

**RACE INEQUALITY AND POLICY INITIATIVE (RIPI)**  
**Housing and Inequality Annotated Bibliography and Literature Review**

**By**

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**A. Basic Concepts**

Housing and wealth inequality: Racial-ethnic differences in home equity in the United States

Krivo, L., & Kaufman, R. (2004). Housing and wealth INEQUALITY: Racial-ethnic differences in home equity in the United States. Retrieved April 02, 2021, from <https://link.springer.com/article/10.1353/dem.2004.0023#citeas>

Krivo and Kaufman's study focuses on the differences in home equity in the United States between blacks, Hispanics, Asians, and non-Hispanic whites. Using data from the 2001 American Housing Survey, the researchers used Home equity, measured as the total estimated value of an owned home minus the total amount of principal owed on all mortgages on the property, as the dependent variable. The independent variable was race-ethnicity, which was a set of dummy variables including non-Hispanic whites, non-Hispanic blacks, non-Hispanic Asians, and Hispanics. Researchers used tobit techniques to estimate a baseline model and then performed progressive adjustments by adding sets of variables to explore how various predictors mediate the relationship between race-ethnicity and home equity. Main findings include that Blacks and Hispanics have notably lower

values of mean home equity than whites, and all three minorities (Asians included) have low median housing equity because homeownership is much less common. For blacks and Hispanics, the largest drops in differences in equity occur when household statuses (including income and education) are controlled. Past research has supported that racial-ethnic differences in socioeconomic status result from both achievement and discrimination (e.g., schools, labor markets, and families) within and across generations. Thus, the gap in home equity that is due to differences in household statuses represents, in large part, the outcome of processes that take place outside of and prior to entry into the housing market. Greater research is needed to further understand the diversity of social statuses among different races. For example, Asians and Hispanics are both strongly affected by the recent history of immigration but vary in socioeconomic status. In addition, Hispanics, like blacks, face discrimination in the housing market that appears to suppress the accumulation of home equity, but this is not systematically the case for Asians. Overall, this literature contributes to RPI's virtual library as Krivo and Kaufman demonstrated that minority groups differ dramatically in their ability to accumulate the same long-term economic resources as do whites.

#### In Search of Housing: Urban Families in Rural Contexts

Clark, S.L. (2012). In Search of Housing: Urban Families in Rural Contexts. *Rural Sociology*, 77(1). <https://onlinelibrary.wiley.com/doi/full/10.1111/j.1549-0831.2011.00069.x>

This study aims to examine the growing trend of the in-migration of low-income families to rural areas from urban centers searching for affordable housing. Late renowned

anthropologist Janet Fitchen observed that in rural communities, local agencies reported a recent and significant increase in low-income people moving in from typically urban areas. Researchers Foulkes and Newbold (2008) argue there should be greater focus on in-migration and the decision to stay in rural communities, especially in regard to the community's amenities and characteristics. In addition to employment opportunities, factors like availability and affordability of housing, safer communities, portability of welfare benefits, better school systems, and overall quality of life attract families. Low-income families move more often and for more negative reasons than higher-income families, and when they move, they often move into counties just as poor or poorer than former residences. Over an eight month period, ethnographers conducted interviews based on the experiences of 18 in-migrants, 12 long-time residents, and 30 community meetings and agency interviews across three rural counties in Pennsylvania. The majority of respondents identified themselves as Black. Producing data matrices from transcripts and field notes, Dr. Clark used within-case analysis and cross-case analyses to determine patterns on families across the sample. Such emergent patterns detailed the processes and intersections of relocation characteristics, nuanced behaviors, and meanings that respondents gave to their lived experiences. Major observations include that availability, affordability, and quality of housing were major factors that drew them into the study area. Despite having housing accommodations in previous counties, the high costs of housing and poor quality of neighborhood drove many to move- as noted, safety was the second most prevalent reason for leaving the city. Several barriers to maintaining housing stability include race as a barrier, employment opportunity, and difference in cultural attitudes. All five respondents noted that they want to leave the study area because they

