EXECUTIVE SUMMARY  AUGUST 2008

OPPORTUNITY FOR ALL
INEQUITY, LINKED FATE AND SOCIAL JUSTICE IN DETROIT AND MICHIGAN

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Detroit and Michigan at a Crossroads

Like many of its Rust Belt peers, the Detroit region and the State of Michigan are at a crossroads. Both the region and the State are suffering from declining economic standing and growing inequality, at a time when human capital is critical to invigorating stale Rust Belt economies. This critical crossroad represents an opportunity to address the longstanding inequities plaguing and degrading the vitality of the Detroit region and the State of Michigan.

Battered by challenging economic conditions, a national housing crisis and the continued decline of the once-robust manufacturing sector, the region and State must find innovative ways to capitalize on its assets and redirect its course to be competitive in the 21st century. A significant impediment to reinvigorating the State is the widespread and systemic inequity plaguing marginalized populations and communities. For Michigan’s communities of color in urban areas, this marginalization is extremely pronounced, with many of the State’s African American communities isolated from the essential opportunity structures needed to succeed and thrive in the 21st century global society.

A significant source of Michigan’s inequity is rooted in housing disparity and racial segregation into distressed (or “low opportunity”) communities.

Geography, race and poverty are intertwined in the Detroit region: poverty and place work together in a systematic way, fueling racial disparities and isolating communities of color from opportunity. Geographic, social and racial disparities are more than just indicators of isolation for marginalized populations. These disparities (and inequality) play a significant role in undermining the future for all residents of the Detroit region and the State of Michigan. Inequality represents lost human, social and economic capital for the Detroit region and the State of Michigan. Addressing these inequities is a critical step to assure a functioning democratic society and prepare the region for its future.
Inequities and disparities are more than just a representation of one group or community doing worse than others; they are a symptom of a greater challenge: the isolation or marginalization of a large number of Michigan’s residents. Disparities indicate that entire groups or communities are isolated from the critical opportunities and tools needed to succeed, thrive and survive in our society. These residents face so many obstacles to success that many are never able to meet their full potential, representing not only an individual tragedy but a societal tragedy. The high school dropout who falls prey to the challenges in the community could have been the community’s next business leader, educator, entrepreneur, community organizer or political leader. This individual story is tragic, but an entire community of youth lost this way is a societal challenge that will prove disastrous to Michigan’s economic future.

As we move further into our 21st century economy and learn how our economy is changing, the push to collaborate, innovate, and educate all of our children grows in importance. The economic future for regions like Detroit or Rust Belt states like Michigan will not look like the economy of the 20th century, a model of mass production built around unskilled labor. The future will be based on innovation and a work force that is skilled with technical prowess and more advanced decision-making capability. Innovation is the road to business, regional and societal wealth in the 21st century. But, an innovation-based economy will struggle to succeed without an educated and skilled labor force.

Understanding Inequity: The Role of Housing and Spatial Discrimination in Denying Access to Opportunity

Housing provides more than just shelter. Housing is the primary conduit to accessing opportunity and building wealth and economic stability in the U.S. Housing location is the critical leverage point to determining access to education, employment, childcare and health care or in determining the likelihood of developing assets/wealth through home equity. Housing can be either an impediment or conduit to opportunity depending on its location. Exclusionary housing policies and practices actively work to disconnect marginalized populations from opportunity by concentrating affordable housing options into extremely distressed and segregated neighborhoods.

Fifty years of social science research has demonstrated that racially isolated and economically poor neighborhoods restrict employment options for young people, contribute to poor health, expose children to extremely high rates of crime
and violence, and house some of the least-performing schools. Neighborhoods powerfully shape residents’ access to social, political, and economic opportunities and resources.

Half a century ago, when federal subsidies for suburban housing and transportation made it economical for middle-class families to leave the city, Whites left in numbers. Because early housing policy often prohibited integrated neighborhoods through lending restrictions and racially restrictive covenants, it was mostly Whites who left and built equity in new neighborhoods. As central cities lost significant population, jobs followed. The loss of tax revenue resulted in increased tax rates for municipal services for those who were least able to shoulder them. Funds for maintenance and repair of existing infrastructure waned as money went to subsidizing further suburban and exurban development.

Today, suburban land use policies continue to prevent fair housing opportunities by promoting single-family, large-lot development. This has been shown to depress the growth of suburban rental housing and limit in-migration by African American and Latino families. The location of federally- and state-subsidized rental housing contributes to continuing segregation as well, by clustering affordable housing in economically disadvantaged communities of color. In addition, continued discrimination in the housing market, racial steering by realtors, and predatory or discriminatory mortgage lending all limit housing opportunities for people of color.

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Opportunity-based housing affirmatively and deliberately connects affordable housing to communities of opportunity. Ideally, housing policy should deliberately connect affordable or assisted housing to regional opportunities, such as high performing schools, meaningful employment, viable transportation, quality childcare, responsive health care, and other institutions that facilitate civic and political activity.

The specific principles to guide an opportunity-based housing model include the following:

- **Preserve the supply of existing affordable housing and expand the supply of decent housing for low- to moderate-income families in opportunity rich neighborhoods across the metropolitan area.**

- **Ensure that all residents can buy or rent homes in the neighborhoods of their choice that are racially and economically integrated, and that feature a rich set of social, economic, and educational opportunities.**

- **Provide subsidies to make housing more affordable to low- and moderate-income families in mixed income, racially integrated neighborhoods.**

- **Increase wealth opportunities through homeownership for all families in neighborhoods where homes’ values are rising rather than falling.**
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- Plan for the development of affordable housing on a regional scale that intentionally connects housing to quality schools, plentiful employment opportunities, and an accessible transportation infrastructure.
- Promote a more balanced type of metropolitan growth that promotes the health of the region as a whole and connects all communities to opportunity.

