Racial Segregation and Impoverished Neighborhood Environments: A Population Model

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Abstract

This paper examines the role of racial residential segregation in contributing to poverty concentration in American cities. I reconsider simple simulation models from Massey’s influential “American Apartheid” (1990) paper, which argued that racial segregation plays a key role in forming high-poverty neighborhoods. Despite the intuitiveness of this argument, empirical studies have often not verified key predictions of Massey’s simulation model. My paper develops a decomposition model to understand other spatial factors that condition the operation of racial segregation. Using data from the 1990 and 2000 U.S. censuses of population and housing, I estimate parameters for the decomposition for many large American cities. The model demonstrates that past efforts to statistically model how economic changes and segregation interact to form high poverty neighborhoods have been mis-specified in several respects. The model is also able to explain certain empirical modeling results that appeared to contradict Massey’s argument regarding the interaction of segregation and economic conditions. Implications for policies to reduce racial segregation are discussed.