970); Kenny, *supra* note 39, at 182. But see JONATHAN RIEDER, CANARSIE: THE JEWS AND ITALIANS OF BROOKLYN AGAINST LIBERALISM 84 (1985). Researchers have suggested two

proportion will be positively associated with 1970-1980 changes in segregation.

Another measure of community cohesion is the frequency with which people relocate. As the proportion of long-time residents increases, so does the likelihood that neighborhoods will have well-defined boundaries and characters, and therefore, make the entry of new "elements" more likely to be noticed and to provoke a more or less systematic reaction. Although the rate of turnover will vary more across neighborhoods than across metropolitan areas, metropolitan differentials are nonetheless substantial.[49] To capture housing turnover, I calculated two numbers for each metropolitan area: the proportion of 1980 residents, aged five and over, who lived in the same housing unit in 1975, and the proportion of 1970 residents who lived in the same housing unit in 1965. These two numbers, averaged together, give us a good index of general mobility during the 1970s; since mobility goes up as this index goes down, the theory predicts that the index is positively associated with the 1970-1980 change in segregation—less stasis would produce a larger drop in dissimilarity indices.

A related measure of community cohesion is the rate of metropolitan population growth. Rapid growth often implies that communities are undergoing development and change; borders are in flux, and consequently, ill-defined. In addition to dampening community cohesion, growth also creates entirely new communities with no prior identity. Moreover, as Wilger has argued, it is plausible to posit a lower incidence of discrimination in the sale or rental of new housing built since the passage of federal fair housing laws, because the large institutional actors involved in new housing development face especially large risks in pursuing discriminatory policies.[50] Each of these factors make it more likely that, in fast-growing metropolitan areas, blacks have more neighborhoods from which to choose, thereby dispersing black demand and muting the process of resegregation. To incorporate this factor, I defined the fourth independent variable as the ratio of total 1980 SMSA population to 1960 SMSA population.[51] Growth should be negatively

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reasons for this lack of resistance: (1) Jews have a strong cultural opposition to discrimination and ethnic intolerance, *see* Andrew M. Greeley & Paul B. Sheatsley, *Attitudes Toward Racial Integration*, 225 SCI. AM. 13, 15-19 (1971); and (2) Jews are less physically tied to specific neighborhood locations than are other ethnic groups. *See* Marshall Sklare, *Jews, Ethnics, and the American City*, 53 COMMENTARY 70, 76 (1972); Kenny, *supra* note 39, at 202-06. My analysis, provides that Jewish communities are less resistant to black entry, provides some support for this view since the explanatory power of the ethnic variable declines slightly when Russians are included.

49. *See supra* Table III.

50. *See* Wilger, *supra* note 11.

51. I used the 1960-1980 growth rate rather than the 1970-1980 rate because I wanted to

related to 1970-1980 changes in segregation. Higher growth implies a larger drop in segregation.

TABLE II
MODELS OF SEGREGATION DECLINE

Dependent Variable: 1970-80 Change in Index of Dissimilarity by SMSA (Negative Value Indicates Larger Drop in Segregation)

INDEPENDENT VARIABLES	*MODEL 1* (n=60)	*MODEL 2* (n=60)	*MODEL 3* (n=38)
Log of SMSA % Black	.100** .485 (7.81)	.081** .397 (4.67)	.079* .321 (2.27)
1960-80 SMSA Population Growth	−.024 −.127 (−1.40)	−.026 −.137 (−1.26)	.002 .011 (.07)
% Non-Movers, 1965-70, 1975-80	.433** .407 (3.63)	.350* .329 (2.53)	.560** .682 (3.65)
% Key White Ethnics	.317* .189 (2.26)	.369* .220 (2.46)	−.045 −.032 (−.21)
Relative Black Income Gains		−.112 −.076 (−.96)	
Western SMSAs		−.011 −.067 (−.70)	
Southern SMSAs		.019 .099 (1.30)	
Gross Discrimination Rates			−.102 −.074 (−.53)
Intercept	−.19*	−.168	−.25
Adjusted R^2	.80	.80	.41

Each cell contains the raw coefficient, standardized coefficient, and t-statistic, respectively. (*) indicates sig. < .05; (**) indicates sig. < .001.

