

The Ecology of Racial Discrimination

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In this article we build on prior studies that have used audit methods to document continued discrimination against African Americans in U.S. housing markets. Whereas prior work focused primarily on measuring racial disparities in housing access, here we seek to determine which personal, ecological, and agent factors raise or lower discrimination. Our data come from phone-based audit studies of rental housing offered in the Philadelphia metropolitan market in the spring of 1999, the fall of 2000, and the spring of 2002. Male and female auditors called listings to inquire about the availability of units using white middle-class English, black-accented English, and Black English Vernacular. Results show that whites are more likely to be favored over black auditors of the same gender when the black auditor speaks Black English Vernacular compared with black-accented English. Access was also lower in suburbs than the central city and it decreased as distance from a predominantly black neighborhood fell. Blacks experienced much lower access to units marketed by private landlords rather than professional agents. Blacks are more likely to gain access to areas that already have high concentrations of blacks or in areas that are not in danger of black encroachment (i.e., further away from black concentrations). These mechanisms serve to reinforce and replicate segregation.

Perhaps the most prevalent feature of American cities is the continued segregation of residents by race. There is a great deal of evidence to suggest that racial discrimination in housing is a significant contributor to the high degree of black-white segregation. Prior to the passage of the 1968 Fair Housing Act, evidence of discrimination in housing was easy to observe. Realtors would not hesitate to tell potential black homeowners that they could not buy in certain neighborhoods. Up until 1948, white homeowners frequently signed agreements with neighbors not to sell or rent their home to a person of color, and well into the 1960s most white realtors had an explicit policy of not marketing housing in white neighborhoods to black home seekers. Indeed, before the civil rights era, the latter was the recommended policy of the National Association of Real Estate Boards (see Massey and Denton, 1993).

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After the passage of the Fair Housing Act, housing discrimination became more covert (Yinger, 1986) and victims of discrimination often did not know whether or when they had been discriminated against (Massey and Denton, 1993). Because discriminatory actions now tend to be clandestine, potential home seekers may not realize it when they are not shown housing because of their race. They have no easy way of knowing that an advertised house really has not been sold, as alleged by the realtor. Several researchers have argued that the cumulative effects of small acts of discrimination are the leading cause of persistent racial segregation (Galster, 1992; Massey and Denton, 1993; Yinger, 1995).

This study builds on earlier work documenting high levels of racial discrimination in Philadelphia's rental housing market. Massey and Lundy (2001) used audit methods to show not only that blacks experienced less access to rental apartments than whites, but that the degree of discrimination varied by class and gender. In this study, we seek to determine whether discriminatory behavior also varies ecologically. Specifically, we examine how discrimination in the marketing of rental apartments is influenced by a unit's distance from predominantly black areas and its location in the central city versus a suburb. In doing so, we also control for the type of agent responsible for marketing the unit (private landlord or professional realtor).

We hypothesize that discrimination should be greatest in areas that are closer to existing black neighborhoods, owing to agent fears of racial tipping (the process by which a neighborhood goes from majority to minority). If the entry of a large number of minority home seekers is seen as a distinct possibility, then rental agents may be less willing to market housing to blacks for at least two reasons. First, they may fear offending whites in the neighborhood, who are their friends, acquaintances, business associates, and potential clients.¹ Second, landlords and realtors may also have a financial stake in the neighborhood, and may fear, correctly or not, that the entry of blacks will undermine rents and property values. A third, and contrary, possibility is that agents deliberately steer blacks toward mixed areas that border existing black areas in an effort to maximize racial turnover in the neighborhood, which increases business for them (Galster, 1990b).

We also posit that discrimination varies according to the racial composition of the neighborhood in which a unit is located, being greatest in areas that contain virtually no blacks, high in areas that contain small numbers of blacks, but less in areas that already contain significant minority concentrations. In other words, discrimination should fall as the minority percentage increases because fears of neighborhood turnover are greatest in neighborhoods that contain few minorities and decline as the presence of minorities becomes increasingly obvious. Because of the unwillingness of whites to live in areas with even moderate minority concentrations (Charles, 2000, 2001; Bobo and Zubrinsky, 1996; Farley et al., 1994), the segmented nature of black demand may yield lower levels of racial discrimination in these neighborhoods. As mentioned before, blacks may also be deliberately steered toward such neighborhoods in an effort to maximize turnover (Galster, 1990b).

Whatever the motivations for racial discrimination in housing, the behavior is illegal under federal law and detrimental to the interests of minority home seekers, who not only gain less access to housing, but also less access to the many benefits and socioeconomic resources that are distributed through housing markets, such as education, jobs, insurance, capital, credit, and security (Massey and Denton, 1993; Yinger, 1995). But if discrimination is now clandestine and so hard to observe, how can we tell if it is indeed a force behind segregation?

MEASURING DISCRIMINATION

Discrimination against minorities in housing can be measured in two ways. One approach is to track complaints filed with local and federal governmental agencies. The National Fair Housing Alliance produces an annual report on the state of housing discrimination in the United States. It is based on information gathered from local fair housing groups, the U.S. Department of Housing and Urban Development, the U.S. Department of Justice, and numerous state and local government agencies. Discrimination is tracked in four different market sectors: rental markets, mortgage lending, home sales, and homeowner insurance.

Complaint data compiled for 2001 found that race continues to be the most commonly reported basis for discrimination, accounting for 32 percent of the 23,557 cases filed (National Fair Housing Alliance, 2002). As a measure of housing discrimination, however, complaints are far from perfect. On the one hand, formal complaints probably represent a small fraction of the annual incidents of housing discrimination, as most observers suspect that the vast majority go unreported. On the other hand, complaints only refer to incidents that people *think* are discriminatory. Few complaints are verified and at least some may not actually be true examples of racial discrimination (perhaps the agent *was* telling the truth when he or she said that the advertised unit had already been taken).

The fundamental weakness of complaint-based data is that discrimination is not measured directly but is filtered through a reporting process (Lucas, 1994; Shively, 2001). People may choose or not choose to report behavior they suspect is discriminatory, depending on bureaucratic factors (e.g., the ease of reporting) and perceptions (the vigor with which an agency is seen to deal with complaints). As these and other conditions vary, the rate of reporting may go up or down independently of the underlying rate of discrimination. Complaint data also do not permit analysis of the *determinants* of discrimination, as the data typically are not classified by characteristics such as education, gender, age, or income. At best, this sort of data yield a measure of the underlying rate, and a flawed one at that.

