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## From Ferguson to Baltimore: The consequences of government-sponsored segregation

By Valerie Strauss May 3

People celebrate in the streets of Baltimore on May 1 after it was announced that criminal charges would be brought against all 6 officers involved in the death of Freddie Gray. (Photo by Jabin Botsford/The Washington Post)

his is an important post about the



consequences of government-sponsored segregation in places such as Ferguson,
Missouri and Baltimore, where violent protest has erupted over the deaths of black men
at the hands of police. It was written by scholar Richard Rothstein, who explains that
whenever young blacks riot in response to police brutality or murder, "we're tempted to
think we can address the problem by improving police quality" — but that only won't
address the primary problems. Rothstein is a research associate at the Economic Policy
Institute, a non-profit created in 1986 to broaden the discussion about economic policy
to include the interests of low- and middle-income workers. He is also senior fellow of
the Chief Justice Earl Warren Institute on Law and Social Policy at the University of
California (Berkeley) School of Law, and he is the author of books including "Grading

Education: Getting Accountability Right, and "Class and Schools: Using Social, Economic and Educational Reform to Close the Black-White Achievement Gap." He was a national education writer for The New York Times as well.

## From Ferguson to Baltimore: The consequences of government-sponsored segregation

## **By Richard Rothstein**

In Baltimore in 1910, a black Yale law school graduate purchased a home in a previously all-white neighborhood. The Baltimore city government reacted by <u>adopting a residential segregation ordinance</u>, restricting African Americans to designated blocks. Explaining the policy, Baltimore's mayor proclaimed, "Blacks should be quarantined in isolated slums in order to reduce the incidence of civil disturbance, to prevent the spread of communicable disease into the nearby white neighborhoods, and to protect property values among the white majority."

Thus began a century of federal, state, and local policies to quarantine Baltimore's black population in isolated slums—policies that continue to the present day, as <u>federal</u> <u>housing subsidy policies still disproportionately direct</u> low-income black families <u>to</u> <u>segregated neighborhoods</u> and away from middle class suburbs.

Whenever young black men riot in response to police brutality or murder, as they have done recently in Baltimore, we're tempted to think we can address the problem by improving police quality—training officers not to use excessive force, implementing community policing, encouraging police to be more sensitive, prohibiting racial profiling, and so on. These are all good, necessary, and important things to do. But such proposals ignore the obvious reality that the protests are not really (or primarily) about policing.

The youths who engaged in violent protest were a minority of Baltimore's young African Americans, but they nonetheless reflected the frustrations of a cohort that has been denied the opportunity to participate in mainstream American society. When disadvantaged children are concentrated in separate schools, as they are in Baltimore, their disadvantages are exacerbated.

It is one thing if a teacher has a few children in her classroom who come to school from homes where parents are less educated and who read to their children less frequently; who have lost continuity of instruction because their parents lose employment more frequently and have moved or even been occasionally homeless; or who struggle more because they were up at night wheezing from environmentally-driven asthma and have not benefited from the treatment that a regular relationship with a pediatrician can provide. In these cases, the teacher can devote special attention to such children, and try to compensate for their educational disadvantages.

But when a classroom is filled with children having these and similar problems, the entire level of instruction must deteriorate. Teachers spend more time on remediation, and less on grade level work. More learning opportunities are lost to disciplinary issues because children come to school less prepared to learn.

The City of Baltimore is now 64 percent black while the suburban counties surrounding it (Baltimore and Anne Arundel Counties) are only 23 percent black—and many of their African-American citizens are in segregated black suburbs within the white counties. In the City of Baltimore, 80 percent of adults have graduated from high school or have high school equivalency certificates and 27 percent have graduated from college; in the surrounding suburbs the figures are 90 and 36 percent. In the City of Baltimore, the African-American unemployment rate is 18 percent, more than twice the white rate of 7 percent. In the suburban counties, the African-American rate is 9 percent, half again as great as the white 6 percent rate. In the City of Baltimore the poverty rate is 24 percent and in the surrounding suburbs it is 8 percent. And poverty is a very low threshold—the

federal government's lunch program deems a child eligible for subsidies if his or her family income is nearly twice (185 percent) the poverty line. Places like Baltimore with a 24 percent poverty rate have an overwhelming number of children who may not be poor, but who come from families with very low incomes.

It is inconceivable that children facing disadvantages like those in the City of Baltimore can have average achievement that is similar to that of children from Baltimore's white suburban neighborhoods.

And they don't. In fourth-grade mathematics, for example, white students in Maryland had an average score on the federal National Assessment of Educational Progress of 260 in 2013; black students in the City of Baltimore, as well as those who are eligible for subsidized lunches, had average scores of 220. This means that the typical black student, or the typical lunch-eligible student in Baltimore, performs worse than 80 percent of white students statewide. The differences are similar for reading and for the eighth grade.

