

RACE AND HOME VALUES IN DURHAM, NC

NICK DATTO, PEI YI ZHUO

PROJECT MANAGER: OMER ALI; FACULTY LEAD: WILLIAM A. DARITY, JR.

INTRODUCTION

The median white household in the US holds roughly 10 times as much wealth as the median black household. **Racial discrimination** in housing may have prevented African American households from accumulating wealth over time.

To investigate racial disparities in home values in Durham, NC, we employed two different approaches: **(1) using tract level data from 1970-2018, (2) using address level data from 1940-2020.** Both approaches show that **(3) historic racial disparities in home values are still present today.**

REDLINING

The Home Owners' Loan Corporation (HOLC) was a New Deal era governmental organization. It made judgments on whether neighborhoods in 239 American cities were safe or risky candidates for home loans.

The HOLC considered the racial compositions of neighborhoods in their evaluations (among other factors). **Neighborhoods with black residents were consistently rated as risky** for mortgage lending, assigned the lowest grade ("D"), and colored red in residential security maps.

DATA SOURCES

Ancestry.com, U.S. Census Bureau, and Durham County Tax Administration.

(1) HOME VALUES BY TRACT (2014-2018)

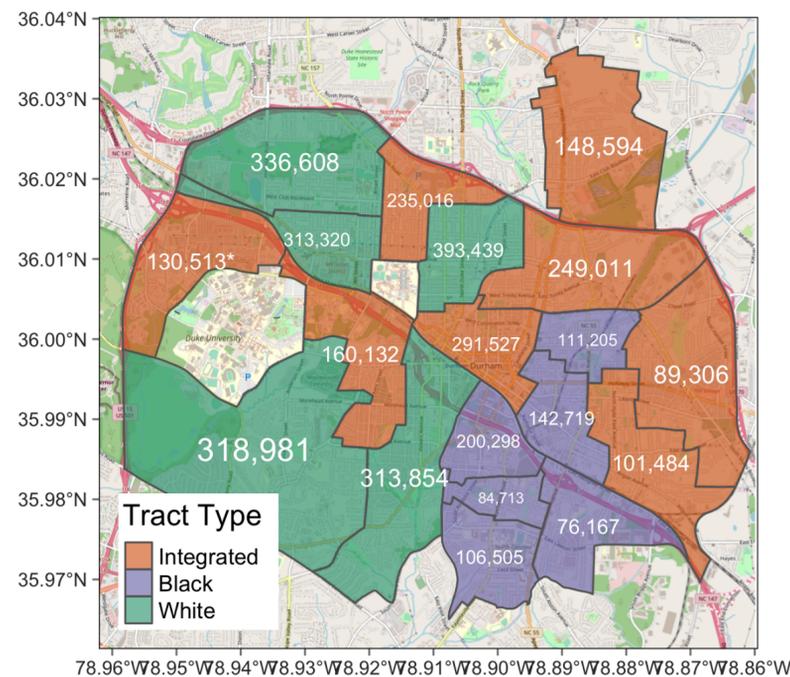


Figure 1: "White" census tracts remained majority white from 1970 to 2014-2018, "Black" tracts remained majority black from 1970 to 2014-2018, and "Integrated" tracts are all others. *Data for this tract was not available for 2014-2018; 2010 value is used instead. (Data from Social Explorer; Shapefile from U.S. Census Bureau)