To insure a uniform measure of changing desegregation, I used the indices of dissimilarity compiled by Massey and Denton[52] for sixty major metropolitan areas. I collected data on each of the four independent variables for these sixty areas, and regressed them on the 1970-1980

capture conditions that existed throughout the decade of the 1970s. To illustrate this point, suppose I compare SMSA X with SMSA Y. X did not grow at all during the 1960s, but grew 50% during the 1970s; Y grew 40% during the 1960s and 40% more during the 1970s. I would argue that since population levels in SMSA X have been stable for a decade, X will tend to have greater cohesion in the early 1970s than would Y, which has been growing steadily. It is important, therefore, to measure growth in a way that scores Y higher than X on this variable.

52. *See* Massey & Denton, *supra* note 2, at 815-16.

change in segregation.[53] The results are summarized in Model 1 of Table II. The R-squared statistic of .80 suggests that these variables are explaining a great deal of intermetropolitan variations in segregation. The black presence, ethnicity, and mobility variables are each significant, and illustrate their predicted signs, in addition to having substantial standardized coefficients. The growth variable also shows its predicted sign, but only approaches significance.

Model 1 makes a powerful case for the influence of demographic conditions on segregation patterns during the 1970s. After all, each of the independent variables is merely a proxy for more complex and more localized conditions (community cohesion and black demand). Moreover, the dependent variable is based on the difference of two calculations of segregation—for 1970 and for 1980—each of which is itself imperfect. Additionally, some local factors that could not be measured are undoubtedly important. Evidently, the tested relationships were powerful enough to survive these problems.

TABLE III
ANALYSIS OF VARIABLES IN MODELS 1, 2, AND 3

Variable	Mean	Minimum	Maximum	Std. Dev.
1970-80 Change in Dissimilarity	−.098	−.381	.037	.08
Log of SMSA % Black	−1.09	−1.35	−.43	.39
1960-80 SMSA Population Growth	1.43	.91	3.05	.43
% Non-Movers, 1965-70, 1975-80	.51	.37	.67	.08
% Key White Ethnics	.044	.002	.186	.05
Relative Black Income Gains	−.01	−.14	.15	.05
Gross Discrimination Rates	.45	.25	.65	.08

Statistics for first six variables are for full 60-SMSA model analyzed in Models 1 and 2.
Statistics for "Gross Discrimination Rates" are shown for 38-SMSAs in Model 3.

The weak role of growth in this model merits some discussion. Growth and mobility are highly correlated, as Table IV shows, and necessarily so—if a region grows 20% between 1975 and 1980, then no more than 80% of its population can possibly be non-movers during that

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53. An alternative dependent variable is the 1980 level of dissimilarity, rather than the 1970-1980 change. But, this measure is flawed. Inter-metropolitan variations in the dissimilarity index are caused not only by differences in segregation, but also by the average size of each SMSA's census tracts (larger tracts yield lower measures of dissimilarity) and by the degree to which the SMSA boundaries include rural areas (rural areas in the South often appear, somewhat misleadingly, more integrated than nearby cities). These distortions are relatively constant over the 1970-1980 period. Therefore, using the change in dissimilarity as a measure of desegregation controls for these effects. Moreover, since I want to measure how segregation patterns were affected by the drop in discrimination of the late 1960s and the 1970s, a measure of change in segregation is appropriate.

TABLE IV
CORRELATION MATRIX FOR KEY VARIABLES

	Log % Black	1960-80 Growth	% Non-Movers	% Key Ethnics
70-80 Dissimilarity Decline	.64	.67	.74	.59
Log % Black	. . .	−.34	.22	.12
1960-80 Growth	−.34	. . .	−.73	−.41
% Non-Movers	.22	−.73	. . .	.70
% Key White Ethnics	.12	−.41	.70	. . .
Relative Black Income Gains	−.25	.66	−.51	−.36
Western location	−.56	.51	−.67	−.47
Gross Discrimination	.42	.042	−.039	−.19

time. If mobility is removed from the equation, then growth becomes a highly significant predictor of desegregation during the 1970s. Thus, it is not surprising that Massey and Denton have remarked on the importance of growth[54] or that Wilger fashioned a theory of desegregation around it.[55] However, Model 1 suggests that growth does not directly facilitate desegregation by stimulating the construction of new, post-Title VIII housing, as Wilger suggests. Rather, growth's principal role seems to be related to the broader role of mobility—creating a sense of general change and flux in which black in-migration is not seen by white residents as a pivotal event in the evolution of a community.

