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ETHNIC PREFERENCES AND NEIGHBORHOOD TRANSITIONS

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INTRODUCTION AND THEORETICAL CONTEXT

In the past decade there has been a growing literature focused on explaining the patterns of residential separation in U.S. metropolitan areas. The research of two decades ago which focused on the locational structure of the mono-centric city represented by studies by Alonso (1964), Mills (1967), Muth (1969) and Wingo (1961) was mostly concerned with the way in which land uses as a whole are structured in the city. There was much less attention directed to the issues of residential separation, especially the separation of ethnic areas within metropolitan areas.

In the last dozen years at least three research streams have developed to explore the issue of residential patterning and neighborhood change. One

of these streams considers neighborhood change as the outcome of a set of exogenous factors such as income, population growth, changing job locations and housing change. Research studies within this general theme focus on the nature of housing and its change over time and the population distribution outcomes that result from changes in housing (Brueckner 1977; Muth 1969). A second research stream also includes exogenous economic factors additionally includes the role of racially biased household preferences, racial discrimination in the functioning of the housing market and by extension in the transition of neighborhoods. Within this research area there is a considerable body of research which emphasizes the role of residential preferences or prejudices in generating change across racial Black/White borders (Bailey 1966; King and Mieszkowski 1973). This second research area has a sub-focus which places a greater emphasis on the role of discrimination (Kain and Quigley 1975; Courant and Yinger 1977). The third research stream specifically examines the way in which discrimination affects the patterns of separation. The underpinning of this research stream is the emphasis on racially prejudiced White households who prefer to live in all White neighborhoods and unprejudiced Black households that prefer integrated neighborhoods or are neutral to integration (Rose-Ackerman 1975; Yinger 1976).

In addition to these theoretical discussions there have been a number of reviews (Clark 1986; Streitweiser and Goodman 1983; Galster 1988) which have attempted to evaluate the factors which are elements of the theories outlined above. Evaluations of the role of economics (affordability), job location, preferences, urban structure, information, and discrimination have provided mixed conclusions on the overall impact of each of the factors. However, it seems hard to sustain an argument that a single factor, usually discrimination, explains the patterns of separation in metropolitan areas (Clark 1988). Anas (1980) also emphasizes the limitations of papers which emphasize discrimination to the exclusion of other economic and social factors. However, this position is not held universally (Galster 1988).

The difference in viewpoints on the role of discrimination is directly related to the implicit if not explicit aim of using government policy and enforcement by the courts to change the patterns of housing separation within U.S. metropolitan areas. For Galster (1988), Orfield (1981), Yinger (1976) and others (Taeuber 1979) the major, if not the only, reason for separation of the races is related to discrimination on the part of White households and a discrimination on the part of actors in the housing market. These studies cite evidence from auditing studies which emphasize steering, exclusionary zoning and other more subtle measures which keep the races separate. Unfortunately, the hard analyses do not support the role of government and Galster (1988), for example, has conceded that the role of government is small in creating the patterns. Current emphasis seem to be on the role of private discrimination on the part of White households and White sellers and landlords. This emphasis on the role of discrimination is not new. As Newman (1985) notes, if one reads the history of the Fair Housing Act of the 1968 (Title VIII) "a reader... would come away with the conclusion that Black Americans form a racially different but otherwise socioeconomically equal segment of our society, and that the only factor keeping Blacks imprisoned in their ghettos was pervasive White prejudice, discrimination and exclusion" (Newman 1985, p.173). The Title VIII commentary, like much recent literature, seemed not to recognize the demographic and economic realities which pervade race relations in the United States. Black income is still about 60 percent of White income (Smith and Welch 1986), Blacks have about one-fifth the wealth of White households (Current Population Reports 1986), unemployment is at 50 percent

for Black teenagers (Newman 1985), and there are fewer intact households (Smith and Welch 1986).

Paralleling the debates about the factors which influence the nature of residential change and residential separation are empirical studies of residential change itself. An important aspect of understanding residential change is residential behavior and the resulting changes in residential separation. Much of the emphasis has been on the role of tipping and explanations of tipping.

