




## Special Edition on Racism in America

The Special Edition on Racism in America provides scholarly information on the insidious nature of racism and offers solutions in an effort to eliminate it from society.

# The Rising of Systemic Racism and Redlining in the United States of America

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## Abstract

Systemic racism and redlining are synonymous with one another. This essay reviews the history of scholarly research and discussion regarding affordable housing and its impact on ethnic groups in the United States, especially Black African Americans. Affordable housing celebrated its 100th anniversary in 2017, yet much still needs to be done. Moreover, the U.S. Shipping Act of 1917 and Moving to Opportunity (MTO) Intervention Demonstration Program (1994–2009) are congruent to this essay.

**Keywords:** *Affordable housing, Urban housing policy, Systemic racism, Redlining, Black African Americans, Federal housing policies, Low-income families, Discrimination and segregation, Generational poverty, Public housing policies*

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## Introduction

Systemic racism is one of the most important affordable housing building blocks in the United States since the promulgation of the “1638 Maryland Edict/Doctrine of Exclusion” affecting only Black African Americans (Anderson, 1997). This intentional separation of races became a public policy and continues to exist today. Redlining, on the other hand, is the cohort, and the 20th-century extension of the Maryland Edict of Exclusion (not discussed here), where banks, finance, and insurance companies intentionally refused Black African Americans mortgages, while steering them into segregated industrial neighborhoods (Rothstein, 2017; Anderson, 1997). As defined by The Annie E. Casey Foundation (2020), systemic racism (known as “systemic racialization”) is “a dynamic system that produces and reciprocates racial ideologies, identities, and inequities. In addition, it is a well-institutionalized pattern of discrimination that cuts across major political, economic, and social organizations in society.” Affordable housing became the catalyst for public policy to continue the process of systemic discrimination and segregation against Black African Americans using de jure and de facto laws in the early 20th century (Rothstein, 2020; Flournoy, 2020).

Through the U.S. Shipping Act of 1917, the Home Owner's Loan Corporation (HOLC), and the Public Works Administration (PWA), systemic racism, redlining, segregation, and racial discrimination accelerated against Black African Americans. In 1977, the Community Reinvestment Act (CRA) was passed to show that the government was assisting in the elimination of racial discrimination and segregation in the banking, insurance, and finance industries. Unfortunately, this disingenuous law, developed and implemented by public policy makers, shadowed racial discrimination and segregation in those neighborhoods the banks were supposed to service. In addition, two housing policies were in progress to allow poor and low-income families to relocate in White neighborhoods via the U.S. Department of Housing and Urban Development (HUD). These housing policies, however, were court ordered based on systemic racial discrimination and segregation. Moreover, this process was the foundation for the rise of the Black Slave Codes in 1705, the Ku Klux Klan (KKK), White supremacy, and today's underlying public policy that is being enforced by the United States's law enforcement divisions.

In 1992, due to many killings in urban centers, the U.S Congress promulgated the Moving to Opportunity (MTO) Intervention Demonstration Program, hoping to alleviate and deconcentrate poverty in these cities. William J. Wilson's (2012) theory on spatial mismatch provided the federal government an opportunity to gentrify the inner-city environment. By relocating the poorest families to affluent neighborhoods, the hope was that better employment and education would provide available opportunities to increase these families' socioeconomic self-sufficiency (SES), where they could sustain affordable housing. According to Richard Rothstein's (2017) study, *Color of Law*, the history of redlining was intentionally propagated by the federal government prior to Roosevelt's New Deal. In addition, the Federal Housing Administration (FHA) in 1934, combined with the Home Owner's Loan Corporation (HOLC) in 1933, created color-coded maps with red as the riskiest areas. Coincidentally, an FHA underwriting manual, instructing agents to retain the same social racial class where Whites lived, steered Black African Americans to poor areas.

Redlining and systemic racism began with the outset of affordable housing policies in 1917. Consequently, the federal government initiated the process by allowing de facto and de jure laws to violate the U.S. Constitution and continue racial discrimination and segregation against Black African Americans (Flournoy, 2020; Rothstein, 2017; Prior & Kemper, 2005). In doing so, the Maryland Edict/Doctrine of Exclusion was being further indoctrinated into the federal state and local public policies that still exist today. As noted earlier, systemic racism has been the main building block in America since 1638, with the separation of races (Anderson, 1997). Redlining is the 20th-century addition that exacerbated racial discrimination and segregation, which brought an extra gauntlet in destroying the cultural and societal relationships between White and Black African Americans. Coincidentally, the 1968 Kerner Report stated that "our nations are moving towards two societies, one black, one white—separate and unequal" (Nelson, 1970, p. 456). Moreover, it was noted by Jones et al. (2018) that "white racism and pervasive discrimination was the cause of the 1968 riots in Newark, NJ and Detroit, MI."