Arguably, mobility appears to be a highly significant predictor of desegregation only because it is, in part, a measure of desegregation. After all, some white people must move out of their homes to enable black people to move in. High mobility might simply be a proxy for the wide availability of homes available to blacks to rent or buy. This hypothesis breaks down, however, when we recall that we are not comparing "dispersed" ghettos with "contained" ghettos in the 1970s, but rather "dispersed" ghettos with "distended" ghettos. In virtually all metropolitan areas during the 1970s, a large proportion of blacks moved into previously all-white nieghborhoods. What distinguished the desegregating regions was the wide dispersion of black migration and the relative stability of whites after black entry began. In other words, high residential mobility seems to have been an important factor in creating a general demographic environment, and not as a specific catalyst of available vacancies.

Although Model 1 seems to support the theory of "demographic

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54. *See* Massey & Denton, *supra* note 2, at 816-17.
55. *See* Wilger, *supra* note 11.

context" I have described, ideally, it should be compared directly with alternative explanations of segregation patterns. Some comparisons in Models 2 and 3 have been attempted. Muth[56] and Clark[57] have contended that economic differences between blacks and whites play a key role in perpetuating residential separation. If this is an important factor, then it seems plausible that metropolitan areas where blacks increased their economic standing relative to whites during the 1970s should demonstrate special progress towards desegregation. Similarly, Lee,[58] and Lee and Wood,[59] point out that patterns of neighborhood change in western cities are, on average, distinctly different than those elsewhere in the country. An interesting question, then, is whether there is something about western metropolitan areas that is not captured by the demographic factors I have described.

Model 2 adds three variables to Model 1: a measure of the 1970-1980 change in the ratio of black median family income to white median family income, by metropolitan area; and two dummy variables to denote southern and western cities (Texas and Oklahoma metropolitan areas are included in the West). The addition of these models has little effect on the overall explanatory power of the model. Although the three new variables slightly dilute the significance of the black presence and mobility variables, only the "South" dummy approaches signicance. The relative income coefficient has the predicted sign, but its weakness suggests that, on a metropolitan level, black economic progress did not greatly facilitate desegregation during the 1970s—a conclusion consistent with Massey & Denton's finding that even high income blacks were still highly segregated in 1980.[60] Similarly, the Western SMSA dummy has the correct sign, but its low coefficient and lack of significance suggest that the patterns Lee and Wood have found may well be artifacts of demographic conditions rather than regional ones, a conclusion consistent with their own analyses.[61]

Model 3 considers another hypothesis: that variations in the level of discrimination across metropolitan areas in the 1970s were pivotal in determining whether, and how much, desegregation occurred. Model 1 certainly does not disprove this theory; one could plausibly argue that

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56. *See* MUTH, *supra* note 8, at 8-9.

57. *See* Clark, *supra* note 23, at 35.

58. *See* Barrett A. Lee, *Racially Mixed Neighborhoods During the 1970s: Change or Stability?*, 66 SOC. SCI. Q. 346, 355 (1985).

59. *See* Barrett A. Lee & Peter B. Wood, *Is Neighborhood Racial Succession Place-Specific?*, 28 DEMOGRAPHY 21, 25 (1991) (evaluating the geographic generality of the succession model of neighborhood racial change for the period 1970 to 1980).

60. Douglas S. Massey & Nancy A. Denton, *Residential Segregation of Blacks, Hispanics, and Asians by Socioeconomic Status and Generation,* 69 SOC. SCI. Q. 797, 804-05 (1988).

