In his seminal, if controversial, work published in 1978, *The Declining Significance of Race*, William Julius Wilson argued that individuals’ minority status *per se* was becoming a relatively less important barrier to their socioeconomic advancement than their lower-income status (Wilson 1978). In this chapter I offer a different conceptual perspective on the issue of race, class and opportunity. I argue that, for people of color who also happen to have low incomes, *space* is increasingly becoming the primary barrier to their socioeconomic advancement and the central means for perpetuating racial/ethnic polarization. The key dimensions of space in this essay are segregation of neighborhoods and schools by race/ethnicity and by class and, secondarily, the location of economic activity. These spatial dimensions form the key links in a model of cumulative causation in which race-class prejudice, discrimination, segregation and socioeconomic disparities interact in a mutually reinforcing fashion to constrain severely the opportunities of low-income minorities residing in the cores of American cities.

A visual portrayal of the subject of this chapter is presented in figure 1. The opportunities of individuals can be thought of as being limited by two sets of personal characteristics—minority racial/ethnic status and socioeconomic status—and two sets of spatial characteristics—segregation of neighborhoods and schools by race and class and the location of economic activity. The more limits to which one is subjected, the less her opportunities. Here I will explore the nature of the constraint occurring when one is at the intersection of all four sets of limitations (shown by the shaded area in figure 1).

The chapter presents little new empirical evidence. Rather, its contribution is a new conceptual framework within which extant evidence can be organized and, hopefully, new insights gained. It is organized as follows. The first section presents a conceptual framework for understanding how individuals achieve a certain degree of socioeconomic status through the various choices they make within the spatially and racially contextualized constraints they perceive. The second section applies this framework to the issue of race, poverty, and urban polarization and brings to bear relevant evidence. The third section expands the notion of opportunity structure beyond the individual to the society-wide construct of cumulative causation, in which race-class segregation of neighborhoods and schools forms the key link in a process perpetuating urban polarization.

**Life Choices: A Conceptual Framework for Understanding Achieved Status**

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1 There may be other important personal constraints, of course, such as gender, age, and disability status, but these are beyond the purview of this essay. For simplicity in this chapter I will use the term "race" to mean both racial and ethnic differences.
The central claim of this chapter is that persistent racial-ethnic polarization in our metropolitan areas can be illuminated by positing a conceptual model of individual decision-making about crucial issues affecting one's achieved socioeconomic status, a model of what I call "life choices." Central to this model is the notion that decisions are made rationally, but with imperfect information, in the context of the constraints and payoffs perceived by the decision-maker. Not only do these constraints and payoffs vary dramatically by the race and ethnicity of the decision-maker, but across various scales within a metropolitan area as well. Thus, observed behaviors that contribute to current and future socioeconomic achievements (for example, bearing children out of wedlock as a teen, acquiring more education, committing a crime, or participating in the labor force) are shaped not only by personal characteristics but also by the geographic context in which those decisions are made. Unfortunately, low-income racial/ethnic minorities often occupy residential patterns niches wherein they encounter an inferior set of choices and associated payoffs. Just as space is warped in an Einsteinian universe, so urban space is warped in its structure of opportunities, to the disadvantage of poor minorities typically residing in core neighborhoods.

This section first sketches a model of life decisions in which geography creates constraints on individuals' feasible choices and on the payoffs they can reap from these choices. I term this aspect of geography the "urban opportunity structure." The model then is illustrated with a realistic hypothetical scenario.

Overview of the Conceptual Framework

To improve their socioeconomic status (and perhaps that of their children), individuals make many decisions relating to education, marriage, fertility, labor force participation, illegal activities, and sociopolitical participation (Galster and Killen 1995). In making these life choices, individuals draw upon their values, aspirations, and preferences. Factors such as honesty, diligence, respect for authority and traditional institutions, risk-aversion and ability to plan and sacrifice for the future would also be important here. The nature of the person's parents and upbringing likely would be predictive of these traits.

Personal characteristics and contextual constraints determine the feasibility of choosing certain options and the prospective benefits associated with each. Some personal characteristics are indelible, such as age, gender, immigrant status, race, and ethnicity. Others are more malleable over a lifetime, in that they are the product of previous choices (even though, once acquired, these attributes may no longer be malleable), such as employment, criminal record, and educational credentials.

Contextual constraints refer to the urban opportunity structure: the geographically varying set of institutions, systems, and markets in a metropolitan area that affect personal and intergenerational socioeconomic advancement. The opportunity structure includes local politics, social networks, criminal justice and social service systems, education, and labor, housing, and financial markets.

This opportunity structure operates in dramatically varied ways across and within metropolitan areas, enhancing or eroding chances for socioeconomic advancement depending on one's place of residence. There are at least three spatial scales over which this variation occurs. Across neighborhoods, variations in peers groups, social organizations, and social networks occur. Across political jurisdictions, health, education, recreation, and safety programs vary. Across metropolitan areas, the locations of employment of various types and skill requirements vary.

Given their characteristics and a set of perceived personal and contextual constraints, individuals make a series of life choices during their lives. These choices may best be described as based on "bounded rationality:" imperfect (perhaps even incorrect)
information and varying degrees of dispassionate, analytical thought. Yet, it is clearly wrong to think of these choices as groundless or random. In conjunction with the associated payoffs from those choices permitted by the constraints, the particular combination and sequence of choices made will produce some level of achieved socioeconomic status, typically measured at young adulthood and thereafter.

Past choices may, in turn, feedback to reshape individuals’ current aspirations, preferences, and achieved characteristics and, thereby, current choices. For example, the choice to raise children may intensify one’s aversion to risky entrepreneurial ventures or participation in illegal activities. Similarly, if prior choices to seek long-term employment have consistently been frustrated, one’s ability to plan and invest for the future and respect for civil authority may wane, and lack of job experience may constrain future job options.