(2) MAP OF SAMPLE ADDRESSES

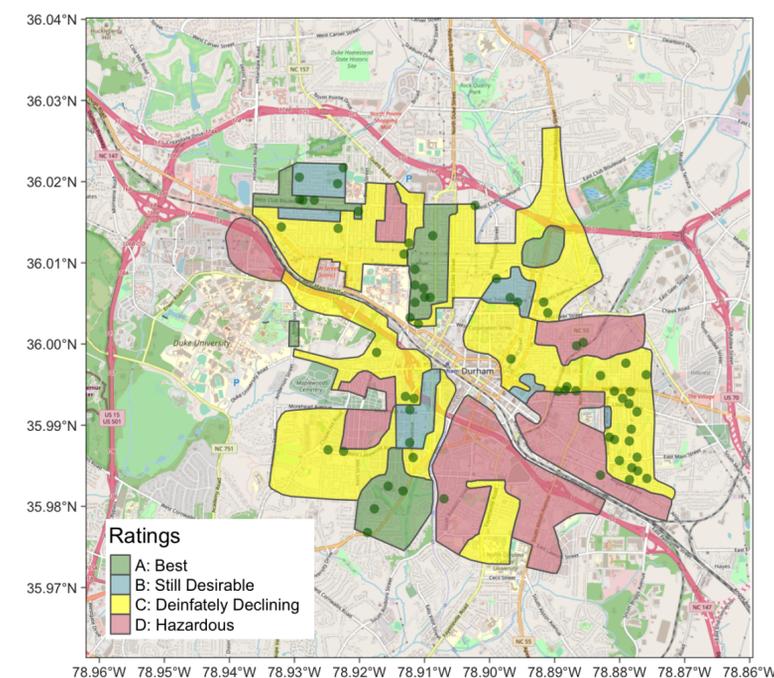


Figure 3: Dots represent 65 of the 130 addresses in our sample. In the complete sample, blacks owned 0% of homes in "A" and "B," less than 4% of homes in "C," and 75% of homes in "D." (Data from Ancestry.com; Shapefile from Mapping Inequality)