For these reasons, social scientists have turned to an alternative approach to measuring discrimination: the audit study. Numerous housing audits have been conducted over the years in a variety of U.S. cities (see Feagin, 2000; Galster, 1987, 1990a; Page, 1995). The basic idea behind an audit is to ascertain whether members of a particular minority group receive different treatment from realtors compared to whites with similar socioeconomic characteristics and housing preferences. Differential treatment is established by sending out paired testers of different races to inquire about the same housing unit. After the encounter with the rental or sales agent, the testers fill out a detailed report of their experiences. These reports are then tabulated and analyzed. If minority auditors receive worse treatment and less access to housing over a number of trials, the researcher typically concludes that discrimination has occurred.

Audit studies represent a quasi-experimental research design (Campbell and Stanley, 1966). Even though they offer researchers more control and greater internal validity than other designs commonly used in the social sciences, they nonetheless have been criticized for relying on ambiguous definitions of “unequal treatment” and for confounding random and systematic effects (see Fix, Galster, and Struyk, 1992; Heckman and Siegelman, 1992). Despite these problems, data from audit studies are generally accepted as providing strong

evidence of racial discrimination (Fix and Turner, 1998), notably by U.S. courts (see Metcalf, 1988).

Housing audit methodologies were developed by local fair housing groups soon after the passage of the Fair Housing Act in 1968; but the first large-scale national study, the Housing Market Practices Survey, was not conducted until 1977 by the U.S. Department of Housing and Urban Development (HUD). This study audited the home rental and sales markets of 40 metropolitan areas containing significant black populations. Results indicated that, on average, whites were systematically treated more favorably than blacks in both housing markets (Wienk, 1979).

In 1988 HUD conducted a follow-up study, called the Housing Discrimination Study, to see whether there had been changes in the extent and severity of discrimination over time. Twenty-five metropolitan areas were randomly selected from 105 areas that had at least 100,000 people in the central city and were more than 12 percent African American or 7 percent Hispanic (Yinger, 1995). After metropolitan areas were selected from this pool, those that were at least 7 percent Hispanic were allocated Hispanic auditors in addition to African-American and white testers. As before, both rental and sales markets were audited. Findings pointed to continued widespread discrimination in urban housing markets throughout the country, although discrimination against African Americans was more frequent and more severe than against Hispanics (Yinger, 1995).

In general, the 1988 data suggested that levels of discrimination in housing had changed little since the first nationwide audit in 1977 (Galster, 1992). In both the HUD studies, there was about a 50 percent chance that a minority member seeking to buy a home or rent an apartment would experience some form of discriminatory treatment (Galster, 1992). HUD conducted yet another follow-up Housing Discrimination Study in 2000, the results of which have been recently released (Turner et al., 2002). This audit finds that although there have been declines in housing discrimination, overall levels are unacceptably high and are worse for minorities seeking rental than owned housing (Turner et al., 2002). Another troubling trend found in the audit is that the most common form of discrimination against black home seekers is racial steering (i.e., showing blacks housing in neighborhoods that are predominantly black). This type of discrimination has an obvious and direct link to the perpetuation of racial segregation.

Although housing audits have been effective in showing how discrimination occurs in face-to-face encounters, they do not necessarily capture all incidents of discrimination. There are ample opportunities for discrimination to occur *prior to* a personal encounter with a realtor. Research by Purnell, Idsardi, and Baugh (1999), for example, revealed that race can be inferred with 72 percent accuracy over the phone simply on the basis of the word "hello," opening up the possibility of phone-based discrimination. The National Fair Housing Alliance (2002) reports that discrimination against "black-sounding" callers, which they label "linguistic profiling," has become quite common in real estate transactions (see also Feagin and Sikes, 1994).

Phone-based discrimination can take a variety of forms, some of which parallel those that occur during face-to-face encounters (such as when an agent tells a black-sounding caller that a unit is rented when it really is not or fails to mention other units that are available). However, phone communication offers additional opportunities for discrimination that are not possible during an in-person encounter. In an era of voice mail, when many phone inquiries about the availability of rental units are intercepted by an answering

device, agents can profile prospective tenants simply by not returning calls from those who “sound black.”

We are aware of two housing audits that have been conducted to measure phone-based discrimination based on linguistic cues. Purnell, Idsardi, and Baugh (1999) examined how three different speech styles affected the likelihood of receiving an appointment to look at an advertised unit in the San Francisco Bay area. They found that Chicano- and African-American-sounding callers were significantly less likely to obtain an appointment to see an advertised unit compared with white-sounding callers, an effect that appeared to be stronger for listings that were in predominantly white areas.

The second study, by Massey and Lundy (2001), used students from a racially diverse college class to conduct an audit of the Philadelphia rental market. They used a quasi-experimental design in which auditors were systematically varied by race, class, and gender. Rental listings from metropolitan newspapers and magazines were selected and student auditors called to inquire about the availability of units using different linguistic styles. The multiracial class of men and women included native speakers of Black English Vernacular (BEV), black-accented English (BAE), and white middle-class English (WME), allowing the investigators to consider six different treatment conditions: male BEV, male BAE, male WMC, female BEV, female BAE, and female WME.

Auditors calling in black-accented English spoke using a black-inflected pronunciation of words reflecting the southern roots of African-American speech. Those using Black English Vernacular employed nonstandard rules of grammar and diction as well as distinctive pronunciations (Labov, 1972; Baugh, 1983). The investigators argued that speakers of black-accented English would be perceived as being of higher class origins than those who spoke Black English Vernacular (Labov and Harris, 1986).

Massey and Lundy (2001) found clear evidence of phone-based discrimination: blacks were significantly less likely than whites to receive callbacks and to be told that units were available. In addition to the main effect of race, however, they also found significant interactions with class and gender. Among blacks, those who spoke BEV had less access to housing than those who spoke BAE, and black women had less access than black men. By far the least access to rental housing was experienced by callers who were perceived as poor, black, and female, suggesting a three-way interaction between race, class, and gender in the determination of discrimination.

Owing to the limited number of cases, however, Massey and Lundy (2001) were unable to consider whether discrimination varied ecologically as well as socially, limiting social scientific understanding of the determinants of discrimination. As argued above, there are good substantive and theoretical reasons to believe that discrimination varies not only in response to the perceived class and gender of the minority renter, but also according to the geographic location of the unit. Indeed, several studies support this hypothesis.

Ondrich, Ross, and Yinger (2001) used data from the 1988 Housing Discrimination Study to assess whether the probability of racial discrimination varied by distance from the rental agent’s office, arguing that agents would be less likely to discriminate when their actions would not be readily observable by their main clientele, a hypothesis confirmed in their results. They also considered how discrimination might be affected by distance to a predominantly black neighborhood. In two of the four metropolitan areas they studied, units located near existing black areas were less likely to be marketed to anyone, white or black, and in one other metropolitan area whites were systematically steered away from

units located near existing black communities. Geographically structured discrimination has been reported in several other studies (Galster, 1987, 1990b; Page, 1995; Purnell, Idsardi, and Baugh, 1999; Turner et al., 2002; Yinger, 1986, 1995).