61. *See* Lee, *supra* note 58, at 356; Lee & Wood, *supra* note 59, at 32.

discrimination is simply lower in cities with fewer blacks, fewer ethnic diversity, and higher mobility.[62]

If, however, discrimination continues to be the primary source of segregation, the best predictor of desegregation would be a direct measure of city-by-city differences in discrimination, rather than indirect proxies like "percent black" and "white ethnicity." Fortunately, such a measure does exist, and permits an assessment of this theory. A study conducted in 1977 under the auspices of the U.S. Department of Housing and Urban Development (HUD) sampled patterns of discrimination in forty metropolitan areas.[63] HUD measured discrimination through a technique known as "testing," in which matched pairs of black and white testers, posing as interested homeseekers, independently visited real estate brokers or rental agents and recorded the type of treatment and information they received. Each pair of testers is matched to have similar incomes, education, age, and marital status, in order to minimize the possibility that the persons being tested are discriminating on some non-racial basis. The results of this survey yielded estimated discrimination rates for each SMSA. Using this data as an independent variable, and adding the four variables in Model 1, a second data set was created for thirty-eight of the HUD areas and tested Model 3, shown in Table II.[64]

Model 3 is a far weaker indicator of discrimination than is Model 1 (adjusted R^2 of .41 rather than .80) for several reasons. The size of the sample is smaller and none of the sample SMSAs has a small black population, thus increasing the clustering of observations. The best dissimilarity index available for these cities[65] lacked some of the controls adopted by Massey and Denton in developing the measures used in Models 1 and 2. Moreover, several of the thirty-seven SMSAs are small—with populations of one to three hundred thousand—and have relatively few census tracts, compounding the measurement problem.

Despite these weaknesses, two conclusions seem reasonable. First, Model 3 still respectably predicts changes in segregation during the 1970s. Second, the discrimination variable does not contribute to the model's performance. Indeed, the discrimination coefficient has the

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62. I partly agree with this view, since I am arguing, in effect, that tightly-knit communities discriminate more than other communities. However, I am also suggesting that discrimination is only one effect of cohesion. An equally important effect is a greater fear of resegregation; white demand drops more rapidly in cohesive neighborhoods after black entry than it would in an otherwise similar but non-cohesive neighborhood.

63. *See* WIENK ET AL., *supra* note 29, at 21-23.

64. HUD studied forty areas, but I could not find the necessary measures of segregation levels for one (York), and two others (Dallas and Fort Worth) were inexplicably in the same SMSA. Therefore, the scores for those two areas were averaged together.

65. *See* Reynolds Farley & Robert Wilger, *Recent Changes in the Residential Segregation of Blacks from Whites: An Analysis of 203 Metropolises,* NAT'L ACAD. OF SCI. REP. #15.

wrong sign. This is not to say that discrimination played no role in segregation; rather, it seems that minor variations in discrimination levels across cities were not indicative of the extent to which integration occurred. In other words, as previously noted, the national decline in discrimination between the early 1960s and late 1970s was probably more important than the local variations remaining in 1977.[66]

B. *Declining Discrimination and the Dual Housing Market*

A reasonable response to the empirical models presented in the last Section would be that the specific demographic results predicted are more plausible than, and could operate independent of, the theory with which they are linked. For example, other authors have hypothesized a connection between low segregation levels and small black populations with simpler theories or mere common sense.[67] A more exacting hurdle for the segregation theory would be a test of the theory's more counter-intuitive predictions.

A good candidate is the trend in housing prices. I have argued that before 1970, intense discrimination created a "contained ghetto" and enormous constraints on black mobility. This should have produced a dual housing market, with blacks tending to pay more than whites for comparable housing. A decline in discrimination during the 1970s would change this dual market in two different ways. In cities where the "distended ghetto" materialized, greater access to some white neighborhoods led to a rapid path of black expansion and resegregation. The enlargement of the ghetto combined with continued segregation preserved the dual housing market, but inverted it: resegregation produced a surfeit of middle-class housing for blacks and housing prices paid by blacks declined relative to prices paid by whites. In cities where desegregation occurs, the black and white markets blend into a single market, causing housing prices to converge.

No hint of such a change has been suggested in the literature on housing segregation. However, a lengthy debate about whether a dual housing market really existed occurred in the 1960s and early 1970s.[68]

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66. It should also be noted that my test is imperfect in many ways. The data measure "institutional" discrimination more than discrimination among the general public, and it does not measure "hostility costs" at all. Perhaps more importantly, the samples in each city were small and may have had a wide degree of sampling error. HUD sponsored another national audit in 1989, but has not released data on discrimination levels for individual SMSAs.

67. *See* Massey & Gross, *supra* note 11, at 32; Thomas L. Van Valey et al., *Trends in Residential Segregation: 1960-1970*, 82 AM. J. SOC. 826, 838 (1977).