Finally, the urban opportunity structure itself is malleable over time. Some of these alterations may be exogenous to the actions of households, such a technologically induced industrial restructuring. Other alterations, however, may be influenced by the aggregate behaviors of households within a metropolitan area. For example, the quality of the local public school system serving an individual’s neighborhood constrains that individual’s ability to gain skills. Yet, if many individuals decide to participate in a collective political process, the result may be a reallocation of fiscal resources to improve the local schools. The educational background of the parents of students living in the district also comprises an important element of constraint on school outcomes. Inasmuch as better-educated parents create more intellectually stimulating home environments, better monitor the completion of homework, and demonstrate more interest in what goes on in school, the quality of the classroom environment will be improved for all students. So if, in response to inferior public education better-educated parents move out of the district or enroll their children in private schools, the constraint on all parents who remain in the public school system becomes tighter.

An Illustration of the Framework

To render the model less abstract, consider the following illustration of a hypothetical teenage female, graphically represented in figure 2. The amount and composition of income this person will earn in her twenties will depend on her earlier life decisions about family structure, education, and labor force participation. Each of these sequential decisions will be influenced by the urban opportunity structure as it is manifested in the young woman’s neighborhood.

Decisions about fertility are the first set of life decisions that directly or indirectly affect socioeconomic status. The direct effect occurs because fertility determines the ability of the mother to work outside of the home and her potential for gaining non-wage sources of income (for example, government transfer payments). The indirect effect occurs because early fertility often reduces the mother’s educational attainment (Upchurch and McCarthy 1990).

As with other life decisions, those regarding fertility are shaped by personal and contextual constraints extant at the time of the decision in question. Imagine that this situation is portrayed diagrammatically as in figure 2. The individual’s values, self esteem, and many other characteristics (often related to parental characteristics) undoubtedly play a role, as represented by causal paths A and B. But the spatial context that specifies opportunities also can be influential (paths C, D, and E). A teenage girl may choose

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2 The decisions literally do not need to be sequential, and the sequence described here is typical but not necessary.
childbearing (coupled with welfare support) as her best feasible course for personal fulfillment and socioeconomic stability if she believes there to be no legal, well-paying job opportunities for those who complete a high school such as hers (Galster and Killen 1995). This choice will be further encouraged if neighborhood norms regarding out-of-wedlock childbearing are permissive (path C) or if the woman anticipates discrimination against her in the labor market because of her race or ethnicity (path E).

A second life decision that determines socioeconomic status relates to education. Success in finding high paying, full-time employment depends upon the personality attributes applicants bring to the labor market, their educational credentials, and their attainment of reading, writing, communications, and critical thinking skills. Recent studies not only illustrate growing wage premiums for workers with college degrees and work experience, but also show that earnings inequality has increased among workers with the same level of schooling and experience (Levy and Murnane 1992). This suggests that employers are evaluating not just credentials but also the quality of the learning students obtain in school and the quality of the experience young workers obtain in their first jobs.

A teenage girl’s choice of educational level depends on a host of spatial contextual constraints. The perceived payoff from any educational credential will be less if she were to believe that her only feasible educational institutions were of low-quality (path D), or she had poor access to and information about employment, or that she will face discrimination in the labor market once she graduates (path E). Peer effects seem especially potent influences upon educational attainment (path C) (Galster and Killen 1995). Of course, educational choices also will be influenced by the malleable characteristics the teen has accumulated at the time in question, such as past fertility behavior (suggested by the feedback path G).

Lastly, decisions about work critically affect socioeconomic status. The particular labor force outcome will be influenced by the personal traits that the individual offers prospective employers. Those with the malleable traits of less experience and fewer credentials are less likely to be hired for the better-paying positions and more likely to face unemployment. Moreover, women or racial minorities may have their experience and credentials subjectively downgraded in a labor market that discriminates against these indelible traits. Most people who decide to participate in the labor force find jobs quickly, but a fraction enter unemployment, which usually lasts a few months (U.S. Department of Commerce 1992). Others suffer long spells of unemployment or drop out of the labor force entirely.

Labor market outcomes will also be influenced by residence (Galster and Killen 1995). A teenage girl’s neighborhood may be distant from job opportunities (path E) and be poorly served by public transit (path D). Her local social networks may be ineffective in transmitting information about potential jobs, or may contain few role models of success achieved through diligent activities in the legal economy (path C). These networks may be especially weak in providing “bridging social capital” if they consist primarily of non-English speakers. Inferior local public services and schools may impair her health and intellectual development (path D). If she were to suffer from chronic unemployment or underemployment, she would receive an increasingly strong combination of incentives from the limits imposed by the metropolitan employment structure (path E), the failures of local human development and public safety systems (path D), and the potential temptations from peers (path C), which may induce her participation in criminal activities. When such choices result in a criminal record, the subsequent limitations of labor force choices and payoff potentialities become extreme (path G).
The Opportunity Structure Framework Applied to Urban Polarization

Given this overview of the conceptual framework of opportunity structure, I return to the focus of this chapter: racial/ethnic status, poverty, and urban polarization. My thesis is that members of racial/ethnic minority groups who have low incomes—people unfortunate enough to be in the intersection of the four sets of constraints portrayed in figure 1—face an urban opportunity structure that disproportionately offers more limited choices and smaller payoffs from the few choices that are feasible. Given this spatially biased opportunity structure that they confront, low-income urban minorities are more likely to make life choices that impede their chances for socioeconomic advancement and those of their children. They are seduced by a warped geography of opportunity into making decisions that, though rational from their perspective, are personally and socially inefficient and inequitable inasmuch as they perpetuate inequality. Even when they make the same choices as, say, higher-income whites residing in suburban areas, the payoffs they receive are limited by the conditions associated with their place of residence. The most important place-based constraints are associated with segregated housing and public schools. This subject will be the focus below.