METHODS AND DATA

Our analysis builds on Massey and Lundy's previous audit of phone-based racial discrimination in the Philadelphia rental housing market. In addition to manipulating the race, class, and gender of testers, however, we geo-coded the location of each rental unit in physical space, allowing us to study how discrimination is influenced by ecological position. The original audit was conducted in the spring of 1999. As part of Massey's ongoing course at the University of Pennsylvania, he reran the audit study again in the fall of 2000 and the spring of 2002, thereby increasing the number of cases so as to permit the inclusion of additional variables and increase the power of statistical analyses.

As before, publicly advertised rental units meeting certain price and size requirements were selected over successive weeks and students attempted to reach the rental agent by telephone. Units were selected from real estate advertisements in *The Philadelphia Inquirer* (the main metropolitan newspaper), *Apartments for Rent* and *The Apartment Hunter* magazines (two real estate industry publications distributed free on street corners, stores, and restaurants), and *The Philadelphia Weekly* (a free weekly publication that is distributed citywide but of particular interest to those seeking residence in Center City Philadelphia).

Auditors were assigned names and characteristics and instructed to make at least three phone calls and to leave at least three messages before giving up. If they reached an agent, male and female students speaking WME, BAE, and BEV read through a standardized script to inquire about the availability of the advertised unit, whether any other units were available, and the terms and conditions by which units might be rented. After reading the script, the auditor signed off by saying: "Thanks, I'm looking at other places, so I'll get back to you if I want to see it," and then hung up to fill out a form detailing what happened to him or her in course of the interaction. Complete details about the audit methodology and a facsimile of the script and auditor profiles are available in Massey and Lundy (2001).

In the present analysis, we focus on one particular outcome: housing access. Access is defined to occur when an auditor is able to reach a rental agent *and* is told that a unit of housing is still available. Data from the Housing Discrimination Study in 2000 reveal that whites were favored over blacks (i.e., gained access while the black auditor did not) in 21.6 percent of rental audits (Turner, 2002). Other outcomes (whether fees are required, the size of the deposit, the amount of rent, the mentioning of credit problems) will be considered in future reports. In total, over three semesters Massey's classes conducted audits of 153 rental units, yielding information on 918 separate encounters (153 × 6 gender-linguistic combinations), which was reduced to a working data file of 911 because of missing data. In the following section we report on the spatial distribution of rental listings in the Philadelphia rental market and then describe overall patterns of discrimination. In subsequent sections, we examine the effect of ecological position on the likelihood of discrimination while controlling for type of rental agent. We conclude with a summary of findings and implications for future research.

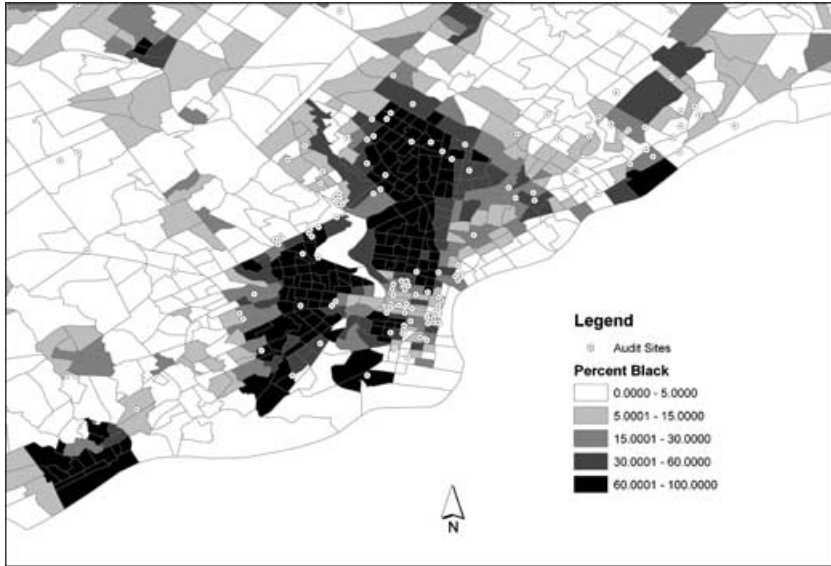


FIG. 1. Housing Audit sites by percent black in tract.

PATTERNS OF DISCRIMINATION

Figure 1 presents a census-tract map of the Philadelphia metropolitan region showing the geographic location of rental units we selected for audit (a few outlying tracts and units have been excluded from the map to keep the size of the display manageable). Tracts are graphed by their percent black, with dark colors indicating higher minority concentrations.

This map immediately reveals a startling fact about the marketing of rental housing in the Philadelphia area: virtually none of the advertised units are located in black neighborhoods. Indeed, advertised units generally skirt the edges of black Philadelphia and rarely penetrate into the ghetto itself. Whatever means are used by owners to market housing in black neighborhoods, rental units are clearly not advertised in the same city-wide publications that are routinely used to advertise units in white areas. In terms of real estate advertising, therefore, Philadelphia appears to constitute a racially segmented market, something that we will investigate in future reports by sampling units advertised in Philadelphia’s leading black newspaper (*The Philadelphia Tribune*).²

Figure 2 plots the degree of access to rental housing units for particular population subgroups defined on the basis of gender and linguistic style. In addition to overall access, we show its two subcomponents: whether or not an agent could be reached by phone and whether or not an auditor was told that a unit was available. As can be seen, all indicators of housing access decline as one moves from white middle-class English to black-accented English to Black English Vernacular. Focusing on the indicator of overall access, we see that around 62–63 percent of callers who spoke WME got through and were told that a unit was available, compared with 52–55 percent of those speaking BAE, and 33–39 percent of those speaking BEV.

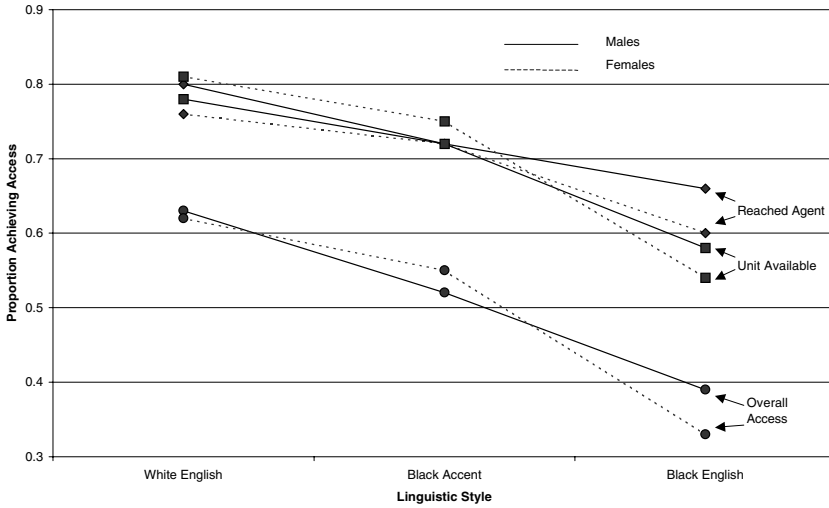


FIG. 2. Access to rental housing by gender and linguistic style.