Housing Opportunity and Access to Opportunity in Southeast Michigan

Housing is still the most important vehicle for accessing opportunity in our nation. The Detroit region has seen some improvement in housing opportunity for people of color, but the region still remains highly segregated, with limited access to housing opportunity (and neighborhoods of opportunity) for many Detroit residents. In 2000, nearly 29% of the total population of Wayne County reported housing “problems” as defined by HUD, generally from substandard housing, dilapidated units or due to cost. Housing cost was the primary source of housing problems in Wayne County. Almost 1 out of 4 Wayne County households was paying too much for housing (more than 30% of their income) and nearly 12% of Wayne County households were paying more than half of their income for housing. For people of color, housing challenges were even more pronounced. While 22% of White Wayne County residents suffered from housing problems in 2000, 37% of African Americans and 35% of Latinos and Asians dealt with housing problems.

Detroit suffers some of the worst racial segregation in its housing and schools in the nation. Analysis of trends in segregation during recent decades indicates that these trends have improved slightly, but generally the region has remained extremely segregated by race in its neighborhoods and its classrooms. Although some African American families have moved outside of the core of the city of Detroit, African Americans still remain highly clustered in the City of Detroit and a few remote suburbs.

Racial segregation in Detroit’s classrooms is also severe and growing. Since the Supreme Court’s 1974 Milliken decision barred school desegregation between districts, racial segregation in the City of Detroit’s schools has continued unabated. The dissimilarity rate for African American school children (in relation to White children) was 0.881 in 2000, meaning nearly 9 out of 10 African American or White students would have to relocate to integrate the region’s schools.
The convergence of school and residential segregation speaks to a greater challenge in the Detroit region -- the isolation and segregation from communities of opportunity for marginalized residents. To evaluate this concern, we analyzed the characteristics of communities across the region by conducting an “opportunity mapping” analysis. This opportunity mapping analysis looked at a number of indicators of opportunity and community conditions for neighborhoods throughout the Detroit region. By comprehensively measuring educational opportunities, economic opportunities and other neighborhood and housing challenges (like concentrated neighborhood poverty, vacant property or crime), we can provide a comprehensive evaluation of the region’s best and most challenged neighborhoods. Map 1 presents this “opportunity map” for the Detroit region. As seen in the map, most of the lowest opportunity neighborhoods are located in Wayne County and in the City of Detroit.

As seen in Map 2, the African American community is highly concentrated in these low opportunity areas. While only 36% of the total population lived in the region’s low opportunity neighborhoods (which represent two-fifths of the neighborhoods in the region), 90% of the African American population (or nine of ten African Americans) were found in low opportunity neighborhoods. In contrast, only 19% of Whites lived in low opportunity communities. While more than 43% of the region’s total population lived in high opportunity neighbor-

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hoods, less than 4% of the African American population lived in these communities. In absolute numbers, these percentages mean that more than 930,000 African Americans (and 580,000 Whites) live in opportunity poor neighborhoods, which lack access to the critical opportunity structures needed to succeed in the 21st century (a safe environment, a good educational system and economic opportunity). This racial isolation into low opportunity neighborhoods is not just confined to the African American population; more than half of the Latino population is concentrated in low opportunity communities.
Housing access plays a critical role in understanding this opportunity isolation. As seen in the previous data, Detroit’s communities of color suffer more housing cost challenges than White residents. Lack of affordable housing in high opportunity areas (and other forms of housing discrimination) work to lock these residents into opportunity deprived areas of the region. The supply of site-based HUD subsidized housing supports this conclusion. Map 3 displays the location of federal subsidized housing in the region in 2000. The map clearly illustrates that few of the subsidized units are found in high opportunity neighborhoods, while most units are clustered in the region’s low opportunity areas.

Inequities in housing access also speak to larger structural and systemic problems. Housing inequities can be “red flags,” presaging housing challenges that will impact the entire housing market. As Lani Guinier and Gerald Torres write in The Miner’s Canary, challenges facing marginalized groups are warnings that our society must heed. The recent foreclosure crisis facing the nation demonstrates this; as predatory lending practices and affordability challenges spread beyond marginalized populations, they impacted the entire housing market, which destabilized the economy and caused major financial shakeouts, such as the collapse of Bear Sterns. Had these structural problems with the housing market been addressed earlier, their impact on the broader housing market and society could have been diminished.

These findings are troubling given the central role equitable housing plays in expanding opportunity for all residents. For greater equity, sustainability and economic vitality in the State of Michigan and the Detroit region, we must confront housing challenges (and work to promote access to opportunity) as a strategic intervention point to expand opportunity for all in the State. All Detroit residents, Southeast Michigan residents and Michigan residents must pay attention to these troubling indicators of inequality and opportunity isolation which plague the city, region and State. Only by addressing these challenges directly can the State and the Detroit region build a society that is sustainable, equitable and allows all residents access to the levers of opportunity critical to succeeding in our 21st century society.

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Acknowledgments
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The **Michigan Roundtable** is an organization committed to building bridges across differences in race, religion, ethnicity, age, gender, and other cultural characteristics that undercut our quality of life and competitiveness as a region. This broad-based approach, rather than singular constituency approach, in the end, will build a stronger, more inclusive social fabric in Southeast Michigan.

The **Kirwan Institute for the Study of Race and Ethnicity** is a university-wide interdisciplinary research institute. We generate and support innovative analyses that improve understanding of the dynamics that underlie racial marginality and undermine full and fair democratic practices throughout Ohio, the United States, and the global community. Responsive to real-world needs, our work informs policies and practices that produce equitable changes in those dynamics.