In 1968, following hundreds of riots in black neighborhoods nationwide, a commission appointed by President Lyndon Johnson concluded that "[o]ur nation is moving toward two societies, one black, one white—separate and unequal" and that "[s]egregation and poverty have created in the racial ghetto a destructive environment totally unknown to most white Americans." The Kerner Commission (headed by Illinois Governor Otto Kerner) added that "[w]hat white Americans have never fully understood—but what the Negro can never forget—is that white society is deeply implicated in the ghetto. White institutions created it, white institutions maintain it, and white society condones it."

In the last 50 years, the two societies have <u>become even more unequal</u>. Although a relatively small black middle class has been permitted to integrate itself into mainstream America, those left behind are <u>more segregated now</u> than they were in 1968.

When the Kerner Commission blamed "white society" and "white institutions," it employed euphemisms to avoid naming the culprits everyone knew at the time. It was not a vague white society that created ghettos but government—federal, state, and local—that employed explicitly <u>racial laws</u>, <u>policies</u>, <u>and regulations</u> to ensure that black Americans would live impoverished, and separately from whites. Baltimore's ghetto was not created by private discrimination, income differences, personal preferences, or demographic trends, but by purposeful action of government in violation of the Fifth, Thirteenth, and Fourteenth Amendments. These constitutional violations have never been remedied, and we are paying the price in the violence we saw this week.

Following the police killing of Michael Brown in Ferguson, Missouri, last August, I wrote <u>The Making of Ferguson</u>, a history of the state-sponsored segregation in St. Louis County that set the stage for police-community hostility there. Virtually every one of the racially explicit federal, state, and local policies of segregation pursued in St. Louis has a parallel in policies pursued by government in Baltimore.

In 1917, the U.S. Supreme Court found ordinances such as Baltimore's 1910 segregation rule unconstitutional, not because they abridged African Americans' rights to live where they could afford, but because they restricted the property rights of (white) homeowners to sell to whomever they wished. Baltimore's mayor responded by instructing city building inspectors and health department investigators to cite for code violations anyone who rented or sold to blacks in predominantly white neighborhoods. Five years later, the next Baltimore mayor formalized this approach by forming an official Committee on Segregation and appointing the City Solicitor to lead it. The committee coordinated the efforts of the building and health departments with those of the real estate industry and white community organizations to apply pressure to any whites tempted to sell or rent to blacks. Members of the city's real estate board, for example, accompanied building and health inspectors to warn property owners not to violate the city's color line.

In 1925, 18 Baltimore neighborhood associations came together to form the "Allied Civic and Protective Association" for the purpose of urging both new and existing property owners to sign restrictive covenants, which committed owners never to sell to an African American. Where neighbors jointly signed a covenant, any one of them could enforce it by asking a court to evict an African American family who purchased property in violation. Restrictive covenants were not merely private agreements between homeowners; they frequently had government sanction. In Baltimore, the city-sponsored Committee on Segregation organized neighborhood associations throughout the city that could circulate and enforce such covenants.

Supplementing the covenants, African Americans were prevented from moving to white neighborhoods by explicit policy of the Federal Housing Administration (FHA), which barred suburban subdivision developers from qualifying for federally subsidized construction loans unless the developers committed to exclude African Americans from the community. The FHA also barred African Americans themselves from obtaining bank mortgages for house purchases even in suburban subdivisions which were privately financed without federal construction loan guarantees. The FHA not only refused to insure mortgages for black families in white neighborhoods, it also refused to insure mortgages in black neighborhoods—a policy that came to be known as "redlining," because neighborhoods were colored red on government maps to indicate that these neighborhoods should be considered poor credit risks as a consequence of African Americans living in (or even near) them.

Unable to get mortgages, and restricted to overcrowded neighborhoods where housing was in short supply, African Americans either rented apartments at rents considerably higher than those for similar dwellings in white neighborhoods, or bought homes on installment plans. These arrangements, known as contract sales, differed from mortgages because monthly payments were not amortized, so a single missed payment meant loss of a home, with no accumulated equity. In the Atlantic last year, <u>Ta-Nehisi</u>

<u>Coates described how this system worked</u> in Chicago. In summarizing her <u>book</u>, <u>Family Properties</u>, Rutgers University historian Beryl Satter <u>described it this way:</u>

Because black contract buyers knew how easily they could lose their homes, they struggled to make their inflated monthly payments. Husbands and wives both worked double shifts. They neglected basic maintenance. They subdivided their apartments, crammed in extra tenants and, when possible, charged their tenants hefty rents. ...

White people observed that their new black neighbors overcrowded and neglected their properties. Overcrowded neighborhoods meant overcrowded schools; in Chicago, officials responded by "double-shifting" the students (half attending in the morning, half in the afternoon). Children were deprived of a full day of schooling and left to fend for themselves in the after-school hours. These conditions helped fuel the rise of gangs, which in turn terrorized shop owners and residents alike.

