THE GEOGRAPHY OF BLACK HOUSEHOLD AFFLUENCY

by

RONALD WILLIAM MALEGA

(Under the Direction of Steven R. Holloway)

ABSTRACT

Race continues to be important for understanding many social and spatial outcomes. African Americans have been the subject of scholarly and policy interest, especially with regard to the black ghetto. Much of this interest has not appreciated the diversity within the black community experience, especially with regard to the intersection of race, class, and place. This dissertation seeks to address this shortcoming by examining the way race and class intersect to affect the geography of affluent black households. Using a national sample of 2000 census tract and metropolitan area data, I argue that affluent black households are subject to the negative effects of the nation's racial structure. Chapter 2 examines outcomes for affluent black households in terms of residential segregation and neighborhood quality. Findings suggest affluent black households are highly segregated from whites and even more segregated from their white economic peers. Furthermore, affluent black households live in neighborhoods of lower quality than do their white peers. Chapter 3 contrasts two commonly presented theories of neighborhood attainment, spatial assimilation and place stratification, to determine which one offers greater insight into understanding the processes associated with the neighborhood aggregation of affluent black households. Results from negative binomial regression indicate place stratification theory offers the better description—finding such aggregations are positively

associated with black neighborhood socioeconomic status and negatively associated with white status. At the neighborhood-level, neighborhood quality and demographic factors prove important. At the metropolitan-level, residential segregation, racial composition, and regional location are important. Chapter 4 explores variation in the metropolitan-level black affluency rate and argues black households favor metropolitan areas characterized by opportunity structures. Regression analysis shows that employment in manufacturing and those sectors associated with economic restructuring (i.e., professional services, public administration, education/health, FIRE) impact black affluency rates. Results indicate the black-white income ratio has the single greatest impact on black affluency rates. Additionally, metropolitan-level diversity, black neighborhood poverty, and black suburbanization influence metropolitan black affluency rates. This dissertation fundamentally reinforces the importance of recognizing and addressing black diversity when seeking to understand spatial outcomes for African Americans.

INDEX WORDS: Race, affluent black households, segregation, neighborhood quality, class diversity

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B.A., Michigan State University, 1996 M.U.R.P., Michigan State University, 2000

A Dissertation Submitted to the Graduate Faculty of The University of Georgia in Partial

Fulfillment of the Requirements for the Degree

DOCTOR OF PHILOSOPHY

ATHENS, GEORGIA

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DEDICATION

Dedicated to my girls.

ACKNOWLEDGEMENTS

I would be remiss if I were not to acknowledge the effort of my committee in helping me complete this endeavor. I owe a special gratitude to Drs. Kavita Pandit and Steve Holloway for serving as Chair of my committee when each of their talent was needed. I also want to thank Dr. Xiaobai Yao for bringing a much needed outside perspective. Thank you Dr. Joe Darden. Your research and concern with social equity continues to inspire me as much today as it did when I enrolled in your class so many years ago! I truly appreciate your willingness to continue guiding my education, even if from afar. I owe a special thanks to Dr. Andrew Carswell for providing guidance, collaborative research opportunities, and most importantly, friendship. You helped me find an intellectual home at UGA.

I also need to acknowledge the important role of those not serving on my committee, yet providing substantial support and guidance. Thank you, George, for serving as my mentor. I am still in awe of your intellectual rigor and socially conscious research agenda. It's also fun being your friend. Edwin, without your love, support, and often-needed kick in the rear, I truly would not have made it through my education. Your advice really helped me place this experience into its proper place. I also wish to thank my family and friends. Your support and prayers were needed and appreciated. Of course, I am forever indebted to those three very special ladies in my life. I could not have completed this without all your love and understanding. Thank you all so much!

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CHAPTER 1

INTRODUCTION AND LITERATURE REVIEW

The election of President Barack Obama—the nation's first non-white President—is arguably a watershed moment in race relations for the nation. It represents the latest achievement in black America's protracted and often violent struggle for social justice and equality under the law. His election presents yet another opportunity for the nation to rethink the continuing, if any, role of race in America. Does Obama's election substantiate Wilson's (1978) "declining significance of race" argument? Does the economic class of blacks now matter more than their interaction with whites in determining blacks' life chances? Indeed, for a short time it seemed some people—especially television talk show pundits—began discussing a "post-racial America." The arrest of Henry Louis Gates, Jr., the prominent black American scholar and popular media figure, for disorderly conduct by a white police officer outside of his home in a predominately white Cambridge neighborhood caused a media uproar when Obama initially commented that the police "acted stupidly" (Unknown 2009). While the charges were later dropped, sides were formed and lines were drawn; and accusations of racial profiling, white racism, class privilege, and class antagonism were lobbed. I suggest this incident is particularly salient for this study because it brings to bear questions concerning the intersection of race, class, and place. Where do affluent¹ blacks, such as Henry Gates, live? What factors shape this geography and what impacts does it have?

The importance of location may be playfully summarized by the Realtors adage, "location, location, location." Residential location, for example, may affect one's access to

¹ I broadly conceive of affluence occurring when a household's income exceeds a defined affluent income threshold.

educational opportunities, determine one's political representation, and reinforce (positive or negative) stereotypes of people and places. The residential geography of African Americans² is of interest to researchers and policymakers for many reasons, not the least of which is how such geography relates to equality of opportunity and equity of outcomes for an historically marginalized racial group. Generally speaking, high levels of segregation currently exist between blacks and whites (Farley and Frey 1994; Glaeser and Vigdor 2003; Logan 2003). Additionally, many blacks, especially those residing in northern metropolitan areas continue to live under conditions of hypersegregation, wherein a group is highly segregated along multiple dimensions—evenness, exposure, concentration, clustering, and centralization (Massey and Denton 1993).

Analysis using the most recent data provides encouraging news—black residential segregation continues to decline nationally (Farley and Frey 1994; Glaeser and Vigdor 2003). Much of the existing segregation research, however, investigated a homogeneous black community by not examining the social and economic diversity within the black community. Increasingly, researchers have been examining segregation by class. Research shows blacks at all socioeconomic statuses experience high levels of residential segregation from whites, though higher status blacks are somewhat less segregated than lower status blacks (Adelman 2005; Adelman et al. 2001; Darden and Kamel 2000; Iceland, Sharpe, and Steinmetz 2005; Massey and Fischer 1999). In addition to residential segregation, per se, a complementary literature draws attention to how issues of race, class, and place negatively affect life chances (Anderson 1990; Galster and Mikelsons 1995; Jargowsky 1997; Massey and Denton 1993; Wilson 1987). A major emphasis of such investigations focus on poor, inner-city, African Americans and the places

² I use the term African American and black interchangeably throughout this introduction. My use of these terms includes those Hispanics self-identifying as racially black, unless specified otherwise. I use the term white to refer to non-Hispanic white.

where they reside—blighted neighborhoods evincing concentrated poverty. In all, scholarship investigating the relationship between race, class, and place has done little to advance our understanding of the geography of affluent black households.

This narrow focus may be understandable, especially with regard to examination of the underclass and the disadvantage many suffer from living in neighborhoods of concentrated poverty. Furthermore, some argue that since the passage of the civil rights amendments, enforcement of fair housing laws, and greater tolerance for diversity blacks have more opportunity than ever before to move into neighborhoods of their choosing. Finally, there is little research on affluence or the places the wealthy live (Lee and Marlay 2007; Massey 1996; Shaw 1997). Affluence is commonly viewed as the outcome of one's own initiative, human capital, or socioeconomic background, thereby limiting academic interest in the subject (Kluegel and Smith 1986; Lee and Marlay 2007). Others suggest affluence, and affluent places, are rarely seen as a social problem warranting social action or attention (Lee and Marlay 2007; Shaw 1997). Such challenges are more acute when trying to understand black affluence because much of the existing research examines black income attainment generally or poverty. What has been lacking in the literature is a comprehensive exploration of the geography of black affluence—one that explores residential segregation, neighborhood quality outcomes, and processes of neighborhood- and metropolitan-level sorting.

This dissertation begins to unravel this geographic story by examining the way race and class intersects to affect the geography (spatial outcomes) of affluent black households. Chapter 2 seeks to understand existing differences in affluent black-affluent white residential outcomes via residential segregation and neighborhood quality. Chapter 3 explores the group-level processes that help explain the aggregation of affluent black households at the neighborhood-

level. Chapter 4 investigates black household affluence at the metropolitan scale by theorizing about, and testing how, various macro-level opportunity structures shape metropolitan-level black affluency rates.

In the next section, I introduce black household affluency broadly before discussing the relevant literature and research findings of the dissertation. By providing this introduction, I seek to frame our understanding of black affluency by placing the growth of affluent black households during the 1990s in the context of relevant economic and social changes that occurred during the decade. I also aim to define black affluence more explicitly, document the growth of black affluence over the decade, and explore the general geographic distribution of black household affluence.

AN INTRODUCTION TO BLACK HOUSEHOLD AFFLUENCY

Before discussing the growth and geographic distribution of black affluence, it is necessary to define black affluence and discuss a measurement strategy. Following census convention, I categorize households by race using the census designated self-reported race of the householder. Unlike poverty, where federal government guidelines are commonly used to identify poor persons or households, there is no agreed upon way of identifying affluent persons or households. For this introduction and Chapters 2 and 3, I compute a contextually sensitive rate of affluence based upon each respective metropolitan area's median household income. I define affluent households as those households where the reported yearly income is greater than or equal to twice that of their respective metropolitan area's median household income.³ For Chapter 4, I define affluent households as those households as those households having an income equal to or greater

³ Based upon a sample of 229 metro areas, the range of affluent income thresholds for 2000 varies from \$58,208 (Bryan-College State, TX) to \$153,108 (Stamford-Norwalk, CT), both of which are greater than the national median household income (\$41,994).

than a cost-of-living adjusted metropolitan area affluent income threshold set at the study's 80th percentile household income.⁴ With both methods, I estimate the number of affluent black households from the census household income categories using Pareto interpolation (Berube and Tiffany 2004; Booza, Cutsinger, and Galster 2006) and define the black affluency rate as the share of each spatial unit's black households having incomes meeting or exceeding the utilized affluent household income threshold.

The 1990's saw an increase in both the number and the percentage of affluent black households.⁵ At the beginning of the decade, slightly more than 500,000 or approximately 6% of all black households in those 229 metropolitan areas under study could be considered affluent. By the end of the decade, affluent black households increased to almost 900,000; almost 9% of all black households.⁶ As shown in Table 1.1, the absolute number of affluent black households increased by 382,448 households. This amounts to about a 75 percent increase in the number of affluent black households over the decade; this rate of increase is about 3.4 greater times greater than the rate of growth in black households overall, which grew about 22% over the same period.⁷

⁴ Using a sample of the 100 largest metro areas, the range of affluent household income thresholds for 2000 varies from \$70,340 (Youngstown-Warren, OH) to \$105,105 (San Francisco, CA).

⁵ This discussion examines 1990 and 2000 black affluence to provide a broad overview and a sense of the growing importance of affluent black households. Chapters 2-4 use 2000 data, however, results from corresponding 1990 and 2000 do not differ in substantive interpretation.

⁶ Using the MSA estimated sample affluence rates, I estimate that nationally approximately 596,511 and 1,034,061 black households were affluent in 1990 and 2000 respectively.

⁷ Actual SF3 census data from 1990 and 2000 reports that the percent increase in the number of black households was almost 21 percent over the decade.

	Number				Mean Metro	Mean Metro
	of Metro			Percent	Affluence	Affluence
	Areas	1990 ¹	2000 ²	Change	Rate, 1990	Rate, 2000
Northeast	52	100,588	168,489	67.5	6.7	8.2
Midwest	34	130,864	197,678	51.1	6.4	8.1
South	120	218,650	419,543	91.9	6.0	8.6
West	23	61,148	107,988	76.6	6.9	10.1
Total	229	511,250	893,698	74.8	6.0	8.7

Table 1.1: Black Affluency by Region, 1990 - 2000

Note: ¹The 1990 MSA sample includes 85.4% of all black households nationwide.

²The 2000 MSA sample includes 85.9% of all black households nationwide.

Perhaps in the broadest sense, the growth of affluent black households during the 1990s relates to a number of important changes that took place during the decade. The strength of the U.S. economy provided greater prosperity for many Americans, including blacks. While the U.S. economy began the decade in a recession, it ended the decade with strong economic performance (Frankel and Orszag 2001). Beginning in 1993, the U.S. economy experienced greater economic expansion than in the previous three decades fueled, in part, by private sector spending and employment, the pro-market orientation of the Clinton administration policies, and globally competitive U.S. firms and industries (e.g., information technology). Due to the strong economy, the unemployment rate fell, inflation remained low, and the decade ended with a federal budget surplus (Frankel and Orszag 2001).

Such prosperity coincides with a reduction of the black-white income gap and the number of blacks living in neighborhoods of concentrated poverty. For example, at the beginning of the decade, the median black household income was 58.2 percent of the white median; by the end of the decade, the median black household income was 64.9 percent of the white median (Census Bureau 2010). The percentage of poor blacks living in high-poverty neighborhoods (black concentrated poverty) fell by about 11.8 percent nationwide over the decade. At the end of the decade, roughly 18.6 percent of the black poor live in high-poverty neighborhoods (Jargowsky 2003). Thusly, the robust American economy likely raised income for black households, including the poor.

Aside from a prosperous U.S. economy, changes in the U.S. housing market led to increased access to credit for black households. Renewed attention to the issue of community redlining and mortgage discrimination, led in part by a series of articles that ran in The Atlanta Journal-Constitution during the late 1980s (Dedman 1988), brought to light racial inequities in the housing mortgage market. As a result, mortgage lenders made greater effort to serve the black community during the 1990s. In addition, the movement of the mortgage industry towards the use of automated underwriting practices, beginning in the mid 1990s, led to greater efficiencies in the mortgage market and greater access to credit for many households (Straka 2000). In addition, the use of such practices was heralded as a way to prevent mortgage discrimination against racial minorities. I suggest increased access to credit for blacks may not only have increased household wealth but possibly income via the facilitation of greater residential proximity and access to those "weak ties" (e.g., professional contacts) and social capital that can prove financially beneficial.

Finally, increased black immigration to the U.S. affected not only the ethnic characteristic of the country's black population but may have also contributed to the growth of affluent black households over the decade. Compared to previous decades, the 1990s saw greater numbers of black immigrants arriving in America—mainly from select African and Caribbean countries (Kent 2007). The number of foreign-born blacks increased nearly 47 percent over the decade, representing nearly 2.2 million of the country's 33.3 million blacks in 2000 (Census Bureau 2010). In addition to the pull of a strong U.S. economy, these immigrants sought educational opportunity, and sometimes, individual safety (Kent 2007). Changes in U.S.

immigration law dating back to the 1960s encouraging family reunification, the creation of the diversity visa in 1990, and expanded U.S. refugee policies facilitated the entrance of greater numbers of black immigrants into the country (Kent 2007). These black immigrants, on average, have more education and higher-incomes than U.S. born blacks—especially those from African—and are less likely to live in poverty or be unemployed (Kent 2007). Additionally, foreign-born blacks, and their children, represent a disproportionate share of country's black students enrolled in the nation's colleges and universities (Kent 2007).

In addition to the impact black immigrants may have on the growth of affluent black households over the decade, they also likely affect the geographic dispersion of affluent black households. Foreign-born blacks are highly concentrated in many popular immigrant gateway metropolitan areas (New York, Washington D.C., Atlanta, and Miami) and immigrant receiving states (New York, California, Florida, New Jersey, and Texas) (Kent 2007). While Caribbean immigrants are highly concentrated on the East Coast, African immigrants are more widely dispersed throughout the country. Less than 10 percent of black immigrants from the Caribbean live outside the Northeast or Florida. In comparison, 35 percent of African born black immigrants live in the Midwest and West, including metropolitan areas such as Minneapolis-St. Paul-Bloomington and Seattle-Tacoma-Bellevue that have had comparatively small shares of black residents (Kent 2007).

Regional differences in the distribution of affluent black households exist, regardless of ethnicity or immigration status. The vast majority of affluent black households are found in the South at the beginning and end of the decade (see Table 1.1).⁸ In 1990, around 42% of all affluent black households were located in the South; the percentage increased to 47% in 2000. In terms of percent change, again the South led the way. The number of affluent black households

⁸ This is not surprising considering the bulk of all African American households are also located in the South.

in the South almost doubled, increasing 92% over the decade. Interestingly, the Midwest, which had the second greatest number of affluent black households in 1990 and 2000, experienced the least percentage gain over the 10-year period, having only a 51% growth rate. The maximum spread in the regional mean metropolitan area affluence rate in 1990 was 0.9 percentage points; in 2000, it was 2 percentage points. At the start and end of the decade, the West had the greatest metro area mean affluence rate.⁹ The West also saw the greatest increase in metro mean affluence rate between 1990 and 2000, increasing nearly 3.2 percentage points. In comparison, the Northeast, having the lowest percent change, increased its mean affluence rate by only 1.5 percentage points. Analysis of regional variation in the number and rate of affluence hides statewide differences. A series of state maps were created to help visualize existing variation.

State Level: Map Analysis

Figure 1.1 shows the statewide distribution of affluent black households in 1990 and 2000. It shows the absolute number and percentage change in affluent households. The map shows that the states of New York and California have the greatest number of affluent black households in 1990 and 2000. The rate of change for New York, however, places it in the lower quintile of change. California's rate of change places it in the 3rd quintile, having a moderate increase in the number of affluent black households over the decade. The dramatic change rate in affluent households found in the West is tempered considering that three of the Western states having the three greatest change rates (Nevada, Arizona, and Oregon) had less than 12,000 affluent households combined at the end of the decade. Nationwide, the State of Georgia

⁹ Results of ANOVA (not shown) using Scheffe post-hoc analysis suggest that statistically significant differences in regional mean affluence rates exist between the West and all other regions in 1990. In 2000, ANOVA post-hoc tests reveal significant differences exist again between the West and all other regions and between the South and the Midwest and the South and Northeast.

experienced the greatest growth in affluent black household; it had a 156.2% increase in the number of such households over the decade.

Looking at the 2000 data in more detail reveal that the top 10 states (upper quintile) alone account for approximately 68% of all affluent black households in the nation. Between 1990 and 2000, the six states with the greatest number remained consistent and their rank order stayed the same. There were two additions to the top 10 states in 2000, Georgia and Pennsylvania. The states of North Carolina and Louisiana held the 9th and 10th spots, respectively in 1990 in terms of absolute number of affluent black households. The bottom 10 states (lower quintile) account for almost 2% of all affluent black households in 2000 (see Table 1.2). While the ordering of the bottom 10 states changed between each census, the states themselves did not change.

		Decade Percent	1990	2000 Affluencey	1990 Affluencey	
Metro Area	Households	Change	Ranking	Rate	Rate	
Top 10 States by Number of Households						
New York	122,787	44.0	1	12.1	9.2	
California	86,957	71.4	2	11.4	7.0	
Florida	67,269	102.0	3	9.4	6.4	
Texas	67,136	111.7	4	8.8	5.2	
Virginia	61,446	112.6	5	6.9	4.0	
Michigan	44,090	63.5	6	9.0	6.2	
Georgia	44,044	156.2	12	7.8	4.6	
Illinois	41,431	87.1	8	7.1	4.4	
Ohio	39,131	53.0	7	8.2	6.3	
Pennsylvania	33,387	74.8	11	7.1	4.7	
Pottom 10 States by Number of Households						
Delaware	3 776	110 9	31	83	57	
West Virginia	3 171	109.5	32	72	4 1	
Minnesota	2,597	142.8	34	5.0	3.6	
Kansas	1,620	43.4	33	7.2	6.0	
Oregon	1,315	59.7	35	7.4	5.9	
Nebraska	1,258	78.5	37	5.8	3.9	
Rhode Island	1,254	67.8	36	8.0	6.3	
lowa	581	5.3	38	5.6	6.5	
Alaska	411	40.2	39	7.6	6.0	
District of Columbia ¹	305	125.0	40	6.7	3.7	

Table 1.2: Top and Bottom 10 States for Black Affluency, 2000

Note: Data aggregagated from metro data set.

¹Includes DC proper only.

Figures 1.2 and 1.3 show the percentage of each state's black households that are affluent

in 1990 and 2000. Overall, it appears that there is a fairly even statewide distribution in the











Figure 1.3: Black Household Affluency Rate, 2000



Figure 1.4: Concentration of Affluent Black Households by State, 1990



Figure 1.5: Concentration of Affluent Black Households by State, 2000

affluency rate in all four regions. Every region appears to have at least one state in each affluency rate quintile in both decades. One trend these maps suggest, in terms of quintile rankings, is that many states in the South improved their relative ranking over the decade, especially Florida, Louisiana, and Texas. Figures 1.4 and 1.5 illustrate the over or under concentration of each state's affluency rate compared to the national average of black household affluence. Four states consistently have greater than expected black affluency rates over the decade: Arizona, California, Nevada, and New York. At the end of the decade, Florida, Michigan, and Texas also join the ranks of states having greater than expected black household affluence rates. In 1990 and 2000, New York had the greatest over concentration and Minnesota had the greatest under concentration for the black household affluency rate of 8.65% in 2000, New York had approximately 40% more and Minnesota had 42% less affluent black households than expected.

Metropolitan Level

Now we turn to our lowest unit of observation, the metropolitan area, for a finer grained analysis.¹⁰ Table 1.3 lists the top and bottom 10 metropolitan areas in terms of absolute number of affluent black households. Interestingly, the metro areas making the list for the top 10 are consistent across the decade, only the rankings changed slightly. Perhaps the largest gain in affluent black households was seen in the Atlanta metropolitan area. The Atlanta area moved from 10th place at the beginning of the decade to 6th place at the end. The percentage of black households living in affluence in the Atlanta area nearly doubled over the decade. In total, the top 10 metro areas had 40% and 41% of all affluent black households in the sample for 1990 and

¹⁰ Please note the metropolitan-level results in this introductory Chapter differ from those in Chapter 4 due to different methods for estimating black affluence.

19	90		0/ DI 1			
Metro Area	Households	Affluence Rate	% Black			
Top 10 Metro Areas by Number of Households						
New York, NY PMSA	74,124	9.8	26.4			
Los AngelesLong Beach, CA PMSA	27,236	7.8	11.2			
Chicago, IL PMSA	19,486	4.2	19.2			
Detroit, MI PMSA	17,797	5.4	22.1			
Washington, DCMDVAWV PMSA	14,171	3.7	25.4			
Philadelphia, PANJ PMSA	13,258	4.2	19.1			
Miami, FL PMSA	10,590	8.8	20.6			
Houston, TX PMSA	10,310	4.9	18.4			
Baltimore, MD PMSA	9,706	4.7	25.8			
Atlanta, GA MSA	9,249	3.6	25.2			
Bottom 10 Metro Areas b	y Number of H	louseholds				
Elmira, NY MSA	100	8.4	5.4			
Owensboro, KY MSA	83	6.2	4.0			
San Angelo, TX MSA	65	4.5	4.0			
Lawrence, KS MSA	62	4.8	4.1			
Kenosha WI PMSA	60	3.9	4 1			
Hagerstown MD PMSA	56	4.6	6.1			
Jonesboro AR MSA	53	4.5	5.6			
Punta Gorda EL MSA	49	4.0	3.8			
Naples EL MSA	45		4.6			
Enid OK MSA	40 16	2.5	7.0 3.5			
	10	2.2	0.0			
20	00					
Metro Area	Households	Affluence Rate	% Black			
Top 10 Metro Areas by	Number of Ho	useholds				
New York, NY PMSA	106,342	13.1	24.4			
Los AngelesLong Beach, CA PMSA	45,207	13.1	9.6			
Chicago, IL PMSA	37,565	7.2	18.8			
Washington, DCMDVAWV PMSA	31,888	6.7	25.9			
Detroit, MI PMSA	31,541	8.8	22.8			
Atlanta, GA MSA	29,513	7.1	28.8			
Philadelphia, PANJ PMSA	25,645	7.0	20.0			
Houston, TX PMSA	23,588	9.1	17.4			
Miami, FL PMSA	17,131	12.4	20.1			
Baltimore, MD PMSA	16,927	6.7	27.2			
Bottom 10 Metro Areas b	v Number of H	louseholds				
Sharon PA MSA	162	79	50			
Lawrence KS MSA	158	10.7	4.2			
Kenosha WI PMSA	147	67	4.8			
Naples EL MSA	147	47	4.6			
Hagerstown MD PMSA	147	۳. <i>۲</i> 8.4	7.0 7.7			
Inneshoro AR MSA	127	5.4 5.0	7.9			
Elmira NV MSA	12/	J.S 11 1	7.0 5.7			
San Angelo TY MSA	104	11.1 Q O	<u></u> Л Л			
Owonshoro KY MSA	1 <i>21</i> 02	0.Z 5 °	4.4 1 0			
OWENSDUID, INT MOA	03	5.0	4.0			
Enid OK MSA	36	50	3.0			

 Table 1.3: Top & Bottom 10 Metro Areas for Black Affluency, 1990-2000

 1000

2000 respectively. Comparatively, the bottom 10 metro areas had about one-tenth of a percent of all affluent households for both years. In terms of the relative ranking of the bottom 10 metro areas, the Punta Gorda, Florida metro area saw a gain and the Sharon, Pennsylvania metro area saw a loss in the number of affluent black households over the 10-year period. Results in Table 1.3 suggest two relations at the metro level: (1) a general positive association between affluency rates in 1990 and 2000; and (2) no association between a metro area's percentage of black alone residents and its black household affluency rate in either 1990 or 2000.¹¹ Having provided and overview of the state and metropolitan-level geography of black affluence, I present a short introduction to the pertinent literature used throughout the three manuscripts.

