

Housing Policy *Is* School Policy  
Remarks of David Rusk  
to the 44<sup>th</sup> Annual Meeting of  
Baltimore Neighborhoods, Inc.  
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I am very pleased to join BNI tonight on your 44<sup>th</sup> anniversary, especially on an evening when BNI is honoring Mal Sherman for his courageous leadership for fair housing. This is a night when BNI can look back with satisfaction on so much that it has accomplished.

However, I would like not to look back, but to look forward to the future. The future, of course, means our children. How well are we educating them for a world of work in which having a strong back and a willingness to work hard are no longer enough. As a nation how well are our public schools preparing our children – *all* our children?

Objectively, by any past standard, pretty well. We are spending 30 percent more dollars per student (adjusted for inflation) than just twenty years ago and pupil-teacher ratios have reached record lows. A higher proportion graduate from high school and go on to college than ever before.

By international standards, however, pretty poorly. In most international competitions, American school students rank in the middle or towards the bottom of the pack. That ranking is misleading, however. Our top students compare favorably with any nation's top students. Countries like Japan and South Korea consistently rank high because they do the best job of educating their bottom half. America does a terrible job of educating our bottom half. Why? Among all economically advanced societies, we have the greatest disparities between income classes. We now have the largest gap between the highest and the lowest income groups in a century.

Why is this important for education? A generation ago in his massive study on *Equality of Educational Opportunity* (1966), sociologist James Coleman found that “the social composition of the student body is more highly related to achievement, independent of the student's own social background, than is any school factor.” In other words, who the kids are as measured by the educational attainment and income of their parents and of their classmates' parents is vital. A second key finding was that low income children learn best in middle class schools.

I urge you to read *All Together Now*, a recent book by Richard Kahlenberg. He lays out all the evidence of research since the Coleman Report about the key importance of economic integration in our schools. For over 35 years there have been no more consistent findings of educational research than these two. There's also no research more consistently – even deliberately – ignored by most politicians and many educators. They will not challenge the racial and class substructure of American society.

I first studied these issues in 213 Baltimore City and Baltimore County elementary schools for the Abell Foundation in 1998. I am now completing a more extensive and detailed study of all 372 elementary schools in the seven-county Baltimore metropolitan area, which finds

- 1) Despite solid progress, the Baltimore region is still highly segregated racially.
- 2) Racially segregated neighborhoods produce racially segregated neighborhood schools.
- 3) Racially segregated schools are economically segregated schools.
- 4) Who the kids are counts; low income children learn best in middle class schools.
- 5) “Middle class” students are further segmented into several socioeconomic levels.
- 6) The seven county school boards could substantially improve economic integration within each school district, but
- 7) The greatest improvement in economic school integration would come from implementing a region-wide inclusionary zoning policy to assure mixed-income housing in all new housing developments.

I'll document each of these propositions in turn.

### **1. The Baltimore region is still highly segregated racially.**

Using a common housing segregation index on a scale of 0 to 100 (in which 100 equals total racial apartheid), metro Baltimore's index for African Americans was 82 in 1970. Through the efforts of groups like BNI and real estate industry leaders like Mal Sherman, that index improved to 68 by 2000. That is a much better record than metro Detroit, for example, the

USA's most segregated region, whose black segregation index "improved" from 88 to 85 in thirty years. But metro Baltimore's progress is a far cry from metro Oklahoma City (90 to 54) or metro Norfolk-Virginia Beach-Newport News (77 to 46). Of 331 metro areas, the Baltimore region was the 34<sup>th</sup> most racially segregated – sixth highest among southern regions.

## **2. Segregated neighborhoods = segregated schools**

Of 372 elementary schools in the seven-county Baltimore region, in 2002 there were 44 schools that were 99 to 100 percent black, and another 27 schools that were 95 to 99 percent black – some 48 years after *Brown v. Board of Education*! Seventy-four percent of all black students attended 125 majority black elementary schools.

At the other end of the racial spectrum, there were 129 schools that were 90 to 100 percent white. An astounding 96 percent of all white students attended 247 majority white elementary schools.

## **3. Racially segregated schools = economically segregated schools**

The only income data that schools collect is whether or not a child qualifies for subsidized school meals. A family income of up to 135 percent of the federally-defined poverty level entitles a child to free meals; between 135 and 185 percent of the poverty level, to partially subsidized meals.

Of the 44 all-black schools, all 44 had a majority of low income children, averaging 89 percent of total enrollment. Of the 27 almost all-black schools, all 27 also had a majority of low income children, averaging 79 percent. Some 105 of 125 majority black schools were also majority poor, averaging 74 percent low income children.

Of the 79 schools that were 95 to 100 percent white, only one (Hampden Elementary) had a majority of low income children. Only 26 of 247 majority white schools had low income majorities. Majority white schools averaged only 21 percent low income children.

## **4. Kids count; poor children learn best in middle class schools.**

The children's socioeconomic background accounted for 81 percent of school-by-school variation in 2<sup>nd</sup> and 4<sup>th</sup> grade reading and math scores – an exceptionally high statistical correlation. In other words, one doesn't need to know how much money is spent per pupil, or pupil-teacher ratio, or level

of teacher training and experience. Just knowing the percentage of children qualifying for subsidized meals allows calculating the school's average test scores (plus or minus 7.5 percentiles) with 95 percent accuracy.

