

Home foreclosures fueled racial segregation in US

May 6 2015, by Ted Boscia

Some 9 million American families lost their homes to foreclosure during the late 2000s housing bust, driving many to economic ruin and in search of new residences.

Hardest hit were black, Latino and racially integrated neighborhoods, according to a new Cornell analysis of the crisis, widening divides between white and [minority communities](#) in U.S. cities. Led by demographer Matthew Hall, researchers estimate racial segregation grew between Latinos and whites by nearly 50 percent and between blacks and whites by about 20 percent as whites abandoned and minorities moved into areas most heavily distressed by foreclosures.

Forthcoming in the June issue of *American Sociological Review* and published online April 22, the paper, "Neighborhood Foreclosures, Racial/Ethnic Transitions, and Residential Segregation," noted that the crisis spurred one of the largest migrations in U.S. history, changes that could alter the complexion of American cities for a generation or more.

"Among its many impacts, the [foreclosure crisis](#) has partly derailed progress in achieving racial integration in American cities," said Hall, assistant professor of policy analysis and management in the College of Human Ecology.

Examining virtually all urban residential foreclosures from 2005 to 2009, Hall and co-authors find that mostly black and mostly Latino neighborhoods lost homes at rates approximately three times higher than

white areas, with ethnically mixed communities also deeply affected. They estimate that the typical neighborhood experienced 4.5 foreclosures per 100 homes during the crisis, but the figure rises to 8.1 and 6.2 homes in predominately black and Latino areas, respectively, while white neighborhoods lost only 2.3 homes on average.

As an avalanche of foreclosures buried minority and racially mixed communities, their white populations shrank and black and Latino populations swelled. Researchers found that white households were significantly more likely to leave areas with high foreclosure rates, while black and Latino families entered these neighborhoods out of necessity or to seek newly affordable housing options.

"Not only were white households less likely to be foreclosed on, but they also were among the first to leave [neighborhoods](#) where [foreclosures](#) were high, particularly those with racially diverse residents," said Hall.

More information: "Neighborhood Foreclosures, Racial/Ethnic Transitions, and Residential Segregation." *American Sociological Review* 0003122415581334, first published on April 21, 2015 [DOI: 10.1177/0003122415581334](#)

Provided by Cornell University

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