As if these spatial penalties were not enough, racial-ethnic minorities, especially those with lower incomes, face the additional burdens of personal discrimination in a variety of markets. Some forms of housing and mortgage market discrimination tend to lock minorities into particular spatial niches; others in labor markets tend to erode the socioeconomic payoffs from certain choices and preclude other choices altogether. The sorts of discrimination faced by low-income minorities have been well documented by numerous sources, and thus are not within the purview of this essay. This is not to minimize their significance, merely to suggest that my focus is on the spatial dimensions of unequal opportunity in urban America today.

Race-Class Segregation of Neighborhoods

Where one lives is the most fundamental component of the opportunity structure because it significantly influences every other component. Unfortunately, the racial and class dimension of American metropolitan housing markets may be summarized with two words: segregation and centralization. It is conventional to measure segregation with a "dissimilarity index," which shows how evenly various racial/ethnic groups are spread across neighborhoods within metropolitan areas. A score of zero on this index indicates that the proportion of any particular group is the same across all neighborhoods ("complete integration"); a score of 100 indicates that every neighborhood has residents of only one particular group ("complete segregation") (Massey and Denton 1993). As Table 1 shows, our metropolitan neighborhoods remain highly segregated. Blacks are most segregated from whites (average score of 65), followed by Hispanics (52) and Asians (42). Although there have been modest reductions in dissimilarity among all groups during the 1990s, the situation in 2000 is little different than it was in 1960 (Jaynes and Williams 1989).

[TABLE 1 to be inserted here]

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Another useful measure of segregation is the “exposure index,” which shows the percentage of residents of one racial-ethnic group who live in the “average” neighborhood of a designated group. Table 1 also shows these indices, which indicate that the average black person today lives in a neighborhood with virtually the same percentage of white neighbors (33%) as in 1990. Both the average Hispanic and Asian household lives in a neighborhood with six percentage points fewer whites today than in 1990, due primarily to the rapid recent immigration and fertility of these groups.

Moreover, minorities not only tend to live apart from whites, but their residences tend to cluster in or near the older, core municipality of the metropolitan area, especially if minorities also have lower incomes. Even though more minorities than ever live in suburbs, they remain relatively clustered near the core because whites of all incomes generally have increasingly moved out of the core and inner-ring suburbs and into metropolitan fringes (Galster 1991a).

The segregation of neighborhoods on the basis of income has been rising dramatically since 1970. (Abramson, Tobin, and VanderGoot 1995) found that the dissimilarity of poor vs. non-poor households rose from 1970 to 1990 in 72 out of the 100 largest metropolitan areas, an average increase of 3.5 percentage points (11 percent) to a level of 36. At the same time there was a rapid expansion of the number and population living in neighborhoods having more than 40 percent poverty rates, especially among blacks and Hispanics (Jargowsky 1997).

Census data do not permit for most census tracts the delineation of individuals by both racial status and poverty status, thus it is not possible to precisely compute segregation indices for the poor separately by race. Here I attempt a suggestive, second-best alternative, however. One can specify census tracts in 1990 as “majority black” (50% or more black residents), “majority Latino” (50% or more Hispanic residents) or “predominantly white” (90% or more non-Hispanic white residents), then for each category compute the isolation index of the poor for each neighborhood category. The results are shown in Table 2.

Table 2 shows that the average poor person living in a majority-black metropolitan neighborhood in 1990 experienced a neighborhood poverty rate of 38 percent. The corresponding figure for poor Hispanics living in a majority-Hispanic neighborhood was 34 percent. But the figure for poor whites in a majority-white neighborhood was only 12 percent. During 1980-1990 this figure has risen for all three groups, but especially for non-white poor. Thus, not only do our metropolitan areas’ neighborhoods remain segregated by race and, increasingly, by class, but poor minorities are exceptionally (and increasingly) isolated residentially.

The causes of this phenomenon of racial and class segregation of neighborhoods are multiple and complex, and beyond the scope of this paper. Suffice it to note here that interracial economic disparities, housing stocks increasingly separated into homogeneous value or rent groupings (often abetted by exclusionary zoning policies by suburban municipalities), most non-poor whites’ preferences for predominantly white, non-poor neighborhood composition, and historical and continuing illegal racial discrimination by public and private parties all contribute (Emerson, Yancey, and Chai 2001; Galster 1992c; Massey and Denton 1993).

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More importantly for this paper, both segregation and centralization erect distinct obstacles to the socioeconomic advancement of minorities. Segregation can contribute to inter-group disparities in several ways (Galster 1992b). First, separate informal networks and formal institutions serving the minority community, because they have a narrower scope and base of support, will have fewer financial, informational, and human resources to draw upon; therefore they will offer inferior options for the development of human capital and the discovery of alternative employment possibilities. Second, isolation can encourage and permit the development of distinct subcultural attitudes, behaviors, and speech patterns that may impede success in the mainstream world of work, either because they are counterproductive in some objective sense or because they are perceived to be so by prospective (often white) employers. Third, an identifiable, spatial labor market may be formed in the minority community and attract employers offering only irregular, low-paying, dead-end jobs.