PERTINENT LITERATURE

This dissertation utilizes several complementary sets of literature: residential segregation, neighborhood attainment, and various macro-level structural theories commonly associated with black income attainment and poverty. While residential segregation of blacks has dropped since 1970, high levels of segregation still exist between blacks and whites (Glaeser and Vigdor 2003). In addition, research using the most recent data available shows that while higher income blacks are generally more residentially integrated than lower-income blacks, the difference is modest (Iceland, Sharpe, and Steinmetz 2005; Iceland and Wilkes 2006). Furthermore, findings suggest that affluent blacks are often residentially integrating with less affluent whites. Other research examining middle-class blacks confirms they are highly segregated from whites, tend to live in majority-black neighborhoods, and live in neighborhoods of lower quality (Adelman 2004; Alba, Logan, and Stults 2000; DeFrances 1996; Owens and Wright 1998; Pattillo-McCoy 1999).

¹¹ Pearson correlation coefficients suggest this is true. A statistically significant correlation exists between 1990 and 2000 affluency rates (r = .656). There are no statistically significant correlation coefficients between a metro's percentage black and the black household affluency rate.

Residential segregation is often attributed to economic differences, housing market discrimination, and neighborhood racial preferences (Dawkins 2004; Kaplan and Holloway 1998). For example, Farley (1995) examined St. Louis data in 1990 and found rates of residential segregation for blacks and whites having the same income levels were almost as high as the overall rate of black-white segregation. He concludes that income and housing cost have a minimal impact on black-white residential segregation and suggests race accounts for 80 to 85 percent of the segregation (Farley 1995). Clark and Blue (2004), however, examined black-white segregation by educational attainment and income levels and found those blacks having more education and greater income were generally less segregated from their white peers than those blacks having lower levels of education and income. Aside from economic differences, the literature on housing discrimination shows that blacks continue to face discrimination in the housing market compared to whites, including adverse treatment such as the denial of information and home seeking assistance, less favorable financial terms, and geographic steering (Massey and Denton 1993; Ross and Turner 2005; Turner, Galster, and Yinger 2002).

Neighborhood racial preference theory suggests segregation results, in part, from the desire of people to live among members of the same racial group and an out-group racial preference hierarchy. Theories of racial preference suggest that while all racial/ethnic groups have a tendency to prefer living in neighborhoods where their own group is highly represented or the majority, whites consistently display the least willingness to live in racially and ethnically integrated neighborhoods (Krysan 2002). Blacks, in particular, are the least desirable neighbors to whites, even when controlling for black SES (Bobo and Zubrinsky 1996; Clark 1991, 1992; Farley, Fielding, and Krysan 1997; Freeman 2000; Krysan 2002; Zubrinsky and Bobo 1996). While not dismissing the role of white prejudice, Clark (2009), however, argues continued black-

white segregation is due as much to black preferences as it is white preferences and argues much of the established literature unfairly casts white neighborhood preferences, which may represent neutral ethnocentrism (something expressed by all groups), as demonstrating white hostility (or even prejudice) towards blacks.

The related residential attainment literature theorizes in greater detail about the *process* involved in specific neighborhood (locational) outcomes. Two theoretical perspectives are commonly presented: spatial assimilation theory and place stratification theory. Spatial assimilation theory suggests the spatial diffusion of immigrants and minority groups occurs because of gains in acculturation and socioeconomic status (SES) resulting in an improved spatial position and greater residential integration within mainstream society (Massey 1985). Often such improved spatial position is not defined in terms of absolute quality as such, but in terms of the (racial) whiteness of the neighborhood or by it having a suburban location (Wright, Ellis, and Parks 2003).

Recent work by Iceland and Wilkes (2006) found modest support for spatial assimilation theory applying in the 1990's compared to previous decades; their findings suggest that higher socioeconomic status blacks saw a greater reduction in residential segregation from whites than lower socioeconomic status blacks. Additional research by Freeman (2008) found black socioeconomic status had significant effects in determining individual blacks' neighborhood outcomes in terms of housing value, percent white, and poverty rate between 1970 and 2000. Freeman found support for spatial assimilation theory in that higher black socioeconomic status was associated with more integration with whites and improved residential attainment for all decades of analysis. However, Freeman found that the ability to translate individual status gains into better neighborhood outcomes did not improve over the study period (Freeman 2008). One

key criticism of the spatial assimilation model is the residential experience of blacks, black immigrants, or black Hispanics is not accounted for by the model. Research suggests that unlike other racial groups, persons having African heritage experience high rates of residential segregation regardless of their socioeconomic means or acculturation level (Freeman 1999, 2002; Massey 1985).

Place stratification is one theory of residential attainment that recognizes the inability of blacks to obtain the expected residential return on gains to their human capital (Alba and Logan 1993; Logan and Alba 1993). The theory argues that places have a hierarchical ordering wherein higher ordered places provide a greater quality of life and more favorable life chances than lower ordered places (Alba and Logan 1993; Logan and Alba 1993). Such ranking takes place both within and between suburban areas and central cities. More advantaged social groups use the hierarchy of places to help preserve their social distance between them and less advantaged groups. Furthermore, the model suggests racial and ethnic minorities are sorted along the hierarchy of place depending on each group's standing in society.

Under the tenets of place stratification theory, blacks do not have the same opportunity (if at all), compared to other racial/ethnic groups, to convert their gains in socioeconomic status and assimilation to living in more desirable and higher ranked places (Alba and Logan 1993). Both housing market discrimination and neighborhood racial preferences/avoidance are mechanisms commonly argued to reproduce the neighborhood hierarchy. The literature on housing discrimination offers support for the applicability of place stratification theory for African American residential outcomes. As discussed previously, research suggest blacks continue to face discrimination in housing markets, and though lessened in recent years, such discrimination continues to limit the ability of blacks at all socioeconomic status levels to obtain housing in

locations of their choosing (Massey and Eggers 1993; Ross and Turner 2005; Turner, Galster, and Yinger 2002). Also as discussed previously, theories of racial preference suggest that whites consistently display the least willingness to live in racially/ethnically integrated neighborhoods and find blacks, in particular, the least desirable neighbors, even when controlling for black socioeconomic status (Bobo and Zubrinsky 1996; Clark 1991, 1992; Farley, Fielding, and Krysan 1997; Freeman 2000).

Place stratification theory, however, has been criticized for its failure to incorporate racial/ethnic neighborhood preferences into *actual* locational models testing the theory (Adelman 2005; Freeman 2002). Additionally, quality of life is poorly defined in the place stratification literature. Quality is often determined by using a neighborhood's percentage of white residents or an individual's residential location in the central city versus suburb as an indicator of both quality and access to place rather than actual indicators of quality (e.g., homeownership rates, housing vacancy rates, or poverty rates). Therefore, the explanatory utility of place stratification theory is weakened due to this poor conceptualization.

I pull liberally from several macro-level structural theories on black income attainment and black poverty to investigate those *metropolitan-level opportunity structures* that favor higher metropolitan-level black affluency rates. I argue those metropolitan areas characterized by having (1) economic opportunities suitable for generating and sustaining black affluence, (2) favorable relational standing for blacks relative to whites, (3) metropolitan diversity and ample residential opportunities, and (4) regional locations that attract black homeward migrants have higher rates of black affluency. Economic opportunity is the first structure I investigate. Research documents how employment in the manufacturing sector is associated with greater black income and black-white income parity (Bound and Freeman 1992; Cotton 1989; Grant and

Parcel 1990). Furthermore, some argue that recent economic restructuring has resulted in the loss of well-paying blue-collar jobs, an increase in lower paying low-skill service jobs, and a greater emphasis on well paying high-skill professional white-collar employment, especially in global cities (Bluestone and Harrison 1982; Kasarda 1989; Sassen 2006). Thusly, black affluence may be associated with manufacturing and elements of economic restructuring.

Favorable black-white relational standing is the second opportunity structure I suggest affects the black affluency rate. Specifically, I argue the relative size and growth in the black population, black-white socioeconomic parity, and visible black political representation are important to understanding the black affluency rate. Previous research demonstrates that racial composition affects black income attainment, income parity, and poverty (Adelman and Jaret 1999; Beggs, Villemez, and Arnold 1997; Cohen 1998; Portes and Jensen 1989; Tomaskovic-Devey and Roscigno 1996; Wang and Pandit 2003). Additionally, human capital theories of income attainment generally show educational attainment is positively related to income and negatively related to poverty (Adelman and Jaret 1999; McCall 2001; Wang and Pandit 2003). Lastly, research suggests middle-class blacks are particularly sensitive to a larger black political identity (Dawson 2001; Gates 2004; Harris-Lacewell 2004).

Metropolitan diversity and ample residential opportunity is the third structure I suggest affects black affluency rates. Diverse metropolitan areas may signal to affluent black households lessened racial hostility and their greater acceptance by the dominant (white) group. Furthermore, those *Melting Pot* metros (Frey 2003), such as Washington, DC, have substantial numbers of middle- and high-income black households and support the development of *middleclass black* suburban neighborhoods (O'Hare and Frey 1992). Aside from metropolitan diversity, I argue affluent black households desire ample residential opportunities. Research suggests high

rates of black-white residential segregation geographically isolate blacks and limits their social and economic opportunities (Darden, Duleep, and Galster 1992; Galster 1991; Massey and Denton 1993; Wang 2008). Furthermore, research on black class segregation, black middle-class out-migration, and black suburbanization are argued to concentrate ghetto poverty and isolate the poor in central cities (Jargowsky 1997; Wilson 1987).

Regional location is the final structure I argue affects the black affluency rate. Trends in black internal migration indicate more blacks once again live in the South than any other region of the country (Brown and Cromartie 2006; Frey 2004). Furthermore, blacks moving to the South, on average, are well educated and have solid employment (Adelman, Morett, and Tolnay 2000; Falk, Hunt, and Hunt 2004; Hunt, Hunt, and Falk 2008). Others suggest the South plays a special role in the geographic imaginations of blacks and suggest they are "returning home" to the South (Brown and Cromartie 2006; Cromartie and Stack 1989; Falk 2004; Franklin 1994; Frey 2004; Gates 2004; Hunt, Hunt, and Falk 2008; Stack 1996).

CHAPTER FINDINGS

Chapters 2 and 3 examine neighborhood outcomes and locational attainment using census tract data from 229 metropolitan areas. Census tracts serve as a proxy for neighborhoods in the vast majority of related literature. Chapter 2 examines how the intersection of race, class, and place affect the residential segregation of affluent black households and their residential outcomes in terms of neighborhood quality. Results from two indices of segregation are consistent with previous studies; affluent black households are highly segregated from white households. Furthermore, affluent black households are actually more segregated from their white economic peers than they are from white households in general. Additionally, a
neighborhood integration index indicates affluent black households live in more racially diverse neighborhoods than do affluent white households; in comparison, affluent white households live in overwhelmingly white neighborhoods.

In terms of neighborhood quality, on average, affluent black households live in neighborhoods having lower quality than did affluent white households. Affluent black households live in neighborhoods with about twice as much neighborhood social disadvantage compared to affluent white households. The average affluent black household residing in the West lives in the highest quality neighborhoods followed by the South. Regional differences in neighborhood quality exist; affluent black households, on average, live in higher quality neighborhood in the West. Taken together, these findings complement previous research showing middle-class blacks are not immune from the negative effects of residential segregation, including a higher tendency to live in neighborhoods evincing lower quality than similarly positioned whites.

Chapter 3 further explores the intersection of race, class, and place but investigates those processes believed to be associated with group-level neighborhood outcomes. Specifically, it sought to contrast two commonly presented theories of neighborhood attainment, spatial assimilation and place stratification, to determine which one offers greater insight into understanding the processes associated with the neighborhood aggregation of affluent black households. This Chapter used negative binomial regression to predict the number of affluent black households at the census tract level. Regression results suggest affluent black household aggregations are positively associated with black neighborhood socioeconomic status and negatively associated with white status. Additionally, at the neighborhood-level neighborhood quality and demographic factors prove important for understanding the geography of affluent

black households. At the metropolitan-level, residential segregation, racial composition, and regional location affect the neighborhood aggregation of affluent black households. Furthermore, place stratification theory more accurately describes the process of group-level neighborhood attainment of affluent black households.

Chapter 4 moves from the neighborhood scale to the metropolitan scale by exploring variation in the black affluency rates for the 100 largest metropolitan areas in 2000. I argue affluent black households tend to concentrate in *metropolitan areas of opportunity*. These metropolitan areas have comparatively higher black affluency rates because they are characterized by four types of *opportunity structures* favorable to affluent black households: (1) economic opportunities suitable for generating and sustaining black affluence, (2) favorable relational standing for blacks relative to whites, (3) metropolitan diversity and ample residential opportunities, and (4) regional locations that attract black homeward migrants. Regression analysis shows that employment in manufacturing and those economic sectors associated with economic restructuring (*i.e.*, professional services, public administration, education/health, finance, insurance, and real estate [FIRE]) impact the black affluency rate. Results also indicate the black-white income ratio has the single greatest impact on the black affluency rate. Additionally, metropolitan-level (racial/immigration) diversity, black neighborhood poverty, and black suburbanization, influence metropolitan rates of black affluency. Regression findings fail, however, to find evidence suggestive of unique regional effects.

Overall, this dissertation begins exploring the geography of affluent black households. It does so by examining the intersection of race, class, and place at the neighborhood and metropolitan scales. I find affluent black households are not immune from the negative effects of society's racial structure. Compared to their white economic peers, affluent blacks' economic

position does not shelter them from living under conditions of high segregation or lower neighborhood quality. I also find place stratification theory best represents the process associated with the aggregation of affluent black households at the neighborhood-level. At the metropolitan scale, rates of black affluency are related to larger forces of economic opportunity, favorable black-white standing, and metropolitan diversity/residential opportunities. Fundamentally, this research project reinforces the importance of incorporating black diversity into our thinking when seeking to understand the black American experience and perhaps the larger implications of race in America.

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CHAPTER 2

RESIDENTIAL EQUITY FOR AFFLUENT BLACK AND AFFLUENT WHITE HOUSEHOLDS: AN EXPLORATION OF SEGREGATION AND NEIGHBORHOOD QUALITY¹²

¹² Malega, R. To be submitted to *City & Community*.

ABSTRACT

This study engages recent literature demanding a more nuanced understanding of the black community and the places in which they live. The author examines the residential outcomes of affluent black and affluent white households in terms of residential segregation and neighborhood quality using Census data. Results indicate affluent black households are highly segregated from affluent white households. Furthermore, affluent black households live in lower quality neighborhoods with, on average, more neighborhood social disadvantage and less social advantage compared to affluent white households. Regional differences in residential segregation and neighborhood quality exist. Using the theories of spatial assimilation and place stratification as a guide, the author finds place stratification theory better describes the residential geography of affluent black households.

Keywords: residential segregation, neighborhood quality, social disadvantage/advantage, spatial assimilation, place stratification, affluent black and white households

INTRODUCTION

The residential attainment and segregation of African Americans¹³ is of interest to researchers and policymakers for many reasons, not the least of which is how they relate to equality of opportunity and equity of outcomes for a historically marginalized racial group. Much of the research carried out in the past 30 years investigated a homogeneous black community or focused upon the most disadvantaged segment of the black population (i.e., the black underclass). This narrow focus may be understandable, especially with regard to examination of the underclass and the disadvantage many suffer from living in neighborhoods of concentrated poverty. Furthermore, some argue that since the passage of the civil rights amendments, enforcement of fair housing laws, and greater tolerance for diversity, those blacks with greater economic and social capital have more ability than ever before to move into neighborhoods of their choosing. Indeed, analyses of Census data reveal that black residential segregation has decreased over the past three decades (Farley and Frey 1994; Glaeser and Vigdor 2003). This tells only part of the story because it does not allow researchers to examine the ways in which race and class *intersect* to affect the life chances, quality of life, or the residential settings of a socially and economically diverse community.

Recent scholarship, however, has begun to challenge such simplified notions of the "black community" by investigating the black middle-class and the quality of places in which they live (Adelman 2004; Alba, Logan, and Stults 2000; Cashin 2004; Pattillo-McCoy 1999, 2000). This line of research finds middle-class blacks live in segregated communities and they are not immune from the negative effects of living in areas evincing high social disadvantage. Affluent African Americans, those members of the black community having arguably the

¹³ I use the term African American and black interchangeably throughout this paper. My use of these terms includes those Hispanics self-identifying as racially black, unless specified otherwise. I use the term white to refer to non-Hispanic white.

greatest social and economic means to negotiate the residential housing market, have generally not been included in the discussion for thorough analysis. Despite a vast literature documenting black residential segregation and suburbanization, in general, we know little about the residential geography of *affluent* blacks or the impact such geographies may have on their quality of life.

A primary goal of this study is to explore the intersection of race and class as it relates to the residential *outcomes* of affluent black in comparison to affluent white households. It seeks to extend the discussion beyond racial and/or socioeconomic segregation, per se, by also examining residential outcomes in terms of the racial equity of neighborhood quality. This raises a series of related questions: How segregated are affluent black households? Within what kinds of neighborhoods do affluent black households live? Are the neighborhoods in which affluent black households live comparable in terms of quality to the neighborhoods that affluent households of differing races live? The established literature fails to adequately address such questions. This study begins answering these questions using 1990 and 2000 Census data across the majority of metropolitan areas in the United States.

THEORETICAL BACKGROUND

Two related bodies of literature are important to this research project: residential segregation and residential attainment. The segregation literature documents the trends in residential segregation as experienced by members of minority communities. It also describes how residential segregation affects both the majority and minority communities. The residential attainment literature aims to explore the *process* of neighborhood sorting by theorizing about how various racial/ethnic groups, with varying human capital resources, spatially diffuse into different kinds of neighborhoods. A major failing of the both the segregation and residential

attainment literature is the privileging of "white spaces" as "good places" (Wright, Ellis, and Parks 2003).

Residential Segregation Literature

While residential segregation of blacks has dropped since 1970, high levels of segregation still exist between blacks and whites (Glaeser and Vigdor 2003). Examining overall trends in black-white segregation tells only part of the story because it is likely that different segments (*e.g.*, lower-, middle-, and upper class) within each community are more or less residentially segregated from their similarly situated racial counterpart. Research using the most recent data available shows that while higher income blacks are generally less residentially segregated than lower-income blacks, the difference is modest (Iceland, Sharpe, and Steinmetz 2005; Iceland and Wilkes 2006). Using a national sample of 2000 Census data, Iceland and Wilkes (2006) find that high earning African Americans (making \$75,000 or more per year) experience high rates of residential segregation from whites as a whole (D = .60) and their white economic peers (D = .63). These findings suggest that affluent blacks are residentially integrating with less affluent whites. In comparison, blacks earning \$19,999 or less per year have an overall black-white Dissimilarity Index of .70 and have an index of .63 when segregated from their white economic peers.

The impact of such segregation is demonstrated in Pattillo-McCoy's (2000) study of middle-class blacks in Chicago. In it, she argues that middle-class blacks are indeed segregated from their white middle-class counterparts and live in neighborhoods that are extensions of the traditional black ghetto. These middle-class black neighborhoods are more class diverse than comparable white neighborhoods and they serve as buffers between the white middle-class and the black urban poor. The result of such segregation is that, compared to residents living in white

middle-class neighborhoods, residents of these black neighborhoods are exposed to more poverty, higher crime rates, poorly performing public schools, and fewer public services. In essence, the black middle-class living in such neighborhoods has a greater exposure to supposed negative neighborhood characteristics (neighborhood disadvantage) than does their white counterpart.

Other research examining middle-class blacks confirms they are highly segregated from whites, tend to live in majority-black neighborhoods, and live in neighborhoods of lower quality (Adelman 2004; Alba, Logan, and Stults 2000; DeFrances 1996; Owens and Wright 1998). Adelman (2004) computed the dissimilarity index for middle-class blacks and middle-class whites between 1970 and 1990; he found an overall decrease in segregation but the level of segregation remained high in many metropolitan areas throughout the country. Furthermore, the neighborhoods in which middle-class blacks live are of lower quality than similarly positioned middle-class whites. He found middle-class blacks lived in neighborhoods, on average, with fewer college graduates, more poverty, and more female-headed households than similarly positioned whites.

Residential Attainment Literature

Spatial assimilation theory suggests the spatial diffusion of immigrants and minority groups occurs because of gains in acculturation and socioeconomic status (SES) resulting in "an improved spatial position" and greater residential integration within mainstream society (Massey 1985). Often such improved spatial position is not defined in terms of absolute quality as such, but in terms of the (racial) whiteness of the neighborhood or by it having a suburban location (Wright, Ellis, and Parks 2003). Another criticism of the spatial assimilation model is that it does not accurately depict the residential experience of blacks, black immigrants, or black Hispanics.

Those persons having African heritage experience high rates of residential segregation as compared to other groups regardless of socio-economic means or levels of "acculturation" (Freeman 1999, 2002; Massey 1985).

Recent work by Iceland and Wilkes (2006) found modest support for spatial assimilation theory applying in the 1990's compared to previous decades; their multivariate models suggest that higher SES blacks saw a greater reduction in residential segregation from whites than lower SES blacks. Additional research by Freeman (2008) used Panel Study of Income Dynamics data to gauge the effects of various measures of Black SES on neighborhood outcomes between 1970 and 2000. He found Black SES had significant effects in determining individual blacks' neighborhood outcomes in terms of housing value, percent white, and poverty rate. Freeman found support for spatial assimilation theory in that higher Black SES was associated with more integration with whites and improved residential attainment for all decades of analysis. However, Freeman found that the ability to translate individual status gains into better neighborhood outcomes (Freeman 2008).

Place stratification theory argues that places have a hierarchical ordering wherein higher ordered places provide a greater quality of life and more favorable life chances than lower ordered places (Alba and Logan 1993; Logan and Alba 1993). Such ranking takes place both within and between suburban areas and central cities. More advantaged social groups use the hierarchy of places to help preserve their social distance between them and less advantaged groups. Furthermore, the model suggests racial and ethnic minorities are sorted along the hierarchy of place depending on each group's standing in society. Therefore, individual members of some groups do not have the same opportunity (if at all) to convert their gains in socioeconomic status to living in more desirable, higher ranked places (Alba and Logan 1993).