The figure essentially replicates the findings of Massey and Lundy using a bigger data set (153 audits instead of 79). As before, it reveals a clear ordering of access to housing. At the top are white middle-class males (63 percent gaining access), followed very closely by white middle-class females (62 percent), then black-accented females (55 percent), black-accented males (52 percent), Black English Vernacular males (39 percent), and, finally, at the very bottom, Black English Vernacular females (33 percent). If we assume that speakers of BEV are perceived to be of lower class origins than speakers of BAE, then the ordering suggests a complex interaction between race, class, and gender in determining access to rental housing in Philadelphia. For every two units of housing that are accessed by a white middle-class male, poor black females gain access to only about one.

THE INFLUENCE OF GEOGRAPHY

To move beyond these already established findings, we added geographic information to the data file. The audit script required testers to get an exact address for each unit audited. As long as one of the six auditors got through and spoke to a cooperative agent, we were able to obtain the exact location of the unit. In a few cases, however, no auditor got through to an agent or the agent was unwilling to provide the address of the unit over the phone. In these cases, we used information in the ad to approximate the unit's geographic location. In some cases, specific cross streets were named and could be used to generate a fairly accurate address,³ but in others the only information available was a street name and community, in which case we assigned a location on the named street as close as possible to the center of the community. Using the ArcView Geographic Information System, we then matched the address to the specific census tract in which it was located, yielding tract identifiers for all of the audited units.

After the addresses were matched to tracts, we performed calculations to characterize the geographic position of the housing unit. We began by defining predominantly black

tracts (those 60 percent black or greater) and used ArcView 8.2 to measure the physical distance between each advertised unit and the nearest minority neighborhood. We also created an indicator of whether the unit was in the City of Philadelphia or one of its suburbs.

Census data for the year 2000 merged at the tract level to the files contained in ArcView allowed us to consider several facets of the socioeconomic composition of the tracts in which rental units were located. As mentioned before, the crucial variable was racial-ethnic composition, which we measured as the percentage black for each tract. As controls, we also created variables measuring median property values, the percentage of the tract population under 18 years of age, and the percentage of owner-occupied housing units. However, we found no evidence that any of the latter factors influenced black access to housing in any systematic way, so we dropped them from further consideration. The variables that seemed to matter most in initial tabulations were ecological: the minority percentage, whether the unit was located inside or outside Philadelphia, and distance to the nearest predominantly minority census tract.

PERCENTAGE BLACK IN NEIGHBORHOOD

Figure 3 plots the degree of access experienced by different gender-linguistic groups according to the percentage of blacks in neighborhood surrounding the advertised unit, divided into quartiles. The lowest quartile is 0–4 percent black, the second quartile is 5–9 percent black, the third quartile is 10–31 percent black, and the upper quartile is above 31 percent black (recall that virtually no advertised units were located in majority black tracts). The top panel shows access rates for males and the bottom panel presents access rates for females.

According to the top panel, lower-class black males—those speaking Black English Vernacular—*always* experience the least access to rental units in Philadelphia, regardless of neighborhood composition. Among middle-class black males, in contrast, access is not only greater than among lower-class males, but under certain ecological circumstances it is actually *greater than* that of white middle-class males. In neighborhoods with relatively few blacks, those speaking black-accented English achieve greater access than those speaking Black English Vernacular, but still at a level well below that of males speaking white middle-class English. Once the concentration of blacks in the neighborhood reaches 5 percent, however, white access drops and access increases for those speaking BAE. As can be seen, in the second quartile, the access of men speaking BAE equals that of those speaking WME at roughly 58 percent; and once a neighborhood crosses the 10 percent threshold, male speakers of black-accented English experience *greater* access than men speaking white middle-class English. Whereas BAE access stands at 55 percent for males in the third quartile, it is only 45 percent for WME males. In the upper quartile, the access of white middle-class males rebounds to achieve parity with speakers of black-accented English at around 62 percent.

Among males, therefore, we find evidence that black middle-class renters are steered away from units in neighborhoods with few (<5 percent) blacks while whites are steered toward such areas; and that black middle-class home seekers are steered selectively toward units located in neighborhoods that are 5–30 percent black while middle-class whites are directed away from such units. Thus, ecological variation in the pattern of racial