The primary means by which the centralized pattern of minority residence affects minority well-being are two-fold. First, minorities' employment opportunities will be restricted in light of progressive decentralization of jobs (especially those paying decent wages only with modest skill requirements) in metropolitan areas. The ability of minorities to both learn about and commute to jobs declines as proximity to them declines (Kain 1992). Second, as we shall see below, location in central city more likely confronts a financially distressed municipality and public school system. This means that inferior public services and high tax rates may be the unenviable situation facing centralized minorities.

The statistical evidence makes it clear that minority households are significantly affected by the constraints imposed by racial residential segregation and centralization. One study estimated, for example, that racial segregation increases the probability that a young black man does not work by as much as 33 percent, and the probability that a young black woman heads a single-parent family by as much as 43 percent (Massey, Gross, and Eggers 1991). Other studies found that if we could cut racial residential segregation by 50 percent, the median income of black families would rise 24 percent (Galster and Keeney 1988), the black homicide rate would fall by 30 percent (Peterson and Krivo 1993), the black high school dropout rate would fall by over three-fourths, and poverty rates for black families would drop 17 percent (Galster 1987; Galster 1991b; Price and Mills 1985). Thus, it is clear that the constraints imposed by racial segregation of neighborhoods play a major role in explaining persistent interracial socioeconomic disparities.

The effects of neighborhood economic class segregation have their own limitations on opportunities, independent of parental and other background characteristics. In neighborhoods characterized by concentrated poverty, chronic joblessness and welfare use, the limitations on opportunity are especially horrific (Wilson 1987; Wilson 1996). If few of one’s neighbors work, there is little chance of learning through informal networks about job vacancies that may arise in employees’ firms. If one’s children play in a

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friend’s home that is filled with lead paint dust, their mental capacity can be impaired. If students who do not come to school ready to learn dominated the local public school, the quality of education received by other students will be harmed. If neighborhood norms tolerate or even encourage teen childbearing out-of-wedlock, boys and girls will be more likely to become sexually active. If there were little social cohesion and collective efficacy, control of public spaces may default to criminal elements, whereupon some members of households may fear to leave their homes for work or recreation.

Commonsensical arguments such as these have garnered considerable support from statistical work undertaken during the 1990s (Ellen and Turner 1997; Gephart 1997; Leventhal and Brooks-Gunn 2000). Several studies have shown that, controlling for many (though certainly not all) parental and individual characteristics of importance, outcomes for people living in places of concentrated disadvantage are much less positive. A variety of social maladies—violence, crime, substance abuse, dropping out of school, not participating in the labor market, out-of-wedlock child bearing—are intensified in circumstances of concentrated poverty.

There also is evidence that the likelihood that people will engage in such socially undesirable behaviors grows disproportionately as the percentage of disadvantaged neighbors exceeds a threshold point (Quercia and Galster 2000). The bulk of the evidence, albeit limited, implies a threshold around 20 percent poor in the neighborhood (Galster forthcoming). This would be particularly important were it to garner an empirical consensus, for it suggests that deconcentrating poverty will not merely “move social problems around” while keeping their aggregate level unchanged. Rather, if low-income households were moved from neighborhoods exceeding the threshold to others well below it, the overall incidence of social problems throughout the metro area as a whole would be dramatically reduced (Galster forthcoming; Galster and Zobel 1998).

A complementary strand of research has investigated the issue of neighborhood effects by comparing the well-being of low-income households in high-poverty neighborhoods and the low-poverty neighborhoods to which they move as a result of a deconcentrating assisted housing initiative. Perhaps the best-known evidence was produced by Rosenbaum and his collaborators during their multiple investigations of the Gautreaux program in Chicago. As a remedy to the 1969 lawsuit filed against the Chicago Housing Authority, the court ordered HUD to help thousands of black public housing residents move to neighborhoods located within the metropolitan area with low concentration of blacks (Goering 1986). Ultimately, 7,100 families participated, with most moving to suburban areas with low concentrations of poverty and minorities. Interviews revealed that, compared to those moving out of public housing but remaining in the city, suburban participants: (1) felt significantly safer and their children were less vulnerable to gang recruitment, (2) were (eventually) socially integrated to some degree and not isolated, (3) had children who were more likely to be attending four-year

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colleges, taking college-track courses in high school, and working at a job with good pay and benefits (Rosenbaum 1995; Rubinowitz and Rosenbaum 2000).

Recent evidence emerging from the ongoing MTO demonstration echo many of the Gautreaux findings of positive impacts, though the research methods and findings vary across the experimental sites in a way that generalizations are rendered precarious. Moreover, the studies thus far have only been able to ascertain short-term impacts within a few years of program startup; perhaps more impressive long-term effects may be observed henceforth. Nevertheless, the results to date suggest that compared to the control group, the experimental MTO group moving to low-poverty neighborhoods experienced: (1) social interactions with neighbors that were not significantly different from their neighborhood of origin, (2) better physical health, lower reports of depressive or anxious behavior, (3) reductions in self-reported criminal victimization, (4) lower rates of welfare receipt, (5) increased standardized achievement scores of their young children, (6) lower rates of criminal offending and arrests for violent crimes for their young boys, (7) fewer instances of behaving punitively towards their children or to engaging in restrictive parenting practices (Katz, Kling, and Liebman 2001; Leventhal and Brooks-Gunn 2000; Ludwig, Duncan, and Pinkston 2000; Ludwig, Ladd, and Duncan 2001; Ludwig, Duncan, and Hirschfield 2001).

Studies of the impacts upon households participating in scattered-site public housing programs have generally reinforced the conclusions derived from research on tenant-based subsidy programs, though they have typically not been as comprehensive or methodologically rigorous (Varady and Preiser 1998). Tenants living in scattered-site public housing generally: (1) experienced few problems with their move and felt welcome in their homes, (2) strongly preferred their new homes and neighborhoods to their former ones, (3) were generally satisfied with accessibility and public services, with the exception of public transportation, (4) had minimal social interactions with their middle-class neighbors, but were not socially isolated, and (5) expected their children to benefit in the long-term from the superior educational opportunities and neighborhood safety (Briggs 1997; Hogan 1996).