Place stratification theory has been criticized for its failure to incorporate racial/ethnic neighborhood preferences into locational models (Adelman 2005; Freeman 2002). Additionally, while place stratification recognizes that quality of life and life chances are unequally sorted along the hierarchy of places, its conceptualization of quality of life is weakly operationalized, thereby limiting its explanatory utility and understanding of the causes and consequences of such a hierarchy.¹⁴

The literature on housing discrimination offers support for the applicability of place stratification theory for African American residential outcomes. It shows that African Americans continue to face discrimination in housing markets, especially in the form of racial steering into "non-white" neighborhoods (Massey and Eggers 1993; Ross and Turner 2005; Turner, Galster, and Yinger 2002). Such discrimination, though lessened in recent years, continues to limit the ability of African Americans at all SES levels to obtain housing in locations of their choosing. Additionally, theories of racial preference suggest that while all racial/ethnic groups have a tendency to prefer to live in neighborhoods where their own group is the majority or highly represented, whites consistently display the least willingness to live in racially/ethnically integrated neighborhoods. African Americans, in particular, are the least desirable neighbors to whites, even when controlling for SES (Bobo and Zubrinsky 1996; Clark 1991, 1992; Farley, Fielding, and Krysan 1997; Freeman 2000).

While this study does not formally test the applicability of each theory in terms of evaluating specific individual- or household-level factors found in many residential attainment models, the theories do provide a guide for understanding the study's findings. Under the tenets of spatial assimilation theory one might expect to find affluent black households are less

¹⁴ This is often determined by using a neighborhood's percentage of white residents or an individual's residential location in the central city versus suburb as an indicator of both quality and access to place.

segregated from whites than are other black households. The theory also suggests that neighborhood quality will be similar between affluent black and affluent white households. In contrast, place stratification theory suggests affluent black households will be nearly as segregated from whites as are all black households and that affluent black households' neighborhoods will be of lower quality than affluent white households.

DATA AND METHODS

I used 1990 and 2000 Census data for this study from the Neighborhood Change Data Base (Geolytics 2003). I use census tracts as the unit of analysis for this study. Census tracts serve as a proxy for neighborhoods in much of the past research examining neighborhood effects, residential segregation, and residential attainment. I limited the sample to tracts located in metropolitan areas where the percentage of residents that self-identified as "non-Hispanic black alone" was greater than or equal to 3% of the total population or those area's having at least 20,000 black residents.¹⁵ In order to provide reliable estimates of census tract characteristics, I further limited the sample to include those tracts meeting the following criteria: (1) a total population of at least 500 persons; (2) a group-quarters population consisting of not more than 50 percent of the total population;¹⁶ (3) a minimum of 100 households; and (4) a median family income greater than 0. This resulted in a final sample of 40,168 census tracts throughout 229 metropolitan areas.

Unlike poverty, where federal government guidelines are commonly used to identify poor persons or households, there is no agreed upon way of identifying affluent persons or

¹⁵ This method follows that used previously by Farley and Frey (1994). The sample does not include metro area located in Puerto Rico or any of the other U.S. possessions.

¹⁶ A potential effect of including tracts containing any amount of group quarters, especially those considered undesirable (*e.g.*, prisons) may be to lower those tracts' neighborhood quality.

households. Some researchers have suggested any household (family) earning four or more times the poverty level threshold indicates affluence (John 2002; Smith 1988). A problem with this method is it suggests a high rate of affluence. Other researchers suggest any household (family) earning about two times or more than the national median household (family) income indicates affluence (Coulton et al. 1996; Massey and Eggers 1993). This method estimates affluence more conservatively and better aligned with the public's perception of affluence (Coulton et al. 1996). One problem with this second method is it does not adjust for metropolitan cost of living differences; it risks overestimating the number of households in high cost areas and underestimating the number in lower cost areas.

I compute a contextually sensitive rate of affluence based upon each respective metropolitan area's median household income. I define affluent households as those households where the reported yearly income is greater than or equal to twice that of their respective metro area's median household income.¹⁷ Using these metropolitan area specific thresholds, I estimate the number of affluent black households, per neighborhood, from the Census household income categories using Pareto interpolation. Compared to linear interpolation, Pareto interpolation better adjusts for the comparatively smaller share of affluent households compared to the larger share of less affluent households—especially when making estimates above the income distribution's median—because it makes estimates using the Pareto distribution (Berube and Tiffany 2004; Booza, Cutsinger, and Galster 2006; Stults 2000).

¹⁷ It is possible that this method overestimates the number of affluent households in low cost areas, especially if the minimum income threshold is particularly low. The national unadjusted median household income reported in the 2000 censuses was \$41,994. The minimum median metro household yearly income in the data set was \$29,104 in 2000. Using my method of identifying affluent households, this equates to median household income levels of \$58,208, which is greater than the respective national median income. Therefore, I suggest the problem of overestimating the affluence rate using my method is minimized.

Census data do not define the race of the household per se, but define the race of the householder. A householder is the reference person used to fill out the census questionnaire and describe the relationship among all the household members. Each household can have only one householder (Myers 1992). This study categorized households by race using the self-reported race of the householder. Census 2000 was the first census to allow respondents to indicate multiracial backgrounds. For 2000 data, a household was considered black if the householder self-identified on the Census as black alone or in combination; white households were those where the householder identified as being non-Hispanic white alone. This method, however, does not discern between mixed-race and single-race only households due to data limitations.

Residential Segregation Analysis

I use two measures of residential segregation and one measure of neighborhood diversity to gauge the residential racial context of affluent black and white households. I use the dissimilarity index (*D*) as one measure of residential segregation. I use counts of households, rather than the more commonly used counts of persons, for both data considerations and theoretical implications.¹⁸ Firstly, the type of aggregated census data I use in this analysis does not provide distributional income data for individuals; it provides such data for households and families. Secondly, many residential decisions are not made in personal isolation—they are often made in conjunction with partners at the household-level (Holloway et al. 2005; Wright et al. 2003). I compute the dissimilarity index using the following equation:

$$D = 100 * \left(0.5 * \sum_{j=1}^{J} \left| \frac{x_j}{X} - \frac{y_j}{Y} \right| \right)$$

¹⁸ I believe the impact of using counts of households rather than persons to estimate the various dissimilarity indices is minimal; for example, the simple correlation coefficient between 2000 black-white segregation computed with persons versus households is high (r = 0.98).

where:

 x_i = Number of group X households tract j

X = Total population of X households in the whole metropolitan area

 y_j = Number of group *Y* households tract *j*

Y = Total population of Y households in the whole metropolitan area

The dissimilarity index ranges from 0 (no segregation) to 100 (total segregation) where greater values express greater levels of segregation. Values 60 or greater suggest high, values between 30 to 60 are considered moderate, and values 30 and below suggest low levels of segregation (Logan 2003). In this study, *D* values represent the percentage of the affluent household population from either group needing to move from one neighborhood to another to achieve an even spatial distribution of households across an entire metropolitan area.

 P^* is the second measure of segregation used in the analysis. Unlike conventional uses of P^* that represent counts of individuals, I use counts of affluent households *and* counts of individuals. Thusly, my use of P^* measures interaction of affluent households with individuals from various racial groups. I use the following equation to compute P^* :

$$_{x}P_{y}^{*} = \sum_{j=1}^{J} \left[\frac{x_{j}}{X} * \frac{y_{j}}{t_{j}} \right]$$

where:

 x_j = Number of group X households in tract j

X = Total population of X households in the whole metropolitan area

 y_j = Number of group *Y* members (persons) tract *j*

 t_j = Total population (persons) of tract j

I measure each group's exposure to racial diversity in their typical (or average) neighborhood using Holloway's extension of P^* – the Neighborhood Diversity Exposure (NDE) index (Holloway et al. 2005). The NDE is simply a weighted average of the standard entropy index used to measure group diversity. Using the entropy index, I compute diversity based upon the proportional distribution of six mutually exclusive groups (non-Hispanic black, non-Hispanic white, non-Hispanic Asian, non-Hispanic American Indian, non-Hispanic other race, and Hispanic) in each neighborhood using the following entropy E_i equation:

$$E_{j} = s * \sum_{k=1}^{k} \left(\frac{k_{j}}{t_{j}} * \ln \frac{k_{j}}{t_{j}} \right)$$

where:

k indexes racial groups

j census tracts

t the total tract population of all racial groups.

A scaling constant s limits the value of the entropy index (E_j) from 0 (no diversity) to 1 (maximum diversity). The entropy index achieves the minimum value when only one group is represented in a neighborhood (e.g., a neighborhood is all white); it achieves the maximum value when each of the six groups are equally represented in a neighborhood.

I compute the NDE using the following equation:

$$NDE = \sum_{j=1}^{J} \left(\frac{x_j}{X} * E_j \right)$$

where:

 x_i = Number of group X households in tract j

X = Total population of X households in all tracts

 E_i = The entropy *E* value for tract j

The NDE ranges from 0 (no diversity) to 1 (maximum diversity). NDE has a low value when group X disproportionately resides in neighborhoods having low group diversity and a high value when the group disproportionately resides in neighborhoods having high group diversity.

Neighborhood Quality Analysis

I further examine the intersection of race, class, and place by exploring the distribution of affluent households, by race, into neighborhoods varying by quality. Each neighborhood was assigned a standardized Neighborhood Quality Index (NQI) value. Building upon neighborhood quality indices developed by Darden and colleagues (Darden, 2004; Darden et al. 2010), my NQI consists of 11 dimensions of quality measured at the census tract level: (1) median family income; (2) median housing value; (3) median gross rent; (4) percent of residents having a college education (25+ years of age); (5) percent of residents employed in professional and managerial occupations; (6) percent of owner-occupied housing units; (7) housing unit vacancy rate; (8) poverty rate; (9) percent of residents receiving public assistance; (10) unemployment rate (16+ years of age in civilian labor force); and (11) percent of households that are female headed with children under 18 years of age. All variables were standardized across the full sample of tracts with the exception of family income, housing value, and gross rent. These variables were standardized relative to their respective metropolitan area to account for cost of living differences. Those variables indicating lower neighborhood quality (dimensions 7 to 11) were multiplied by -1 to account for their depreciating effect on neighborhood quality. The standard scores were then summed together; these sums were then standardized. The resulting index has a high reliability (cronbach's alpha = 0.93). The NQI has a mean 0 and standard deviation +/-1.

To better ascertain differences between the "average" affluent black and white household's typical neighborhood characteristics, I calculated a modified exposure index – the Neighborhood Condition Exposure (NCE) index; it is interpreted much the same as the standard exposure index (Galster and Mikelsons 1995). The NCE measures affluent black (or white) household's exposure to a particular neighborhood condition C (e.g., tract poverty rate or NQI). I computed the NCE using the following equation:

$$_{x}NCE_{C} = \sum_{j=1}^{J} \left(\frac{x_{j}}{X} * C_{j} \right)$$

where:

 x_i = Number of group X households in tract j

X = Total population of X households in all tracts

 C_j = The neighborhood condition value for tract j (*e.g.*, poverty rate)

The NCE ranges from the minimum and maximum observed values of *C* across the sample of neighborhoods.

RESULTS

Residential Segregation Analysis

In this section, I seek to understand the pattern of affluent black household segregation between 1990 and 2000. I utilize the full sample of 229 metropolitan areas and weight the indices by the race-specific household population. The results thus represent the residential pattern of the average household in a typical neighborhood, rather than residential pattern of the average metropolitan area. Thusly, this portion of the analysis discusses households, not metropolitan areas.

I begin my analysis by examining the segregation of affluent black households from white households using the dissimilarity index. This index helps us understand segregation via the evenness in the spatial variation of affluent black households compared to white households.¹⁹ Table 2.1 displays the dissimilarity index for various combinations of black and white households in 1990 and 2000 for the full sample of metropolitan areas and by region. The segregation of affluent black households follows the national trend—one of decline yet still highlevels of overall segregation. Examining the national (weighted) average values shows that while the residential segregation of affluent black households decreased over the decade, the decline was less than five points – indicating a small (or no real) change by conventional standards (Logan 2003). Segregation of affluent black households from their white economic peers remained high. For example, in 2000 nearly 66% of affluent black (or white) households would have needed to move in order to achieve an even residential distribution of affluent white and black households. Further examination reveals affluent black households experience greater segregation from their white economic peers than they do from white households in general. This suggests affluent black households are living in neighborhoods with comparatively greater shares of less affluent white households as compared to their white economic peers. The degree to which this holds has increased between 1990 and 2000.

Regional segregation trends become apparent in Table 2.1. Affluent black households are most segregated from whites in the Midwest and Northeast and least segregated in the South and West regions of the country. The dissimilarity indices computed from Census 2000 data, for example, suggest the average affluent black household lived within a moderately segregated metropolitan area in the South and the West but lived within a highly segregated metropolitan

¹⁹ The following interpretation of the black-white dissimilarity index is not affected by metropolitan racial composition or compositional change (Turner and Turner 1965). Thusly, the findings reflect *actual* changes in black-white segregation, via evenness, and not changes due to black-white compositional changes over the decade.

area in the Midwest and Northeast. Following the national trend, affluent black households appear to be living among comparatively lower-income white households, regardless of the region of the country in which they reside—as indicated by the greater *D* values for affluent black-affluent white household segregation. All regions, however, saw a decline in the absolute and relative level of segregation between affluent black and white households over the decade, with the South and West seeing above average declines and the Midwest and Northeast seeing below average declines.

Table 2.1: Index of Dissimilarity between Black and White Households. 1990-2000

		Bla	ck-White		А	ffluent	BlackWł	nite	Afflu	ent Bla	ckAffluen	t White
Region	1990	2000	CH90-00	% CH	1990	2000	CH90-00	% CH	1990	2000	CH90-00	% CH
Northeast	76.2	74.9	-1.3	-1.7	73.5	71.2	-2.3	-3.2	77.2	75.3	-1.9	-2.5
Midwest	78.1	74.9	-3.2	-4.1	74.5	71.1	-3.5	-4.6	76.6	73.8	-2.8	-3.7
South	59.9	58.1	-1.9	-3.1	57.7	53.9	-3.8	-6.5	61.9	58.5	-3.4	-5.5
West	62.0	58.2	-3.7	-6.0	62.8	58.3	-4.5	-7.2	65.5	61.2	-4.3	-6.6
Nation	67.6	64.9	-2.7	-4.0	65.7	61.5	-4.2	-6.4	69.2	65.5	-3.7	-5.3

Note : Includes full sample of 229 metro areas using 2000 census MSA geography. Weighted average by black population

size per income group per year.

Source : NCDB, GeoLytics.

I now move to a discussion using the P^* and NDE indices. Figure 2.1 shows (1) the average affluent *household's* interaction with *persons* varying by race (P^*) and (2) the exposure to racial diversity (NDE) in their typical neighborhood. Affluent black households, on average, live in a more racially diverse neighborhood than do affluent white households. The trend for affluent black and white households, however, is one of living in increasingly racially diverse neighborhoods.²⁰ Between 1990 and 2000, the NDE increased by about 5 and 7 percentage

²⁰ The value of P* is compositionally dependent; in other words, the index will vary depending on the proportional representation of a group within the metropolitan area (Kaplan and Holloway 1998). Because NDE is an extension of P*, it also is compositionally dependent. This means that affluent black and white households may be living in more racially diverse neighborhoods simply because metropolitan areas, in general, are becoming more diverse rather than due to the *movement* of affluent households into more racially diverse neighborhoods in 2000 compared to 1990. Thusly, affluent black and white households *may* be living in more diverse neighborhoods, on average, as a

points for affluent black and white households, respectively. However, the rate of change (% CH) for affluent white households (28%) was nearly twice that of affluent black households (15%) over the decade.



Figure 2.1: Typical Neighborhood Racial Composition for Affluent Households (P* and NDE)

The *P** indices complement the findings from the NDE index. In 1990 and 2000, affluent black households were slightly more likely to live among non-Hispanic blacks than whites. The average affluent black household in 2000 lived in a neighborhood where about 44% of the residents were non-Hispanic black, 41% were white, and 11% were Hispanic (any race). Additionally, affluent black households were less likely to live in neighborhoods with non-

result of the greater absolute and/or relative growth of the Hispanic and Asian populations compared to the black and white populations.

Hispanic blacks *and* whites at the end of the decade. Thusly, it appears the increase in average NDE experienced by the average affluent black household is due to living among relatively greater shares of non-Hispanic Asians and Hispanics rather than whites. In comparison, affluent white households appear isolated. The average affluent white household lived in a neighborhood where over 87% and 82% of residents were white in 1990 and 2000, respectively. Affluent white households were almost as likely to live among non-Hispanic blacks (5%) as Hispanics (4.8%) in 1990. By 2000, however, affluent white households were slightly more likely to have Hispanic neighbors (6.8%) than non-Hispanic black neighbors (5.9%). Thusly, the increase in affluent white households' exposure to neighborhood diversity (NDE) appears largely due to their residential proximity to groups other than non-Hispanic blacks.

Hispanics represented the group showing the greatest absolute growth over the decade. The average affluent black or white household saw about a three and two percentage point increase in their neighborhood's share of Hispanic residents, respectively. The growing importance of the non-Hispanic Asian population, however, is demonstrated by their rate of change value. The neighborhood share of the non-Hispanic Asian population grew the fastest for both affluent black and white households (54% and 59% respectively). These findings appear to complement research documenting the importance of Hispanic and Asian immigration to the United States during the 1990's and the country's trend towards increasingly greater racial/ethnic diversity (Berube 2003; Frey 2003, 2005).

By exploring two measures of segregation (evenness and interaction), one may conclude affluent black households are highly segregated from white households. Furthermore, affluent black households are more segregated from their white economic peers than they are from white households generally. While highly segregated from whites, the average affluent black

household's typical neighborhood has greater racial diversity than does their white economic peer. In the next section, I will explore how living within such environments may affect the neighborhood quality for the average affluent black household.

Neighborhood Quality Analysis

In discussing the distribution of affluent households into neighborhoods classified by neighborhood quality, I am seeking to broadly understand to what degree there may be different distributional patterns between affluent black and affluent white households. Any differences found *may* suggest racial inequality in neighborhood outcomes between affluent black and affluent white households. Understanding such distributional inequality is important because where a racial group lives significantly affects the group's quality of life (Adelman 2004; Darden 2004; DeFrances 1996; Pattillo-McCoy 2000). I focus my discussion on the 2000 findings; however, the general patterns apply to 1990 as well.

Using the 25th, 50th, and 75th NQI percentile scores, I assigned each neighborhood into one of four neighborhood quality types (low, low-moderate, high-moderate, and high).²¹ I summed the number of affluent households, by racial group, in each type of neighborhood to examine neighborhood distributional differences between affluent black and white households. Figure 2.2 shows the percentage of affluent black, affluent white, and all affluent households in each type of neighborhood based upon neighborhood quality. The evidence clearly suggests inequality in the distribution of affluent black and affluent white households by neighborhood quality. In general, affluent black households have a bottom-heavy distribution while affluent white households have a top-heavy distribution. In other words, affluent black households are

²¹ The \overline{NQI}_{All} Tracts = 0.0, std. dev. +/- 1.0, median = 0.08.

more likely to be living in the lowest quality neighborhoods while affluent white households are most likely residing in the highest quality neighborhoods.

The data suggest that only 22% of affluent black and 55% of affluent white households lived in the 25% highest quality neighborhoods ($\overline{NQI}_{4thOuartile} = 1.2$). The percentage of affluent



Note: This neighborhood quality classification is derived from the NQI, and they represent NQI quartiles.

Figure 2.2: Distribution of Affluent Households by Quartiles of Neighborhood Quality, 2000

black households living in high quality neighborhoods was 2.5 times less than that of affluent white households. In comparison, approximately 32% and 4% of affluent black or white households, respectively, lived in the lowest 25% quality neighborhoods ($\overline{NQI}_{1stQuartile} = -1.3$). Thus the percentage of affluent black households living in low quality neighborhoods was 8.5

times greater than that for affluent white households. Moreover, the percentage of affluent black households living in the lowest quality neighborhoods was nearly 1.5 times greater than the percentage of affluent black households living in the highest quality neighborhoods. In comparison, the percentage of affluent white households living in the highest status neighborhoods was about 14.5 times greater than the percentage of affluent white households living in the lowest quality neighborhoods.

To gain greater clarity with regard to neighborhood quality, Table 2.2 presents the typical neighborhood characteristics, by racial group, using the NQI and NCE indices. Across the race or ethnicity groups, the typical neighborhood of the average affluent household had above average neighborhood quality ($\overline{NQI}_{All_Affluent} = 0.66$). Examination of black-white neighborhood outcomes, however, indicates racial disparity in neighborhood quality. There was nearly a 0.92 standard deviation difference between the average affluent black and white households' typical neighborhood quality in 2000. Affluent black households lived in neighborhoods that were below average – nearly 0.15 standard deviations below the national mean neighborhood quality. In contrast, affluent white households lived in better than average quality neighborhoods – about 0.76 standard deviations above average. Examining the individual dimensions of neighborhood quality shows affluent black households, on average, lived in neighborhoods with greater social disadvantage and less social advantage than did affluent white households.

Variable (impact on NQI)	Black	White	All
Median family income (+)	\$52,538	\$74,161	\$71,688
Median housing value (+)	\$137,895	\$212,891	\$208,114
Median gross rent (+)	\$692	\$819	\$815
% college educated (+)	24.6	38.0	36.5
% Prof./man. Workers (+)	33.1	43.9	42.6
% Owner-occupied (+)	62.9	74.8	72.9
Vacancy rate (-)	6.6	5.7	5.6
Poverty rate (-)	14.2	6.4	7.3
% on welfare (-)	10.0	4.1	4.9
Unemployment rate (-)	7.6	3.8	4.3
% Female headed households w/kids (-)	33.8	16.6	18.1
Neighborhood Quality Index	-0.15	0.76	0.66

Table 2.2: Average Neighborhood Characteristics for Affluent Households, 2000

Note : Average weighted by afluent household population size per group per year. *Source* : Computed by author using data from NCDB, GeoLytics.

On nearly every measure, the average affluent black household lived in a neighborhood that was of lower quality than did the average affluent white household. Affluent black households lived in neighborhoods with about 2 times more female-headed households and unemployment, 2.2 times more poverty, and 2.4 times more welfare recipients. Of all the social disadvantage variables, affluent black and white households demonstrated the greatest parity in the neighborhood vacancy rate – blacks had 1.15 times greater housing vacancy rate in 2000. Examining the social advantage variables reveals the average affluent black household lived in a neighborhood having 65% of the median housing value, 85% of the median gross rent, 65% of the percentage of college educated residents, 75% of the percentage of professional/managerial workers, and 84% of the percentage of owner-occupied housing units of the average affluent white household. These disparities are not surprising and are consistent with previous research demonstrating middle-class blacks live in less advantaged neighborhoods and are highly segregated from white residents (Adelman 2004; Darden and Kamel 2000; Freeman 2008; Pattillo-McCoy 1999).

Table 2.3 displays the mean NQI for the average affluent household by region. In both 1990 and 2000, the average affluent black household lived in a higher quality neighborhood in

the West than any other region of the country. Those affluent black households residing in the West lived in neighborhoods having slightly more than average quality at the start and end of the decade (2000 $\overline{NQI}_{Black,_West} = 0.06$). For all other regions during this same time-period, the average affluent black household lived in neighborhoods that were below average quality. Affluent black households living in the South, however, fared better than did black households living in the Midwest or Northeast. In 2000 for example, the average affluent black household fared worst in the Northeast ($\overline{NQI}_{Black,_Northeast} = -0.36$) where they resided in neighborhoods

		Black			White			All		Black-W	hite Diff
Region	1990	2000	CH90-00	1990	2000	CH90-00	1990	2000	CH90-00	1990	2000
Northeast	-0.33	-0.36	-0.04	0.80	0.83	0.03	0.71	0.70	-0.01	-1.13	-1.19
Midwest	-0.39	-0.29	0.10	0.79	0.81	0.02	0.72	0.73	0.01	-1.18	-1.10
South	-0.20	-0.06	0.14	0.62	0.70	0.08	0.55	0.61	0.06	-0.82	-0.75
West	0.03	0.06	0.03	0.75	0.76	0.02	0.66	0.63	-0.03	-0.72	-0.71
Nation	-0.24	-0.15	0.09	0.72	0.76	0.04	0.64	0.66	0.01	-0.96	-0.92
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Table 2.3: Average Neighborhood Quality Index for Affluent Households by Race by Region, 1990-2000

Note: NQI (standardized index), unweighted mean = 0; SD = +/-1. Includes full sample of 229 metro areas using 2000 census MSA geography. Weighted average by affluent household population size per race per year. *Source* : Computed by author, data from NCDB, GeoLytics.
below the national average neighborhood quality. In comparison, the average affluent white household residing in the Northeast lived in a neighborhood having the highest quality

 $(\overline{NQI}_{White,_Northeast} = 0.83)$ while those living in the South had the lowest quality $(\overline{NQI}_{White,_South} = 0.70)$ in 2000.