SUBURBANIZATION, NEIGHBORHOOD CHANGE AND TIPPING

Although Frey (1985) has shown that the destination selections of Black movers in the period 1970-1980 are significantly more suburban-oriented than in previous decades, much of the movement appears to be spillover from central cities to surrounding suburban areas (Clark 1989). The evidence on increasing numbers of Black households in formerly White areas seems to be a precursor to the same processes of residential transition that occurred in central cities in earlier decades. In a study of suburban Atlanta, Clark (1989) showed that substantial residential transition occurred in suburban tracts in a process similar to transitions in central city tracts.

A recent study of trends in the segregation of ethnic groups has examined the extent to which the patterns of suburbanization are going to alter the rates of transition and levels of separation. Massey shows that suburbanization is a key factor in the spatial assimilation of Hispanics and Asians but that suburban Blacks are almost twice as segregated as other ethnic groups. The conclusions to be drawn from the Massey (1987) study is that a significant proportion of Black suburbanization is probably spillover rather than increased integration. However, there are some problems with such an aggregate study and more definitive answers will have to wait for more case studies. The differences in the assimilation rates of Hispanics and Blacks is more likely to be due to the rapid growth of Hispanics (Massey 1987). It does appear however, that the nature of change in suburban areas is similar to changes in central cities, changes which have often been associated with neighborhood tipping. There is a good deal of variation in the definitions of tipping or the tipping point. Newman suggests that a currently acceptable definition is "the percentage of minority occupancy at which racial transition becomes inevitable" (Newman 1985, p. 177). Others including Goering (1978), have emphasized the White flight associated with ethnic transition in neighborhoods. The tipping point is a threshold after which there is an acceleration of the rate of White out-movement from a neighborhood (Goering 1978). Most recently Anas (1980) modelled the process of neighborhood tipping and showed that tipping could involve either a smooth transition or a discontinuity. The Anas (1980) model uses a probabilistic approach to urban market behavior to show that the phenomena of neighborhood tipping versus smooth residential change are special cases emerging from a general model based on the same set of assumptions about rational behavior. For Anas (1980) it is not necessary to invoke an assumption of prejudicial market behavior. Income differences, population growth and other socioeconomic factors are sufficient to generate transitions.

Similarly Kern (1981) shows that a stable integrated equilibria is unlikely even in competitive markets in which suppliers do not discriminate against Blacks." Whenever preferences f or White neighbors is stronger among Whites than among Blacks, integrated equilibrium is unstable but there is a stable segregated equilibrium" (Kern 1981, p. 171). It is this scenario which Kern finds most likely but he notes that there could still be discrimination. This would occur in situations where the stable segregated

equilibria without discrimination is persistently upset by the demands of Black households in which Blacks outbid Whites for sites in the segregated community inducing prejudiced Whites to seek to protect their neighborhoods. via pressure on landlords and sellers to exclude willing Black entrants. This model requires a number of assumptions and the work by Anas (1980) challenges the plausibility of this scenario.

Whether tipping is a discontinuous or smooth process the evidence suggests that preferences, some would say prejudices, of Blacks and Whites, Hispanics and Asians (to include other ethnic groups) are a fundamental component of the way in which decisions to enter particular neighborhoods are made and the way in which transitions occur. But at the same time the empirical evidence of preferences is limited. The work previously is limited to a major theoretical study by Schelling (1971), and some limited national and metropolitan analyses of general reactions to changing racial composition (Farley 1978; Pettigrew 1973; Clark 1986). It is this topic that takes up the major part of this paper.

PREFERENCES

Schelling Models of Segregation

Schelling uses the notion of slight differences in preferences to build a series of models which account for patterns of segregation in urban areas. He notes that "in some cases, small incentives, almost imperceptible differentials, can lead to strikingly polarized results (Schelling 1971, p. 146). Thus, unorganized individual behavior with slightly different preferences (or tolerances -- a term Schelling uses interchangeably) can lead to very structured aggregate results. Even though the Schelling model is well known, the notions outlined by Schelling are worth reiterating for their insights on the potential for patterns of separation within urban areas.