Race-Class Segregation of Schools

Education is a complicated channel for upward mobility. There are many schooling choices, and different subgroups of the urban population favor different paths. It appears that choices of public vs. private schools, various public school districts, and courses of study within a particular school all affect academic achievement and the likelihood of labor market success (Alexander and Pallas 1985; Hanusheck 1986; Hoffer 1985). However, the possibility of exercising choice (by migration to the suburbs, enrollment in a private school, selection of a more academically-oriented curriculum) often seems remote for urban, low-income minority groups (Darden, Duleep, and Galster 1992; Hill and Rock 1992; Jaynes and Williams 1989). The result is a set of educational constraints profoundly differentiated by race and ethnicity.

Racial differences in enrollment patterns reveal one dimension of this differentiation. Dissimilarity indices of the degree of racial segregation among school districts for metropolitan areas with the largest numbers of minority pupils are presented in Table 3. They show that, when compared to white students in the 1999-2000 school year, black students are generally more unevenly distributed across districts than are Hispanic or Asian students (dissimilarity indices of 65, 58 and 50, respectively). All minority groups are highly segregated from whites across school districts, however, in rough correspondence to their degree of residential segregation (Orfield 1983). Moreover, unlike the case of neighborhood racial segregation, all three minority groups’ dissimilarity indices rose two or
three points since the 1989 in the areas where they constituted a sizable fraction of the enrollment (Lewis Mumford Center 2002).

Similarly, the exposure of minority students to white students has been declining over the last decade (Orfield 1994). As shown in Table three, in 1999 the percentage of students in one's own racial group in the typical school was 59, 55 and 21 percent for black, Hispanic, and Asian students, respectively (Lewis Mumford Center 2002).

But where are minority students preponderantly concentrated? Nationally, two-thirds of African American students and nearly half of other minority students attend primary and secondary schools in central city districts; less than a quarter of white students do so (Hill and Rock 1992). Given the centralized nature of poverty neighborhoods, these intersections generate center city schools with high proportions of both minority and low-income students.

During the 1999-2000 school year, the average black student in public school attended a school having 65 percent of its students from poor families; the corresponding figures for Hispanic and Asian students are 66 and 42 percent. By contrast, the average white student in public school attended a school having only 30 percent of its students from poor families (Lewis Mumford Center 2002). In many large metropolitan areas, the gaps between school poverty rates experienced by minority and white public school students are even more dramatic. In Newark, Detroit, Philadelphia, Cleveland, Milwaukee, Boston, Baltimore, Cincinnati, Kansas City, Minneapolis and St. Louis, the average school poverty rate to which black students are exposed exceeds that for white students by 40 percentage points or more. In Newark, Philadelphia, Orange County, Boston, Hartford, Los Angeles, Houston, and Bergen-Passaic, the average school poverty rate to which Hispanic students are exposed exceeds that for white students by 40 percentage points or more (Lewis Mumford Center, 2002: tables 8-10).

[TABLE 3 to be inserted here]

Thus, the educational constraints facing the vast majority of white students are quite different from those facing black and Hispanic students. The educational opportunities of most black and Hispanic students are intimately connected to inner-city districts in the largest metropolitan areas. Unfortunately, these districts tend to be racially, economically, and socially isolated and inferior providers of education on several counts.

The first area of inferiority involves funding. The latest national statistics show that school districts with the fewest minority students spend $902 more state and local dollars per pupil annually than those with the fewest minority students. State aid typically does little but exacerbate this gap. Roughly 60 percent of states provide more than $100 per pupil more aid to districts with few poor or minority children than to districts with many (Schema 2002). Fiscal disparities between individual districts can be even more dramatic (Kozol 1991). Inner-city students' teachers are, on average, less well-prepared, come from inferior colleges, and are fewer in number in several critical subject areas. The same is true of guidance counselors (Orfield 1992).

Second, racially-socially isolated school systems place more limits on the educational achievement and attainment of poor children from black and Hispanic families because these children have less contact with children from non-poor families (Jencks and Mayer 1990). Racial segregation makes it more difficult for non-poor minority children to build on their parents' progress toward upward social mobility, because the critical mass that influences their education and social systems is more heavily influenced by children from poor families (Galster 1991b; Wilson 1987).

Finally, race-class segregation in schools can make it harder for minority children to acquire the "soft skills" valued in the labor market. These skills, especially styles of
communication and interpersonal relationships, likely are derived from social patterns prevailing in white, middle-class culture. Children first may learn communication and interpersonal skills from family members and neighbors. Schools potentially give children a second chance to learn these skills, however, because students interact with schoolmates from other families and neighborhoods. The opportunity structure appears to provide poor white children with opportunities for economic integration in the school and neighborhood, but typically denies these opportunities to minority children. That is, minority children have little exposure at home or in school to patterns that set the standard for workplace communication and interpersonal relationships. These children may therefore develop alternative patterns that may serve them well on the streets, but hinder them in the workplace (Bleachman 1991; Neckerman 1991).