In terms of decade change, the average affluent household improved their typical neighborhood quality – showing an improvement of 0.01 standard deviations. Affluent households living in the Northeast, however, actually experienced a slight decline in neighborhood quality over the decade. Racial differences in decade change exist. Affluent black households increased their average neighborhood quality more than did affluent white households, but they were still more than 0.9 standard deviations below the white level at the start and end of the 1990s. Furthermore, affluent black households improved their typical neighborhood quality in all regions except the Northeast. On average, affluent black households residing in the Northeast lived in neighborhoods having lower quality at the end of the decade than at the beginning. In comparison, affluent white households improved their neighborhood quality in all regions over the course of the decade.

The greatest black-white parity in neighborhood quality occurred in the West followed by the South. In both 1990 and 2000, the average affluent black household's neighborhood quality was less than one standard deviation below that of the average affluent white household. The greatest black-white disparity in neighborhood quality occurred in the Midwest and Northeast. In 1990 and 2000, the average affluent black household's neighborhood quality was more than one standard deviation below that of the average affluent white household. Additionally, the Northeast and Midwest swapped positions for the region having the greatest average black-white disparity in neighborhood quality at the start and end of the decade.

In summary, the segregation analysis demonstrates affluent black households are highly segregated from white households and their white economic peers. Additionally, affluent black households, on average, tend to live in more racially diverse neighborhoods than do affluent white households. Analysis examining the typical neighborhood quality outcomes for affluent black and affluent white households suggest inequality in the distribution of affluent black and white households into neighborhoods varying by quality. Simply put, affluent black households tend to live in lower quality neighborhoods than do affluent white households.

DISCUSSION AND CONCLUSION

The African American community is a diverse community. It is a community characterized by variation in ethnic and national background, political persuasion, and socioeconomic diversity among others. Such diversity has generally not been recognized by the wider community or social science scholarship until fairly recently. In keeping with the most current research examining diversity within the black community. I focus attention on affluent black households – an understudied segment of the black community. Affluent black households are a vital component of our current understanding of race because, compared to less affluent black households, they arguably have the greatest social and economic capital at their disposal to fulfill their American dream. By examining affluent black households, I hope to re-focus academic and policy attention to the great diversity within the black community and add a counterbalance to much of the existing research that narrowly focuses on only the black underclass, its apparent dysfunction, and the places of concentrated poverty in which many live.

This paper examines how the intersection of race, class, and place affect the residential segregation of affluent black households and their residential outcomes in terms of neighborhood

quality. Results from segregation indices indicate affluent black households, like other black households, are highly segregated from white households. Furthermore, affluent black households are slightly more segregated from their white economic peers than they are from white households in general. While affluent black households live in more racially diverse neighborhoods than do affluent white households, affluent white households live in overwhelmingly white neighborhoods. Thus, it appears race is still more important than class for explaining black-white segregation. Regional trends of affluent black household segregation from whites follow national trends – affluent blacks are the least segregated in the West and South and the most segregated in the Northeast and Midwest. These findings are consistent with other studies documenting the high rate of black-white residential segregation regardless of SES.

In terms of neighborhood quality, on average, affluent black households lived in neighborhoods having lower quality than did affluent white households. Affluent black households lived in neighborhoods with about twice as much neighborhood social disadvantage compared to affluent white households. Specifically, affluent black households lived in neighborhoods where the percentage of female-headed families with kids, unemployment, poverty, and welfare recipients was twice that of affluent white households. Compared to affluent white households affluent black households lived in neighborhoods having less median family income, college educates, and professional workers. The average affluent black household residing in the West lived in the highest quality neighborhoods followed by the South. Affluent black households living in the Midwest and Northeast, on average, lived in substantially below-average neighborhoods. The greatest black-white disparity in neighborhood quality also occurred in the Midwest and Northeast while the greatest parity was found in the West closely followed by the South. These findings complement previous research showing middle-class

blacks are not immune from the negative effects of residential segregation, including a higher tendency to live in neighborhoods evincing lower quality than similarly positioned whites.

This study positioned the interpretation of segregation and neighborhood quality outcomes for affluent black and white households within two competing theories of residential attainment literature: spatial assimilation and place stratification. There is evidence that spatial assimilation applies more now than in the past if one considers as positive indicators the decrease in affluent black-white segregation and the increase in parity between affluent black-affluent white neighborhood quality outcomes. Such an interpretation appears rather hollow considering the actual decrease in segregation was slight by conventional standards and that affluent black households, in general, are still highly segregated from white households. Furthermore, affluent black household appear to experience even greater segregation from their white economic peers, suggesting affluent black households are assimilating into neighborhoods with lower-income whites. While it is often argued that higher-status whites are less prejudiced and more open to living in racially integrated settings than are lower-status whites, this finding may represent affluent white households' comparatively greater ability to live in neighborhoods that meet their neighborhood racial preferences. It may also represent affluent white households' aversion to "blacker" neighborhoods having real/perceived lower quality. Perhaps most troubling for the applicability of spatial assimilation theory concerns the substantial disparity in existing neighborhood quality outcomes between affluent black and white households.

Place stratification theory provides a better description of the *link* between high levels of residential segregation and the disparity in neighborhood quality outcomes. Simply put, the principles of place stratification suggest affluent white households maintain high neighborhood quality, in part, by enforcing high levels of racial segregation. This may be accomplished

through continued institutional discrimination in the housing market against blacks or by white avoidance of living in neighborhoods with more than a small number of black neighbors. While spatial assimilation theory may represent the hope for greater equity between black and white households in the *future*, conditions on the ground suggest the *existing* affluent black household residential geography is, as predicted by place stratification theory, characterized by racial hierarchy. Such geography may continue to negatively impact the life chances of affluent black households as it does less affluent black households (Galster and Killen 1995; Galster and Mikelsons 1995).

An obvious limitation of this study is its inability to link residential outcomes (segregation or neighborhood quality) and the process producing such outcomes more conclusively rather than through theoretical interpretation. Future research should use quantitative residential attainment models to provide greater clarity with regard to the ability of spatial assimilation or place stratification to describe the residential outcomes of affluent black households. Another limitation of this study concerns the importance of neighborhood racial preference being an important factor when considering the residential outcomes of affluent black and white households. Previous research demonstrates the racial neighborhood preferences of blacks and whites never reach equilibrium and may limit opportunities for widespread integration (Charles 2000, 2005; Clark 2002, 2009).

For middle-class and affluent blacks, such preferences suggest there is something *desirable* to living among other blacks (Cashin 2004; Lacy 2007). Perhaps my measure of neighborhood quality does not account for a level of satisfaction those households get from living in such neighborhoods. However, such "benign preferences" may be attributed to positive factors such as cultural similarity or a response to (real or perceived) racial hostility towards

blacks (Charles 2005). If affluent black household residential outcomes are increasingly due to a positive preference, one wonders why their neighborhoods are generally of lower quality than similarly positioned whites. If such preferences are due to negative stereotypes of a homogeneous black person, black community, and black places then such preferences are more disturbing.

Research by Harris (1999, 2001) suggests this may be the case; blacks and whites appear averse to black neighbors not because they are black, per se, but because of the perception that "black" neighborhoods are associated with low quality neighborhoods (e.g., higher poverty or crimes rates). Such preferences might make it more difficult for affluent black households to obtain residence in higher quality black neighborhoods and possibly result in making the places in which they live of lower quality. Future research should engage the issue of residential preference more directly, perhaps through an in-depth qualitative exploration of the residential outcomes of affluent black households.

The findings from this research are also important because they force us to reevaluate previous assumptions as to the causes and consequences of residential segregation and neighborhood attainment considering the apparent social and economic capital possessed by affluent black households. The findings are suggestive that race not class is a primary cause of black-white segregation. In general, this project demonstrates the need for a more critical understanding of the neighborhood attainment process. It also forces us to think about the kinds of neighborhoods members of minority groups reside. What does it mean, for example, if a minority group "assimilates into" neighborhoods where the white population is of lower SES or moves into high-quality minority neighborhoods? This research suggests that policies developed to counter residential segregation and neighborhood equity may benefit from a greater

appreciation of the context in which they are applied in addition to their intended target audience. Such policies may be scale dependent, place sensitive, and more applicable for certain subgroups of historically segregated and marginalized communities.

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CHAPTER 3

THE NEIGHBORHOOD AGGREGATION OF AFFLUENT BLACK HOUSEHOLDS IN THE UNITED STATES²²

²² Malega, R. To be submitted to *Urban Geography*.

ABSTRACT

This study examines the intersection of race, class, and place by exploring the neighborhood aggregation of affluent black households in the United States using Census 2000 data. It adds to recent literature seeking a more nuanced understanding of the black community. The author assesses the theories of spatial assimilation and place stratification in understanding processes associated with the neighborhood-level aggregation of affluent black households. Regression analyses reveal, in general, such aggregations are positively associated with black neighborhood socioeconomic status and negatively associated with white status. Furthermore, neighborhood quality and demographic factors are important for understanding the geography of affluent black households. Additionally, the metropolitan characteristics of residential segregation, racial composition, and regional location affect the neighborhood aggregation of affluent black households. Findings suggest place stratification theory provides greater explanatory power than spatial assimilation theory for understanding the neighborhood aggregation of affluent black households.

Keywords: Black household affluence, spatial assimilation, place stratification, residential segregation, neighborhood; negative binomial regression

INTRODUCTION

Residential location matters for an assortment of social, political, and economic reasons, including how such location affects one's life chances. Not surprisingly, its causes and consequences continue to attract the attention of countless academic and policy debates. Such debates often center on measuring and explaining levels and changes in racial/ethnic segregation at the metropolitan level, investigating ecological mechanisms of neighborhood sorting, and ascertaining the continuing significance of race versus the increasing importance of class in determining residential outcomes. Aside from scholarly concerns, these debates matter to the extent that policies should be developed to address such residential outcomes, and if so, what form those remedies should take.

Residential outcomes of African Americans²³ have been at the center of this debate for decades. While historically African Americans have lived under conditions of hypersegregation (Massey and Denton 1989, 1993), encouraging analysis based upon the most recent Decennial Census indicates black residential segregation continued to decline nationally. Despite this positive trend, however, high levels of segregation still exist between blacks and whites (Farley and Frey 1994; Glaeser and Vigdor 2003; Logan 2003). Research focusing on higher status blacks finds that they also experience high levels of residential segregation from whites, though somewhat less than lower-income blacks (Adelman 2005; Adelman et al. 2001; Darden and Kamel 2000; Iceland, Sharpe, and Steinmetz 2005; Massey and Fischer 1999). A complementary literature draws attention to how issues of race, class, and place negatively affect life chances (Anderson 1990; Jargowsky 1997; Massey and Denton 1993; Wilson 1987). A major emphasis of such investigations focus on poor, inner-city, African Americans and the places where they

²³ I use the term African American and black interchangeably throughout this paper. Additionally, I do not distinguish between Hispanic and non-Hispanic blacks unless indicated.

reside – blighted neighborhoods experiencing much concentrated poverty. In all, scholarship investigating the relationship between class, race, and place has been fragmented due to a fundamental conflation and a gap in the literature.

The literature has inadequately resolved relative and continuing roles of *race* and *class* with respect to *place*. Some research suggests that, in particular, conflicting neighborhood racial preferences and increasingly economic class, rather than race per se, predict where blacks (and other groups) will residentially locate (Clark 1991, 1992, 2002, 2007, 2009; Clark and Blue 2004). Other researchers maintain that race continues to be a significant barrier for African Americans and their residential placement, regardless of their class position or racial preferences (Alba, Logan, and Stults 2000; Iceland and Wilkes 2006; Massey and Denton 1993; Massey and Fischer 1999; Quillian 2002; Yinger 1995). While more recent studies on race and place have investigated middle-class blacks and the places in which they live (Adelman 2004; Cashin 2004; Lacy 2004; Pattillo-McCoy 1999, 2000), to date there has not been a serious exploration of affluent black households and their spatial outcomes.

The purpose of this paper is to investigate the neighborhood aggregation²⁴ of affluent black households and examine the ecological forces that affect such spatial outcomes at the neighborhood level. I conceive the neighborhood aggregation of affluent black households as represented by the absolute number of such households in a neighborhood, taking into consideration the potential number for such households in any given neighborhood. I define affluent households as those households making two or more times than the median household income for the metropolitan area in which a household resides. To better understand the processes associated with the neighborhood aggregation of affluent black households, I aim to

²⁴ I use the term (neighborhood) aggregation to refer to the number (or count) of affluent black households per neighborhood and not a neighborhood aggregation wherein lower-level geographies are combined to create higher-level geographies (e.g., block groups into census tracts).

evaluate the utility of two commonly employed and competing theories of residential attainment: spatial assimilation and place stratification. Gaining a better understanding of the neighborhood aggregation of affluent black households at the neighborhood level will allow scholars to more fully comprehend and theorize the varied ways that race, class, and place intersect to affect residential outcomes of *all* African Americans.

BACKGROUND

Overall, residential segregation of African Americans has dropped since 1970. Analyses of census data reveal that black residential segregation has decreased over the past three decades (Farley and Frey 1994; Glaeser and Vigdor 2003). Despite this positive trend, high levels of segregation still exist between blacks and whites²⁵ (Glaeser and Vigdor 2003). Between 1980 and 2000, the Index of Dissimilarity – a common measure of residential segregation – for blacks and whites fell from 73.8 to 65.0 nationwide (Logan 2003). Additionally, regional trends in segregation exist. Various measures of segregated regions of the country; the South saw the greatest regional reduction in black-white residential segregation between 1990 and 2000 (Fischer 2003; Glaeser and Vigdor 2003; Logan 2003).

Examining overall trends in black-white segregation tells only part of the story because levels of segregation may vary by intra-metropolitan location (e.g., central city versus suburb) or economic class. Using 1990 Detroit area census data, Darden and Kamel (2000) found blacks at all SES levels experienced high rates of residential segregation from their white peers; furthermore, those blacks living in the suburbs were actually more segregated than those blacks living in the central city. Clark (2007), using Census 2000 data and a larger set of metropolitan

²⁵ Here, and elsewhere, I am referring to non-Hispanic whites.

areas, in contrast, found blacks living in the suburbs were generally less segregated from whites than those blacks living in central cities. Clark, however, did not evaluate black-white segregation by SES peers.

Other research indicates higher-income/status blacks also have high levels of residential segregation from whites (Adelman 2005; Adelman et al. 2001; Darden and Kamel 2000; Iceland, Sharpe, and Steinmetz 2005; Massey and Fischer 1999). Research using Census 2000 data shows that while higher-income blacks are generally more residentially integrated than lower-income blacks, the difference is modest (Iceland, Sharpe, and Steinmetz 2005; Iceland and Wilkes 2006). Clark and Blue (2004), however, examined black-white segregation by educational attainment and income levels and found those blacks having more education and greater income were generally less segregated from their white peers than those blacks having lower levels of education and income. Nevertheless, additional research shows that the majority of middle-class blacks live in majority-black neighborhoods and that their neighborhoods are of "lower quality" than similarly positioned middle-class whites (Adelman 2004; Alba, Logan, and Stults 2000; DeFrances 1996; Owens and Wright 1998; Pattillo-McCoy 1999, 2000).

THEORETICAL FRAMEWORK

Two existing theoretical perspectives of residential attainment guide this research project: spatial assimilation and place stratification. Massey's (Massey 1985; Massey and Denton 1985) model of spatial assimilation suggests that as immigrants' level acculturation and SES increase they convert such achievements into an improved spatial position resulting in greater residential integration within mainstream (white) society. As the social distance between an immigrant group and mainstream society lessens, immigrants move from central city ethnic neighborhoods

to better quality suburban neighborhoods predominated by white residents (Alba, Logan, and Stults 2000; Alba and Nee 1999; Allen and Turner 1996; Charles 2003; Freeman 2002).

Spatial assimilation theory would suggest that affluent black households are more capable of converting their socioeconomic gains into "better" (read "whiter") neighborhoods than are poorer black households. In other words, affluent black households should be less segregated from whites, and their white economic peers, than should their less affluent black counterparts. Some scholarship suggests that the predictive power of race may be decreasing, with class differences becoming increasingly important for understanding black residential segregation patterns (Alba, Logan, and Stults 2000; Clark and Ware 1997; Iceland 2002; Iceland, Sharpe, and Steinmetz 2005; Iceland and Wilkes 2006). Recent work by Iceland and Wilkes (2006), for example, finds evidence that spatial assimilation theory applied more during the 1990's than in previous decades. Their multivariate models suggest that higher SES blacks saw a greater reduction in residential segregation from whites than lower SES blacks. Research by Freeman (2008) used Panel Study of Income Dynamics data to gauge the effects of various measures of black SES on neighborhood outcomes between 1970 and 2000. He found black SES had significant effects in determining individual blacks' neighborhood outcomes in terms of housing value, percent white, and poverty rate. Freeman found support for spatial assimilation theory in that higher black SES was associated with more integration with whites and improved residential attainment for all decades of analysis. However, he found that the ability to translate such gains did not improve over the study period (Freeman 2008).

While spatial assimilation theory was developed with the goal of explaining the incorporation of early 20th Century U.S. immigrants in mainstream society, many recent U.S. immigrants now come to the U.S. with greater social and economic resources (*i.e.*, English

fluency, education, etc.) compared to the past. Furthermore, many immigrants locate directly into suburban neighborhoods bypassing residence in the central city altogether (Alba, Logan, and Stults 2000; Alba and Nee 1999; Allen and Turner 1996; Massey and Denton 1985). Another criticism of the spatial assimilation model is that it does not accurately depict the residential experience of African Americans, black immigrants, or black Hispanics, many of whom experience high rates of residential segregation regardless of their level of acculturation or SES attainment (Darden 1973; Darden and Kamel 2000; Farley 1995; Freeman 1999, 2002; Iceland and Wilkes 2006; Kantrowitz 1973; Massey 1985; Massey and Bitterman 1985; Massey and Denton 1985; Massey and Fischer 1999; Taeuber and Taeuber 1965).

Black-white wealth differences might account for this key criticism of spatial assimilation—its inapplicability for blacks. Oliver and Shapiro (Oliver and Shapiro 1995) demonstrate the disparity in wealth accumulation between blacks and whites is important towards our understanding of black-white racial inequality, including in housing outcomes. Their work suggests blacks' lower accumulation of wealth, rather than exclusively black-white income differences, may be a factor limiting blacks' ability to buy into the *most* affluent neighborhoods. In other words, those higher income black households may be too wealth poor to purchase homes in those higher income white neighborhoods. ²⁶ Their lower-income white neighbors, however, may be unable to afford the premium to live in comparatively "whiter" (often read higher status) neighborhoods. In other words, such white households may be too income poor to "get out" of such neighborhoods in order to limit their residential exposure to black households. Thusly, affluent black households might be residentially integrating with lower status white households rather than their white economic peers. Such an interpretation is in keeping with spatial

²⁶ The disparity in wealth accumulation, however, is due to past and present racial discrimination and structured inequality, resulting in the cumulative disadvantage of wealth creation for blacks and cumulative advantage for whites, thereby reinforcing blacks' position at the bottom of the economic hierarchy (Oliver and Shapiro 1995).

assimilation theory *if* one argues higher-income blacks' *gain status* by moving into comparatively lower-income whiter neighborhoods or if you *measure* status with a significant wealth component.

Place stratification is one theory of residential attainment that recognizes the inability of blacks to obtain the expected residential return on gains to their human capital (Alba and Logan 1993; Logan and Alba 1993). It recognizes the role of racial/ethnic prejudice and preference, discrimination, and institutional/structural racism in constraining minority residential mobility, thereby shaping a residential landscape characterized by segregation (Charles 2003; Iceland and Wilkes 2006). Place stratification theory argues that places have a hierarchical ordering wherein higher ordered places provide a greater quality of life and more favorable life chances than lower ordered places. Such ranking takes place both within and between suburban areas and central cities. More advantaged social groups use the hierarchy of places to help preserve their social distance between them and less advantaged groups. Furthermore, the model suggests racial and ethnic minorities are sorted along the hierarchy of place depending on each group's standing in society. Therefore, individual members of some groups do not have the same opportunity (if at all) to convert their gains in socioeconomic standing to living in more desirable, higher ranked places (Alba and Logan 1993; Logan and Alba 1993).

A number of sources provide support for the applicability of place stratification theory to African Americans. Housing discrimination is one barrier argued to restrict the housing choices and outcomes for blacks at all SES levels. The literature on housing discrimination shows that blacks continue to face discrimination in the housing market compared to whites, including adverse treatment such as the denial of information and home seeking assistance, less favorable financial terms, and geographic steering. More specifically, black homebuyers and are being

steered away from predominately white and affluent neighborhoods and into minority and mixed neighborhoods (Massey and Denton 1993; Ross and Turner 2005; Turner, Galster, and Yinger 2002).

In addition to housing discrimination, it has been argued place stratification maintains the neighborhood racial hierarchy via racial group preferences, especially out-group avoidance resulting from negative racial stereotyping; such preferences work to sustain segregated communities (Charles 2003, 2005). Theories of racial preference suggest that while all racial/ethnic groups have a tendency to prefer living in neighborhoods where their own group is highly represented or the majority, whites consistently display the least willingness to live in racially and ethnically integrated neighborhoods (Krysan 2002a). Blacks, in particular, are the "least desirable" neighbors to whites, even when controlling for black SES (Bobo and Zubrinsky 1996; Clark 1991, 1992; Farley, Fielding, and Krysan 1997; Freeman 2000; Krysan 2002a; Zubrinsky and Bobo 1996).

Racial preferences, of all groups, function to maintain the hierarchy of neighborhoods predicted by place stratification theory because such preferences affect the desirability, and possibly the stability, of integrated neighborhoods. Such preferences provide insight into the willingness of each racial group to maintain residence or move into a neighborhood with a particular racial mix. Survey results consistently show whites' prefer neighborhoods where they form a significant majority of the residents and that they find blacks the least desirable neighbors. For whites', as the number of blacks increase in a neighborhood, the desirability of that neighborhood declines (Bobo and Zubrinsky 1996; Charles 2003, 2005; Farley, Fielding, and Krysan 1997; Krysan 2002a, 2002b). Furthermore, research indicates whites are willing to pay a premium in house prices to live in "whiter" neighborhoods (Chambers 1992; Cutler,

Glaeser, and Vigdor 1999; Glaeser and Vigdor 2003; Kiel and Zabel 1996). In contrast, survey results suggest blacks prefer greater levels of integration than whites and are more comfortable being a numerical minority in a neighborhood, especially when those neighbors are white (Bobo and Zubrinsky 1996; Charles 2003, 2005; Krysan 2002a; Krysan and Farley 2002).

Using "show-card" data from Multi-City Study of Urban Inequality (MCSUI), Clark (2009) examined black and white neighborhood racial preferences disaggregated by income, education, and age (for whites only) and found higher SES for blacks and whites, and being younger for whites, is generally related to a greater willingness to live in more residentially integrated neighborhoods. Even after controlling for SES and age, however, Clark concludes the majority of black and white respondents' neighborhood racial preferences never reach equilibrium. Respondents' first choice neighborhood racial mix suggests relatively few whites were willing to live in neighborhoods less than 30% white while blacks indicated they preferred neighborhoods that were predominately white to about 50-50 black-white mix.²⁷

Clark (1991, 1992, 2002, 2009) argues this black and white "preference gap" almost inevitably leads to unstable integrated neighborhoods, suggesting integration on a large scale is not likely to happen due to black-white differences in neighborhood preferences.²⁸ In addition to removing discrimination in the housing market, Clark (1992, 2002, 2009) contends large-scale integration will also require changes to racial preferences. While not dismissing the role of white prejudice, Clark (2009) argues continued black-white segregation is due as much to black preferences as it is white preferences and argues much of the established literature unfairly casts

²⁷ Clark, however, concluded blacks' second choice indicates their desire to live in neighborhoods having at least 50% black residents. Results from whites' second choice were not presented.