(3) RACIAL DISPARITIES IN HOME VALUES OVER TIME

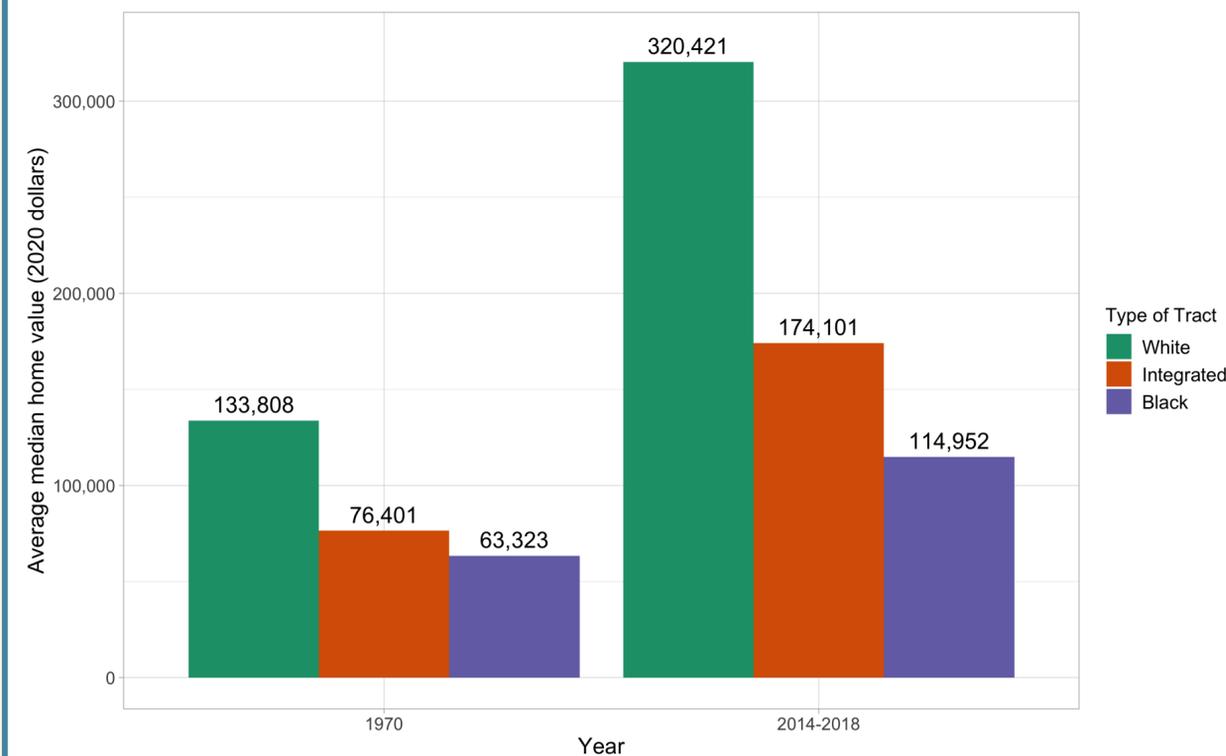


Figure 2: Average of the median tract home values in each category. Homes in "White" census tracts are worth more than homes in "Black" tracts in 1970 and in 2014-2018. (Data from Social Explorer)

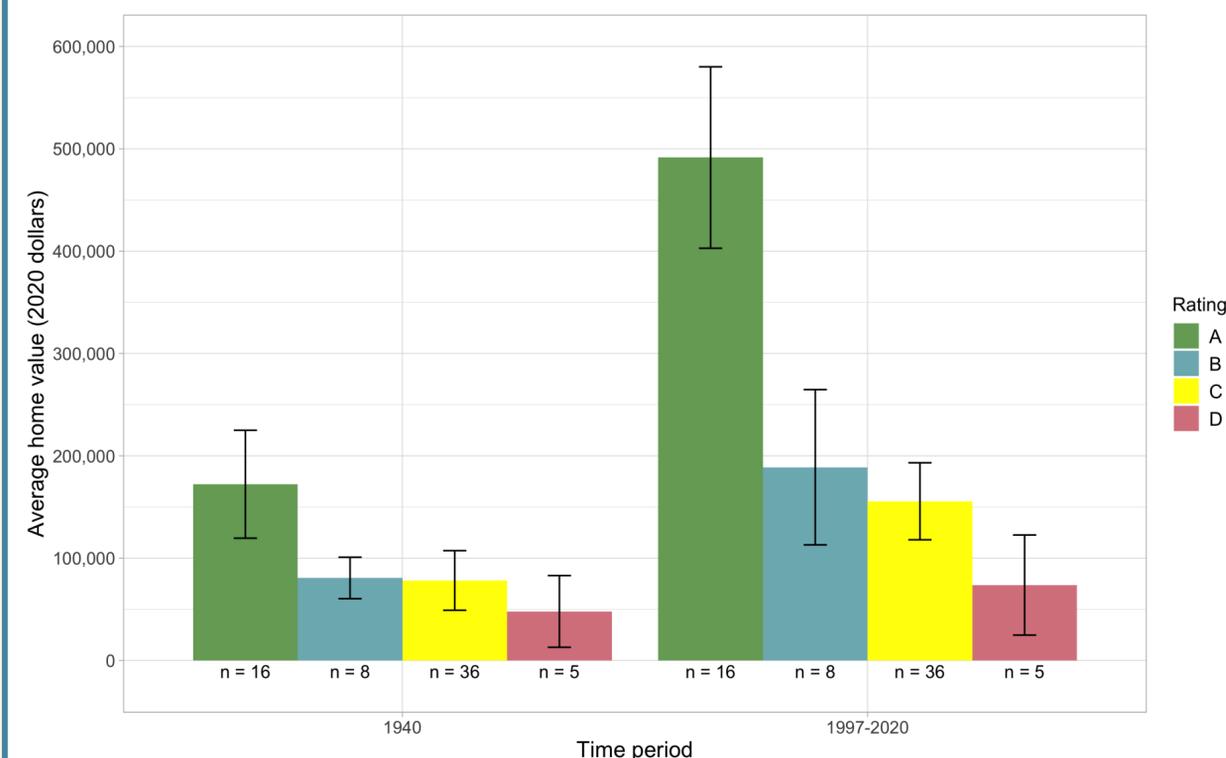


Figure 4: Disparities across HOLC-rated neighborhoods in 1940 persist into the present. (Data from Ancestry.com and Durham County Tax Administration)