In combination, the aforementioned limitations on social, financial, and human resources produce the expected inferior school performance outcomes (Gottlieb 2002; Moreau 2002). For example, the "nonselective segregated high schools" serving about two-thirds of Chicago's students graduated only eight percent of their students with reading ability at the national norm level. Nine out of ten Cleveland students (the vast majority of whom are minorities) failed the state proficiency exam in 1991 (Krumholz 1992; Orfield 1983). Unsurprisingly, disproportionate numbers of minority students find dropping out to be a rational decision in light of such school quality. Perhaps most damning of all, many employers appear to be writing off graduates of inner-city school systems as prospective employees. Minority students who pursue college find the combination of inferior training and limited exposure to whites a deterrent to persisting in college. Thus, not only have the African American and Hispanic vs. white gaps in college entrance rates been rising, but so have the gaps in college completion rates (Orfield 1992).

**Urban Polarization as a Process of Cumulative Causation**

Thus far I have argued that urban space is characterized by a warped opportunity structure that leads centralized minorities of low incomes to make choices that perpetuate their inferior socioeconomic status. The key structural element creating this warping is racial and class segregation of neighborhoods and schools. These interrelationships are portrayed diagrammatically in the three sections on the right of Figure 3 titled segregation, human consequences, and socioeconomic disparities. Here I introduce feedback loops into the picture. In particular, race-class disparities work to reinforce the prejudices held by the dominant group—typically non-poor whites of European ancestry—as shown by the arrow running from right to left at the bottom of Figure 3. Opinion polls have demonstrated how whites perceive blacks and Hispanics as less willing to work, more prone to gangs and drugs, less intelligent, less able to speak English well (Farley 1998). To the extent that these stereotypical beliefs are supported by some empirical reality, it is precisely the reality as produced by

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7 Of course, segregation of neighborhoods and schools are mutually reinforcing. Households with children may choose neighborhoods on the basis of the race-class composition of schools. School enrollments in a system of neighborhood school assignments will reflect the race-class composition of the neighborhood. Another aspect of this interrelationship was revealed by South, Scott J. and Kyle D. Crowder. 1997. "Escaping Distressed Neighborhoods: Individual, Community, and Metropolitan Influences." *American Journal of Sociology* 102:1040-1084., who find that the racial segregation of neighborhoods impedes the ability of poor blacks to escape from neighborhoods of concentrated poverty.
the low-income, minority subcultural developments and constrained choices that emanate from their opportunity structure.

Prejudices, of course, motivate a variety of behaviors by whites, as shown by the arrows emanating from the “prejudices” box in Figure 3. Prejudice directly reinforces segregation in neighborhoods and schools through white “flight” and “avoidance:” whites leave neighborhoods and schools when they exceed a threshold percentage of minorities or poor, and avoid such contexts when searching for alternatives (Ellen 2000; Emerson, Yancey, and Chai 2001; Galster 1990). Prejudice indirectly reinforces segregation through motivating illegal behaviors in labor markets, housing markets, and schools, and through legal collective actions like exclusionary zoning and the establishment of private schools.

To paint the big picture more simply:

♦ Our society has created a warped metropolitan opportunity structure whose primary feature is race-class segregation of neighborhoods and schools
♦ This structure induces many lower-income, minority households residing in core neighborhoods to make choices that are rational within their constrained set of options, but
♦ These choices perpetuate socioeconomic inequities among races and classes
♦ These choices legitimate prejudices held by the dominant group against lower-income and minority households
♦ These prejudices motivate and justify in the view of the dominant group legal and illegal acts and structures that reinforce segregation

This dynamic may be labeled “cumulative causation.”

Policy Implications

If we take this analysis seriously, clear policy implications emerge. In this chapter I can only provide an outline of these implications; I have, however, provided more fleshed-out analyses elsewhere (Darden, Duleep, and Galster 1992; DeMarco and Galster 1993; Galster 1990; Galster 1992b).

Admittedly, combating a warped opportunity structure is controversial and complex. Some have suggested that the current race-class segregation of neighborhoods and schools can be continued if core communities’ access to good jobs and schools is enhanced through, for example, new transportation schemes, empowerment zones, or school choice vouchers (Kingsley and Turner 1993). I argue that such schemes, though worthy, are inferior to those that aim directly at expanding the residential and school choices of minorities and the poor, thereby desegregating communities and schools by class and by racial-ethnic composition (Galster 1992b). The gist of the argument is that unless the iron grip of neighborhood and school segregation is released, all other ameliorative efforts will necessitate inefficient subsidies and distortions of the market, and will be blunted by elements of the opportunity structure that cannot easily be ruptured from the residential nexus, like local social networks. What is needed is a two-pronged initiative providing both the means and the incentive to desegregate: one aimed at individuals and the other at states, school districts and municipalities.

Programs Encouraging Individual Desegregation
As for individuals, there are a variety of desegregative initiatives that federal, state and local governments should adopt, some aimed at lower-income individuals and others at those in higher-income groups. Consider first programs aimed and providing the means and incentives for lower-income households to desegregate neighborhoods. At the federal level, there should be an intensified effort to expand geographically the housing choices for the less-well-off through housing choice (formerly Section 8) voucher rent subsidies, coupled with affirmative efforts to market residential areas that might be unfamiliar to subsidy recipients and guarantee ongoing supportive counseling services to smooth recipients’ transition into new environments. Prototypical efforts associated with the Gautreaux Program in Chicago and the ongoing Moving To Opportunity (MTO) demonstration are representative of this strategy, and have demonstrated their efficacy in enhancing opportunities for participants without deleterious side-effects on their neighbors (Rosenbaum 1995). Individuals receiving housing choice vouchers might also be encouraged to make desegregative moves by appending special bonus subsidies.

More broadly, there should be federal policies to encourage the movement of all households into neighborhoods where their racial-ethnic and/or income group is under-represented. For example, those of any income or racial-ethnic group who make moves that promote race and/or class desegregation could be rewarded with a federal income tax credit based on their moving expense deduction.