68. *See* JOHN F. KAIN & JOHN M. QUIGLEY, HOUSING MARKETS AND RACIAL DISCRIMINATION: A MICROECONOMIC ANALYSIS 63-65 (1975); McENTIRE, *supra* note 15, at 263; MUTH, *supra* note 8, at 111.

Although circumstantial evidence suggested that blacks paid a premium for housing, such a claim was difficult to prove—partly because it was hard to control for quality differences and partly because the black premium was not as large as it had been immediately after World War II. Nevertheless, several careful analyses in the early 1970s—particularly an exhaustive series of studies by Kain and Quigley[69]—persuasively showed that blacks did, indeed, pay a 5%-10% premium in numerous housing markets.

Interest in the dual housing market declined after Kain and Quigley's work. The few studies that have appeared since[70] have tended to find that black home prices are lower than prices in comparable white neighborhoods, but these analysts have simply questioned the viability of the dual housing market theory, rather than investigating whether the underlying dynamics of the dual housing market have changed.

Yet, even a cursory examination of 1980 census data shows that something interesting has happened. For metropolitan areas in the United States as a whole, the 1970-1980 increase in median housing prices among whites, after adjusting for inflation during the decade, was 36%.[71] Among blacks, the increase was only 23%. Comparatively, outside of SMSAs, black housing prices increased somewhat more rapidly than white prices—as one would expect, given the rise of black incomes relative to white incomes.[72]

If relative black housing prices dropped in metropolitan areas for the reasons suggested, then the best predictor of whether an individual SMSA experienced such a drop is the change in segregation over the 1970-1980 decade. Relative black prices should decline most in those cities where segregation remained most intact: where the "distended ghetto" pattern was dominant. In contrast, the "dispersed ghetto" pattern of desegregating cities should lead to a blending of white and black housing prices in those cities, and only modest changes in relative prices.[73]

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69. *See* KAIN & QUIGLEY, *supra* note 68, at 293-94; John F. Kain & John M. Quigley, *Housing Market Discrimination, Homeownership, and Savings Behavior*, 62 AM. ECON. REV. 263, 263 (1972); John F. Kain & John M. Quigley, *Measuring the Value of Housing Quality*, 65 J. AM. STAT. ASS'N 532, 540 (1970).

70. *See* James R. Follain, Jr. & Stephen Malpezzi, *Another Look at Racial Differences in Housing Prices*, 18 URB. STUD. 195, 199 (1981); James E. Long & Steven B. Caudill, *Racial Differences in Homeownership and Housing Wealth, 1970-1986*, 30 ECON. INQUIRY 83, 99 (1992); John W. Reifel, Black-White Price Differentials in Owner and Renter Housing in Grand Rapids, Michigan (1984) (unpublished presentation at 1984 AREUEA/ASSA meetings) (on file with author).

71. *See* U.S. BUREAU OF CENSUS 1983, pp. 61-63; 1972, pp. 55-56.

72. *See* U.S. BUREAU OF CENSUS 1983, pp. 61-63; 1972, pp. 55-56.

73. The actual direction of relative black housing prices in desegregating cities is ambiguous in the theory. Since integration should lead to a unified housing market, the 1970 "black

As noted, the task of measuring relative housing prices—particularly relative changes over time—is not easy, since one should control not only for quality differences in housing, but should also include other factors, such as relative black/white incomes that may influence the demand for housing in different metropolitan areas. To make matters worse, some of the most useful census data on metropolitan housing characteristics are not disaggregated by race in SMSAs with small black populations.[74]

Perhaps the best way to conduct this analysis is to use census micro-data to control for the individual characteristics of homes and homeowners. This article has pursued a simpler alternative, collecting aggregate data for fifty-seven major SMSAs on housing quality and homeowner incomes. The census series *Metropolitan Housing Characteristics*, available for both 1970 and 1980, provide data on homeowner income and three types of data relevant to the quality of single-family homes: age of housing, number of rooms, and presence of central air conditioning. To evaluate whether these data could provide a meaningful backdrop for comparing housing markets across cities, I ran a level regression, in which the dependent variable was the 1970 ratio of median black home values to median white home values in fifty-seven SMSAs, and the independent variables were black/white ratios of median homeowner income, median age of owner-occupied, single-family homes, median size of these homes, and proportion of these homes with central air conditioning. The results, shown in Model 4 on Table V, suggest that these variables were reasonably effective in capturing relative differences in racial conditions across cities. As would be expected, the black/white gap in median home values was substantially smaller where black incomes were closer to white incomes, and where the age gap between black-owned housing and white-owned housing was smaller. The 1970 level of segregation, included for comparative purposes, showed no effect, as foreseen.