In the end, whites fled these neighborhoods, not only because of the influx of black families, but also because they were upset about overcrowding, decaying schools and crime. They also understood that the longer they stayed, the less their property would be worth. But black contract buyers did not have the option of leaving a declining neighborhood before their properties were paid for in full—if they did, they would lose everything they'd invested in that property to date. Whites could leave—blacks had to stay.

The contract-buying system was commonplace in Baltimore. Its existence was solely due to the federal government's policy of denying mortgages to African Americans, in either black or white neighborhoods.

Nationwide, black family incomes are now about 60 percent of white family incomes, but black household wealth is only about 5 percent of white household wealth. In Baltimore and elsewhere, the distressed condition of African American working- and

lower-middle-class families is almost entirely attributable to federal policy that prohibited black families from accumulating housing equity during the suburban boom that moved white families into single-family homes from the mid-1930s to the mid-1960s—and thus from bequeathing that wealth to their children and grandchildren, as white suburbanites have done.

As I described in the Making of Ferguson, the federal government maintained a policy of segregation in public housing nationwide for decades. This was as true in northeastern cities like New York as it was in border cities like Baltimore and St. Louis. In 1994, civil rights groups sued the Department of Housing and Urban Development (HUD), alleging that HUD had segregated its public housing in Baltimore and then, after it had concentrated the poorest African American families in projects in the poorest neighborhoods, HUD and the city of Baltimore demolished the projects, and purposely relocated the former residents into other segregated black neighborhoods. An eventual settlement required the government to provide vouchers to former public housing residents for apartments in integrated neighborhoods, and supported this provision with counseling and social services to ensure that families' moves to integrated neighborhoods would have a high likelihood of success. Although the program is generally considered a model, it affects only a small number of families, and has not substantially dismantled Baltimore's black ghetto.

In 1970, declaring that the federal government had established a "white noose" around ghettos in Baltimore and other cities, <u>HUD Secretary George Romney proposed denying federal funds for sewers</u>, water projects, parkland, or redevelopment to all-white suburbs that resisted integration by maintaining exclusionary zoning ordinances (that prohibited multi-unit construction) or by refusing to accept subsidized moderate-income or public low-income housing.

In the case of Baltimore County, he withheld a sewer grant that had previously been committed, because of the county's policies of residential segregation. It was a very

controversial move, but Romney got support from Vice President Spiro Agnew, who had been frustrated by unreasonable suburban resistance to integration and mixed income developments when he had been the Baltimore County Executive and governor of Maryland. In a 1970 speech to the National Alliance of Businessmen, Agnew attacked attempts to solve the country's racial problems by pouring money into the inner city as had been done in the Johnson administration. Agnew said that he flatly rejected the assumption that "because the primary problems of race and poverty are found in the ghettos of urban America, the solutions to these problems must also be found there... Resources needed to solve the urban poverty problem—land, money, and jobs—exist in substantial supply in suburban areas, but are not being sufficiently utilized in solving inner-city problems."

President Richard Nixon eventually restrained Romney, HUD's integration programs were abandoned, Romney himself was forced out as HUD Secretary, and little has been done since to solve the urban poverty problem with the substantial resources that exist in the suburbs.

Ten years ago, during the subprime lending boom, banks and other financial institutions targeted African Americans for the marketing of subprime loans. The loans had exploding interest rates and prohibitive prepayment penalties, leading to a wave of foreclosures that forced black homeowners back into ghetto apartments and devastated the middle class neighborhoods to which these families had moved. The City of Baltimore sued Wells Fargo Bank, presenting evidence that the bank had established a special unit staffed exclusively by African American bank employees who were instructed to visit black churches to market subprime loans. The bank had no similar practice of marketing such loans through white institutions.

These policies were commonplace nationwide, but federal bank examiners responsible for supervising lending practices made no attempt to intervene. When a similar suit was filed in Cleveland, a federal judge observed that because mortgage lending is so heavily

regulated by the federal and state governments, "there is no question that the subprime lending that occurred in Cleveland was conduct which 'the law sanctions'."

Baltimore, not at all uniquely, has experienced a century of public policy designed, consciously so, to segregate and impoverish its black population. A legacy of these policies is the rioting we have seen in Baltimore. Whether after the 1967 wave of riots that led to the Kerner Commission report, after the 1992 Los Angeles riot that followed the acquittal of police officers who beat Rodney King, or after the recent wave of confrontations and vandalism following police killings of black men, community leaders typically say, properly, that violence isn't the answer and that after peace is restored, we can deal with the underlying problems. We never do so.

Certainly, African-American citizens of Baltimore were provoked by aggressive, hostile, even murderous policing, but Spiro Agnew had it right. Without suburban integration, something barely on today's public policy agenda, ghetto conditions will persist, giving rise to aggressive policing and the riots that inevitably ensue. Like Ferguson before it, Baltimore will not be the last such conflagration the nation needlessly experiences.



Valerie Strauss covers education and runs The Answer Sheet blog.