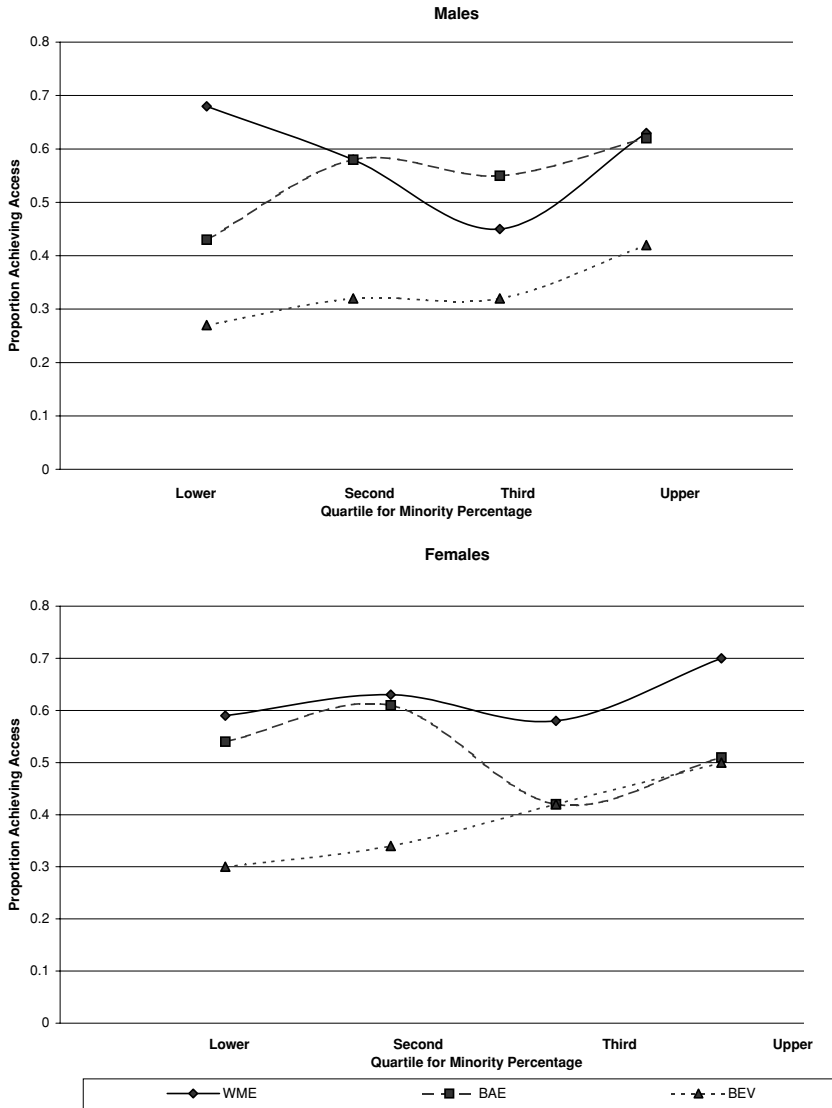


FIG. 3. Access to rental housing by quartile of minority percentage.

discrimination is consistent with a process of “tipping” beyond 5 percent black. Such a pattern of discrimination, if sustained over the long term, would produce precisely the sort of segregated residential distribution observed in Philadelphia circa 2000, with an index of dissimilarity of 72.0 (Iceland, Weinberg, and Steinmetz, 2002).

Among women, the pattern of ecological variation in housing access is likewise generally consistent with the foregoing “tipping point” interpretation. The access of lower-class black women—those speaking BEV—is always low, but compared with men it rises more rapidly as the percentage of blacks in the neighborhood increases, going from 30 percent

in areas that are 0–4 percent black to 50 percent in those that are at least 32 percent black, a level that is roughly equal to that experienced by middle-class black women (those speaking BAE). The degree of access achieved by middle-class black women is relatively high for units located in neighborhoods with few blacks, much higher than male speakers of BAE and nearly equivalent to that achieved by white middle-class females. As among men, access appears to increase for female speakers of black-accented English once the 5 percent threshold is crossed, although it never exceeds that of women who speak white middle-class English. In contrast to their male counterparts, however, the advantages of class status are not sustained for middle-class black women as the share of blacks rises. Indeed, once a neighborhood reaches 10 percent black, female speakers of BEV and BAE experience virtually the same (low) level of access to rental units.

In general, then, the pattern of access to rental housing suggests the systematic channeling of white middle-class housing demand *away from* areas that have some but not yet a preponderance of black residents (5–31 percent minority), combined with a simultaneous channeling of middle-class black demand *toward such areas*. Racially mixed areas are precisely those where the risk of racial turnover has historically been greatest (see Massey and Mullan, 1984; Denton and Massey, 1991) and over time racial disparities in housing access appear to fuel a process of residential succession. In contrast to being channeled away from racially mixed areas, white demand is systematically channeled *toward* the very whitest areas (those under 5 percent black), and with the exception of middle-class black females, black demand (whether middle class or not) is deflected *away from* these neighborhoods. This pattern of ecological variation in relative access to rental would clearly operate over time to perpetuate segregation and promote resegregation across neighborhoods in the Philadelphia metropolitan area.

DISTANCE TO NEAREST BLACK TRACT

Figure 4 shows the degree of access experienced by different gender-linguistic groups according to distance from the closest black neighborhood, again classified by quartile. As before, males are shown at the top and females at the bottom of the figure. The lower quartile is under 0.3 miles; the second quartile is 0.3 to just under 0.7 miles; the third quartile is 0.7 miles to just under 1.6 miles; and the upper quartile is 1.6 miles and above. As can be seen, the pattern of access is once again curvilinear for all groups, generally being high in the lowest quartile, dropping in the second and third quartiles, and then increasing again in the upper quartile. As before, speakers of Black English Vernacular always experience the lowest access to rental units, regardless of their location. There are, however, differences in relative access along the lines of gender.

Among males, white access is greatest, surprisingly, in units that are located very close to existing black neighborhoods. It then falls over the next two quartiles as distance increases, and then increases in the upper quartile, among those neighborhoods that are farthest away. Thus, speakers of white middle-class English gained access to 67 percent of the units located within three-tenths of a mile of a black neighborhood; 60 percent of those located 0.3–0.7 miles from a black neighborhood; and to 49 percent of those located 0.7–1.6 miles away from a black neighborhood. But among rental units most distant to black neighborhoods (above 1.6 miles) the degree of white male access rose back up to 58 percent.

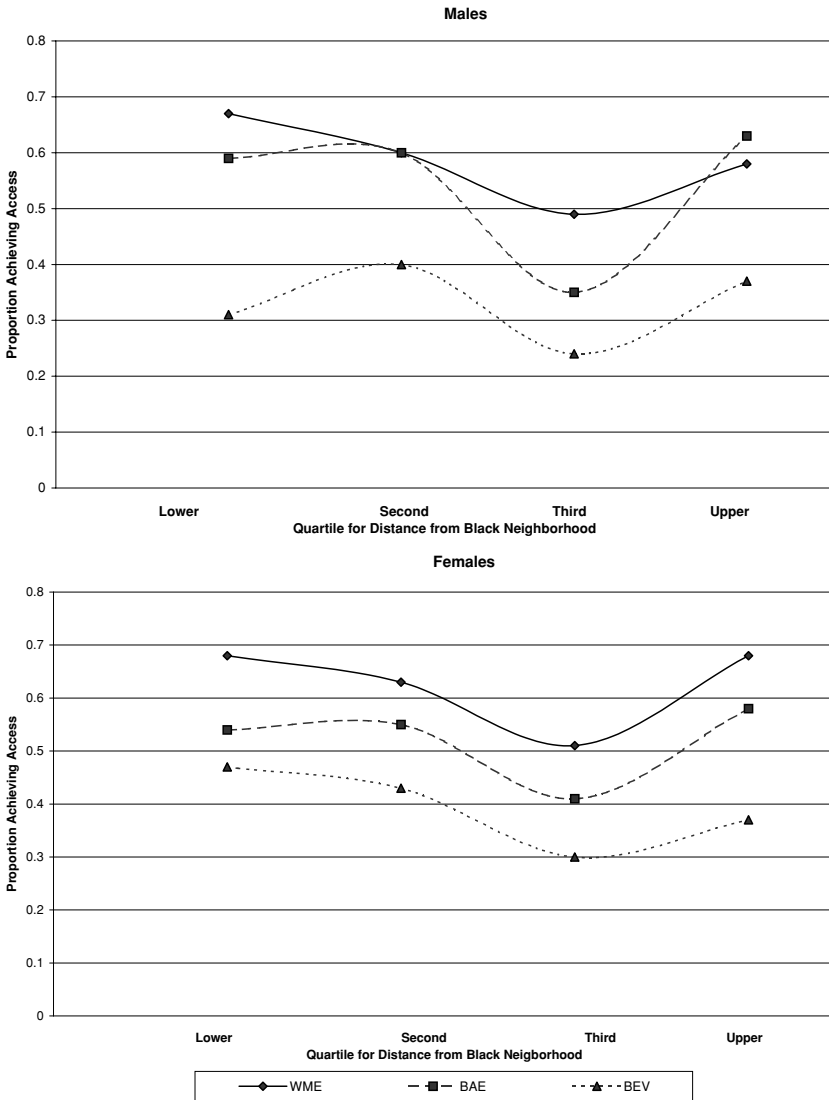


FIG. 4. Access to rental housing by quartile of distance from nearest black neighborhood.