²⁸ For a contrary view on the stability of integrated neighborhoods see *Sharing America's Neighborhoods* (Ellen 2000).

white neighborhood preferences, which may represent neutral ethnocentrism (something expressed by all groups), as demonstrating white hostility (or even prejudice) towards blacks.

Understanding the commonly hypothesized causes for the black-white neighborhood racial preference gap is important for evaluating the gap's role in determining residential outcomes. Three main arguments emerge from the literature: (1) neutral/benign ethnocentrism – emerging from positive feelings towards one's own racial group²⁹ – prompting self-segregation, (2) real and/or perceived racial difference in SES, not race per se, serve as a racial proxy signaling the desirability of a neighborhood in terms of SES, and (3) racial prejudice (Charles 2005). Reviewing the literature, Charles (2005) finds little support for the ethnocentrism or differences in SES arguments being able to fully explain differences in black-white neighborhood racial preferences.

Reviewing the ethnocentric argument, Charles (2005) cites various research projects that find all groups deem blacks the least and whites the most preferred out-group neighbors, thereby confirming the neighborhood racial preference hierarchy. She argues, if strong ethnocentric preferences trumped the race of the potential neighbors one would not expect to see such a consistent hierarchy in neighborhood racial preference across all racial/ethnic groups. In other words, if neutral ethnocentrism were key to understanding neighborhood racial preferences there should be little, if any, hierarchy in out-group preference. She also cites qualitative interviews with black and white respondents, which indicate no support for black ethnocentrism and limited support for white ethnocentrism. According to Charles, however, whites' expression of ethnocentrism is tempered by their negative stereotypes of blacks (Charles 2005, p. 66).

A caveat to such findings, however, is that blacks increasingly find living in predominately white neighborhoods less desirable than during past decades, especially middle-

²⁹ In contrast to out-group aversion or hostility.

class blacks (Charles 2003; Farley et al. 1993; Feagin and Sikes 1994). Charles (2005) attributes such findings to the increasing likelihood among middle-class blacks to feel whites have negative attitudes and maintain racial prejudice towards blacks. Indeed, qualitative interviews with blacks support such an argument finding some black respondents' neighborhood preferences are driven by fears of white hostility rather than group solidarity or ethnocentrism (Krysan and Farley 2002). Others attribute such findings to a desire among blacks to be around "our kind of people," as a way to reconnect with African American values and culture and as a shelter from real or perceived prejudice and racism (Gates 2004; Graham 1999; Lacy 2004, 2007). Charles (2005), however, suggests arguments for neutral ethnocentrism "minimizes the extent to which the preferences of one group constrain those of others' and distracts attention from persisting structural inequalities" and the resulting inequality of life (p. 66).

It seems for the ethnocentric argument to carry more weight one would also need to account for the discrepancy in neighborhood quality obtained by middle-class blacks compared to similarly positioned whites with regard to their stated neighborhood racial preference. In essence, are middle-class (and affluent blacks) trading off neighborhood quality for relatively blacker neighborhoods or are they willing to live among more whites to obtain better neighborhoods? ³⁰ Findings by Harris suggest the latter (Harris 1999, 2001). His work demonstrates that whites and blacks are both sensitive to neighborhood racial composition in that it serves as an *indicator* of neighborhood quality (and hence neighborhood desirability). His analysis of housing expenditures and neighborhood satisfaction suggest that a racial proxy

³⁰ It would seem the severity of this trade-off may, in part, depend upon what metropolitan area an affluent black household seeks residence, especially with regard to the availability of affluent black neighborhoods of higher quality (e.g. Atlanta versus Detroit).

functions to signal to whites and blacks concerning the quality of neighborhood.³¹ In other words, whites and blacks are averse to black neighbors not because they are black, per se, but because of the negative neighborhood characteristics associated with increasingly greater shares of black residents (e.g., crime and poverty). Both of his analyses indicate that once non-racial neighborhood quality factors are controlled for the racial composition of a neighborhood rarely is statistically significant in effect on either housing expenditures (especially among renters³²) or neighborhood satisfaction.

Charles (2005), however, finds little support for this racial proxy hypothesis (racial differences in SES) as significantly affecting black-white differences in expressed neighborhood racial preferences. Citing several studies using MCSUI data, Charles (2005) states that while real group-level income differences exist, examination of housing cost expenditures indicates great similarity between each group's actual housing expenditures; thusly, many blacks should be able to live in more economically desirable neighborhoods. For example, in Los Angeles, 52% of black and white renters spent \$600 to \$1000 per month on housing costs (Charles 2000). Additional research suggests the willingness to integrate with a particular group is weakly associated, at best, with perceiving that group to be economically disadvantaged (Bobo and Zubrinsky 1996; Charles 2000, 2005). Another study found perceived differences in economic status between blacks and whites were not statistically significant with attitudes on residential integration for blacks or whites (Bobo and Zubrinsky 1996).

Charles (2005), dismissing the SES and ethnocentric hypotheses, instead suggests racial prejudice, especially when whites' have negative racial views toward blacks, best explains

³¹ Ellen (2000) posits a similar race-based neighborhood stereotyping hypothesis in her investigation of integrated neighborhoods.

³² Harris (1999) *did* find a neighborhood's share of black residents negatively affected housing expenditures for *homeowners* in neighborhoods having 60% or more black residents. Therefore, he did not rule out the possibility that *pure discrimination* functions in this case.

differences in neighborhood racial preferences between blacks and whites. Using multivariate analysis, Zubrinsky and Bobo (1996) controlled for various social and demographic characteristics of respondents and found the racial hierarchy of neighborhood racial preference persists in the Los Angeles area. In essence, as the perceived social distance between two groups increases the desire to live in increasingly integrated residential settings with a particular outgroup lessens. Their multivariate results reinforce other findings indicating blacks are the least and whites the most preferred out-group neighbors.

Bobo and Zubrinsky (1996) also examined the relation between respondent racial/ethnic stereotypes and attitudes towards residential integration in Los Angeles County. In short, their analysis reveals that increasingly negative racial stereotypes were associated with greater opposition to integration. While all respondents displayed such findings, it was strongest among white respondents. Specifically, results from regression analyses suggest white attitudes on integration with blacks were significantly affected by whites' unfavorable racial stereotypes of blacks and greater (white perceived) social distance between the two groups. Similar analyses indicate the attitudes of black respondents on integration with whites were only affected by unfavorable stereotypes of whites and not black perceived social distance. Again, the stereotype effect was stronger among whites than blacks.

Place stratification theory has been criticized for failing to explicitly incorporate racial/ethnic neighborhood preferences into residential attainment models (Adelman 2005; Freeman 2002). Additionally, while place stratification theory recognizes that quality of life, and life chances, are unequally sorted along the hierarchy of places, its conceptualization of quality of life is often weakly operationalized, thereby limiting its explanatory utility and understanding

of the causes and consequences of such a hierarchy.³³ The theory may also be charged with privileging the white middle-class suburban "norm" as the uncritical standard from which to measure the hierarchy of place and access to place.

In summary, spatial assimilation theory suggests greater numbers of affluent black households will be found in neighborhoods having relatively greater shares of whites, greater black and white group-level SES, and in metropolitan areas having less black-white residential segregation. Place stratification theory, however, suggests greater numbers of affluent black households will be found in comparatively blacker (non-white) neighborhoods, among greater black and lower white SES, and in metropolitan areas having higher levels of segregation.

DATA AND METHODOLOGY

Data

The Neighborhood Change Data Base (Geolytics 2003) provides Census 2000 data for this study. Census tracts are the unit of analysis and often serve as a proxy for neighborhoods in the neighborhood effects, residential segregation, and residential attainment literatures. I limited the sample to tracts located in metropolitan areas where the percentage of residents that self-identified as "non-Hispanic black alone" was greater than or equal to 3% of the total population or those area's having at least 20,000 black residents.³⁴ In order to provide reliable estimates of census tract characteristics, I further limit the sample to include those tracts meeting the following criteria: (1) a total population of at least 500 persons; (2) a group-quarters population consisting of not more than 50 percent of the total population; (3) a minimum of 30 black and

³³ This is often determined by using a neighborhood's percentage of white residents or an individual's residential location in the central city versus suburb as an indicator of both quality and access to place.

³⁴ This method follows that used previously by Farley and Frey (1994). The sample does not include metropolitan area located in Puerto Rico or any of the other U.S. possessions.

white householders; (4) a median specified owner-occupied housing value greater than 0; and (5) a reported black and white per capita income greater than 0. This resulted in a final sample of 26,686 census tracts throughout 229 metropolitan areas.³⁵

Variables

The dependent variable is the number of affluent black households in a neighborhood. Following census convention, I categorize households by race using the census designated selfreported race of the householder. Unlike poverty, where federal government guidelines are commonly used to identify poor persons or households, there is no agreed upon way of identifying affluent persons or households.

Previous research has attempted to define affluence with varying methods and results. Some researchers have suggested using the poverty level income for a four-person-household to identify affluent households. For example, they suggest that household (or family) income greater than four times the poverty thresholds indicates affluence (John 2002; Smith 1988). A problem with this method is that the threshold is often very low. Other researchers have identified affluent households (families) as those having a household (family) income at least 1.5 to 2 times greater than the yearly national median household/family income (Coulton et al. 1996; Massey and Eggers 1993). The benefit of this method, compared to the previous, is that it estimates affluence more conservatively; such estimates of affluence are considered more consistent with the public's perception of affluence (Coulton et al. 1996). One problem with this second method is that because income levels and the cost of living can vary among metro areas,

³⁵ There were 45,733 tracts in all 229 metro areas. I lost 3,972 tracts due to restrictions 1, 2, 4, and 5, leaving 41,761 tracts. I lost an additional 15,075 tracts by adding restriction 3. In total, I lost 19,047 tracts due to all 5 restrictions leaving 26,686 tracts in the final data set. Of the 45,733 tracts, there was 81 all black (and 87 all white) census tracts. There were 840,452 affluent black households in all 45,733 tracts. I lost 1,453 affluent black households living in the 81 all black census tracts. The final data set contained 701,187 affluent black households. Thusly, the final data set contains about 83% of all affluent black households possible via the 45,733 tracts. Running the analyses without these limitations does not change the interpretation of the substantive independent variables at either the neighborhood or metropolitan levels.

especially at the extremes, it risks overestimating the number of households in high cost areas and underestimating the number in lower cost metro areas.

I compute a contextually sensitive rate of affluence based upon each respective metropolitan area's median household income. I define affluent households as those households where the reported yearly income is greater than or equal to twice that of their respective metropolitan area's median household income.³⁶ Using these metropolitan area specific thresholds, I estimate the number of affluent black households, per neighborhood, from the census household income categories using Pareto interpolation (Berube and Tiffany 2004; Booza, Cutsinger, and Galster 2006).

Because of the nature of the analyses I am conducting (count regression), it is necessary to account for the effect of population size with regard to determining the neighborhood aggregation of affluent black households. A neighborhood's total number of households represents the theoretical upper limit of affluent households, including affluent black households, which one could find in any particular neighborhood. For example, a neighborhood with fewer total households would be expected to have fewer affluent households, all else equal, than a neighborhood with a greater number of households. Therefore, I include the variable, total number of households in each neighborhood (scaled per 100 housing units), to control this population size effect.

³⁶ The national unadjusted median household income reported in the 2000 census was \$41,994, which creates an affluent median household yearly income threshold of \$83,988. It is possible that this method overestimates the number of affluent households in low cost areas, especially if the minimum income threshold is particularly low. The minimum median metro household yearly income in the data set was \$29,104 in 2000. Using my method of identifying affluent households, this equates to an affluent household median household income threshold of \$58,208. The maximum median metro household yearly income was \$76,554, which equates to an affluent median household income threshold of \$153,088. Therefore, I suggest the problem of overestimating the affluence rate using my method is minimized.

The substantive independent variables used to test the competing theories include the following race specific neighborhood distributions of black³⁷ and white socioeconomic standing (SES): (1) the percent of the population 25 years and older having a four-year (or more) college degree; (2) the poverty rate; (3) the per capita income (scaled per \$1,000); and (4) the unemployment rate. Spatial assimilation theory suggests black and white SES should be positively associated with the dependent variable.³⁸ Place stratification theory also suggests neighborhood-level black SES should have a positive impact on the dependent variable. However, the theory suggests neighborhood-level white SES will have a negative association with the dependent variable, thereby demonstrating high status whites' aversion to blacks within a place-based racial hierarchy of neighborhood outcomes.

I included two variables to test for the effects of a neighborhood's racial composition: (1) the ratio between the percent black and percent white, and (2) a neighborhood-level measure of group diversity (entropy index). The black-white ratio equals one when parity exists between the percentages of black and white residents, less than one when there are relatively fewer blacks, and greater than one when there are relatively more blacks than whites. I compute the group diversity index based upon the proportional distribution of six mutually exclusive groups (non-Hispanic black, non-Hispanic white, non-Hispanic Asian, non-Hispanic American Indian, non-Hispanic other race, and Hispanic) in each neighborhood using the following entropy equation (Holloway et al. 2005):

³⁷ I was unable to differentiate between Hispanic and non-Hispanic black households or persons due to NCDB data constraints.

³⁸ For ease of writing, I make this statement when referring to SES in abstract terms rather than when speaking to the individual variables I use to measure SES. For example, I interpret an increase in per capita income and a decrease in the poverty rate as indicating relatively greater levels of neighborhood-level SES.

$$E_{j} = s * \sum_{k=1}^{k} \left(\frac{k_{j}}{t_{j}} * \ln \frac{k_{j}}{t_{j}} \right)$$

$$\tag{1}$$

where k indexes racial groups, j census tracts, and t the total tract population of all racial groups. A scaling constant s limits the value of the neighborhood diversity index (E_i) from 0 (no diversity) to 1 (maximum diversity). The index achieves the minimum value when only one group is represented in a neighborhood (*e.g.*, a neighborhood is all white); it achieves the maximum value when each of the six groups are equally represented in a neighborhood. Because spatial assimilation theory posits greater assimilation into mainstream (read whiter) neighborhoods occurs with increases in group-level human capital, one would expect a negative association with the black-white ratio. It might also suggest a positive association, up to a point, with the neighborhood diversity index as affluent black households move among neighborhoods varying from nearly all black, to an equal share of all 6 groups, to nearly all white.³⁹ Interpreting the variables under the tenets of place stratification theory suggests a positive association with both the black-white ratio and neighborhood diversity index because assimilation into mainstream (i.e., predominately white) neighborhoods is limited even with black gains in human-capital.

Previous literature demonstrates neighborhood quality and demographic characteristics will likely influence the neighborhood aggregation of affluent households. The following variables are included as neighborhood controls: (1) log of the median value of specified owneroccupied housing; (2) residential stability⁴⁰; (3) percent of residents living in group-quarters; (4) housing unit vacancy rate; and (5) percent renter-occupied housing units. Housing value and residential stability are expected to have a positive association while percent group-quarters,

 $^{^{39}}$ By this, however, I do not mean to suggest this is a linear process of neighborhood attainment. I simply hope to convey the variety of neighborhoods affluent black households can reside within. ⁴⁰ The percent of persons (5 years and older) currently living in the same house as 5 years ago.

vacancy rate, and percent renter-occupied are expected to have a negative association with the neighborhood aggregation of affluence because of their effect on housing value appreciation and association with lower neighborhood quality of life.⁴¹ I also include each neighborhoods' percentage of residents that are 65 years or older, 5 years or younger, and foreign born to account for neighborhood demographic effects.

In some models I test for regional differences by assigning each tract to a regional dummy variable based upon its location in one of the following four census designated regions: Midwest, Northeast, South, and West. The South serves as the excluded dummy category. In another model, I include variables for each metropolitan area's percent of residents that are non-Hispanic black and the black-white dissimilarity index to account for metropolitan-level variation in racial composition and residential segregation. In a final model, I control for the potential effects of any excluded metropolitan-level social, demographic, or economic variables using a series of metropolitan fixed-effect dummy variables where the Atlanta metropolitan area serves as the reference category.

In summary, several key neighborhood- and metropolitan-level variables facilitate testing each theory of residential attainment's ability to explain the neighborhood aggregation of affluent black households. If spatial assimilation theory is appropriate, one should expect to find greater numbers of affluent (i.e., more) black households as the black-white ratio decreases, the level of neighborhood racial diversity increases, black and white SES increases, and metropolitan-level segregation decreases. Place stratification theory, however, suggests more affluent black households will be found as the black-white ratio increases, the level of neighborhood racial diversity increases, black SES increases, white SES decreases, and

⁴¹ Such indicators of quality of life have been criticized for favoring middle-class norms (Bauder 2002).

metropolitan-level segregation increases. See Table 3.1 for variable specific expectations on these key variables.

Table 5.1. Expected impact of Key Variables per meory of Kesidential Attainment		
	Spatial	Place
Variable	Assimilation	Stratification
Black-White Ratio	-	+
Neighborhood Diversity (Entropy)	+	+
% Black w/ Higher Ed	+	+
% non-Hispanic White w/ Higher Ed	+	-
Black Poverty Rate	-	-
Non-Hispanic White Poverty Rate	-	+
Black Per Capita Inc	+	+
Non-Hispanic White Per Capita Inc	+	-
Black Unemployment Rate	-	-
Non-Hispanic White Unemployment Rate	-	+
Metro-Level Dissimilarity Index	-	+

Table 3.1: Expected Impact of Key Variables per Theory of Residential Attainment

Methods

Because the dependent variable is a truncated discrete count, rather than an unbounded

continuous variable, standard OLS regression is not appropriate. Such variables often have a

Poisson or negative binomial distribution. An alternative to OLS, Poisson regression,

restrictively assumes the conditional mean is equivalent to the conditional variance

(equidispersion). Negative binomial regression analysis does not have this assumption because it

accounts for the sample variance exceeding the sample mean (overdispersion) (Agresti 2007;

Beck and Tolnay 1995; Bishop, Gripaios, and Bristow 2003; Long and Freese 2001).⁴²

Therefore, I employ a series of cross-sectional negative binomial regression analyses to predict

the number of affluent black households, per neighborhood.

Each regression analysis followed the same basic form:

$$Y = \beta_l \# H H_l + \sum \beta_\kappa \chi_\kappa \tag{2}$$

⁴² The likelihood-ratio tests for all models (1 to 5) indicate one should reject the null hypothesis of the mean dispersion parameter equaling zero (H0: $\alpha = 0$; Ha: $\alpha > 0$). Significant overdisperion exists in all models; therefore, negative binomial regression is preferable to Poisson regression.

where *Y* is the number of affluent black households, per neighborhood, β_l is the parameter for total number of households in a neighborhood (#*HH*_l); β_{κ} is the vector of additional parameters, and χ_{κ} is the vector of additional variables (previously discussed) expected to influence the number of affluent black households. Because the coefficients of negative binomial regression analyses are similar to standard logistic regression, I present the coefficient results using the percent change in the expected count for a unit increase in the independent variable (%-change) and the percent change in the expected count for a standard deviation increase in the independent variable to aid interpretation (%StdX). The %StdX is loosely analogous to standardized beta coefficients in standard OLS regression.

FINDINGS AND DISCUSSION

Table 3.2 presents (a) %-change and (2) %StdX in the expected number of affluent black households in a neighborhood based upon four negative binomial regression equations for 2000.⁴³ The %-change coefficient indicates the percent increase (or decrease) in the expected number of affluent black households in a neighborhood for a one-unit increase in the independent variable. For example, in model 2, a one-unit increase in a neighborhood's percent of blacks having higher education increases a neighborhood's predicted mean number of affluent black households by 0.5%, holding all other variables constant. The %-change for a dummy variable is interpreted as "discrete change." Again using model 2 as an example, a neighborhood located in the West has 57.3% fewer affluent black households, on average, across neighborhoods than neighborhoods located in the South, holding all other variables constant. The %StdX coefficient indicates the percent increase in the expected count for a one-standard

 $^{^{43}}$ Diagnostic results suggest that multicollinearity is not a problem; values for the VIFs in all models are < 5.0, which is a commonly accepted threshold (Hair et al. 1995; Menard 1995; Montgomery and Peck 1982; O'Brien 2007).

deviation increase in the independent variable. Again, illustrating from model 2, a standard deviation increase in percent of blacks with college (about 17.5%) increases a neighborhood's predicted mean number of affluent black households by approximately 9.5%, holding all other variables constant.

The findings across all models are fairly consistent. As anticipated, greater numbers of affluent (i.e., more) black households are found in higher status black neighborhoods, and seem to avoid lower status black neighborhoods. Examining the specific black SES variables reveals they all significantly affect the number of affluent black households in a neighborhood and have the expected direction of impact for both theories. The variables percentage of blacks having a four-year college degree or more and the black per capita income each have a positive effect. The black poverty rate and black unemployment rate each have a negative effect.

Perhaps not surprisingly, black per capita income has the greatest effect of all the black SES variables (as shown by the higher %StdX coefficients). Across all models, black per capita income has between 2.8 and 4.7 times greater impact on the expected number of affluent black households compared to the second most influential black SES variable, the percentage of blacks living in poverty. As the model expands to include the effects of region, segregation, and metro-level percentage black, the influence of black per capita income increases and that of the black poverty rate decreases. Interestingly, the "rate of return" for black college education appears to weaken as the model expands, perhaps suggesting income-producing factors are less affected by neighborhood-level educational capital than factors not included in this analysis (*e.g.,* neighborhood, regional- and/or metropolitan-level employment by occupation or industry).

By comparison, higher white neighborhood SES is not generally associated with greater numbers of affluent black households. An examination of the effect of the white SES variables
Black Households per Neighborhood, 20	000							
Independent Variable	Ţ		2		3		4 ^a	
	%-change	%StdX	%-change	%StdX	%-change	%StdX	%-change	%StdX
Black-White Ratio	14.7**	123.8	14.5**	121.1	12.7**	101.4	14.5**	120.9
Neighborhood Diversity (Entropy)	4303.6**	86.3	6167.8**	97.4	5327.1**	92.8	11102.8**	117.2
% Black w/ Higher Ed	0.7**	13.0	0.5**	9.5	0.4**	8.1	0.4**	7.2
% non-Hispanic White w/ Higher Ed	1.0**	20.2	0.7**	12.9	0.8**	15.7	0.8**	16.3
Black Poverty Rate	1.0**	-15.9	-1.0**	-14.6	-0.9**	-13.9	-1.1**	-16.0
Non-Hispanic White Poverty Rate	0.4**	4.4	0.6**	6.0	0.7**	6.7	0.4**	3.5
Black Per Capita Inc	3.3**	45.1	4.1**	58.9	4.3**	61.7	5.0**	74.6
Non-Hispanic White Per Capita Inc	-1.0	-10.4	-1.1**	-11.8	-1.2**	-12.0	-0.4**	-4.8
Black Unemployment Rate	-0.7**	-6.6	-0.3**	-3.2	-0.5**	-4.4	-0.4**	-4.1
Non-Hispanic White Unemployment Rate	0.3*	1.8	0.7**	4.4	0.6**	3.8	0.5**	3.3
Total Number of Households	4.2**	42.6	3.8**	38.2	3.9**	39.9	3.7**	36.7
% Living in Group Quarters	1.5**	7.9	1.2**	6.4	1.1**	5.9	1.7**	8.8
% 65+ Years Old	-1.7**	-10.5	-1.3**	-8.4	-0.9**	-5.6	-1.4**	-8.6
% 5 and under Years Old	2.4**	5.5	3.7**	8.4	3.2**	7.2	5.1**	11.7
% Foreign Born	-1.9**	-23.9	-1.8**	-22.8	-1.6**	-20.5	-1.9**	-23.9
Log of Median Spec Owner-Occ Housing	-27.0**	-16.8	-5.5*	-3.3	-21.4**	-13.2	-17.9**	-10.9
Vacancy Rate	1.7**	9.8	1.2**	6.6	1.1**	6.4	-0.2	-1.0
% Rental Units	-0.7**	-14.8	-0.6**	-13.5	-0.8**	-17.3	-0.8**	-16.6
% Living in Same House 5 years ago	2.5**	37.4	2.4**	35.6	1.8**	25.9	1.8**	25.0
Midwest	1		-23.3**		0.3		1	
Northeast	1		-30.4**		-4.2		1	
West	1		-57.3**		-20.6**		1	
Metropolitan Level % Non-Hispanic Black	1		ł		3.6**	38.6	I	
Dissimilarity Index	1		1		0.4**	4.3	1	
Number of Cases	26,6	36	26,68	36	26,6	36	26,61	36
Pseudo R-squared	0.04	Ģ	0.05	ς.	0.05	6	0.07	4
Alpha	1.35	9	1.29	5	1.21	7	1.05	2

Table 3.2: Percentage Change in Affluent Black Households Calculated from Negative Binomial Regressions of Number of Affluent

** p<0.01, * p<0.05

Note: %-change = percent change in expected count for unit increase in X; %StdX = percent change in expected count for SD increase in X ^aIncludes MSA-Fixed Effect Dummy Variables

shows the percentage of whites having a four-year college degree or more is the only white SES variable to have a significant and positive impact on the expected number of affluent black households found in a neighborhood. This might suggest support for spatial assimilation theory. Another interpretation of this white education effect, however, is that it is picking up the impact of specific kinds of neighborhoods located in highly segregated metropolitan areas where efforts at pro-integration policies have been enacted (*e.g.*, Shaker Height, Ohio) or where segments of the white community historically have been open to greater levels of integration with blacks (*e.g.*, Jewish Americans).⁴⁴ These neighborhoods of integration might represent pockets of resistance in an otherwise racially charged metropolitan environment, thereby providing greater support for place stratification theory. The remaining white SES variables provide further credence for this interpretation.