The problem of systemic racism and redlining has been exacerbated by today's political environment. The 2016 presidential election of Donald Trump and his administration has accelerated racist ideology in the White House and Congress. The Trump administration has leaned toward recognizing White supremacy, which opened the doors for violence between White and Black American citizens. Moreover, the Trump administration appears to have allowed law enforcement to get away with police killings of Black African American men and women between 2016 and 2020. Racial discrimination has increased since Trump took office (Inclusive Community Project's, 2020). Republican governors who support Trump increased their push toward voter suppression in Black African neighborhoods, closing voter locations only in these neighborhoods, noted during the 2018 Georgia governor's race, as well as the 2020 Presidential election.

## Participants Materials Procedure

Social and economic scientists should be asking why they should be focused on the topic of redlining and systemic racism. Congruently, redlining, and systemic racism have continued to escalate in 2020. In contrast, researchers suggest racism and redlining had decreased between 1998 and 2015 (Del Rio et al., 2015; Lee, 2016; Wright & Merritt, 2020). The next question to ask is how is society today handling systemic racism and redlining? Recent data collected suggests that systemic racism and redlining are in full operation (Rothstein et al., 2020). With Dallas, Texas as a focal point, policies like the Community Reinvestment Act (1977) and the Moving to Opportunity (MTO) programs have not achieved intended outcomes. Moreover, investigations completed by Schechter et al. (2020) concluded that banks redlined Blacks and Hispanics south of the Dallas I-30 boundary line. In addition, the Including Community Project's (ICP's) 2017 landlord apartment survey report found rampant discrimination against Housing Choice Voucher (HCV) holders in four surrounding counties (2020). The report noted that 7% of landlords accepted HCV subsidies. In turn, ICP claimed that the Dallas metropolitan area continues to use exclusionary housing practices, with 2020 being a year of racial segregation for low-income families, especially Black African Americans. Subsequently, the report showed a 5% acceptance in non-White Hispanic zip codes and 46% in majority Black zip codes (ICP, 2020). As claimed by ICP, the 18 cities rejecting 100% HCVs were designated as voucher no-go-zones. Like ICP's survey, the Schechter et al. (2020) investigation claimed the CRA was a failure. After interviewing participants and CRA members, ICP noted that 20% of Dallas banks who drew maps that excluded parts of south Dallas passed bank regulation approval.

While Americans watched a live insurrection of the United States on January 6, 2021, where thousands of White Americans stormed and committed destruction of the U.S. Capitol building without any arrests at the time, many observers confirmed that systemic racism is more than alive and well. If Black Lives Matter (BLM) had stormed the U.S. Capitol building, they would have been arrested or shot before stepping foot on the property. In turn, affordable housing, like the U.S. Justice system, has a two-tier platform, one for Black Americans and one for White Americans. As Betsy Martens (2009) claimed, a two-tier system was intentionally set up by the U.S. Congress in 1937 to prevent low-income housing from competing with private development. This two-tier system is still in full operation today. Qualitative data with the support of various quantitative data collected confirmed that redlining and systemic racism has further been embedded into the American affordable housing policy for low-income families, especially for Black African Americans. Richard Rothstein (2020) made it clear in his *New York Times* article that legislatures in New York during 1938 allowed Metropolitan Life Insurance Company to develop housing projects for "whites only" in the Bronx, New York, such as Parkchester and Stuyvesant Town in Manhattan, that excluded Black African Americans. In doing so, the federal, state, and local governments ignored the 13th, 14th, and 15th Amendments of the U.S. Constitution.

