

RACE – The Power of an Illusion.

What is this thing we call 'race'? *RACE - The Power of an Illusion*, broadcast by PBS, is the first documentary series to scrutinize the very idea of race. A portion of the series' final episode, "The House We Live In," was screened at the HUD National Fair Housing Conference.

This episode asks: if race isn't biology, if it doesn't "live" in the body, where does race live and why does it still matter? Just because race isn't biological doesn't mean it's not real, affecting life chances and opportunities.

Using Levittown, NY as a case study, the video sequences previewed at the conference uncovered the saga of how it was federal practices and subsidies that made the post-War, all-white suburbs possible. These housing policies contributed to two legacies that still haunt us today: segregated communities and an alarming - and growing - racial gap in household net worth. This wealth gap in turn is a prime cause of other racial disparities, from SAT scores and graduation rates to health.

After WWII, white suburbs like Levittown didn't just pop up around the country all by themselves. They were made possible by a set of revolutionary New Deal programs led by the Federal Housing Administration that enabled millions of average white Americans to own a home for the first time. Down payment requirements were reduced from as much as 50 percent to 10 or 20 percent and the time to pay off the remaining mortgage was extended from five years to 30 years.

We meet Italians, Jews and other European ethnics, just a few years before considered "not quite white," who moved into these new, segregated suburbs. There, they blended together and reaped the advantages of whiteness, including the accumulation of equity and wealth as their homes increased in value. Yet those opportunities for asset accumulation and upward mobility were denied many people of color.

The film introduces us to Eugene and Bernice Burnett, an African American couple. Though a WWII vet, Mr. Burnett recounts how they were turned away when they eagerly tried to buy a home in Levittown. "Listen, it's not me," Mr. Burnett recalls the real estate agent telling him. "But the owners of this development have not as yet decided to sell to Negroes."

But it wasn't only discriminatory real estate practices that kept African Americans and Latinos out of the new suburbs. Federal investigators evaluated 239 regions for lending risk. Communities with a mere one or two black families were deemed ipso facto financial risks and thus found themselves ineligible for low-cost home loans. The film shows old government appraisal maps, adopted by the mortgage industry, which colored those neighborhoods red -- hence the origin of the term "redlining."

"As a consequence," explains Melvin Oliver, author of *Black Wealth, White Wealth*, "most of the mortgages went to suburbanizing America, and it suburbanized it racially." Between 1934 and 1962, the federal government backed \$120 billion of home loans; more than 98 percent went to white families.

When the white residents of Eight Mile Road in Detroit were told they were too close to a Black neighborhood to qualify for a positive FHA rating, they built a six-foot wall between themselves

and their Black neighbors. Once the wall went up, mortgages on the white properties were approved.

According to Matthew Frye Jacobson, Author of *Whiteness of a Different Color: European Immigrants and the Alchemy of Race*, "The racial logic adopted the principle that an integrated neighborhood is likely to be an unstable neighborhood and a bad financial risk."

The film also takes us to Roosevelt, a Long Island suburb less than five miles from Levittown. Once realtors began selling to African Americans in the '60s, the neighborhood quickly changed from white to black because of real estate steering, block-busting and white flight. The town then fell into decline. Buy why?

It wasn't African Americans moving in that caused housing values to go down in Roosevelt and other neighborhoods, it was whites leaving. Oliver explains: "If African Americans are 20% of that market, it means that 80% of the people are not looking in those places for homes. So the price of those homes declines or stays stable. And banks contribute to this by making loans in regions that are on the rise, in white communities, and making it difficult to get loans in Black communities."

When the whites left, they took capital and resources with them. Business closed and moved away and the county used Roosevelt as a dumping ground for welfare families. A spiral of decline had begun.

The consequences of housing segregation are profound. Today, the median African American family has only one-eighth the net worth of the median white family. Even when they make the same income, white families have over twice the wealth. Much of that gap is due to home equity and family inheritance.

Dalton Conley, author of *Being Black: Living in the Red*, says, "It is really the legacy of racial inequality from generations past. No other measure captures the legacy, the sort of cumulative disadvantage of race, or cumulative advantage of race for whites, than family net worth or wealth."

But what happens when we compare families across the colorline who have similar wealth? Recent research by Conley and others shows that when you compare Black children from families with the same income AND wealth level as white children, rates of college graduation are the same, rates of employment and work hours are the same, rates of welfare usage are the same. The "performance gap" between whites and nonwhites is a product not of nature, but unequal circumstances.

That's because a family's net worth is not simply the finish line, it also sets the playing field for the one's children. Those with wealth pass their assets on to their kids - by financing a college education, lending a hand during hard times, or assisting with the down payment for a home. Some economists estimate that up to 80 percent of lifetime wealth accumulation depends on these intergenerational transfers. White advantage is passed down, from parent to child to grand-child. As a result, the racial wealth gap - and the head start enjoyed by whites - appears to have grown since the civil rights days.

Conley explains, "So when we're talking about race in terms of a cultural accounting of these differences, or a genetic accounting of these differences, we're really missing the picture, because we're making the wrong comparison...The rewards - the house, the Lexus, the big

bank account - those are not only the pot of gold at the end of the game, they're also the starting position for the next generation."

While the civil rights statutes officially ended de jure legal inequality, they did nothing to address the underlying economic and social inequalities made possible by generations of racial preferences for white people. "Colorblind" policies that treat everyone the same, no exceptions for minorities, are often counter-posed against affirmative action. But colorblindness today merely bolsters the unfair advantages that color-coded practices have enabled white Americans to long accumulate. Supreme Court Justice Harry Blackmun recognized this when he wrote in the *Bakke* decision in 1978, "To get beyond racism we must first take account of race. There is no other way."

More information on "The House We Live In" and the video series *RACE – The Power of an Illusion*, including a Discussion Guide, is available from the series producer, California Newsreel, at www.newsreel.org.