For example, the white poverty and unemployment rates are significantly and *positively* associated with greater numbers of affluent black households in all models. Furthermore, white per capita income has a significant and *negative* effect in all models. Unlike the black SES findings, however, the percentage of whites having a college education has the greatest relative impact of all the white SES variables. Across all models, the percent of whites with a college degree has from slightly greater than parity to 3.4 times greater impact than white per capita income. Across all models, the percent of whites with college has a greater relative impact than the percent of blacks with college. Taken together, these findings suggest neighborhoods where white residents proportionately have a lower economic standing have a greater number of affluent (i.e., more) black households. Such findings are contrary to spatial assimilation theory and much more consistent with place stratification theory.

⁴⁴ See Cashin (2004) for more detail.

The racial composition of a neighborhood has an important effect on the number of affluent black households found in a neighborhood. The black-white ratio and neighborhood racial diversity index variables are statistically significant and have the greatest influence across all models – even more than neighborhood-level black or white SES. The positive sign on the black-white ratio indicates the number of affluent households increases as a neighborhood's relative share of black residents, compared to that of its white residents, increases. Similarly, as a neighborhood becomes more racially and ethnically diverse (as indicated by the neighborhood group diversity index) one finds greater numbers of affluent black households, all else equal. Together, the two racial composition variables suggest affluent black households are increasingly found in comparatively blacker (non-white) neighborhoods, but not the blackest of neighborhoods. Furthermore, affluent black households tend to be found in racially diverse neighborhoods. These finding provide substantial support for place stratification and evidence against spatial assimilation.

I explore the effect of regional location on the expected number of affluent black households beginning with model 2. It suggests neighborhoods located in the Midwest, Northeast, and West are expected to contain fewer affluent black households, on average, compared to neighborhoods located in the South. For instance, one would expect to find approximately 23%, 30%, and 57% fewer affluent black households, on average, in neighborhoods located in the Midwest, Northeast, and West respectively, than neighborhoods located in the South. Metropolitan-level characteristics, however, appear to affect the specific kind of the regional effect.

Once I control for each metropolitan area's racial composition and level of residential segregation in model 3, the South's advantage over the Midwest and Northeast drops out.

Findings suggest only the West dummy variable remains statistically significant.⁴⁵ Those neighborhoods located in the West now have almost 21% fewer affluent black households, on average, than neighborhoods located in the South. To explore the regional effects among neighborhoods located in the Midwest, Northeast, and West, I ran separate pairwise Wald tests (not shown); results indicate neighborhoods located in the West have significantly fewer numbers of affluent black households than those located in Midwest or Northeast, all else equal. However, the Midwest and Northeast are not significantly different from one another. The regional effect findings of models 2 and 3 are consistent with other research documenting the "return migration" of African Americans to the U.S. South. This finding may also consistent with in-situ growth of Southern black affluence, perhaps due to the area's high concentration of Historically Black Colleges and Universities, a high concentration of black-owned businesses, and/or as production center for the commodification of black culture.

Closer examination of the metropolitan-level variables shows a significant and positive coefficient for percent non-Hispanic black and black-white residential segregation. Perhaps not surprisingly, metropolitan areas where blacks represent a relatively greater share of the area's total population have greater numbers of (i.e., more) affluent blacks, all else equal, than those metropolitan areas having a smaller share. Additionally, results indicate metropolitan areas having greater levels of residential segregation have greater numbers of affluent black households at the neighborhood-level. These findings suggest metropolitan-level racial composition and residential segregation may be key to understanding differences in the aggregation of affluent black households at the neighborhood-level in the Midwest, Northeast,

⁴⁵ Two analogous regressions (available from author) where I entered each metro-level characteristic separately confirm this finding. Including only the dissimilarity index in the model substantiates the South's statistically significant advantage over all other regions. However, when only the percent non-Hispanic black is included, the Midwest has a statistically significant advantage over the South.

and South but that additional metropolitan characteristics are needed to fully understand the neighborhood aggregation in the West.

Some of the remaining neighborhood-level control variables have the expected effects, however, others do not. The residential stability variable displays a positive effect in all models. The percent of renter-occupied housing units has a negative effect in all models. The median value of specified owner-occupied housing, however, indicates a negative effect in all models. The vacancy rate has a significant and positive effect in all models but becomes statistically insignificant once the metropolitan-level dummy variables are included in model 4. These findings suggest greater numbers of affluent (i.e., more) black households are more likely found in relatively stable, yet lower cost neighborhoods, all else equal. The percentage of people age 65 years or older has a negative effect while the percentage of people age 5 or younger has a positive effect in all models; perhaps this reflects the comparatively lower incomes of retirees and households having small children. Additionally, the percentage of foreign-born residents has a negative effect in all models, perhaps reflecting affluent black households aversion to living in immigrant neighborhoods.

Lastly, the percentage of residents living within group-quarters appears to have a positive effect on a neighborhood's number of affluent black households; this does not seem consistent with expectations where higher SES black households "buy into" neighborhoods with greater quality. Therefore, this may suggest support for place stratification theory in that "blacker" neighborhoods are often of "lower quality." I make these statements with caution, however, considering the great diversity in types of residences considered group-quarters (e.g., college dorms, senior assisted living homes, and prisons); it may be that many affluent black households

are located in close proximity to arguably positively (or neutrally) stereotyped group-quarters (e.g., senior assisted living) rather than negatively stereotyped group-quarters (e.g., prisons).

To recap the findings of the analysis, greater numbers of affluent (i.e., more) black households tend to be found in neighborhoods having relatively higher black SES status and lower white SES status. A neighborhood's percentage of white residents with a college degree is the only white SES variable associated with greater numbers of affluent black households. Of all the SES variables, black per capita income has the greatest relative impact in determining the number of affluent households while the percent of whites with college has the second greatest impact. While increases in black per capita income are associated with greater numbers of affluent black households, increases in white per capita income are associated with fewer numbers.

Neighborhood racial composition affects the aggregation of affluent black households. The black-white ratio has by far the greatest relative impact of any variable in the models, having a positive association. Additionally, there is a positive association between the number of affluent black households and neighborhood group diversity. Results from the metropolitan-level characteristics of racial composition and residential segregation complement these neighborhood-level results. Findings suggest greater numbers of affluent (i.e., more) black households are (1) found in neighborhoods located in metropolitan areas having a relatively greater share of residents identifying as black, and (2) in more residentially segregated metropolitan environments.

Those variables included in the model to control for neighborhood quality suggest greater numbers of affluent black households are found within neighborhoods having greater residential stability and lower neighborhood costs. For example, median housing value (negative) and

housing vacancy (positive) had unexpected effects. Another contrary finding concerns the positive association with percentage of persons living within group-quarters. Additionally, regional findings support the trend of "return migration," wherein blacks are increasingly living in the southern part of the country. Results find greater numbers of affluent blacks living in neighborhoods located in the South than other regions of the country, all else equal, especially compared to the West.

SUMMARY AND CONCLUSIONS

Much of the past social science research investigates a particular segment of the black community – the "underclass" – attempting to sort out the apparent "social disadvantage" of being poor and black. This focus leaves out the other end of the black income distribution. Less is understood about the ways in which more affluent blacks are affected by their unique racial, class, and place situation. Mainstream political liberalism and conservative economics might suggest that the significance of race declines or becomes less significant as income and wealth increases (Sowell 1984, 1992, 1994; Williams 1982; Wilson 1978, 1987). Other scholars suggest that race may function as a "master status," thereby limiting opportunities for all members of a racial minority group, regardless of one's particular socioeconomic status (Adelman 2004, 2005; Bonilla-Silva 2001, 2004; Darden and Kamel 2000; Massey and Denton 1993; Pattillo-McCoy 1999, 2000; Yinger 1995).

I began sorting through such issues of race, class, and place by examining the spatial outcomes of affluent black households at the neighborhood level. The main investigative thrust of this paper tested two commonly used theories of residential attainment – spatial assimilation and place stratification – to examine their utility in understanding what processes affect the

neighborhood-level aggregation of affluent black households. Four regression analyses were conducted to begin answering this question. Using variables derived from spatial assimilation and place stratification theory, I examined how neighborhood-level black and white SES, demographic characteristics, neighborhood quality characteristics, metropolitan-level racial composition, residential segregation, metropolitan fixed effects, and geographic region relate to the neighborhood aggregation of affluent black households. Results suggest much greater support for place stratification theory and little, if any, support for spatial assimilation theory.

At the neighborhood-level, SES and racial composition were key variables in deciding between each theory. At the metropolitan-level, rates of residential segregation and racial composition were important. The bulk of the evidence, however, appears to lend greater support for place stratification operating at the neighborhood level, especially with regard to the white SES and racial composition variables. Limited evidence for spatial assimilation appears to operate via white educational attainment at the neighborhood-level. These results run counter to other scholarship that suggests that spatial assimilation may be currently (or increasingly) more relevant to the residential geography of African Americans than in previous decades (Freeman 2008; Iceland and Wilkes 2006). My research suggests that such findings may be dependent upon the unit of analysis and how one measures attainment between black and white households; the findings may suggest that forces operating at one level (*e.g.*, individual) may not translate to other levels (*e.g.*, neighborhood).

Speaking generally, the findings are consistent in that socioeconomic variables affect the neighborhood aggregation of affluent black households. The black SES variables are consistent with both spatial assimilation and place stratification theories. Increases in "positive" SES factors (*e.g.*, income and education) are associated with greater numbers of affluent (i.e., more)

black households while increases in "negative" factors (poverty and unemployment) are associated with fewer numbers of affluent black households. The white SES variables, however, are more consistent with place stratification theory. In general, gains in neighborhood-level white SES are negatively associated with the neighborhood aggregation of affluent black households. Specifically, gains in white income are negatively associated while gains in white poverty and unemployment are positively associated with black affluence. While white educational attainment is positively associated with affluent black households, this may reflect an historic trend of certain neighborhoods and groups of whites having a greater willingness to live among blacks in otherwise highly segregated metropolitan contexts, thereby suggesting place stratification theory better captures the racial dynamics affecting black residential outcomes than spatial assimilation theory. Consistent with previous studies, this finding suggests affluent black households may be residentially integrating with lower status white residents.

In addition, neighborhood racial composition proves to be the single greatest set of variables predicting affluent black neighborhood outcomes and also provides greater support for place stratification theory. The neighborhood racial composition findings suggest that greater numbers of affluent black households are generally found in comparatively blacker and more diverse neighborhood settings, but not the blackest of all neighborhoods. Considering the black-white ratio and neighborhood diversity index variables together suggests greater numbers of affluent (i.e., more) black households are found in neighborhoods having relatively fewer whites, all else equal.⁴⁶ Results also suggest the neighborhood aggregation of affluent black households is positively related to neighborhood stability and negatively associated with neighborhood cost. Furthermore, neighborhoods located in more segregated metropolitan areas and having a larger

⁴⁶ While one might expect a positive association for the neighborhood diversity index under both theories, the positive association for the black-white ratio indicates greater numbers of affluent blacks are found in blacker (rather than whiter) neighborhoods, all else equal, thereby supporting place stratification theory.

share of black residents, on average, have greater numbers of affluent black households. Lastly, neighborhoods located in the southern region of the U.S. have greater numbers, on average, of affluent black households.

These findings beg a basic question. Are greater aggregations of affluent black households at the neighborhood-level a "good thing?" If so, policies designed to increase neighborhood-level black group per capita income, black educational attainment, and increase neighborhood-level diversity may be important. Furthermore, findings suggest efforts aimed at reducing residential segregation via fair housing programs and pro-integrative policies may *reduce* the aggregation of affluent black households at the neighborhood level. Any increase in the neighborhood aggregation of affluent black households, however, may come at a price if such aggregations are positively associated with affluent blacks increasingly living in lower quality neighborhoods, on average, compared to similarly positioned affluent white households. In this case, a neighborhood dispersal strategy may be more appropriate.

This basic question reflects the complicated and potentially contentious nature of developing policies that function to increase or decrease the aggregation of affluent black households. It may be that greater neighborhood aggregations of affluent black households have a threshold effect where the net social benefit increases to a particular level than begins to decrease. Perhaps paradoxically, measures to increase black SES and impose fewer barriers in the housing market may work to facilitate both an aggregation and dispersal strategy by providing affluent black householders' greater ability to find housing in neighborhoods of their choice. More detailed studies are warranted investigating the extent to which such aggregations and policies are (1) a net social benefit/cost, and (2) function to reaffirm the existing neighborhood hierarchy.

Future studies should build upon the shortcomings of this research. The positive association between metro-level segregation and neighborhood aggregation of affluent blacks, in particular, begs for further research investigating the ways in which residential segregation is associated with the aggregation of affluent black households at the neighborhood level. Additionally, neighborhood aggregations of affluent black and white households should be compared directly to better assess the applicability of each theory. Future analysis should also focus on comparing the neighborhood outcomes of affluent white and non-Hispanic black households, which was not possible with the data sources used in this paper. Perhaps most important, future research should directly investigate black-white differences in neighborhood quality outcomes for affluent households to determine the extent of any existing racial inequities. Finally, and again because of the data sources utilized, this research did not differentiate rates of affluence for interracial households versus single-race households, a growing segment of all U.S. households (Ellis, Wright, and Parks 2006; Holloway et al. 2005; Wright et al. 2003).

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CHAPTER 4

THE ROLE OF METROPOLITAN OPPORTUNITY STRUCTURES FOR UNDERSTANDING VARIATION IN THE BLACK AFFLUENCY RATE⁴⁷

⁴⁷ Malega, R. To be submitted to *Economic Geography*.

ABSTRACT

This study adds to recent literature examining black diversity by exploring the geography of black household affluence at the metropolitan scale. I theorize how various metropolitan opportunity structures shape black affluency rates for the 100 largest metropolitan areas in 2000. I argue affluent black households favor metropolitan areas of opportunity, those places characterized by having (1) economic opportunities suitable for generating and sustaining black affluence, (2) favorable relational standing for blacks relative to whites, (3) metropolitan diversity and ample residential opportunities, and (4) regional locations that attract black homeward migrants. Regression results indicate that economic structure, particularly employment in manufacturing and various high-skill sectors, impacts the level of black affluence. The black-white income ratio proves to have the greatest relative impact on the black affluency rate. Additionally, metropolitan diversity, black suburbanization, and the black neighborhood poverty level influence metropolitan rates of black affluency. Regional results show black affluency rates are, on average, higher in the U.S. West and lower in the South and Midwest. Results from the regression model, however, account for such differences via the metropolitan-level racial/immigration diversity. The findings fail to find evidence suggestive of the role of the "new South" for understanding metropolitan-level black affluency rates.

Keywords: black household affluence, diversity, economic restructuring, suburbanization, black migration, U.S. South.

INTRODUCTION

During the 1980's and 1990's the Atlanta area was described as the *place to be* for the up and coming of America's black community. It has been described as a modern-day Harlem Renaissance, a Black Mecca of sorts, having the fastest growth in the proportion of middle- and high-income Blacks during the 1990's, surpassing the traditional center of Washington, DC (Robinson 1996; 2002). To the extent this notion has diffused throughout popular culture, there may be no stronger demonstration of this than the recent Bravo television network reality TV show, "The Real Housewives of Atlanta." The show chronicles the lives of a predominately black cast, all of whom signify their wealth and affluence through gestures of high-status socializing and conspicuous consumption. Arguably, this takes place within black social, spatial, and cultural contexts. Why is the setting Atlanta—why not Detroit, Harlem, or Los Angeles? Are there characteristics of these places that help us understand the geography of affluent black households?

I contend metropolitan areas characterized by specific kinds *opportunity structures* favor higher rates of metropolitan-level black affluency. I broadly conceive the black affluency rate as the share of each metropolitan area's black households having incomes meeting or exceeding an affluent-income threshold. In this paper, I follow a long history of macro-level urban research seeking to understand how structural determinants affect group (*e.g.*, black, whites, Hispanic) or spatial unit (*e.g.*, neighborhoods, counties, metropolitan regions) outcomes.

Research on affluence, and the places the wealthy live, tends to be scant (Lee and Marlay 2007; Massey 1996; Shaw 1997). Some speculate the lack of research may be due to the view that affluence is popularly viewed as the outcome of one's own initiative, human capital, or socioeconomic background (Kluegel and Smith 1986; Lee and Marlay 2007). Others suggest

affluence, and affluent places, are rarely seen as a social problem warranting social action or attention (Lee and Marlay 2007; Shaw 1997). Such challenges are more acute when trying to understand black affluence because much of the existing research examines either black income attainment or poverty. To date little research examines the geographic distribution of affluent black households.

While little extant literature speaks directly on affluence, it does offer a framework to guide our thinking about black affluence. I start with a basic question. Why do some metropolitan areas appear more conducive to *producing* or *attracting* affluent black households than other metropolitan areas, thereby resulting in higher rates of black affluency? I adopt an *urban systems approach* for understanding the metropolitan-level variation in black affluency rates (Berry, Horton, and Abiodun 1970; Dickinson 1964). This perspective suggests underlying economic, social, political and other processes present within an urban system can explain the spatial variation of a given phenomenon (Greene and Pick 2006, p. 3).⁴⁸ Recent work by Strait (Strait 2000, 2001) provides an example of scholarship fitting within this tradition. Strait's work explores how underlying metropolitan-level economic and employment processes relate to concentrated neighborhood poverty. Adelman and colleagues (Adelman and Jaret 1999; Jaret, Reid, and Adelman 2003) follow a similar macro-level approach to investigate how several *structural* factors (*e.g.*, educational attainment, unemployment, and economic structure) affect metropolitan-level black-white poverty rates and income disparities.

Building on this tradition, I argue affluent black households tend to concentrate in *metropolitan areas of opportunity*. These metropolitan areas have comparatively higher black affluency rates because they are characterized by four types of opportunity structures favorable

⁴⁸ Hanson's (2003) review of urban geography suggests this perspective still has relevance to the field in terms of both topic of inquiry and practical application.

to affluent black households: (1) economic opportunities suitable for generating and sustaining black affluence, (2) favorable relational standing for blacks relative to whites, (3) metropolitan diversity and ample residential opportunities, and (4) regional locations that attract black homeward migrants. Furthermore, I suggest that these four opportunity structures are important not only for those migratory affluent black households that seek residence in new metropolitan areas but also for those households that develop and retain their affluence in their current metropolitan area. While I speak of each opportunity structure independently for convenience, they need not be mutually exclusive.⁴⁹

A primary goal of this paper is to theorize about and develop a macro-level model that explains metropolitan-level variation in the black household affluency rate. Due to the limited existing research on affluence, however, this paper is a first step towards developing a better understanding of the metropolitan geography of black affluence. Thusly, the model I develop is largely exploratory and descriptive in its attempt to explain spatial variation in metropolitan-level black affluency rates. I review the pertinent literature regarding each opportunity structure in the next section.

BACKGROUND LITERATURE

Metropolitan Economic Opportunities

In the only previous study of metropolitan-level affluency rates this author could find, Massey and Eggers (1993) examined 1980 census data for a sample of 59 U.S. metropolitan areas and found the family affluency rate was positively related to metropolitan per capita income earnings in the manufacturing and services sectors. Their research also demonstrated the

⁴⁹ For example, favorable relational standing for blacks relative to whites and ample residential opportunities may cumulatively cause one another to some degree.

affluency rate was negatively related to the metropolitan-level poverty rate. Related research demonstrates black wages and poverty rates are related to employment in manufacturing. McCall (2001), for example, shows that black-white income equality is positively associated with a metropolitan area's share of manufacturing employment. Other research indicates that a loss of manufacturing jobs (deindustrialization) is related to reduced black wages and increased black-white income inequality (Bound and Freeman 1992; Cotton 1989; Grant and Parcel 1990). Wilson (1987) argued increased urban poverty is a result of deindustrialization.

Such deindustrialization is often attributed to the transformation of the U.S. economy from an industrial to a service driven post-industrial economy resulting in the loss of well-paying blue-collar jobs, an increase in lower paying low-skill service jobs, and a greater emphasis on well paying high-skill professional white-collar employment, especially in global cities (Bluestone and Harrison 1982; Kasarda 1989; Sassen 2006). Thusly, economic restructuring might suggest metropolitan areas having greater employment in high-skill industries (*e.g.*, professional or governmental services), will have higher black affluency rates while those metropolitan areas having greater employment in the low-skill industries (*e.g.*, retail trade) will have lower black affluency rates.

Research findings regarding the role of deindustrialization and poverty, however, are mixed. For example, Adelman and Jaret (1999) found metropolitan-level black poverty rates were negatively related to employment in the manufacturing sector but not significant with regard to employment in either the retail or professional services sectors. Galster and colleagues (1997) found metropolitan areas that lost manufacturing jobs had greater growth in neighborhood poverty rates, especially in black neighborhoods. Jargowsky (1997), however, finds little direct evidence to support the role of deindustrialization in explaining black ghetto poverty (also

referred to as the black neighborhood poverty level⁵⁰). With regard to affluence, metropolitan economic structure likely indirectly affects metro-level affluence via its direct effect on black income attainment and, most importantly for this study, black-white income parity.

Lastly, those vibrant and growing metropolitan economies that can sustain affluence often attract native and foreign born alike. Immigration is one factor argued to affect black income and black-white income inequality; the evidence, however, is mixed (Rosenfeld and Tienda 1999). Analysis by Hamermesh and Bean (1998) indicates immigration has a negative effect on the economic situation of low-skilled black workers, particularly black women. Research by Grant and colleagues (Grant, Oliver, and James 1996; Grant and Parcel 1990) suggest immigration may have a positive impact on black occupational and income attainment, resulting in less black-white income inequality. Rosenfeld and Tienda (1999) argue immigrant labor may be replacing native born blacks and whites in poorly paying secondary market jobs (*e.g.*, food services, construction, etc.) while producing gains for blacks and whites in better paying secondary market jobs (*e.g.*, teaching and public administration workers, etc.).

Black-White Relational Standing

The Great Black Migration and the more recent black return migration demonstrate the willingness of some blacks to move to areas perceived to offer greater social and economic opportunity. While black population growth is generally viewed as a response to metropolitan economic growth and vitality it may also contribute to black-white tensions. The racial threat hypothesis argues dominant groups feel more threatened by minority groups as the size and power of those minority groups grows. Due to this threat the dominant group uses economic and political/legal means, often through discrimination, to maintain their dominant status, thereby leading to social and economic inequality (Blalock 1967); others have described this as a

⁵⁰ That is, the proportion of all blacks living in high poverty neighborhoods, regardless of income.

visibility-discrimination hypothesis (Beggs, Villemez, and Arnold 1997; Cohen 1998; Huffman and Cohen 2004). Recent research by Wang (2008), for example, shows native born whites, especially men, benefit from the increasing presence of racial and ethnic minorities at the metropolitan-level—leading to greater white-minority income disparities. Other research has found the proportion of residents identifying as black is related to inequality in black-white earnings, income attainment, occupational attainment, and poverty rates (Beggs, Villemez, and Arnold 1997; Cohen 1998; Tomaskovic-Devey and Roscigno 1996).