Once some confidence in these controls was established, variables were created for capturing relative changes between black and white homeowners during the 1970s for the fifty-seven SMSAs. Specifically, the variables focused on the relative changes in housing value, homeowner incomes, housing age, housing size, and prevalence of central air-conditioning. A positive value for any of the variables based on black/

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premium" of 5%-10% should disappear, and black relative prices should drop by that amount. On the other hand, if desegregation allows blacks to buy better quality housing, average prices paid by blacks may rise. In either case, however, the black relative prices should remain constant in these areas, compared to black relative prices in the segregated SMSAs.

74. Published census data for 1980 is more complete, but this analysis was necessarily constrained by the narrower foundation of available 1970 data.

TABLE V
MODELS OF RELATIVE HOUSING PRICES

Dependent Variable: Black/White Ratio of Median Housing Values, by SMSA

INDEPENDENT VARIABLES	MODEL 4 (1970 Ratio Levels) (n=57)	MODEL 5 (1970-80 Ratio Changes) (n=57)
1970 Black/White Dissimilarity	−.022 −.025 (−.24)	−.367** −.476 (−4.08)
1970-80 Change in Dissimilarity		−.614** −.547 (−4.59)
Black/White Median Income	.245** .409 (3.72)	.064 .091 (.65)
Black/White Median Housing Age	.372** .530 (4.18)	.009* .321 (3.30)
Black/White Median Housing Size	−.098 −.070 (−.46)	.007 .016 (.14)
Black/White % Units with Air Conditioning	.040 .128 (1.17)	.131 .151 (1.30)
Southern Cities	−.065* −.345 (−2.68)	.009 .058 (.44)
Intercept	.316	.137
Adjusted R²	.49	.56

Each cell contains the raw coefficient, standardized coefficient, and t-statistic, respectively.An asterisk (*) indicates sig. < .05; a double-asterisk (**) indicates sig. < .001.

white ratios means that, during the 1970s, the underlying index rose more rapidly for blacks than for whites (i.e., black housing prices rose faster than white housing prices, black housing became less "aged" relative to white housing, etc.). As in the level regression, one would expect the measures of income and housing quality changes to correlate positively to housing price changes.

Two measures of the degree to which blacks faced a more "integrated" housing market during the 1970s have been included: the 1970 level of segregation, and the 1970-1980 change in segregation levels. Segregation levels for 1970 are relevant, because it is necessary to assess how integrated the housing market was throughout the 1970s. For both segregation variables, the theory posits a negative relationship between segregation and relative black housing prices: urban areas with high

TABLE VI

ANALYSIS OF VARIABLES IN MODEL 5

Variable	Mean	Minimum	Maximum	Std. Dev.
1970-80 Change in Relative Black/ White Med. Housing Value	−.078	−.027	.085	.08
1970 Black/White Dissimilarity	.791	.378	.919	.09
1970-80 Change in Dissimilarity	−.070	.225	.117	.07
1970-80 Change in Relative Black/ White Median Income	.135	−.103	.444	.11
1970-80 Change in Relative Black/ White Med. Housing Age	2.65	−3.00	9.00	2.46
1970-80 Change in Relative Black/ White Med. Housing Size	−.042	−.400	−.500	.17
1970-80 Change in Relative Black/ White Units with A/C	−.035	−.182	.309	.09

Note: For most variables, the black/white changes described in these statistics were determined by computing the relative change in black characteristics relative to white characteristics. For example, the mean change in relative black/white median housing value from 1970-1980, computed as −.078, means that for the SMSAs in the sample, median black prices during the 1970s rose, on average, 7.8% less than did median white prices. However, for two variables (relative age and relative size), a more absolute measure was used, namely, the change in the gap (in years for housing age, and in number of rooms for housing size between blacks and whites during the 1970s). This approach made more sense given the nature of the variables; moreover, the results of Model 5 were unaffected by using alternative formulations.

segregation in 1970 and small declines in segregation during the 1970s should have the largest declines in relative black prices. A dummy variable for southern SMSAs was also included.