perceived that it was not racially tolerant of African Americans. In addition, stable employment had been difficult to find since there were a lack of low-skilled employment opportunities, temporary job placements, access to transportation, racial disparities, and few child-care options. Lastly, the style of living in the rural environment is different from urban centers, leaving many respondents confused and unfamiliar with the area. Overall, amenities in rural communities like publicly subsidized housing, Section 8 vouchers, and transitional housing shelters attract many low-income residents, in hope for affordable housing. Despite leaving the lack of affordable housing options, neighborhood and domestic violence, and poor education in urban centers, many low-income residents faced racial discrimination, little job opportunities, and a difficult adjustment to rural life. This paper is relevant to RIPI's virtual library because it supports the need for more safe and affordable housing in urban centers. When there are no viable options, low-income families decide to opt out and migrate elsewhere, like rural communities. As increasing numbers of families decide to migrate, rural areas will face demographic shifts along class, gender, age, and notably race.

#### Residential Mobility and Youth Well-being: Research, Policy and Practice Issues

Scanlon, E., & Devine , K. (2001). Residential Mobility and Youth Well-being: Research, Policy and Practice Issues. *The Journal of Sociology and Social Welfare*, 28(1).

<https://psycnet.apa.org/record/2001-14897-003>

## **B. Piedmont Triad Area News**

### The Forsyth Story: A Strategy for Creating a More Inclusive Economy

Brown-Graham, A., Brown, D., & Gangi, E. (2019). (rep.). *The Forsyth Story: A Strategy for Creating a More Inclusive Economy*. ncIMPACT. <https://kbr.org/news/the-forsyth-story-a-strategy-for-creating-a-more-inclusive-economy/>

## **C. Housing Policies**

### Where The Poor Live: How Federal Housing Policy Shapes Residential Communities

Clark, S. L. (2002). Where The Poor Live: How Federal Housing Policy Shapes Residential Communities. *Urban Anthropology and Studies of Cultural Systems and World Economic Development*, 31(1), 69-92.

JSTOR. <https://www.jstor.org/stable/40553557?seq=1>

In this article, Dr. Clark aims to demonstrate how broader structural forces, especially federal housing policies, shape the social and physical organization of a specific development. The independent variable is the HOPE VI policy in the Ellen Wilson neighborhood. The dependent variable is resulting community interactions. Main theories involved include Greenbaum's spatial ecology of racism in resident housing, Marcuse's hierarchies of power and wealth reflected in the urban landscape, and Yiftachel's control and domination over residential space. Over a two-year period, Dr. Clark conducted semi structured interviews with individuals in different Income Bands: 15 interviews with individuals in Band I (whose incomes are less than 25% of Washington D.C.'s median

income), five interviews with individuals in Band II (25-50%), and five interviews with individuals in Band III (51-115%). In addition, Dr. Clark attended community meetings and church services, collected newspaper and HOPE VI journal articles, and researched archival materials on housing in D.C. from the Civil War to present. One of the main findings in the article is that many displacees from the HOPE VI program struggled to find affordable housing after being pushed out. Those who do not get into the new developments must find different living arrangements. Another finding involves the perception of black occupancy devaluing property in the neighborhood which limits the housing choices of black consumers. Many view the dilapidated buildings as a result of ignorance from the black community, but do not recognize the reluctance of banks, mortgage companies, and insurance companies to invest in black neighborhoods. Furthermore, HOPE VI strives to create mixed-income communities for low-income residents to thrive with newfound social networks and services. Despite little new connections being formed with Income Band I residents, other residents remained socially connected to individuals in other neighborhoods. Another main idea in the article is how the physical landscape accentuates the difference between wealthy and low-income residents. For example, the freeway between the white middle-class neighborhood and the poorer, mostly black neighborhood symbolized the hierarchy of power and wealth in the community. Yet, the recent city and federal developments have alleviated the freeway's divisive power, as the revitalizing efforts of public housing developments between the freeway and the river leaves the poor less insulated. Lastly, the planning tools designed to assist social inequality can also be used to control and repress minority groups. The assumed benefits from creating mixed-income developments to foster community relations