Considering the strong association between human capital (e.g., education) and income attainment (Adelman and Jaret 1999; McCall 2001; Wang and Pandit 2003), it is almost certainly a truism that black affluency rates are positively related to black group-level income and educational attainment. While black group-level socioeconomic attainment is significant in an absolute sense, black group-level attainment compared to whites is a substantially more important construct because of the historically destructive role structural racism/discrimination has played in determining black (and white) socioeconomic status. Greater black-white socioeconomic parity may reflect diminished structural discrimination and/or greater black socioeconomic attainment.⁵¹ Of course, variation on some socioeconomic parity indicators, such as average group-level income, may be attributable to black-white variation in pertinent humancapital factors and occupational distributions rather than, or exclusively to, structural discrimination/racism. Regardless of the mechanism producing such socioeconomic parity, affluent black households may *perceive* such areas as having greater *socioeconomic opportunity* for blacks—and possibly less overt racial hostility, thereby increasing their attractiveness as places to affluent black households, all else equal.

⁵¹ As suggested previously, empirical results indicate a black-white socioeconomic gap exits. Therefore, by greater SES parity I mean a smaller black-white gap.

In addition to (real/perceived) socioeconomic parity, visible black political representation may be attractive to affluent black households because it might signal to blacks both a sense of political self-determination and their elevated role as community stakeholders into larger metropolitan-wide social, economic, and political issues. Since the election of Carl B. Stokes, the country's first black mayor of a "major" American city, other blacks have served as mayor in all regions of the country, including Atlanta, Detroit, Los Angeles, and New York City. Many major cities, however, have only recently elected their first black mayor; for example, Buffalo, NY, Richmond, VA, and Cincinnati, OH elected their first black mayors as recently as 2005. Metropolitan areas where blacks are (consistently) mayors of the area's central/major city may become embedded in a larger black geopolitical imagination signaling to black households "their place at the table." Previous research suggests middle-class blacks, and arguably affluent black households as well, are particularly sensitive to a larger black political identity (Dawson 2001; Gates 2004; Harris-Lacewell 2004).

Metropolitan Diversity & Residential Opportunities

Census 2000 data confirm the nation is growing more racially/ethnically diverse, with Hispanics now being the single largest minority group in the country (Berube 2003). Metropolitan diversity may be associated with black affluency rates, especially in those *Melting Pot* metros (Frey 2003) such as Los Angeles, Chicago, Houston, New York, and Washington, D.C. The Washington, D.C. metro area, in particular, has traditionally been a center for middleand high-income black households and *their* suburban neighborhoods (O'Hare and Frey 1992). Diverse metropolitan areas may also signal to affluent black households lessened racial hostility and their greater acceptance by the dominant (white) group. Furthermore, black residential segregation tends to be lowest in diverse metropolitan areas, especially on the West Coast (Clark and Blue 2004; Glaeser and Vigdor 2003); this may be important to black affluency if blackwhite segregation affects black educational and income attainment.

An extensive literature exists documenting the generally high levels of black-white residential segregation and research increasingly examines segregation by socioeconomic class and race (Alba, Logan, and Stults 2000; Farley and Frey 1994; Fischer 2003; Iceland, Sharpe, and Steinmetz 2005; Logan, Stults, and Farley 2004; Massey and Denton 1993). One aspect of this scholarship, which is important to this research project, theorizes the linkages between segregation, geographic isolation, and socioeconomic opportunities/outcomes (Massey and Denton 1993). As DeMarco and Galster (1993) state, "segregation forms the key link [emphasis added] in what may be called a vicious circle of self-perpetuating racial prejudice and inequality," all leading to a host of negative consequences for racial and ethnic minorities (DeMarco and Galster 1993, p. 143). Darden and colleagues (1992) argue racial discrimination and residential segregation limit minority access to quality educational opportunities, greater occupational opportunities, higher earnings, and more employment opportunities; segregation also produces and maintains interracial socioeconomic disparities (Darden, Duleep, and Galster 1992; Galster 1991). Recent research by Wang (2008), for example, shows black income is negatively affected by increases in black residential segregation.

Black-white segregation is also a factor argued to produce concentrated black poverty (Massey & Denton 1993). Jargowsky (1997) argues a related measure, the black neighborhood poverty level (ghetto poverty), results from metropolitan-wide processes of income generation and neighborhood sorting by class, particularly intra-class black economic segregation. Wilson (1987), in particular, argued that black working- and middle-class out-migration from

predominately inner-city black neighborhoods produced greater black economic segregation, resulting in greater levels of black neighborhood poverty and concentrated black poverty.

Because of the negative consequences and stigmatization of living in such high poverty neighborhoods, one would expect affluent black households to exhibit a general unwillingness to live in metropolitan areas having high rates of black neighborhood poverty, all else equal. Metropolitan areas having substantial black neighborhood poverty may *signal* to affluent black households their (real or perceived) diminished ability to escape the "black ghetto," thereby being less attractive to them, all else equal. Furthermore, to the extent middle- and upper-income black families do move away from black central city neighborhoods to (presumably more affluent) neighborhoods in the suburbs one should expect a positive relationship between black suburbanization and the black affluency rate. Rates of black suburbanization continue to increase; suburbanization likely offers amenities attractive to affluent black households, including higher quality and cost effective public services and higher performing public schools. Suburbanization may also reflect the desire of many affluent blacks to live "the America (suburban) dream," and increasingly, in some metropolitan areas (e.g., Washington, DC and Atlanta) to live in suburban *middle-class black* neighborhoods (Garreau 1991; Lacy 2007; O'Hare and Frey 1992).

Regional Location: The South and the Power of Place

The South's historic emphasis on a plantation economy, and its later widespread implementation of Jim Crow laws, affected race relations in ways unique to the South. Such Southern institutions subordinated blacks to the extent that arguably a "caste-like" system of social and economic stratification developed, benefiting whites and disadvantaging blacks. This subordination resulted in two waves of "Great Migrations" from the South to the North during

the first part of the 20th century where blacks searched for more equality and opportunity economically, socially, and politically (Tolnay 2003). While the vast majority of blacks lived in the South prior to the Great Migration, this internal migration resulted in more blacks living outside of the South than within. By the 1960's, however, black migration to the North slowed and migration to the South increased (Hunt, Hunt, and Falk 2008). By the 1970's, the South experienced a net in-migration of blacks for the first time since the Great Migration (Cromartie and Stack 1989). Currently, more blacks again live in the South than any other region of the country (Brown and Cromartie 2006; Frey 2004).

The South remains a "hot growth area" for internal black migration; between 1995 and 2000 the South showed net gains in black migrants, while the Midwest, Northeast, and West showed net declines; even in the state of California, a long time magnet for black population migration, showed a net decline (Frey 2004). Perhaps more telling than such general regional demographic shifts is the South's black "brain gain." Black migrants to the South typically have more education and are more likely to be employed than those blacks they left behind or those blacks currently living in the area to which they are moving (Adelman, Morett, and Tolnay 2000; Falk, Hunt, and Hunt 2004; Hunt, Hunt, and Falk 2008).. Furthermore, between 1995 and 2000, more college educated blacks migrated to the South, at higher rates, than less educated blacks (Frey 2004). Black migrants to the South also tend to be younger and are increasingly women (Adelman, Morett, and Tolnay 2000; Falk, Hunt, and Hunt 2004; Hunt, Hunt, and Falk 2008).

Some have speculated the North may not have turned out to be the "promised land" many black migrants envisioned, highlighting the high levels of black residential segregation, concentrated and ghetto poverty, diminished economic opportunity, and high crime rates found in many northern urban cores (Brown and Cromartie 2006; Falk, Hunt, and Hunt 2004; Gates

2004; Hunt, Hunt, and Falk 2008). Indeed, black-white segregation is higher in the Midwest and Northeast than in the South; furthermore, the South, saw the greatest regional reduction in blackwhite residential segregation between 1990 and 2000 (Fischer 2003; Glaeser and Vigdor 2003; Logan 2003). Black neighborhood poverty levels are also higher in the North (Jargowsk 1997). Others suggest the South may become a "land of promise" due to significant changes in the South: economic growth and modernization, declines in black-white socioeconomic gaps, improvement in race relations, gains in black political power/representation, and blacks' familial and cultural ties to the region (Frey 2004; Gates 2004; Hunt, Hunt, and Falk 2008).

Some argue the South holds a special place in the geographic imaginations of many African Americans—representing both historic racial hardship and renewed hopes. Perhaps Maya Angelou best expresses this sentiment when she described why she felt blacks are "coming home" to the South (Gates 2004, p. 149). Angelou states, "our people have been in exile in the North for three-quarters of a century. In exile, and in many cases, not realizing it but terribly uncomfortable..." (as quoted in Gates 2004, p. 149).

Some speculate blacks' shared sense of place for the South stems from a common cultural attachment to the South as a place (Falk 2004; Franklin 1994; Stack 1996). Falk, Hunt, and Hunt (2004) argue that regardless of their current residential location, most blacks "are likely to have long-standing ties to Southern places and people" (p. 492). Brown and Cromartie (2006) describe how "place ties" to the South are passed down to the next generation via "extended visits, reunions, and family obligations" (p. 192). Cromartie and Stack (1989) argue an important segment of black return migration is best described as *homeplace migration* because many blacks, even those without direct ties to the South, are returning to places where they have important family connections and extended familial histories. Furthermore, Gates (2004) found

many middle-class blacks, having a deep appreciation for black culture and black social identity, increasingly desire to reside in middle-class black neighborhoods, "*back home*" [emphasis added] in the South (p. 123).

Proposed Hypotheses

The previous literature review suggests a number of variables may be important in understanding the distribution the black affluency rate. Below, I offer several hypotheses for key variables representing the effects of each macro-level opportunity structure:

- Economic opportunity: affluent black households make metropolitan location decisions that reflect their economic rationalities being drawn to metropolitan areas with vibrant and diverse economies. Specifically, metropolitan areas characterized by employment in sectors traditionally strong for African Americans (manufacturing [+], pubic services [+], and education/health services [+]) and those sectors representing the new service economy (FIRE [+], professional services [+], and retail trade [-]) will be significantly associated with the black affluency rate. Furthermore, vibrant economies that can sustain affluence are indicated by low poverty rates [-] and high immigration rates [+];
- 2. Black-white relational standing: metropolitan areas having favorable relational standing for blacks compared to whites have higher black affluency rates. Specifically, metropolitan areas having greater black-white income [+] and educational ratios [+] signal areas where the socioeconomic aspects of black-white relations are more favorable. Furthermore, metropolitan areas with large (percent black [-]) and/or rapidly growing black population shares (black population change rate [-]) may be characterized by heightened black-white tension thereby lowering the black affluency rate. Lastly, the black affluency rate will be higher in those metropolitan areas having central cities with

black mayors [+], which may represent the appeal of formal political power for the local black community and/or economic opportunities (e.g., quotas for minority contractors in city-funded business) that black mayors have sought;

- 3. Metropolitan diversity and residential opportunity: affluent black households are drawn to racially diverse metropolitan areas and ones that provide ample residential opportunities. Racially diverse metropolitan areas [+] may signal greater acceptance of racial minorities by the dominant white population thereby favoring black affluence development and retention. Furthermore, black-white residential segregation [-] may signal a restriction of suitable residential opportunities, while strong black suburbanization [+] may signal affluent and middle-class blacks can find a wide array of neighborhoods available to them. Additionally, metropolitan areas with strongly concentrated poverty (neighborhood poverty concentration for the total population and blacks [-]) may threaten affluent blacks wanting to avoid living within or in close proximity to such areas. Lastly, the residential separation of affluent blacks from other blacks with fewer financial resources (*i.e.*, black class segregation) may function similarly to black-white segregation [-] and/or signal to affluent blacks that they can isolate themselves from poor and working class blacks [+].
- 4. Regional location: the South, in particular, will evince greater black affluency rates than other regions of the country, all else equal, due to cultural affinity and historical roots in the region. Specifically, inter-regional comparisons (dummy variables) will favor southern metropolitan areas over metropolitan areas in other parts of the country. Furthermore, metropolitan areas where a large share of the black population moved in

from another region (percent black other region [+]) may also signal their migratory attractiveness.

DATA AND METHODOLOGY

Data

I obtained metropolitan area data for this study from the 2000 U.S. census and limited the sample to the 100 largest metropolitan areas. This follows the precedent of numerous existing studies on residential segregation, poverty, and concentrated poverty/affluence research that use a sample of large metropolitan areas. Furthermore, the vast majority of the American population in 2000, about 65 percent, lives in these largest metro areas. Finally, this sample allows me to measure a key factor believed to affect black affluency rates: ghetto poverty. Research indicates the vast majority of those persons living in ghetto (and concentrated poverty) live in the largest metropolitan areas (Jargowsky 1997).

Variables

The dependent variable for this analysis is the percentage of black households categorized as affluent in a metropolitan area, also referred to as the black affluency rate in 2000. Following census convention, I categorize households by race using the census designated selfreported race of the householder. Unlike poverty, where federal government guidelines are commonly used to identify poor persons or households, there is no agreed upon way of identifying affluent persons or households.

Previous research has attempted to define affluence using various methods. Some researchers have suggested affluent households are those having income equal to or greater than an affluent income threshold based upon poverty rates (John 2002; Massey and Eggers 1993;

Smith 1988) or the national median income (Coulton et al. 1996; Massey 1996). Neither method is satisfactory because they do not adjust for regional cost-of-living differences. In contrast, Berube and Tiffany (2004) identified high-income households as those having a cost of living adjusted metropolitan area household income equal to or greater than the 80th percentile for the *nationwide* household income distribution.

To account for regional cost-of-living differences, I followed Berube and Tiffany's method and determine a metropolitan-area specific affluent household income threshold by adjusting the study *sample* 80th percentile household income using a metropolitan price index (MPI). For convenience, I refer to the sample 80th percentile as the sample affluent income threshold. I use the following formula to create metro specific affluent household income threshold income thresholds:

MSA affluent income threshold = sample affluent income threshold * MPI (1) Using Pareto interpolation, I estimate the number of affluent black households, per metropolitan area, as those households earning at least the metropolitan area adjusted affluent income threshold. The black affluency rate is simply the number of affluent black households divided by the total number of black households per metropolitan area.

I estimate the sample affluent household income threshold (\$80,850) using Pareto interpolation. Pareto interpolation, compared to linear interpolation, better adjusts for the comparatively smaller share of affluent households compared to the larger share of less affluent households—especially when making estimates above the income distribution's median (for a Pareto review see Berube and Tiffany 2004; Stults 2000). The MPI reflects variation in metropolitan housing cost expenditures (HCE). To estimate the HCE, I divided each metropolitan area's fair market rent (FMR) in 2000 for a two bedroom unit (as assigned by the
Department of Housing and Urban Development) by the estimated overall sample FMR (\$729).⁵² Thusly, I compute MPI using the following formula (Berube and Tiffany 2004):

$$MPI = HCE * .33 + .67$$
 (2)

Following Berube and Tiffany (p. 19), the HCE is multiplied by 0.33, to account for average national housing cost expenditures in 2000, then 0.67 is added to the previous product to account for fixed non-housing costs. The MPI ranges from 0.87 (\$70,340 in Youngstown—Warren, OH MSA) to 1.3 (\$105,105 in San Francisco, CA PMSA).

The set of independent variables used in the analysis included several metropolitan-level measures to account for the four opportunity structures. I explored the effects of economic opportunity using the percent of all civilians 16+ years of age employed in the following industries: manufacturing, public administration, education and health services, FIRE,⁵³ professional services, and retail trade. I also include the metro-level poverty rate to test for the effects of economic opportunity.⁵⁴ To test for black-white relational standing, I included variables for percent black, the black-white higher education ratio,⁵⁵ the black-white per capita income ratio,⁵⁶ the rate of black population change, and a dummy mayor variable if the central city of a metro area had a black mayor anytime between 1999 and 2001 (yes = 1, no =0).⁵⁷ I investigated the metropolitan diversity and residential opportunity structure using the following variables: the metropolitan-level (racial/immigration) diversity index,⁵⁸ the black-white

 $^{^{52}}$ The sample FMR is the average of each metropolitan area's FMR weighted by each area's total number of *all* households.

⁵³ Finance, Insurance, and Real Estate services.

⁵⁴ I exclude the metro area poverty rate in the regression analysis due to multicollineaerity.

⁵⁵ Black and white higher education is the percent of blacks (or whites), 25+ years of age, having at least a Bachelors degree.

⁵⁶ Both socioeconomic ratios are simply the black rate divided by the white rate.

⁵⁷ Taken from the Joint Center for Political and Economic Studies Black Elected Officials Reports (Bositis 1999, 2000, 2002)

⁵⁸ I combined percent foreign born and the metropolitan-level racial entropy index into one combined general metropolitan-level diversity construct for the regression analysis due to multicollinearity issues.

dissimilarity index, affluent black-non affluent black household dissimilarity index, both the neighborhood and black neighborhood poverty levels,⁵⁹ and the percent of all black households living in suburbs. To test for effects of regional location, each metropolitan area was coded into dummy variables based upon their Census Bureau region categorization of South, Northeast, Midwest, or West. The South served as the excluded reference category. I further tested for regional effects by including the variable percent of all blacks living in a different region of the country five years ago.

The dissimilarity index is a commonly employed index of racial residential segregation measuring the evenness in the residential distribution for two groups.⁶⁰ The 2000 black-white dissimilarity index was obtained from the Lewis Mumford Center⁶¹ while the author computed the affluent black-non affluent black household dissimilarity index (black class segregation). I measured metropolitan (racial/immigration) diversity by standardizing the percent foreign born and the metropolitan-level racial entropy index⁶² via z-scores and summing them together; the resulting metropolitan diversity index has a high reliability (chronbach's alpha = 0.85).

⁶⁰ The equation for the Dissimilarity Index is: $D = \left(\frac{1}{2}\right) \sum \left|\frac{Bi}{B} - \frac{Wi}{W}\right|$

⁶¹ Retrieved 2008 via the website (http://mumford.albany.edu/census/data.html).

⁵⁹ Defined as the percent of all persons (or all blacks), regardless of income, living in high poverty neighborhoods (Jargowsky, 1997).

where: B = the metropolitan black population; $B_i =$ the black population of tract i; W = the metropolitan white population; $W_i =$ the white population of tract i. The index ranges from 0 (no segregation) to 100 (complete segregation).

⁶² The equation for the Entropy Index is : $E_j = s * \sum_{k=1}^{k} \left(\frac{k_j}{t_j} * \ln \frac{k_j}{t_j} \right)$

where: k indexes racial groups, j metropolitan areas, and t the total metropolitan population of all racial groups. A scaling constant s limits the value of the metropolitan-level diversity index (*Ej*) from 0 (no diversity) to 1 (maximum diversity). The index uses six mutually exclusive racial groups (non-Hispanic black, non-Hispanic white, non-Hispanic Asian, non-Hispanic American Indian, non-Hispanic other race, and Hispanic).

Methods

My examination of metropolitan rates of affluence consists of two components. The first component evaluates the correlation coefficients of those variables hypothesized to be important predictors of the black affluency rate. The second component consists of a regression analysis for predicting the metropolitan-level black affluency rate. The dependent variable was transformed into logit form⁶³ to better meet the OLS requirement of a continuous dependent variable. The regression analysis followed this form:

$$Y = \sum \beta_{\kappa} \chi_{\kappa} \tag{3}$$

where *Y* is the logit of the proportion of each metropolitan area's black households defined as affluent, β_{κ} is the vector of parameters, and χ_{κ} is the vector of variables expected to influence the dependent variable.

RESULTS

I begin by presenting summary information regarding the black affluency rate for all 100 metropolitan areas and by geographic region. Next, I discuss the correlation coefficients between the independent variables and the affluency rate. I then proceed to examine the OLS regression model that seeks to explain the variation in metropolitan-level black affluency rate.

Descriptive Analysis

Table 4.1 presents the mean black affluency rate for all 100 metropolitan areas and by region. The mean metropolitan affluency rate for black households is 9.5 percent, having a range of 16 percentage points—with a low of 5.4 percent (Sarasota—Brandenton, FL) and a high of 21.7 percent (Middlesex—Somerset—Hunterdon, NJ). Regional differences in the black

⁶³ Also known as log-odds; it is simply the log of the odds. Logit black affluency rate = $\ln((\text{black affluency rate}))$.

affluency rate exist. The mean black affluency rate is greatest in the West (11.6 percent) and lowest in the South (8.3 percent). Results from separate t-tests (not shown) indicate black affluency rates are significantly lower in the South and higher in the West compared to those metropolitan areas not located in either region (*e.g.* South versus not South); tests also show rates are lower in the South and higher in the West compared to the sample average (9.5 percent). Results from ANOVA (not shown) indicate metropolitan-level black affluency rates are significantly lower in the South than in the Midwest or West.⁶⁴

Table 4.1: Black Affluency Rate by Region, 2000			
	Mean	Std. Dev	
Midwest MSAs (N=20)	9.2	2.1	
Northeast MSAs (N=19)	10.1	4.1	
South MSAs (N=41)	8.3	1.9	
West MSAs (N=20)	11.6	3.1	
All Metro Areas (N=100)	9.5	2.9	

Table 4.2 presents the correlation coefficients between the black affluency rate (logit form) and the independent variables used in the regression analysis. The majority of variables show statistically significant associations with the metropolitan-level black affluency rate and many have the expected direction of association. Metropolitan economic opportunity affects black affluency rates. FIRE has a weak positive association (r = .167), professional services has a weak positive association (r = .167), professional services has a weak positive association (r = .298). Contrary to expectations, neither employment in manufacturing, public administration nor the education/health sector proved statistically significant. These findings may suggest metropolitan areas experiencing economic restructuring (towards high-skill sectors) have greater black affluency rates.

The black-white relational standing structure also affects the black affluency rate. Both black-white socioeconomic ratio variables have a statistically significant, albeit weak, positive

⁶⁴ This is verified through ANOVA and post-hoc tests.

correlation with the affluency rate (r = .364 for the income ratio; r = .345 for the education ratio).

The percent black variable has a weak, negative association with the black affluency rate (r = -

.215). Neither correlation for the percent black population change nor the black central-city

mayor, however, proved statistically significant.

TABLE 4.2: Correlations for Ind. Vars. & Black Affluency (Logit)			
Economic Opportunity			
Manufacturing	0.051		
Pubic Administration	0.064		
Education & Health Services	-0.164		
FIRE	0.167*		
Professional Services	0.387***		
Retail Trade	-0.436***		
Poverty Rate	-0.298***		
Black-White Relational Standin	g		
Black-White Income Ratio	0.364***		
Black-White Education Ratio	0.345***		
Percent Black	-0.215**		
Rate of Black Population Change	-0.043		
Black Mayor Dummy	0.043		
MSA Diversity & Residential Opportunity			
MSA Diversity (entropy + foreign)	0.449***		
Black-White Dissimilarity Index	-0.161		
Black Suburbanization	0.366***		
Neighborhood Poverty Rate	-0.196**		
Black Neighborhood Poverty Rate	-0.405***		
Black Class Segregation	0.071		
Location			
Midwest Dummy	-0.027		
Northeast Dummy	0.074		
South Dummy	-0.349***		
West Dummy	0.384***		
Percent Black From Other Region	0.132		
*** p<0.01, ** p<0.05, * p<0.1			

Four of the metropolitan diversity and residential opportunity structure variables have statistically significant and expected associations with the black affluency rate. The metropolitan diversity index (r = .449) has a moderate positive association, black suburbanization has a weak positive association (r = .366), neighborhood poverty rate has a weak negative association (r = .196), and black neighborhood poverty rate has a moderate negative association (r = .405). Neither black-white residential segregation nor black class segregation proved significant.

The correlation coefficients for the regional location dummy variables complement the previous t-test findings. The South has a weak, negative association with the black affluency rate (r = -.349) while the West has a weak, positive association (r = .384). Neither dummy variable for the Midwest nor the Northeast proved statistically significant. Furthermore, the variable percent of blacks from other regions proved insignificant.