And who a low income child's classmates were was important. Low income children in schools where 95 to 100 percent of their classmates were also low income scored in the 24<sup>th</sup> percentile on standardized tests. Low income children in schools where 95 percent or more of their classmates were middle class scored in the 48<sup>th</sup> percentile – twice as high!

### **5. “Middle class” – further segmentation**

School data divide the student population into just two groups – eligible for subsidized meals (“low income”) and not eligible for subsidized meals (“middle class”). The reality, of course, is more complex.

Matching school data to census data I found that the so-called “middle class” is sharply segmented by income and that fact was further reflected in achievement levels of supposedly uniformly “middle class” students.

- In majority “middle class” school zones, where 30 to 50 percent of classmates were low income, one-quarter of families had incomes in the \$35,000 to \$49,999 range (barely above the partially subsidized meal cutoff level). In these “blue collar” schools, test scores averaged 57<sup>th</sup> percentile.
- In majority “middle class” school zones, where 10 to 30 percent of classmates were low income, 60 percent of families had incomes from \$50,000 to \$99,999. In these “white/pink collar” schools, test scores averaged 66<sup>th</sup> percentile.
- In majority “middle class” school zones, where less than 10 percent of classmates were low income, one-third of families had incomes of more than \$100,000, and 37 percent were college graduates (14 percent with professional or advanced degrees). In these “designer clothes” schools, test scores averaged 72<sup>nd</sup> percentile.

In short, the “middle class” kids are different kids in schools with varying percentages of low income classmates. That fact (and not supposedly adverse influences of their low income classmates) probably accounts primarily for differences in “middle class” achievement levels.

By contrast, though some slight differentiation undoubtedly exists, census data did not support any systematic pattern of differences in family background of low income children. Their progress as the proportion of higher income classmates increases is real progress.

## **6. School boards – more economic integration *within* district**

In 2002, the Baltimore region's economic school segregation index was 62, one of the dozen highest among the 100 most populous metro areas. A number of school districts such as Wake County Public Schools (serving Raleigh, North Carolina, and its suburbs) have adopted income-based rather than race-based student assignment policies. Typically, they seek to have every school's enrollment reflect the district-wide average of low income student (plus or minus 15 percentage points).

If each of the seven school boards in metro Baltimore were to implement such a policy within each school district, the economic school segregation index would be reduced from 62 to 54 – a 15 percent improvement (well worth doing).

## **7. Inclusionary zoning = regional economic integration**

However, economic segregation is greater between school districts than within each district. In 2002, the proportion of low income students in the Baltimore City Public Schools was 82 percent; in Howard County Public Schools, less than 10 percent. How can we overcome such disparities?

For almost thirty years, Montgomery County, Maryland has had the USA's most extensive mixed-income housing policies. Its Moderately Priced Dwelling Unit (MPDU) law requires that 15 percent of every major housing development must be affordable for families in the lowest third of the income scale. Furthermore, the county directs its public housing authority to buy or rent one-third of the MPDUs to assist very low income families. To offset a builder's cost of setting aside affordable units, the county provides up to a 22 percent density bonus.

Since 1976, private, for-profit home builders have produced over 11,000 MPDUs integrated generally seamlessly into middle class neighborhoods. The housing authority has bought 1,700 widely scattered MPDUs and rents another 1,500. As a result, Montgomery County is one of the USA's most racially and economically integrated communities.

What if a MPDU-type policy had been in effect for the Baltimore region over the last twenty years? Some 316,000 new housing units were built. Assuming that half of the units were in developments too small for the inclusionary requirement to apply, a MPDU-type policy would have produced about 15,800 “workforce” housing units and another 7,900 “welfare-to-workforce” housing units. Almost 95 percent would have been built in the city’s suburbs.

Income eligibility for “workforce” housing corresponds roughly to the income limits for partially subsidized school meals. Income eligibility for “welfare-to-workforce” housing (that is, the housing authority-owned units) corresponds roughly to the income limits for fully subsidized meals.

Such an inclusionary zoning law would have lowered the economic school segregation index from 62 to 25 – a 60 percent improvement!  
Housing policy is school policy!

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*You* can do this. With your influence and organizational ties, the 300 people in this very room, celebrating BNI’s 44<sup>th</sup> anniversary, could form the heart of a grassroots campaign to achieve an inclusionary zoning policy for a Greater Baltimore. Unlike “little boxes” regions in Pennsylvania and other Northeastern and Midwestern states, Maryland is pre-eminently a “Big Box” state. You only have to convince majorities of seven county governments to adopt MPDU-type, inclusionary zoning laws – not easy, but do-able.

Our goal for the 21<sup>st</sup> century should be racial and economic diversity, balance, and stability for all our neighborhoods – and for all our neighborhood schools. We stand on the threshold of our fifth century together – black and white – building this nation. It’s time to get it right!