often do not materialize, as Dr. Clark's data support that many residents do not form close ties with their neighbors. The article's findings support the rise in inequality between the wealthy and poor in neighborhoods like the Ellen Wilson neighborhood. A limitation of this study is that it is one of 15 cities impacted by the HOPE VI program. It may be helpful to look at more cities to get a better understanding of HOPE VI's influence. This study is relevant to the Housing and Inequality Virtual Library as it reflects how government programs and policies can exacerbate the inequalities between race and wealth.

Home is Where the Wealth is: African Americans and the Housing Debacle

Clark, Sherri Lawson. "Home Is Where the Wealth Is: African Americans and the Housing Debacle." Essay. In *Contemporary African American Families: Achievements, Challenges, and Empowerment Strategies in the Twenty-First Century*, 109–22. New York: Routledge, Taylor & Francis Group, 2017.

The concept of homeownership is embedded in American ideology, as it is legitimized through public policies, national economies, and maintained through everyday practices. This chapter's research topic pertains to the disproportionate African American homeownership losses during the Great Recession due to the subprime mortgage industry and distribution of wealth towards home equity. Housing stability includes socio-emotional benefits including higher educational achievement, better physical and mental health outcomes, and enhanced personal relationships. With African Americans investing less in financial assets like stocks and holding business equity, there is a greater fraction of wealth in housing equity and automobile ownership. Thus, the widening gap between black and

white wealth was driven primarily by the subprime lending market and residential segregation. Subprime lenders offering an adjustable rate mortgage enabled individuals with poor credit, low income, or limited documentation to secure mortgages. With homebuyers of color being 30 percent more likely to receive the highest cost subprime loan than White subprime loan borrowed, there was a dramatic loss in household wealth after the Great Recession. Evinced in a study looking at highest income, African American county, Prince George, 723 homes ended up in foreclosure out of an 1,800 single-family home division. During this foreclosure crisis, 8 percent of African American borrowers lost their homes, compared to only 4.5 percent of Whites. Programs such as the Home Affordable Refinance Program (HARP) and Home Affordable Modification Program (HAMP) attempt to assist African Americans from losing their homes, but pose as a temporary solution as the barriers to African American wealth accumulation are structural inequalities that cannot be fixed through mortgage-based assistance. The attempt to achieve the “American Dream” via homeownership can penalize households due to unforeseen costs. Yet, those who have more income are better prepared to have other alternatives in face of emergency. The American Dream of financial prosperity for African Americans can materialize through an ideological shift that prompts more equal distribution of wealth among the African American community, in addition to more informed investment strategies. This resource is significant to RIPI’s virtual library because Dr. Clark discusses federal policies designed to assist African American homeownership post-Great Recession and their shortcomings. Such mortgage assistance programs fail to directly challenge the structural issues of housing inequality and the inherent bias of the American Dream for the white majority.



#### **D. Foreclosures**

##### Variations in Housing Foreclosures by Race and Place, 2005–2012

Crowder, K., Spring, A., & Hall, M. (2015). Variations in Housing Foreclosures by race and Place, 2005–2012 - Matthew HALL, Kyle Crowder, Amy Spring, 2015.

Retrieved April 02, 2021, from

<https://journals.sagepub.com/doi/pdf/10.1177/0002716215576907>

##### Mortgage Foreclosure and Health Disparities: Serial Displacement as Asset Extraction in African American Populations

Saegert, S., Libman, K., & Fields, D. (2011). Mortgage foreclosure and HEALTH disparities: Serial displacement as asset extraction in African American populations. Retrieved April 02, 2021, from

<https://pubmed.ncbi.nlm.nih.gov/21643884/>

#### **E. Organizations**

- a. [www.hud.gov](http://www.hud.gov) – U.S. Department of Housing and Urban Development
- b. [www.macfound.org](http://www.macfound.org): The John D. and Catherine T. MacArthur Foundation is one of the nation’s largest independent foundations. Through the support it provides, the Foundation fosters the development of knowledge, nurtures individual creativity, strengthens institutions, helps improve public policy, and provides information to the public, primarily through support for public interest media.