Male speakers of black-accented English display a similar pattern of ecological variation. Among units that are closest to existing black neighborhoods, men speaking BAE experience an access level of 59 percent—lower than the 68 percent experienced by men speaking WME but still quite high. In contrast to white middle-class males, however, the degree of access for mean speaking black-accented English increases to 60 percent in the second quartile, thus reaching a point of parity compared with white access. The degree of rental access for male speakers of black-accented English falls precipitously as one shifts into the third distance quartile, reaching a level far below that of white middle-class males. Among units that are farthest away from black neighborhoods, however, access by

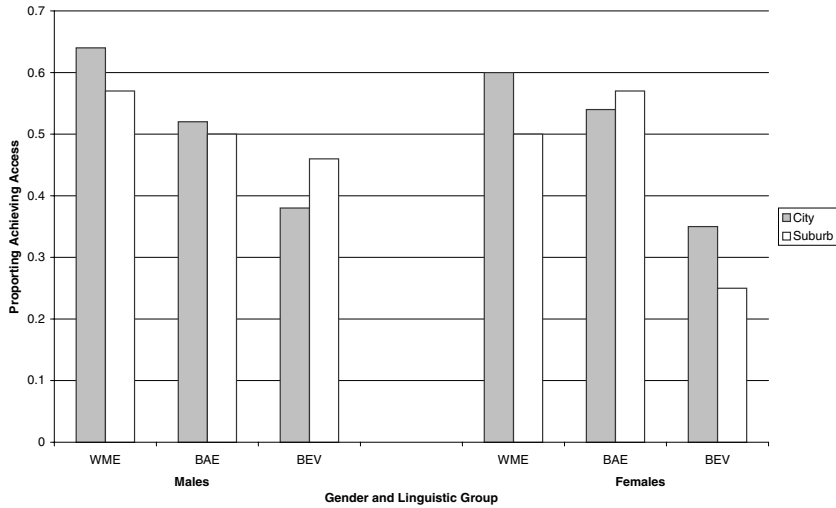


FIG. 5. Access of gender-linguistic groups to rental housing by city-suburban location.

middle-class black males rebounds to exceed that of their white counterparts. The degree of access achieved by males speaking BEV follows the same trajectory, only at a significantly lower level—rising from the first to the second quartile, falling from the second to the third, and then rising again from the third to the fourth.

The pattern for males thus suggests the systematic marketing of rental units to middle-class whites and blacks in areas that are closest to and farthest from existing black neighborhoods, and the general exclusion of lower-class blacks from both sets of neighborhoods. For units that are under three-tenths of a mile from a black neighborhood, this pattern may reflect an attempt by rental agents to prevent neighborhoods geographically at risk of black entry from going “downhill” by selectively marketing to the middle class, both black and white. Among units that are distant from existing black neighborhoods, it may represent the attempt of agents to maintain the elevated class and racial composition of the surrounding neighborhood.

The data for females displays a similar, though less pronounced, pattern. Although women speaking BAE enjoy relatively high access to rental housing in areas that are less than 0.3 miles from a black neighborhood, it is not as high as that of white middle-class females and substantially lower than that of black middle-class males. Thus, whereas middle-class black males may be granted access to neighborhoods at risk of black entry, agents and landlords appear to be less open to middle-class black females, possibly owing to stereotypes about single parenthood and associated fears of child delinquency and welfare dependency.⁴ Although access to rental housing increases for female speakers of BAE as we progress from the first to the second quartile, and decreases for white middle-class females, the degree of access never reaches parity, as it did for black middle-class males. Even for units that are quite distant from black neighborhoods (above 1.6 miles), black middle-class females do not achieve the same access as their white counterparts, suggesting a race-class-gender interaction in the marketing of units in Philadelphia’s rental housing market.

SUBURBAN LOCATION

The last geographic variable we consider is central city versus suburban location. As can be seen in Figure 5, those who speak white middle-class English, whether male or female, generally achieve greater access to rental units in the City of Philadelphia (where housing units are at greater risk, on average, of black entry) than in its suburbs (where the risk of black entry tends to be lower). Male speakers of black-accented English likewise experience greater access in the city than suburbs, although the differential is not as great as for middle-class whites. If they are female, however, speakers of BAE achieve greater access to housing *in suburbs* than in the city.

Among speakers of Black English Vernacular, in contrast, this gender differential is reversed. Male speakers of BEV achieve greater access in suburbs than in the city, whereas female speakers achieve less. This pattern of results again suggests a complex interaction between race, class, gender, and geography in determining access to housing: middle-class whites of both genders, as well as middle-class black males and lower-class black females, achieve greater access to rental units in cities than in suburbs; but lower-class black males and middle-class black females achieve greater access in suburbs than in cities.

DETERMINING THE ECOLOGICAL EFFECTS

Although the foregoing tabulations indicate that under certain circumstances blacks may experience less discrimination in suburbs than in the central city, it is also true that suburban tracts are, on average, *farther away* from existing black neighborhoods than city tracts, and they also generally have lower minority percentages. Thus the effects of distance, racial composition, and suburbanization are confounded. To measure the independent effects of these geographic variables, we specify and estimate a multivariate model of racial discrimination in rental housing that includes all the indicators considered so far, along with indicators of linguistic style, gender, and one additional control: type of rental agent.

We made special efforts to code units according to whether the rental agent was a private landlord or a professional agent or realtor. Whereas private landlords generally have just a few units to rent, often within the same structure they themselves occupy, the latter tend to handle many listings, either as realtors marketing rental properties on behalf of multiple property owners, or as part of the sales staff in a large, multiunit rental development. We found that professional agents are more likely to answer the phone in the first place and more likely to return calls when messages are left. Moreover, realtors are required to know fair housing law and policies, whereas “mom and pop” landlords are not.⁵ Finally, for professional agents, marketing real estate is their main livelihood, whereas private landlords often have another primary occupation and the rental income is supplemental.