In answering the first question, why should social and economic scientists be focused on the topic of redlining and systemic racism?, Governor Kate Brown succinctly said, "success begins at home, and a safe, stable, affordable place to live keeps families healthy, helps people find and keep jobs and helps kids come to school ready to learn. A home keeps families stable and connected" (National Low Income Housing Coalition [NLIHC], 2015). Findings from recent studies coincide with the second question, how is society today handling systemic racism and redlining? For example, Peter Bergman et al.'s (2020) quasi-experimental analyses and comparison study coincides with Imbroscio's (2004), DeLuca's (2012), and Basolo's (2013) research. Their studies suggest rebuilding communities where low-income families already live. Moreover, Bergman et al. concur with Imbroscio, DeLuca, and Basolo that low-income families do not want to live in low-opportunity neighborhoods due to various barriers such as not in my backyard (NIMBY), landlords refusing HCV payments, systemic racism, bank redlining, and income discrimination. Findings by Flournoy's (2020) study acceded with previous social and economic scientists that MTO programs need to redesign their

affordable public housing policies to match the participants' characteristic make-up to coincide with participants housing needs.

Current housing studies suggest that new policy redesign is a must with more attention towards mobility and income equality, according to Carrol and Chen (2016) and Bergman et al. (2020). If social scientists and economists are to reduce generational poverty by eliminating systemic racism and redlining, income distribution must change. Moreover, government officials at all levels must address the use of de facto and de jure laws. As of today, the government has been turning its back on how communities can violate the 13th, 14th, and 15th amendments without any penalties. According to Glenn Burleigh (2021), HOLC redline mapping, as well as decades of federal, state, and local systemic racism and segregation are still in full operation in the St. Louis area. More so, these redline maps solidify the patterns of redlining and systemic racism, making it hard for Black African Americans to move forward and out of generational poverty. These disparities add hardship and an increase in health issues. Without access to better financing, low-income families cannot properly maintain their houses, a situation that advances the deterioration of their community and lost property value.

As stated in the introduction of this article, the 1638 Maryland Edict of Exclusion (formerly the “Doctrine of Exclusion”) is in full operation. The separation of Black African Americans and White Americans can be seen in how our communities have been developed. To this day, more segregated communities exist than ever. In every U.S. city, low-income families live in the poorest and most dilapidated neighborhoods with no access to decent shopping centers or employment opportunities (Wright & Merritt, 2020). In addition, local police have been shooting Black African American males at a high rate, exacerbating systemic racial tension. It has come to the point that something must be done to correct the path the U.S. affordable housing is leaning towards. As stated by Pickett and Burns (2020), history has shown the suffering and economic hardship Black African Americans have experienced in America. Current public housing policies tend to appear disingenuous and lack direction. However, the Creating Moves To Opportunity (CMTO) Demonstration program in Seattle, King County, appears to be a promising model. Moreover, the CMTO program mimics the Gautreaux program of 1968 in that the participants/low-income residents had assistance from the program's staff members in finding available rental units in low-poverty neighborhoods. Bergman et al. concluded that 73% of the 430 low-income participants moved to low-poverty neighborhoods where HCV amounts were increased to meet the higher AMR (area monthly rent). In doing so, Bergman et al. (2020) suggest replicating the CMTO model for future policy changes, which, it appears, can improve the livelihood of low-income families.

## Conclusion

Redlining and systemic racism have not decreased over the past three decades, as White Americans have suggested. This essay's author suggests that systemic racism is not a Black African American problem, but rather a White American problem. Unfortunately, Black African Americans have been affected by the racism White Americans have against people of color, especially Black African Americans. Redlining was a reinforcement of systemic racism that has been perpetuated by the federal government in collaboration with the private real estate industry since 1937. All housing policies since then have been disingenuous and only served White American communities (Rothstein, 2017; Wilson, 2012). In addition, Flournoy (2020), Rothstein (2017), and Martens (2009) claim that Congress mitigated housing policies that appear to be adequate in serving low-income families, where the majority of the benefits serve White populations, or rather White home owners. Moreover, the first 100 years of public affordable housing policies have been rife with false agendas that disenfranchised Black African Americans, as well as exacerbated inequality in income and job opportunities.

The United States of America has a long way to go to resolve this problem of systemic racism and redlining. As suggested by Carroll and Chen (2016), Bergman et al. (2020), Rothstein (2017), and Flournoy (2020) the CMTO model must address income inequality issues to provide a viable avenue for low-income families to achieve socioeconomic self-sufficiency (SES). As noted by Flournoy (2020), current policy makers interviewed appeared to acknowledge that changes need to be made to address the issues discussed above. I hope that, by bringing this problem to an open forum, a resolution of changes can be made. I suggest that public policy makers need to focus on solutions since there is adequate data on redlining and systemic racism in the United States. Moreover, the solution should be based on action with stronger penalties that are enforced in new public housing policies.

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