Black Affluency Rates: Regression Analysis

Table 4.3 presents the results for the black affluency rate multiple regression analysis. The results show the independent variables account for approximately 77 percent (Adjusted $R^2 =$.771) of the variation in the metropolitan-level black affluency rate. Results indicate variables from all four macro-level opportunity structures affect black affluency rates—substantiating, at least in part, the utility of the theoretical framework. I utilize the standardized regression coefficients (beta coefficients) when discussing all variables except the regional dummy variables.

The correlation analysis suggests three of the six variables measuring the impact of economic opportunity in the final regression model are associated with the black affluency rate. However, once the effect of all variables are controlled for, five of the six variables prove statistically significant and have the expected direction. Unlike the correlation analysis, employment in the manufacturing sector is statistically significant and has the single greatest relative impact ($\beta = .358$) of any of the economic structure variables. This finding complements recent literature that positively links metropolitan-level employment in the manufacturing sector with black male income attainment (McCall 2001; Wang 2008). This finding may also suggest that despite trends in economic restructuring, metropolitan areas having a substantial industrial economy, in part, based upon manufacturing rather than strictly high-end services, are important

to our understanding of the black affluency rate.⁶⁵ Not surprisingly, employment in high-skill economic sectors positively affects the black affluency rate. Professional services ($\beta = .294$) prove to be the most important high-skill service sector for explaining affluency rates followed by education/health services ($\beta = .209$), FIRE ($\beta = .182$), and public administration ($\beta = .143$). Furthermore, while correlation analysis suggests retail trade has a moderate negative correlation, regression analysis indicates its effect, while having the expected sign, is no longer statistically significant.

Table 4.3: Black Affluency Regression Results				
	Black			
VARIABLES	Affluency Rate	Beta		
Economic Opportunity				
Manufacturing	0.022***	0.358		
Pubic Administration	0.022**	0.143		
Education & Health Services	0.023**	0.209		
FIRE	0.029**	0.182		
Professional Services	0.039***	0.294		
Retail Trade	-0.034	0.115		
Black-White Relational Standing				
Black-White Income Ratio	2.880***	0.630		
Black-White Education Ratio	0.064	0.021		
Percent Black	0.001	0.016		
Rate of Black Population Change	0.002	0.089		
Black Mayor Dummy	0.040	0.056		
MSA Diversity & Spatial Structure				
MSA Diversity (entropy + foreign)	0.168***	0.508		
Black-White Dissimilarity Index	0.005*	0.196		
Black Suburbanization	0.004***	0.331		
Neighborhood Poverty Rate	0.019	0.159		
Black Neighborhood Poverty Rate	-0.010**	-0.215		
Black Class Segregation	0.420	0.086		
Location				
Midwest Dummy	0.055	0.071		
Northeast Dummy	-0.028	-0.035		
West Dummy	0.065	0.085		
Percent Black From Other Region	-0.001	-0.054		
Number of Metro Areas	100			
F Statistic (DF = 21, 78)	16.900***			
Adj. R-squared	0.771			
*** p<0.01, ** p<0.05, * p<0.1				

⁶⁵ Of course, jobs in the manufacturing sector may be both blue and white collar that pay well or poorly.

The black-white relational standing structure stills proves important for understanding the black affluency rate. Its effect, however, is more limited than expected. Unlike the correlation analysis, which indicated both black-white both socioeconomic ratio variables were significant and positively associated with the black affluency rate, only the black-white income ratio proves to have a statistically significant effect once the regression equation controls for the effects of all other independent variables. This finding is surprising considering the link between educational attainment and income. The beta coefficient for the black-white income ratio variable ($\beta = .630$), however, demonstrates its importance to the overall model; the income ratio is the *single* most important independent variable, having the greatest impact on the metropolitan-level black affluency rate. Perhaps not surprising, the significance of the black-white income ratio variable appears consistent with the commonsense notion that places having greater black income are associated with higher black affluency rates. Neither percent black nor the rate of black population change variables proved to be statistically significant in the regression model; this suggests those processes affecting metropolitan-level black affluency rates "work the same" regardless of the relative or change in size of a metropolitan area's black population. As with the correlation analysis, the variable black mayor was not significant in the regression analysis.

Regression analysis reveals metropolitan diversity and residential opportunity plays a role in producing metropolitan-level black affluency rates. Of all variables in the model, the metropolitan diversity index has the second greatest impact of the black affluency rate (β = .508), having a positive association. This indicates metropolitan diversity is likely an important process for understanding metropolitan variation in black affluency rates; it may also complement previous research suggesting immigration positively impacts black income attainment (Rosenfeld and Tienda 1999), perhaps suggesting a dynamic and growing economy.

Unlike the correlation coefficient, which suggested a non-significant negative association between black-white residential segregation and the black affluency rate, results from the regression analysis find a significant positive relationship (β = .196); this finding was not as expected. This apparent contradiction may suggest the effects of black-white residential segregation on black household affluence may also function indirectly, possibly via a negative effect on black educational and income attainment, rather than having an exclusively direct effect. It may also represent an increasingly common black residential geography predominately black *and* middle-class neighborhoods, found in metro areas such as Atlanta and Washington, DC. Such neighborhoods are increasingly popular for middle- and upper-class black households for a variety of reasons, including cultural affinity. This finding complicates our understanding of the effects of black-white segregation because it suggests not all effects are *necessarily* negative.

As predicted, black suburbanization (β =.331) has a positive association with the black affluency rate. Furthermore, its beta weight indicates that of all the metropolitan diversity and residential opportunity variables, black suburbanization has the second greatest impact (fourth overall) on affluence. The positive association between black affluency and suburbanization may complement Wilson's (1987) theory of black middle-class out-migration from inner-city ghettos into the suburbs and reflect a general desirability of suburban locations. Contrary to Wilson's thesis, however, black economic segregation was not significant in the regression analysis.

Whereas the correlation coefficients for both neighborhood poverty and black neighborhood poverty levels were statistically significant, regression analysis shows only the black neighborhood poverty level is significant once the effects of the remaining independent variables are controlled. As predicted, the black neighborhood poverty ($\beta = -.215$) has a negative

association with the black affluency rate, perhaps suggesting affluent black households attempt to avoid metropolitan areas with comparatively large black ghettos.⁶⁶

While preliminary examination of the descriptive results and correlation coefficients suggest regional variation in the black affluency rate may occur in the Midwest, South and West, once the remaining independent variables are controlled for, none of the regional dummy variables proved statistically significant. A complementary regression analysis (not shown), wherein the metropolitan diversity index is excluded from the independent variable list, suggests those metropolitan areas located in the West have a higher black affluency rate, all else equal, compared to those metropolitan areas located in the South. This finding is consistent with the previously discussed ANOVA findings. The West's advantage, however, appears accounted for once the metropolitan diversity index is included. This finding appears consistent with established literature showing higher levels of racial diversity/immigration and lower levels of black residential segregation for in metropolitan areas located in the West.

Most important for this study though, the non-significant regional results imply that what importance the South may have as a *homeplace* for affluent blacks is not revealed in this crosssectional analysis. If anything, this analysis implies the South is at a disadvantage compared to the West. In retrospect, this is not surprising considering much of the literature on black internal migration examines *changes* in the regional black population distribution. Perhaps a better test of the regional effect would examine *changes* in the metropolitan-level black affluency rate. Lastly, and contrary to expectations, the variable percent of blacks from different region proved not to be statistically significant in the regression model.

⁶⁶ As compared to historical notions of the ghetto, I use this term as defined by Jargowsky (1997), wherein a black ghetto is poor *and* black.

DISCUSSION

Affluence, which often captivates the imagination of popular culture, rarely garners attention from the academic or policy communities. Some speculate this is because affluence is rarely seen as a problem warranting serious investigation (Lee and Marlay 2007). Instead, much extant research investigates the causes and consequences of poverty, income attainment, or income inequality (e.g. blacks versus whites). I suggest, however, because so little is understood about affluence it would be mistaken to assume those factors involved with poverty or general income attainment, for instance, function in the same way on affluence. Furthermore, just as studies of poverty provide a qualitatively different frame for understanding economic stratification, compared to studies investigating income attainment (e.g., poverty rate versus per capita income), studies of affluence provide a frame for understanding economic stratification that is unique from either poverty or income attainment studies. This study attempted to fill this gap in the literature by developing a theoretical framework to explore the metropolitan-level black affluency rate. Furthermore, it attempted to construct a basic model to begin exploring how several *metropolitan opportunity structures* produce variation in the metropolitan-level distribution of the black affluency rate.

Pulling liberally from several macro-level theories associated with the black income attainment and poverty literatures, I examined how (1) economic opportunities suitable for generating and sustaining black affluence, (2) favorable relational standing for blacks relative to whites, (3) metropolitan diversity and ample residential opportunities, and (4) regional locations that attract black homeward migrants affect metropolitan-level black affluency rates for the 100 largest metropolitan areas in 2000. In general, I find that elements from each macro-level *opportunity structure* prove to be significant predictors of black affluence, thereby substantiating

many of my theoretical claims. The theory, tested via multiple regression analysis, indicated the proposed final model accounted for nearly 77 percent of the variation in the metropolitan-level black affluency rate.

My initial thoughts concerning the role of the metropolitan economic opportunity structure proposed black affluency rates would be positively associated with economic restructuring, particularly high-skill service sector employment. I offered the caveat, however, that even with the trend towards greater deindustrialization, employment in the manufacturing sector would be positively associated with the black affluency rate because previous studies found a positive association between manufacturing, black income attainment, and the metro-level family affluency rate. Results from regression analysis partially support this hypothesis. Of all the economic opportunity variables, employment in the manufacturing sector turns out to have the greatest relative impact on the black affluency rate ($\beta = .358$) while employment in retail trade, though having the expected negative association, was not statistically significant. Furthermore, employment in public administration, education/health services, FIRE, and professional services—those sectors the economic restructuring suggests are generally associated with higher-skilled high-paid employment—all had significant and positive associations with the affluency rate.

I also hypothesized favorable black-white relational standing would be important for understanding the black affluency rate because I suggested it functions as an indicator of real and/or perceived black opportunity, perhaps even reflecting lessened racial division. Results from the regression indicate greater parity in the black-white income ratio was significantly and

positively associated with the black affluency rate.⁶⁷ While the analysis cannot distinguish the causes of greater black-white income parity, it likely reflects a mix of metropolitan variation in black (and white) human capital and occupation factors and racial progress in employment practices. It is also likely affluent black households perceive areas having greater black-white income parity as offering greater opportunity for blacks and thus are more attractive places for affluent black households, all else equal. In comparison, however, the black-white educational attainment ratio was not significant.

The impact of favorable black-white relational standing was also tested with the variables: percent black, rate of black population change, and black mayor. Neither percent black nor black population change proved significant in the regression analysis; this suggests those factors affecting the black affluency rate work the same regardless of the relative or change in size of the black population. Thusly, the findings from this research offer no support for the racial threat hypothesis commonly argued to be associated with racial inequity. Lastly, having a black central city mayor was not significant.

Four of the six metropolitan diversity and residential opportunity structure variables were important for understanding the black affluency rate. The metropolitan-level (racial/immigration) diversity index has a positive association with the black affluency rate, having the second greatest relative impact on the black affluency rate ($\beta = .508$). In the regression analysis, the black-white dissimilarity index had a significant and unexpected positive association with the black affluency rate. I offered this direct segregation effect might be mitigated if, as some research suggests, segregation has a negative impact on black educational and income attainment. This interpretation would complement previous research that finds segregation has

⁶⁷ Black per-capita-income is less than the white per-capita-income in all metro areas. Therefore, in no metropolitan area does the black-white income ratio reach 1.0 (suggesting parity). Thusly a black-white income gap exists in all metro areas under study.

negative consequences for all blacks. However, I also suggested this positive effect may represent a recent trend in black social geography—greater numbers of predominately black *and* middle-class neighborhoods—thereby complicating our understanding of the effects of blackwhite segregation by suggesting not all effects are *necessarily* negative. Such an interpretation complements literature describing the positive consequences resulting from residential—for example, the emergence of ethnic enclave economies and greater ethnic cohesion.

As I hypothesized, black neighborhood poverty showed a significant and negative association while black suburbanization had a significant and positive association with black affluency rates. Of all the metropolitan diversity and residential opportunity variables, black suburbanization turned out to have the second greatest relative impact ($\beta = .331$). Black class segregation, however, was not statistically significant in the regression analysis. Though black economic segregation was not significant, the findings on black suburbanization and black neighborhood poverty complements Wilson's black middle-class out-migration hypothesis suggesting affluent black households likely are sensitive to the size and geographic extent of black ghetto poverty. While the empirical evidence is suggestive of greater rates of suburbanization by wealthier blacks, I did not measure the rate of suburbanization for middleclass or affluent black households directly. Therefore, I cautiously offer such a claim, suggesting more direct evidence is necessary to accurately describe the relationship between affluence and suburbanization. The positive association between affluency and black suburbanization likely reflects the desirability of suburban living, especially for middle-class and affluent black households.

Another important claim made in this study was the importance of regional location, in particular the South, for understanding variation in metropolitan-level black affluency rates. I

hypothesized the South may play a particular role in the geographical imagination of affluent black households. In particular, a cultural affinity for, and intergenerational connection to, the South may create a sense of place resulting in a "call to home" and an increasing reluctance to leave the South. Findings indicate metropolitan-level black affluency rates do differ significantly among regions of the country. ANOVA results indicate the West has a significantly higher mean black affluency rate than either the Midwest or the South. Regression analysis, however, indicates the advantage of the West is accounted for by the metropolitan diversity index. Simply stated, the black affluency rate is higher in diverse metropolitan areas, such as those commonly found on the West cost. Therefore, I do not find evidence that the South serves as a center for black affluence, all else equal, in this cross-sectional analysis. I offered, however, that much of literature on internal black migration examines *changes* in the regional distribution of blacks and therefore my analysis likely is not sensitive to the demographic shift recently taking place.

This research project aimed to add to a small, yet increasingly important, avenue of research exploring affluence, affluent places, and black diversity. The findings from this research project challenge our understanding of social and economic stratification by investigating variation in the metropolitan-level affluency rate for black households. While this research project is exploratory in many respects, I have attempted to uncover those metropolitan-level opportunity structures favoring higher rates of black affluence. An important takeaway is that many of those opportunity structures thought to affect poverty and income attainment likely affect affluency rates but in complex and possibly indirect ways. Future studies should build upon the limitations of this study by developing more nuanced models of black affluency rates that account for direct and indirect effects (*e.g.*, path analysis), especially with regard to the impact of residential opportunities. Furthermore, studies should examine directly how black

employment by industry affect black affluency rates. Future studies should also examine the rate of change in metropolitan black affluency rates. Lastly, black and white affluency rates should be compared directly to better understand any existing racial disparities in rates of affluence.

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CHAPTER 5

CONCLUSIONS

Over the past three decades, volumes of the research studying the nation's African American experience often treated the black community homogeneously, failing to acknowledge the great diversity within the community or it focused upon the most disadvantaged segment of the black population (*i.e.*, the black underclass). This narrow focus may be understandable, especially with regard to examination of the underclass and the disadvantage many suffer from living in neighborhoods of concentrated poverty. Additionally, some may argue that since the passage of the civil rights amendments, enforcement of fair housing laws, and greater tolerance for diversity, those blacks with greater economic and social capital have more ability than ever before to move into places of their choosing. Such a focus tells only part of the story of the black community. I argue much may be gained, theoretically and policy wise, when researchers examine the ways in which race and class *intersect* to affect the life chances, quality of life, or the residential settings of a socially and economically *diverse* black community.

Recent scholarship has begun to challenge such simplified notions of the black community by investigating the black middle-class and the quality of places in which they live. Findings from this research generally find middle-class blacks live in segregated communities and are not immune from the negative effects of living in areas evincing high social disadvantage (Adelman 2004; Alba, Logan, and Stults 2000; Cashin 2004; Pattillo-McCoy 1999, 2000). Despite a vast literature documenting black residential segregation and suburbanization, in general, we know little about the residential geography of *affluent* blacks or the impact such geographies may have on their quality of life. In all, scholarship investigating the relationship between race, class, and place has done little to advance our understanding of the geography of affluent black households. What has been lacking in the established literature is a comprehensive exploration of the geography of black affluence—one that explores residential segregation, neighborhood quality outcomes, and processes of neighborhood- and metropolitan-level sorting.

This dissertation began to address such shortcomings in this geographic story by examining the way race and class intersects to affect the geography (spatial outcomes) of affluent black households. Chapter 2 sought to understand existing differences in affluent black-affluent white residential outcomes via residential segregation and neighborhood quality. Chapter 3 explored the group-level processes that help explain the aggregation of affluent black households at the neighborhood-level. Chapter 4 investigated black household affluence at the metropolitan scale by theorizing about, and testing how, various macro-level opportunity structures shape metropolitan-level black affluency rates.

In Chapter 2, I investigated how the intersection of race, class, and place affected the residential segregation of affluent black households and their residential outcomes in terms of neighborhood quality using census tract data from 229 metropolitan areas. Findings reveal affluent black households are highly segregated from white households via two commonly used measures of residential segregation—thereby complementing previous research documenting the across-the-board high rates of residential segregation experienced by much the black community regardless of socioeconomic status. Additionally, affluent black households are actually *more* segregated from their white economic peers than they are from white households in general. Furthermore, a neighborhood integration index showed affluent black households live in more racially diverse neighborhoods than do affluent white households; in comparison, affluent white

households live in overwhelmingly white neighborhoods. Thus, it appears race is still more important than class for explaining black-white segregation.

Not only are affluent black households highly segregated from white households and their white economic peers, on average, affluent black households live in neighborhoods having lower quality than do affluent white households. Affluent black households live in neighborhoods with about twice as much neighborhood social disadvantage compared to affluent white households. The average affluent black household residing in the West, however, lives in the highest quality neighborhoods. Taken together, these findings complement previous research showing middle-class blacks are not immune from the negative effects of residential segregation, including a higher tendency to live in neighborhoods having lower quality than similarly positioned whites.

Chapter 3 elaborated upon the intersection of race, class, and place by investigating those *processes* believed to be associated with group-level neighborhood outcomes using census tract data from 229 metropolitan areas. Specifically, this Chapter aimed to contrast two commonly presented theories of neighborhood attainment, spatial assimilation and place stratification, to determine which one offers greater insight into understanding the processes associated with the neighborhood aggregation of affluent black households. Using negative binomial regression to predict the number of affluent black households at the census tract level, results suggested affluent black household aggregations are positively associated with black neighborhood socioeconomic status and negatively associated with white status. At the neighborhood-level, neighborhood quality and demographic factors prove important for understanding the geography of affluent black households. At the metropolitan-level, residential segregation, racial composition, and regional location affect the neighborhood aggregation of affluent black

households. In the end, I argue place stratification theory best describes the *process* of grouplevel neighborhood attainment for affluent black households and suggest affluent black households are restricted, at least partially, by the nation's existing racial hierarchy.

In Chapter 4, I move from the neighborhood scale to the metropolitan scale to explore variation in the black affluency rates for the 100 largest metropolitan areas in 2000. I argued affluent black households tend to concentrate in *metropolitan areas of opportunity*. These metropolitan areas have comparatively higher black affluency rates because they are characterized by four types of *opportunity structures* favorable to affluent black households: (1) economic opportunities suitable for generating and sustaining black affluence, (2) favorable relational standing for blacks relative to whites, (3) metropolitan diversity and ample residential opportunities, and (4) regional locations that attract black homeward migrants. Regression analysis revealed that employment in manufacturing and those economic sectors associated with economic restructuring (*i.e.*, professional services, public administration, education/health, FIRE) impact the black affluency rate. Results also indicated the black-white income ratio has the single greatest impact on the black affluency rate. Additionally, metropolitan-level (racial/immigration) diversity, black neighborhood poverty, and black suburbanization, influence metropolitan rates of black affluency. Regression findings failed, however, to find evidence suggestive of unique regional effects.

In general, I argue in this dissertation that affluent black households are not immune from the negative effects of society's racial structure. For example, compared to their white economic peers, affluent blacks' economic position does not shelter them from living under conditions of high segregation or lower neighborhood quality. I also find place stratification theory best represents the process associated with the aggregation of affluent black households at the

neighborhood-level. At the metropolitan scale, rates of black affluency are related to larger forces of economic opportunity, favorable black-white standing, and metropolitan diversity/residential opportunities. Fundamentally, this research project reinforces the importance of incorporating black diversity into our thinking when seeking to understand the black American experience and perhaps the larger implications of race in America.

While it is not a far leap to suggest increasing black household income and the black affluency rate are laudable goals in a general sense, in terms of policy implications, one must ask are greater *concentrations/aggregations* of affluent black households a net positive. Part of this answer may be dependent upon the scale of analysis under consideration. For example, findings from Chapter 3 suggest efforts aimed at reducing residential segregation via fair housing programs and pro-integrative policies may *reduce* the aggregation of affluent black households at the neighborhood level. Results also suggest policies that promote higher black income attainment and greater black educational attainment may likely increase the aggregation of affluent black households at the neighborhood aggregation of affluent black households may come at a price if such aggregations are positively associated with affluent blacks living in lower quality neighborhoods, on average, compared to similarly positioned affluent white households. However, results from Chapter 4 reveal black-white segregation is positively associated with the black affluency rate at the metropolitan scale.

Future research should build upon the shortcomings and findings from this dissertation. I suggest affluency is likely sensitive to how one defines it. As demonstrated by the two different methods used to estimate affluency in this dissertation, a more thorough investigation of the effects of varying affluency estimation methods is warranted. Future research should use

quantitative residential attainment models that incorporate individual-level data, such as confidential census data, to provide greater clarity with regard to the ability of spatial assimilation or place stratification to describe the residential outcomes of affluent black households. Additionally, neighborhood racial preferences should be directly incorporated into quantitative studies whenever possible, perhaps reflecting a need to use primary survey data rather than secondary data sources. Furthermore, an increased reliance on in-depth qualitative studies might help resolve the racial preference effect by allowing researchers to more critically evaluate affluent households stated preferences in ways not possible with quantitative studies.

Furthermore, the positive association between metropolitan-level black-white segregation and both the neighborhood aggregation of affluent blacks and the metropolitan-level black affluency rate begs for additional research. With regard to Chapter 4, future studies should build upon the its limitations by developing more nuanced models of black affluence that account for direct and indirect effects (*e.g.*, path analysis), especially with regard to the impact of residential opportunities. Additionally, studies should examine directly how black employment by industry affect black affluency rates. Future studies should also examine the rate of change in metropolitan black affluency rates. With regard to affluence in general, existing differences in black and white affluency need to be directly compared to better understand potential racial disparities.

This dissertation examined black household affluency during the 1990s and its findings cannot speak directly to the changes in the subsequent decade. However, I suggest a number of key events that have taken place between 2000 and 2010 will likely affect our understanding of the geography of affluent black household affluency during the first decade of the 21st century. The national economy, housing market, and black immigration will likely continue to affect the

growth and distribution of affluent households. Changes to the economy will likely have a significant impact on black affluence. The American economy began the decade of the 2000s in recession (especially the West Coast), experienced the rapid growth and subsequent bursting of a speculative housing bubble, and continues to linger through the effects of the Great Recession that began in 2007. The result of these economic conditions has been high rates of unemployment, housing foreclosures, and the dramatic tightening of credit. African Americans, in particular, have been hit hard from the current economic downturn—suffering from higher rates of unemployment compared to the nation as a whole.

The impact of the economic downturn may be to diminish black household incomes thus lowering the black affluency rate. Furthermore, to the extent neighborhoods in black communities suffered from high rates of home mortgage foreclosures (e.g., Detroit), the potential for a reduction in neighborhood quality and the loss of wealth (via declines in home equity) gained during the 1990s is significant. Furthermore, taking inflation into account, the affluent household income thresholds used in this analysis are likely subject to the effects of the economic downturn; this suggests additional measures of "affluence," perhaps those high-status measures of the black bourgeoisie should be incorporated into future research. For example, future research may want to utilize measures of wealth, educational attainment, and occupational status in addition to income. Finally, the American Community Survey, which replaces the Census' decennial long-form questionnaire, will provide greater ability to measure on-going changes in black affluency. Thusly, continued social/economic changes and improved measures of affluency will likely provide greater insight into the geography of black affluency.

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