- c. <http://www.nhc.org/?page=housing/chp-index> - National Housing Conference and the Center for Housing Policy NHC work together to broaden understanding of the nation's housing challenges and to examine the impact of policies and programs developed to address these needs. Specifically, NHC's advocacy work builds on the lessons learned from the Center's research to help tackle some of the most pressing housing concerns, including foreclosure prevention, neighborhood stabilization, rental housing preservation, and coordinated housing and transportation policies.
- d. <https://www.brookings.edu/> - Brookings Institution is a nonprofit public policy organization based in Washington, DC. Our mission is to conduct in-depth research that leads to new ideas for solving problems facing society at the local, national and global level.
- e. <http://housingresearchorg.blogspot.com/> - Housing Research Foundation, a blogspot focusing on HOPE VI and senior/disabled housing
- f. <http://www.nlihc.org/template/index.cfm> - The National Low-Income Housing Coalition, national, non-profit advocacy group commissioned to end America's affordable housing crisis
- g. [www.urban.org](http://www.urban.org) – The Urban Institute, a research organization that gathers and analyzes data, conducts policy research, evaluates programs and services, and educates Americans on critical issues and trends
- h. <http://www.jchs.harvard.edu> – Harvard's Joint Center for Housing Studies, a clearinghouse for information and research on housing in the U.S.

- i. [www.ruralhome.org](http://www.ruralhome.org) – Housing Assistance Council, national, non-profit organization dedicated to aiding rural housing initiatives

# **How do Government Housing Policies Perpetuate Racial Inequality in the United States?**

## **Literature Review**

Homeownership has been viewed as a symbolic element of the American Dream, as it enables individuals to accumulate wealth via assets and build neighborhood prosperity. In attempts to provide housing to lower-income individuals, the federal government often interferes by implementing policies and regulations to foster housing development. Yet, often these policies exacerbate the economic disparities between lower and higher income classes. As income inequality aligns with racial disparities, such enacted policies reinforce the social divide between whites and minorities. Many housing policies in urban areas are inefficient solutions to the housing shortage in metropolitan areas, as the current amount of supply nowhere near matches the massive demand. As a result, many lower-income, black families struggle to find stable and affordable residences. While rural communities serve as an alternative option for cheap and safe housing, many black migrants find that systemic racial practices still follow. This rural in-migration, supplemented by government vouchers, serves to relocate racial inequalities instead of alleviating them. This literature review analyzes demographic trends among housing and the effects of government housing policies on racial inequities. The three categories of this research include federal housing policies on the urban, suburban, and rural level.

### **Urban**

Despite there being over 1.2 million public housing units in the United States, the amount of people demanding stable, affordable housing outnumbers the supply. In Dr. Sherri Clark's article, *Where The Poor Live: How Federal Housing Policy Shapes Residential Communities*, she examines HOPE VI, which is a U.S. federal program that finances new public housing

development by granting distressed Public Housing Authorities (PHAs) throughout the nation to demolish old projects and rebuild. Ultimately, HOPE VI seeks to forge partnerships between agencies, local governments, nonprofit organizations, private businesses, and local communities (Clark, 2002). Despite their well-intentioned program, many displacees from the demolished projects struggled to find affordable housing after being forced out. In addition, the potential partnerships between higher and lower income families failed to materialize, as Dr. Clark's data support that many residents do not form close ties with their neighbors. Instead, the forced integration motivated individuals to find other individuals in the same socio-economic class. These findings were significant because they reveal the struggle of social mobility in the urban setting. Public housing is rarely a viable option for lower-income black families due to the scarce supply, and many programs that redevelop projects, like HOPE VI, require time and resources. In addition, there is no guarantee that displaced families will return back to the redeveloped housing.