States and localities have at their disposal several examples of successful neighborhood racial desegregation efforts, many of which could be tailored to encourage class desegregation as well (DeMarco and Galster 1993). Governments could, for example, provide additional information to underrepresented home-seekers about options in neighborhoods in which traditionally they would not have searched. Such affirmative marketing services have been successfully provided by the Leadership Council for Open Metropolitan Communities in the Chicago area and the East Suburban Council for Open Metropolitan Communities in the Cleveland area, for example. In addition, state and local governments could provide a variety of financial incentives to encourage desegregation. Oak Park, Illinois, provides rehabilitation subsidies to landlords who have racially-ethnically mixed apartment complexes. Cleveland Heights and Shaker Heights, Ohio, grant low interest mortgages to house buyers moving into neighborhoods where their group is underrepresented. The State of Ohio allocates a share of its revenue bond funds to provide below-market rate mortgages to first-time homebuyers making such desegregative moves (Chandler 1992; Galster 1992a).

As for encouraging class desegregation, there is several decades’ worth of experience with state and local efforts to expand the geographic scope of assisted and affordable housing through mandates like “fair share” or “inclusionary zoning” laws, most notably in California, Maryland, Massachusetts, and New Jersey (Advisory Commission on Regulatory Barriers to Affordable Housing 1991; Downs 1973; Keating 1994; Lake 1981; Mallach 1984). More recently, these efforts have been echoed in over a dozen federal court-ordered remedies in local housing authority segregation cases (Popkin, Galster, Temkin, Herbig, Levy, and Richer 2000). But more is required.

A variety of pilot programs should be initiated and funded by HUD or by state and local governments that provides substantial, behavior-modifying financial incentives for relevant parties to create opportunities for assisted housing where they are now sorely underrepresented. Local public housing authorities should have stronger incentives to recruit landlords for the Housing Opportunity Vouchers program in lower poverty neighborhoods, and be rewarded for helping their assisted households make the corresponding sorts of poverty deconcentrating moves (Briggs 1997; Hartung and Henig 1997; Turner 1998). The reward structure should also facilitate the deconcentration of their existing public housing stock. Private developers of supportive housing for special
needs populations should receive incentives if they produce in lower-poverty neighborhoods. Landlords of market-rate units should receive bonuses for participating in the Housing Opportunity Voucher program for the first time. Local governments should be financially encouraged to permit the development of rental housing that either provides site-based assistance (through public housing, HOME, or Low Income Housing Tax Credit programs) or is priced at Fair Market Rent levels that would permit its participation in the Housing Opportunity Voucher program (Pendall 2000). Such financial incentives could emanate from either federal or state governments.

Programs Encouraging Institutional Desegregation

Federal programs should be designed to encourage lower levels of government to adopt coordinated desegregation programs that fit their local contexts. Encouragement could be supplied through the careful tailoring of intergovernmental transfers. Federal bonus funds to states might, for instance, be provided for establishing and/or supporting regional fair housing organizations (either public or private) that enforce anti-discrimination laws and promote neighborhood desegregation in their metropolitan areas. Similarly, direct federal financial aid to municipalities for any number of activities might be awarded for formal cooperation with such a regional organization.

Even more directly, federal and state governments should devise a system of grants that would be given to school districts and local governments progressing toward desegregation goals (Boger 1996). Based on existing research (Galster forthcoming), the goal should be to have no more than 20 percent of households in a neighborhood in poverty. A somewhat higher threshold might be contemplated regarding the maximum student body in a school building qualifying for free or reduced-price lunches (Gottlieb 2002). Goals regarding racial mix would be tailored to the demographic particulars of each region. Incentives would take the form of annual grants to school districts and general-purpose local jurisdictions that voluntarily participated in the program. No entity would be penalized if it chose not to participate. The grants would be designed, however, to be sufficiently generous to convince many that it is in their fiscal self-interest to promote more diversity.

It is important to emphasize that diversity in this proposal is measured at the school building and neighborhood (census tract) levels. It would not be desirable for a school district or municipality to have a diverse aggregate profile, but to have particular types of students or households concentrated in a few schools or neighborhoods. It also should be recognized that the proposed grant incentives are designed to encourage the movement of different groups both within and among school districts and local jurisdictions, and to offer symmetric incentives to entities that have "too many" and "too few" low-income or minority people within them.

For local governments, the incentives could be administered through existing revenue sharing programs. For each neighborhood (census tract) having less than the target percentages of certain households in the previous census, incentives would be provided for increasing the percentage; for each neighborhood having more than the target, incentives would be provided for decreasing that percentage until it no longer exceeded it. Similarly, for school districts the incentives would be administered through existing school aid programs.

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8 With the planned advent of the Census Bureau’s annual American Communities Survey later this decade, annually updated, two-year moving averages of population estimates at the census tract level will be available, instead of every ten years.
In closing, there is guidance provided by a proven array of programs instituted by a few progressive state and local governments that have reduced the segregation of neighborhoods by race and class. Recent retreats from the racial and class desegregation of schools suggests that more innovative strategies are called for in this arena. In both cases there needs to be greater coherence, scope and focus of desegregation policy; leadership at the federal level has been notably absent. Without serious efforts to disrupt segregation, the intersection of poverty and minority status will mockingly continue to transform “equal opportunity in America” from a hallowed premise into a hollow promise.