Model 5 shows a regression of these quality, income, regional, and segregation variables on changes in home values. The results are striking. First, the overall explanatory power of the model (Adjusted R^2 = .56) is very high, considering the crudeness of the quality measures, the exclusion of factors which certainly must affect housing prices (such as the rate of new construction), and the use of 1970-1980 changes in the variables measured (which increases imprecision, and thus, reduces explanatory power). Second, the independent variables all show their predicted signs: black housing values, relative to white housing values, fell least in SMSAs where the racial gap in income or housing quality declined, and fell most in those SMSAs where little desegregation occurred. Third, and most importantly, it is clear that during the 1970s, the traditional influences on relative housing values, like homeowner income and housing age, were overwhelmed by the effect of the desegregation variables. As predicted, areas that remained highly segregated tended to experience sharp declines in relative black housing values. Put somewhat differently, a one standard deviation (seven point) decline in

TABLE VII
CORRELATION MATRIX FOR KEY VARIABLES FROM MODEL 5

	1970 Index of Dissimilarity	1970-80 Change in Dissimilarity	Change in Black/White Rel. Income	Change in Black/White Rel.Hous.Age
1970-80 Change in Relative Housing Prices	−.25	−.50	.54	.35
1970 Index of Dissimilarity	. . .	−.38	−.19	.14
1970-80 Change in Dissimilarity	−.38	. . .	−.45	−.14
1970-80 Change in Relative Black/White Incomes	−.19	−.45	. . .	.13
1970-80 Change in Relative Black/White Housing Age	.14	−.14	.13	. . .
1970-80 Change in Relative Black/White Housing Size	−.46	.12	.26	−.33
1970-80 Change in Relative Black/White Avail. of A/C	.13	−.33	.26	.07

segregation during the 1970s stemmed the general relative decline in black prices by over one half of a standard deviation (4%).

All of these factors, combined with the initial observation that urban, black housing prices changed sharply during the 1970s, are highly consistent with the theory of segregation outlined above. The emergence of two distinctly new patterns of black migration during the 1970s—the distended ghetto and the dispersed ghetto—created divergent and definite effects on local housing markets.

When confronted with such dramatic changes, alternative explanations must be sought. For example, did the independent increase in white housing prices, due to such factors as slower construction, higher costs, and rapid household formation, contribute to the effects observed? Perhaps, if white prices had gone up in segregated areas and down in desegregating communities. Actually, just the opposite occurred. White housing prices generally went up somewhat faster in desegregating areas, probably because rapid population growth is associated with both rising housing prices and desegregation. This means that absolute changes in black housing prices were very widely dispersed: they were propelled upwards in desegregating SMSAs by both the general upward price trend in those areas and by the disappearance of the dual housing market, which allowed blacks to buy better housing.

In segregated areas, white housing prices generally remained more constant while black housing prices fell, widening the gap between black price levels in segregated and desegregating cities. These circumstances further support the theory's explanation of black housing price changes, since the predicted effects were strong enough to show up clearly even though they were working against broader housing market developments. That is, black housing prices kept pace with white housing prices in desegregating areas, even though those were the communities where white prices were rising fastest; black prices fell relative to white prices in segregated areas, even though those were the areas where white prices were most stagnant.

This inversion of the dual housing market shows that continuing racial segregation has rather dramatic—though seemingly paradoxical— welfare implications for black and white homeowners. Further investigation may show that, in our largest metropolitan areas, black homes in 1980 had an aggregate value billions of dollars below what their value would have been if significant desegregation had occurred during the 1970s.[75] Of course, stagnating home values have both a good side and a bad side: middle-class housing is more accessible to blacks because of lower prices, but blacks in these areas have not fully shared the increases in equity wealth that generally benefitted homeowners during the 1970s. Opposite costs and benefits will accrue to white communities, where artificial housing shortages are created. Aside from these difficulties, of course, there is the well-known economic result that an artificially segmented market will prevent buyers and sellers from achieving a pareto optimal outcome. But perhaps the most troubling outcome in the "distended ghetto" is its effect on black pioneers entering white neighborhoods. These buyers pay the high prices prevailing in the white market in the hope of achieving integration, and then see their housing values stagnate or decline after the neighborhood is incorporated into the ghetto.