After finding housing, the perception that black occupancy devalues neighborhood property values continues to persist. Many view black-occupied urban housing as a result of ignorance and mismanagement due to the dilapidated buildings, but fail to acknowledge the reluctance of banks, mortgage companies, and insurance companies to invest in black communities. Despite the federal government's attempts to resolve the housing crisis for black communities, many black individuals find themselves worse off than before. Furthermore, the lingering perception of black occupancy reinforces financial institution's reluctance to fund and support black communities.

## **Suburban**

Owning a house in the suburbs is the epitome of the American Dream, as it provides proximity to employment in urban centers while maintaining a peaceful atmosphere. Yet, this dream is typically more accessible to certain demographics than others. As indicated by Krivo and Kaufman's article, *Housing and wealth inequality: Racial-ethnic differences in home equity in the United States*, Blacks and Hispanics have notably lower values of mean home equity than whites. Krivo and Kaufman also report that homeownership is much less common among minorities, thus supporting the claim that the American Dream favors certain racial groups than others.

In addition to being able to obtain homeownership, fulfillment of the American Dream requires being able to maintain such homeownership. With the subprime lending market and residential segregation in the late 2000s, the gap between black and white wealth only widened. As noted by Dr. Clark in *Home is Where the Wealth is: African Americans and the Housing Debacle*, there was a dramatic loss in household wealth for blacks after the Great Recession due to homebuyers of color being 30 percent more likely to receive the highest cost subprime loan than White subprime loan borrowers. As a result, 8 percent of African American borrowers lost their homes, compared to only 4.5 percent of Whites, during the foreclosure crisis. With many African Americans losing their homes at disproportionate rates, racial inequity only deepened in regard to housing and communities.

The federal government implemented policies to mitigate such consequences, with the Home Affordable Refinance Program (HARP) and Home Affordable Modification Program (HAMP). Unfortunately, these programs only posed as a temporary solution for African Americans as the racist disparity in wealth accumulation are structural inequalities that cannot be fixed through mortgage-based assistance. With these performative policies designed to support

black communities during the financial crisis, HARP and HAMP failed to address the systemic inequities embedded in American society and the American Dream.

## **Rural**

When the government is unable to provide safe and affordable housing in urban and suburban areas, rural communities become attractive locations for lower-income families. In addition to the better school systems and lower crime rates, the countryside looks very appealing for families. For these reasons, there have been a notable increase in migration by black families for such housing opportunities. Yet, the change of scenery did not eliminate the inherent systemic racist patterns that are prevalent in American society, as noted in Dr. Clark's investigation.

In Dr. Clark's article, *In Search of Housing: Urban Families in Rural Contexts*, many recently relocated black individuals were pushed out of previous counties due to their high costs of living and poor quality neighborhoods. With the government recognizing the outward migration from cities, they encouraged movement towards rural areas via publicly subsidized housing, Section 8 vouchers, and transitional housing shelters to attract many low-income residents. While these methods do promote migration to rural areas, systemic racism still follows these migrants. Although finding affordable housing was easier in rural areas, stable employment had been difficult to find due to the lack of low-skilled employment opportunities. Respondents also noted that they wanted to leave the study area because they perceived that it was not racially tolerant of African Americans. Families struggled due to the lack of child-care facilities and the continued discrimination. Overall, the government's encouraged migration to rural areas

appeared to merely dislocate racial issues instead of mitigating them, as many black individuals struggled to adjust to rural life.

## **Conclusion**

After reviewing this body of work, there is a large body of evidence that supports the notion that certain federal policies rarely mitigate the racial inequalities between the white majority and persons of color, especially African Americans. Despite their well-intentions, many of these policies widen the socioeconomic disparities between races. Numerous policies introduce temporary alleviation of the homeownership problem and foreclosure crisis for minorities, yet fail to address the deeply rooted systemic challenges embedded in American society. Additional literature regarding the association between systemic racism housing and development will be added to this virtual library. While there is a lot of literature regarding housing in the United States, future research can be focused on specific topics such as housing evictions, patterns within the Piedmont Triad Area, and academic films.