Schelling develops a two sector spatial model of the distributions of stars and circles. Of course, the stars and circles can stand for religious affiliations or racial groups, or ethnic membership. In an exploration of a more representative situation, Schelling developed a bounded neighborhood model in which there is a common definition of neighborhood and its boundaries. Everyone is concerned about the composition of the neighborhood. There is one combination that everyone prefers to its alternatives. Households (persons) will stay in the area until the composition changes such that a threshold is reached and then the individual or household will choose another location. Each person or household has their own limit, or what Schelling sometimes calls tolerance.

To develop the model, Schelling uses a straight line distribution of tolerance in which the horizontal axis measures the number of Whites (or Blacks), while the vertical axis, representing the upper limit of their tolerances, measures the ratio of Blacks to Whites. If the median White is willing or chooses to live with an equal number of Blacks we can say that 50 Whites will live with 50 Blacks, a ratio of 1:1 or greater. The most tolerant White will accept a neighborhood which is two thirds minority and one third White. The result is the straight line portrayed in Figure 1. This preference or tolerance ratio can be translated into a parabola in which 50 Whites will prefer 50 Blacks and there are 25 Whites which will accept a combination of more Blacks than Whites and conversely there are Whites who will accept fewer Blacks. As Schelling notes this curve is the cumulative frequency translation of the straight line curve. A similar procedure can be used to derive the Black parabola. In the case Schelling discusses, the curve for Blacks is based on a tolerance schedule which is

the same as for Whites. It has however, a different functional form (it is steeper) because there are only 50 Blacks, namely half the number of Whites.

There are obviously some Whites and some Blacks who can satisfy their preferences for neighborhood composition. In fact the intersecting areas of the parabolas measures an area where the two groups would be willing to live together. Thus the combinations of the two parabolas denotes a statically viable combination of Whites and Blacks. A point under the White curve but to the right of the Black curve represents Whites who are satisfied but not Blacks. Outside both curves neither Whites nor all Blacks are satisfied. Some of both are dissatisfied.

It is at this point that Schelling introduces behavioral responses (dynamics). He assumes that if some but not all of a group are satisfied, then those who are not will attempt to enter the overlapping area. Thus, Whites who are outside the area of satisfaction will attempt to enter the area where they would be satisfied and similarly those in the area who are not content will attempt to leave. Similar decisions will be made by Black households. Schelling suggests the directions of change with arrows representing the changes of Black and White households. In the area of overlap both Blacks and White are increasing, within the Black parabola Blacks will be increasing and Blacks will be entering, and within the White parabola Whites will be increasing and Whites entering. Schelling concludes that the end of this process and the only stable equilibria is the situation of all White and all Black. However, in some special circumstances there is the possibility of equilibria other than all White and all Black. Figure 2 indicates that if the number of Black and White households are equal, then we can achieve a stable equilibria, with steeper tolerance schedules.

Empirical Tests

Given the importance of these results it is surprising that there has been so little in the way of empirical tests of these theoretical postulates and their derivatives. Nor has there been a generalization beyond Black-White relationships.

Several surveys have attempted to measure preferences and can be used to examine the likelihood of stable equilibria emerging. The data from these surveys and other analyses of preferences from individual and household surveys have produced a view of Black and White preferences in which Whites prefer neighborhoods combinations of 80/20, that is, neighborhoods which are 80 percent White and 20 percent Black. Alternatively, from a Black perspective preferred neighborhoods are 50/50 or where there are racial mixtures of half Black and half White. Several studies have documented this structure including analyses at the national and local levels (Farley 1978; Pettigrew 1973; Armor 1980, and Clark 1986). White preferences for neighborhood combinations have shown a tendency to shift to the right, that is, to prefer neighborhoods with some Black residents. We can portray the two curves diagrammatically as in Figure 3. In fact there are is considerable spatial variation in the structure of these curves as is illustrated in the following four examples which will be the data base for much of the analysis of this paper(Figures 4 and 5).

The curves drawn here are all based on an approach to measuring preferences which asks:

> If you were looking for a house and had found one that you could afford what racial combination of the neighborhood would you choose?