Acknowledgements:
The author wishes to thank Jackie Cutsinger for her research and manuscript production assistance.
FIGURE 1: Space, Race & Poverty: Key Intersections
FIGURE 2: A Model of Achieved Socioeconomic Status

- Characteristics of Parents (SES, marital status, etc.)
- Malleable Personal Characteristics (skills, experiences, fertility, etc.)
- Neighborhood Characteristics (peers, institutions, networks, etc.)
- Local Jurisdictional Characteristics (health, education, safety programs, etc.)
- Metropolitan Characteristics (employment, income, industry, etc.)
- Indelible Personal Characteristics (race, gender, ethnicity, age, etc.)
- Achieved Socioeconomic Status
FIGURE 3: Cumulative Causation of Race, Poverty & Segregation

- Discrimination in Housing and Schools by Private & Public Actors
- Race-Class Prejudices of Dominant Group
- Discrimination in Labor Markets by Private & Public Actors
- Race-Class Segregation of Schools
  - Race-Class Segregation of Neighborhoods
  - Sub-cultural Adaptations of Poor, Minorities
  - Reduced Wealth Accumulation for Poor, Minorities
  - Inferior Public Services For Poor & Minorities
  - Barriers to Skill Development of Poor, Minorities
  - Location of Economic Activities far from Poor, Minorities
- Perpetuation of Race-Class Disparities in SES

PREJUDICE & DISCRIMINATION
SEGREGATION
HUMAN CONSEQUENCES
SES DISPARITIES
Table 1
Residential Segregation, 1990 and 2000
by major racial-ethnic groups

<table>
<thead>
<tr>
<th></th>
<th>1990</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BLACKS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dissimilarity</td>
<td>69.4</td>
<td>65.1</td>
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<tr>
<td>Dissimilarity</td>
<td>61.9</td>
<td>52.7</td>
</tr>
<tr>
<td>Dissimilarity</td>
<td>70.6</td>
<td>61.8</td>
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<tr>
<td>The average black lives in a neighborhood with...</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a % white of:</td>
<td>33.0</td>
<td>33.2</td>
</tr>
<tr>
<td>a % black of:</td>
<td>56.1</td>
<td>51.1</td>
</tr>
<tr>
<td>a % Hispanic of:</td>
<td>8.3</td>
<td>11.6</td>
</tr>
<tr>
<td>a % Asian of:</td>
<td>2.1</td>
<td>3.2</td>
</tr>
<tr>
<td><strong>HISPANICS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dissimilarity</td>
<td>51.4</td>
<td>51.6</td>
</tr>
<tr>
<td>Dissimilarity</td>
<td>56.2</td>
<td>49.1</td>
</tr>
<tr>
<td>Dissimilarity</td>
<td>51.8</td>
<td>49.7</td>
</tr>
<tr>
<td>The average Hispanic lives in a neighborhood with...</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a % white of:</td>
<td>41.5</td>
<td>36.4</td>
</tr>
<tr>
<td>a % black of:</td>
<td>10.1</td>
<td>10.6</td>
</tr>
<tr>
<td>a % Hispanic of:</td>
<td>42.8</td>
<td>45.8</td>
</tr>
<tr>
<td>a % Asian of:</td>
<td>5.1</td>
<td>5.8</td>
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<tr>
<td><strong>ASIANS</strong></td>
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<tr>
<td>Dissimilarity</td>
<td>44.3</td>
<td>42.2</td>
</tr>
<tr>
<td>Dissimilarity</td>
<td>60.3</td>
<td>54.2</td>
</tr>
<tr>
<td>Dissimilarity</td>
<td>48.8</td>
<td>47.6</td>
</tr>
<tr>
<td>The average Asian lives in a neighborhood with...</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a % white of:</td>
<td>59.9</td>
<td>53.9</td>
</tr>
<tr>
<td>a % black of:</td>
<td>8.3</td>
<td>9.0</td>
</tr>
<tr>
<td>a % Hispanic of:</td>
<td>16.2</td>
<td>17.6</td>
</tr>
<tr>
<td>a % Asian of:</td>
<td>15.2</td>
<td>18.0</td>
</tr>
</tbody>
</table>
Table 2
Average Percentage Poor in Typical Poor Person's Neighborhood*  
by predominant racial-ethnic group in neighborhood, 1970-90

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>50%+ Black</td>
<td>34%</td>
<td>36%</td>
<td>38%</td>
</tr>
<tr>
<td>50%+ Hispanic</td>
<td>36%</td>
<td>33%</td>
<td>34%</td>
</tr>
<tr>
<td>50%+ White</td>
<td>11%</td>
<td>11%</td>
<td>12%</td>
</tr>
</tbody>
</table>

* isolation index of poor persons

Source: author's calculations based on U.S. census tract data in Urban Institute Under Class Database
### Table 3
School Segregation in 1989 and 1999* by predominant racial-ethnic group

<table>
<thead>
<tr>
<th></th>
<th>1989</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BLACKS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dissimilarity with whites</td>
<td>61.7</td>
<td>64.5</td>
</tr>
<tr>
<td>Average black attends school with % black of:</td>
<td>56.6</td>
<td>59.2</td>
</tr>
<tr>
<td><strong>HISPANICS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dissimilarity with whites</td>
<td>53.1</td>
<td>55.0</td>
</tr>
<tr>
<td>Average Hispanic attends school with % Hispanic of:</td>
<td>46.7</td>
<td>54.9</td>
</tr>
<tr>
<td><strong>ASIANS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dissimilarity with whites</td>
<td>47.4</td>
<td>49.8</td>
</tr>
<tr>
<td>Average Asian attends school with % Asian of:</td>
<td>17.6</td>
<td>20.5</td>
</tr>
</tbody>
</table>

*For blacks and Hispanics, data show unweighted averages for 50 metro areas with largest numbers of black and Hispanic students, respectively; for Asians, data are averages for top 25 metro areas. For details, see Lewis Mumford Center (2002: Tables 2-7).
References