We estimated whether the person placing the ad was a realtor by using a reverse phone directory to look up the address registered to the phone number used in the ad. Those phone numbers that did not show up were coded as private landlords since it is likely that these are unlisted numbers and unlisted numbers are almost always private residential numbers.⁶ The greater access offered by professional rental agents may be seen by considering middle-class whites, our standard in evaluating rental housing access. Male

speakers of white middle-class English achieved 52 percent access with private landlords compared to 84 percent with professionals. Among white females the respective figures were 51 percent and 73 percent.

The relative access of black home seekers was also much greater in professionally marketed units. For males, BAE speakers achieved 39 percent access with a landlord and 78 percent access with a professional agent, whereas for BEV speakers the relative rates of access were 24 percent with landlords and 71 percent with agents. Likewise, among female speakers of BAE, relative access stood at 37 percent with landlords compared to 90 percent with agents, and among women speaking Black English Vernacular, the respective figures were 25 percent and 49 percent. Obviously, the type of rental agent makes a big difference. To the extent our sample is reflective of the rental market in general in Philadelphia, it bodes poorly for potential black renters in that only a little more than a third of the units in our sample (34 percent) were marketed by professionals.

To assess the effect of urban ecology on discrimination while controlling for the type of rental agent, we estimated two models. First we selected all audits made using BAE or BEV and estimated a logistic regression model to predict whether or not the auditor gained access to the housing unit (i.e., whether he or she got through on the phone *and* was informed of the unit's availability).

$$BAC = f(WAC, FEM, BEV, AGENT, DIST, PBLACK, SUB), \quad (1)$$

where BAC equals 1 if access was achieved by a black auditor and 0 otherwise; WAC is the access achieved by the corresponding white auditor (1 if yes, 0 if no); FEM is a dummy variable indicating gender (1 = female, 0 = male), BEV indicates whether the black auditor spoke Black English Vernacular as opposed to black-accented English (1 if yes, 0 if no); AGENT indicates whether the unit was marketed by a professional agent (=1) or a private landlord (=0); DIST is the distance to the closest black tract in miles; PBLACK is the percentage of blacks in the tract where the unit was located; and SUB indicates whether the unit was located in the suburbs (=1) or the central city (=0).

The second equation we specified and estimated was a multinomial logit model that used the same set of variables to predict three possible outcomes: the white auditor was favored (the white got access but the black did not); the black auditor was favored (the black got access but the white did not); and neither auditor was favored (both either got or were denied access).

$$FAVOR = f(WAC, FEM, BEV, AGENT, DIST, PBLACK, SUB), \quad (2)$$

where FAVOR is the trinomial outcome variable just described and all other variables are defined as before. The first equation considers the determinants of housing access and the second measures the determinants of discrimination.

THE ECOLOGICAL DETERMINANTS OF HOUSING ACCESS

We estimated Equation (1) using the "logit" procedure of STATA with the cluster option to obtain robust standard errors that adjust for within-cluster correlation (i.e., controlling for unobserved heterogeneity associated with particular rental units).⁷ Three equation estimates are presented in Table 1. The first estimates pertain to all black auditors and the second and third pertain to black males and females, respectively.

TABLE 1. Effect of Selected Variables on Black Access to Rental Housing in the Philadelphia Metropolitan Area

Independent Variable	All Black Auditors		Black Male Auditors			Black Female Auditors			
	B	SE	B	SE	B	SE			
White auditor experience									
Achieved Access	2.116	***	0.451	2.366	***	0.528	1.914	***	0.5
Individual characteristics									
Female	-0.137		0.197						
Linguistic style									
Black English Vernacular	-0.964	***	0.174	-0.776	**	0.251	-1.157	***	0.243
Type of agent									
Professional realtor	1.565	***	0.286	1.665	***	0.372	1.496	***	0.344
Ecological situation									
Miles to nearest majority (>60%) black tract	0.070	+	0.041	0.046		0.080	0.094	+	0.055
Percent black in tract	0.008	+	0.004	0.004		0.006	0.011	*	0.007
Suburban	-0.339		0.249	0.030		0.444	0.698	+	0.418
Constant	-2.118	***	0.424	-2.416	***	0.529	-2.010	***	0.476
-2 Log-likelihood	-304.496			-149.461			-152.583		
Chi-squared	102.33			58.49			65.4		
N	575			288			287		

*** $p < 0.001$; ** $p < 0.01$; * $p < 0.05$; + $p < 0.10$.

The equation for all black auditors shows that, contingent on whether the white auditor achieved access, black access was lowered strongly and significantly by speaking Black English Vernacular as opposed to black-accented English, and that it was increased substantially when the unit was marketed by a professional realtor. In terms of urban ecology, we observe some evidence (with significance at $p < 0.10$) that, other things equal, black access increases as distances to the nearest black tract grow and as the percentage of blacks already in the neighborhood rises. Holding constant these ecological variables, suburban location appears to have no effect.

Although the coefficient for females is not significant, indicating that gender has no significant main effect on access to rental housing, the separate male and female equations suggest interesting interactions between gender and urban ecology in determining whether or not African Americans gain access to rental units in the Philadelphia metropolitan area. In general, access is more constrained for African-American females than for African-American males. Speaking Black English Vernacular lowers housing access for women more than men (significant at $p < 0.05$ with a one-tailed test) and ecological circumstances are critical in determining female access but are unrelated to that achieved by African-American males. Among African-American women, access falls significantly the closer a unit is located to an existing black neighborhood ($p < 0.10$) and it drops rapidly as the black percentage falls ($p < 0.05$), but holding these variables constant, access is greater in suburban than city units ($p < 0.10$). In other words, to gain the same level of rental housing as African-American men, African-American females need to look farther away from black neighborhoods in areas with a higher representation of minorities, preferably in the suburbs.

TABLE 2. Effect of Selected Variables on the Relative Access of Blacks and Whites to Rental Housing in the Philadelphia Metropolitan Area

	White Auditor Favored to Black Favored		Black Auditor Favored to Equal Access		
	B	SE	B	SE	
Individual characteristics (blacks only)					
Female	0.191	0.232	0.473		0.349
Linguistic style					
Black English Vernacular	0.652	***	0.152	-0.502	+ 0.280
Type of agent					
Professional realtor	-0.569	*	0.233	0.246	0.442
Ecological situation					
Miles to nearest majority (>60%) black tract	0.005	0.054	0.193	+	0.102
Percent black in tract	0.0003	0.004	0.010	+	0.006
Suburban	-0.395	0.365	-1.760	*	0.877
Constant	-1.200	0.244	-2.631	***	0.419
-2 Log-likelihood	-450.184				
Chi-squared	56.78				
N	583				

****p* < 0.001; ***p* < 0.01; **p* < 0.05; +*p* < 0.10.

THE ECOLOGICAL DETERMINANTS OF RACIAL DISCRIMINATION

Table 2 presents the results of a multinomial logit regression predicting racial favoritism, once again estimated using STATA with a correction for clustering. The left-hand columns show the equation predicting white favoritism and the right-hand columns show the corresponding equation predicting black favoritism. The two equations were estimated simultaneously relative to the odds of no group being favored. We lack sufficient degrees of freedom to estimate separate male and female models, so gender is only included as a main effect.