In effect, what combination do you prefer, although the word preference is not used per se? We note that all the Black preferences peak at 50/50 and have a basically normal distribution around that peak. The distributions of White preferences are more variable although they all have the same basic structure. The variations relate to the proportion of White respondents who want all White or nearly all White neighborhoods. There also seems to be some variation related to the spatial combinations which exist. Thus, in Cincinnati where there are greater numbers of Black households in inner city neighborhoods, there seems to be a greater willingness to prefer other neighborhood combinations than all White or 90 percent White neighborhoods. There is also a varying proportion of White households who want a 50/50 neighborhood although this proportion is never greater than 20 percent of the population. A preliminary analysis of preferences does not indicate that there are major differences by socioeconomic status. These empirical results confirm the general view of the preference differentials that are the basis for the Schelling model.

To test the Schelling model the data are now used to define tolerance/preference schedules and these tolerance/preference schedules are translated into parabolic distributions (Figures 6 and 7). There are three relevant descriptions of these parabolic distributions before we draw conclusions about the relevance of the Schelling formulations. First, while the parabolas bear an overall similarity to the theoretical distributions outlined by Schelling, they are much less regular and more rectangular in their shape than suggested by Schelling. Two, the Black preference curves are all bimodal although the bimodality is largely related to the tolerance responses at the upper levels of Black response to White households. Three, the areas of overlap in which there are satisfied members of both groups is small.

In order to examine the dynamics of movement (represented by the arrows) the parabola graphics are enlarged for the areas of overlaps. In all cases the Black curves have been adjusted to represent the relative proportion of Black households in each of the cities. A careful analysis of the directions of movement confirms that in no instance is there evidence of an equilibrium solution from the empirical analyses. Thus the empirical results confirm the Schelling theoretical outline (Figures 8 and 9).

Similar results from an analysis of respondents in a transition neighborhood yield additional and enriching results on the role of preferences and the nature of the 80/20, 50/50 split in the preferences of White and Black households. The data are from a study of neighborhood change and neighborhood preferences in Chicago (Berry 1986). The results for preferred neighborhoods are comparable to the results already presented (Figure 10). Even though there is bound to be some difference in the wording of such questions involving preferences the consistency of these results emphasizes the robust nature of the responses to neighborhood preferences. But there is additional information available in this data set. Questions which focused on the nature of ideal integrated communities were included in the survey.

The responses to questions on ideal integrated communities show that there is considerable overlap of Black and White responses but it also shows that White ideal communities are less than 50 percent minority (Figure 11). The most revealing results are generated when we examine the relationship of the ideal community to the preferred community (Figure 12). It raises what may be the most critical issue in understanding ethnic change. Although Whites identify a wide range of communities between 10 and 50 percent minority as ideal, they prefer communities with less than ten percent minority (or 20 or 30 percent minority) in this and in the case studies already presented. How can this be interpreted? There are two

possible explanations. First, it is likely that the notion of ideal community involves ethnic groups of the same social standing. However, given the substantial data on the large differences between the Blacks and Whites the ideal community is more an expressed wish for a more just society than an expression of desired living arrangements under current socioeconomic conditions. Second, again drawing on the earlier discussion of economic forces in neighborhood change, we know that expectations play an important role in the dynamics of change. Thus, a neighborhood of 40 percent minority which could for some Whites be an ideal and integrated community, is expected soon to be a community of more than 50 percent minority. As behavior is generated by expectations, Whites are unwilling to "risk" their choices.

An examination of the relationship between the Black ideal and the Black preferred neighborhood shows that there is greater similarity although the ideal communities are slightly more White (Figure 13). There is an important lesson to be derived from the data on the ideal Black community. The strong statements for 30-50 percent Black is an indication of the importance of a substantial number of own-race neighbors and, as an aside, a statement of the difficulty of establishing integrated communities.

PREFERENCES AND BEHAVIOR

A third set of data throws yet further light on the relationship of preferences, ideals, and actual communities. Case study data from Kansas City, Missouri, shows the actual choices made by White and Black households. While White households overwhelmingly choose White neighborhoods, a substantial number of Black households choose neighborhoods with lower percentages of Black households (Table 1). While the percent Black was lower at the time of choice, over time the neighborhood becomes increasingly Black. These results are further evidence of the way in which the preferences of White households and their actions are translated into continuing separate ethnic areas with in cities.