V. CONCLUSION

Much remains to be done before a fully satisfactory explanation of segregation can be achieved. The theory I have outlined makes a number of assumptions which remain unverified. It could be expressed more precisely by incorporating the insights of non-cooperative game

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75. The effect can be illustrated by a very rough estimate. In 1980, there were approximately 1.1 million single-family black homeowners in the fifteen largest metropolitan areas (listed in note 3). If the typical home in those areas would have appreciated an additional 15% (about $5,000) had those SMSAs experienced substantial desegregation, then the total value "lost" by segregation is on the order of $5.5 billion.

theory and general equilibrium theory, although the obstacles in the path of a "mathematical" model of the segregation process are formidable. An empirical analysis that uses neighborhood-level data would provide a more satisfying test of several claims advanced here.

Despite the work that remains to be done, this Article should advance our understanding of segregation in some important ways. It demonstrates the usefulness of bringing together, in a common theory, phenomena that are often studied independently. By simultaneously considering the roles of demography, discrimination, housing markets, and racial attitudes, an internally consistent story about racial housing patterns can be told. This "story" ties together and provides new insight into a good deal of previously unrelated research. An integrated story also facilitates direct empirical comparisons of alternative theories.

Substantively, the results reported in this Article support two hypotheses advanced in Part III: that housing discrimination fell significantly during the late 1960s and 1970s, and that the national dimensions of this decline were more significant than local variations. The dynamics of segregation changed dramatically in all cities after 1970. Where local demographic conditions were favorable, this change led to a large increase in integration. Elsewhere, the change led to unprecedented expansions of the ghetto, widespread resegregation, and an inversion of the dual housing market. In either case, however, the most plausible catalyst of the new patterns was a drop in discrimination.

This finding—that drops in discrimination during the 1970s were large enough to promote important changes in housing markets—has dramatic implications for fair housing policy.[76] It suggests that the Fair Housing Act of 1968—Title VIII—was, at least, partly successful in its principal goal of attacking market discrimination. It also suggests that other measures which seek to strengthen the attack on discrimination, such as the Fair Housing Amendments Act of 1988, are unlikely to have a significant impact on current patterns of housing segregation. This is because further lowering the discrimination rate will not, by itself, change the other factors that produce resegregation outcomes. Indeed, even if the white-black search cost differential were entirely eliminated, the remaining hostility costs, which are difficult to legislate away, might well deflect black migrations into the patterns I have drawn.

Moreover, further reductions in black search costs are unlikely to be as significant as those of the past. Assume, for example, that discrimination rates were 90% in 1960, 50% in 1990, and could be reduced to 10% by the year 2000 through vigorous enforcement of civil rights laws.

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76. *See* Richard H. Sander, *Individual Rights and Demographic Realities: The Problem of Fair Housing*, 82 Nw. U. L. Rev. 874, 895-96 (1988).

Black search costs would then be ten times greater than white costs in 1960, two times greater in 1990, and 1.1 times greater in 2000. At least in an economic sense, it seems likely that the principal gains to be made in reducing search costs have already occurred.

Of course, as long as discrimination remains common—and most of the evidence suggests that there are still hundreds of thousands of instances of discrimination each year—there are other good reasons to press the attack on discrimination. My point is that such attacks are not likely to change segregation levels very much. Indeed, as long as the causes of segregation remain unaddressed, civil rights efforts will have a limited effect even upon discrimination levels. To the extent that existing discrimination today arises from a fear of resegregation, it will be very difficult to eliminate simply through a legal strategy.[77] An ironic paradox presents itself: whereas discrimination was undeniably the central force that created black segregation, segregation has today become one of the central forces sustaining discrimination. If the theory advanced here is valid, then successful desegregation in our most segregated cities will come only through programs aimed at simulating the interrelated conditions that occur spontaneously in the desegregating cities.[78]

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77. Scholars are finding increasing evidence that employment discrimination laws run up against some of the same limits. *See* David Charny and Mitu Gulati, *Efficiency-wages, Tournaments, and Discrimination: A Theory of Employment Discrimination for 'High-Level' Jobs*, 33 Harv. C.R.-C.L. L. Rev. 57, 105 (1998).

78. For a discussion and some examples of such programs, see *id.* at 928-35.