As can be seen, white favoritism is strongly predicted when the person calling speaks Black English Vernacular rather than black-accented English (suggesting particular discrimination against black renters who are perceived to be of lower-class origins). White favoritism was significantly less likely to occur when units were marketed by professional agents rather than private landlords, but none of the ecological factors played any role in determining selective marketing toward whites. Rather, ecological factors were most important in predicting selective marketing in favor of blacks. As a unit's distance to a black neighborhood increased, blacks auditors grew progressively more likely to be favored (*p* < 0.10), but suburban location quite dramatically lowered the odds of black favoritism (*p* < 0.05). The selective marketing of rental units to blacks also grew more likely the greater the share of blacks in the surrounding neighborhood, but it was significantly less likely to occur when a black auditor spoke Black English Vernacular compared to black-accented English.

THE POWER OF DISCRIMINATION

The foregoing findings show not only that blacks experience less access to rental housing than whites, but that access is decisively lowered by certain ecological and realtor

characteristics in addition to those of the home seekers themselves. Although a large body of work has documented the ongoing reality of racial discrimination in housing markets, only a few studies have shown that the level of discrimination varies socially and geographically. Our analysis of geo-coded data obtained from a phone-based audit of the Philadelphia rental housing market has conclusively shown that:

1. Rental housing in black and white neighborhoods is advertised in very different publications (to the extent that units in black neighborhoods are advertised at all). Units for rent within the black community simply do not appear in the real estate ads of major daily newspapers, real estate publications, or city weeklies that are routinely used to market housing in white neighborhoods, suggesting the existence of a dual housing market starkly segmented along racial lines.
2. Blacks experience systematically less access to rental units than whites, and this lack of access is exacerbated by being of lower-class origins and by being female.
3. Black access varies systematically by distance to the nearest black neighborhood: the farther away a unit is from a black area, the greater the degree of access that black home seekers experience; but this ecological effect is observed more for females than for males.
4. Black access varies systematically by racial composition: the greater the proportion of blacks in the neighborhood surrounding a unit, the greater the access achieved by African-American home seekers; but once again this ecological effect is more apparent for females than for males.
5. Holding distance and racial composition constant, the access of blacks to rental housing is greater in suburbs than in the central city, but only for females.
6. The degree of discrimination against blacks is greater when they speak Black English Vernacular than black-accented English, indicating greater bias against lower- than upper-class blacks.
7. The degree of discrimination against blacks is greater when rental units are marketed by private landlords—who constitute the bulk of those making rental housing available on the market—rather than professional rental agents or realtors.
8. Results suggest that black renters are systematically steered toward units located in neighborhoods that already contain black residents and those that are located farther away from existing black neighborhoods, and away from those located in suburbs.

In sum, our results strongly suggest that racial discrimination remains a stark reality in urban housing markets, capable, under certain common conditions, of reducing the degree of black housing access to extremely low levels. We would anticipate that discrimination against minority home seekers could be significantly higher in housing markets such as Philadelphia's in which a significant proportion of the rental stock is marketed by small landlords who are not subject to the full scope of fair housing provisions. The black auditors in our sample had significantly worse access to units controlled by such landlords. In analyses not shown, we also find that units marketed by smaller landlords tend to be less expensive than those marketed by professional realtors in similar areas. This suggests that not only do blacks in the Philadelphia rental market have access to fewer units as a consequence of who is marketing the units (small landlords compared to large landlords), but they also on average pay more for their rental housing. Moreover, we have

only measured racial discrimination at the very first stage of the rental process: calling to inquire about a unit's potential availability. We find that in about a quarter of these instances our white auditors received access while our black auditors did not (not controlling for location or other factors). Given opportunities for additional discrimination elsewhere along the chain of events leading to a successful rental (viewing units, making deposits, signing contracts, undergoing credit checks, paying credit check fees), the odds against African Americans gaining full access to rental housing seem quite formidable. These findings suggest the continuing power of racial discrimination to shape housing markets and to perpetuate high levels of segregation in metropolitan areas throughout the United States.

Notes

¹ Galster (1987, 1990b) calls this the "customer prejudice hypothesis."

² Similarly, the summary report from the 1988 Housing Discrimination Survey found that their randomly sampled advertised units were mostly located in predominantly white neighborhoods, thus limiting the range of neighborhood types for all potential buyers using major newspapers to locating housing (Turner, Struyk, and Yinger, 1991).

³ In 11.8 percent of audits, a cross street was available to approximate the address; in 20 percent of the audits, we used the area of town and/or the street information to approximate the address close to the center of the area.

⁴ It should be noted that the Fair Housing Act was expanded in 1988 to specifically prohibit discrimination on the basis of familial status, which includes pregnant women and households with children under the age of 18 present.

⁵ The Fair Housing Act of 1968 stipulates in Section 803, Subsection b, that a single-family home sold or rented by an owner who does not own more than three such single-family houses at one time is exempt from Section 804 of the code except for Subsection c, which states that it is unlawful: "To make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, or an intention to make any such preference, limitation, or discrimination." These owners are exempt from Subsection a of Section 804 regarding the illegality of refusing to sell or rent a dwelling on the basis of race, color, religion, sex, familial status, or national origin, as well as from Subsection b, which makes it illegal "to discriminate against any person in the terms, conditions, or privileges of sale or rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color, religion, sex, familial status, or national origin." In short, landlords with three or less single-family homes *can* in fact discriminate on the basis of race according to the Fair Housing Act of 1968. Source for Fair Housing Act available at (<http://www.usdoj.gov/crt/housing/title8.htm>).

⁶ We believe that we are likely underestimating the extent to which the units in our sample are mom and pop since smaller landlords sometimes use professional realtors to help find new tenants. Since we use the phone number listed in the ad to determine whether the person placing the ad was a professional realtor, situations in which a private landlord uses a real estate agent for search purposes only would be coded in our sample as a professional realtor.

⁷ We confirmed that the tract percentage under 18, the percentage of owner-occupied homes, and location adjacent to a black neighborhood had no independent effects on access once other variables were controlled. We also tested for curvilinearity in the effects of distance and minority percentage by including squared terms, but these also never proved significant.

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