THE EXTENSION OF PREFERENCES TO OTHER ETHNIC GROUPS

The final section of this paper draws on the logic of the discussion of preferences and responses to examine the residential choices of other ethnic groups. The principal focus in this section of the paper will be on the relationship of Whites and hispanics as well as Whites and Blacks and Blacks and Hispanics. The aim of this analysis is to use what we know about preferences and neighborhood transitions to extend the analysis to ethnic groups for which we have less information on preferences. At a later time we can develop hard data to test these extensions.

Until this point the analysis has focused on the preferences of White and Black households and the effects of White and Black choices. There is much less data available on the recent choices of other ethnic groups, especially Hispanics, the fastest growing group in the United States. Can we extend the data on preferences of Blacks and Whites to the likely behavior of Hispanics? I want to argue that if the patterns of choices by Hispanics are similar (in their response to neighborhood ethnicity) to Blacks and if the White responses to Hispanic neighborhoods are similar to their response to Blacks, we can extend the preference structures for Whites and Blacks to White-Hispanic relationships. How can we test the relationship of White-Hispanic relationships?

The data to be used in this revealed behavior analysis is from the 1980 census. The question where did you live five years previously allows us to determine the number of in-migrants between 1975 and 1980 by tract. The

census reports data for total in-migrants from other U.S. locations, and for tracts with more than 400 Whites and 400 other minorities the number of White in-migrants. Additionally for tracts with more than 400 of a minority group the data are available for the in-migration of that minority group.

By computing the ethnic composition in 1970 (later this will be projected for 1975 although there are problems with establishing the ethnic composition at the mid-census point), it is possible to comment on the probability of tract selection by ethnic composition. (There is insufficient data for the analysis of Asian movements.) The analysis will interprets four scenarios, although only preliminary tables are presented here:

a. White selections of "Black tracts" (by percent Black)
b. White selections of "Hispanic tracts" (by percent Hispanic)
c. Hispanic selections of "Black tracts" (by percent Black)
d. Black selections of "Hispanic tracts" (by percent Hispanic)

In this preliminary analysis the data are presented for broad groupings of percent ethnicity. Statistical tables organize the data by categorizations of percent Black, percent Hispanic, and percent combinations of Black, Hispanic and White. Samples of tracts from Los Angeles city show the expected pattern of White in-moves to Black tracts (Tables 2 and 3), and comparable choices by Whites into Hispanic tracts. That is, the same preference structure that drives White choices in transition Black neighborhoods appears to be occurring for White choices in Hispanic neighborhoods. This is hardly a surprising result given the relatively separate communities of Black and hispanics in Los Angeles (Clark 1988). The significant finding of the research is behavioral confirmation of an earlier finding of strong preferences for other groups than those which involve Whites. The in-migration patterns of Hispanics and Blacks in communities and neighborhoods which are in transition to Black or to Hispanic, is similar to the patterns which show up for Whites and Blacks. In the conclusion the paper turns to the implications of these findings.

CONCLUSION

This research has confirmed that the Schelling description of preferences is broadly correct but the empirical curves are less regular than those posited by Schelling. Second the likelihood of equilibria is small if it exists at all. Third, the dynamics of changes which come from preferences are driven by White decisions rather than Black or Hispanic decisions as witnessed in the last schedules of tolerance.

The results are also an empirical confirmation of the Yinger (1976) and Kern (1981) results that whenever, preference for White neighbors is stronger amongst Whites, than amongst Blacks, integrated equilibria are unstable, but there is a stable segregated equilibrium. The results also provide empirical documentation of the Anas (1980) argument that tipping does occur as the result of continuous changes in population growth, and in response to residential preferences, even in the absence of prejudicial factors.

Finally, the behavioral results from the analysis of in-migration emphasize the deep-seated, own-race preferences of ethnic groups and the limited potential for simple interventions.

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