Socioeconomic Status and Racial Residential Segregation: 
Blacks and Hispanics in Chicago

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ABSTRACT

The objective of this paper is to determine whether residential segregation between blacks and whites and Hispanics and whites declines once socioeconomic status differences are controlled. Data for this paper were obtained from the U.S. Bureau of the Census's 1980 Summary Tape File 4. The Chicago SMSA is the study area. The method employed to measure residential segregation is the index of dissimilarity. Indices of dissimilarity were computed by census tracts between blacks and whites and Hispanics and whites at the same level of occupation, income and education. The results suggest that race remains the most significant factor in residential segregation.

RESIDENTIAL SEGREGATION is viewed within the general framework of ecological theory. This ecological approach to residential segregation tends to conceptualize it as an adaptation of a particular group to certain spatial constraints within the urban environment. Implicit in this theoretical framework is an economic explanation of the residential segregation process, resulting from a housing market whose dynamics are controlled by the forces which govern supply and demand. The market itself is shaped by demographic growth governing the level of demand. Since individual choices within the residential marketplace are constrained by numerous factors, including ability to pay (Hawley, 1950; Alonso, 1960), segregation occurs between groups. The traditional ecological framework suggests that those structural features of the metropolitan areas which affect housing supply and demand influence the level of segregation. Implicit in ecological theory is that a group's status strongly influences its ability to compete for housing in an open market economy.

According to theorists of human ecology, variation in segregation between groups relates directly to measurable differences on social and economic variables (Burgess, 1923; Park, 1926; Massey, 1981; p. 316). Thus, low status groups tend to be spatially segregated from higher status groups, partly because high status persons avoid locating their residences in the same areas, and partly because low status persons are less able to compete for the more expensive residential homes occupied by high status groups (Marshall and
Jiobu, 1975, p. 449). The relationship between socioeconomic status of ethnic and racial groups and residential segregation has been examined by several studies.

**Past Research on Socioeconomic Status and Ethnic Residential Segregation**

Most past research has shown an inverse relationship between the level of an ethnic group’s socioeconomic status and that ethnic group’s level of residential segregation. Based on 1930 census data for a variety of cities, Lieberson found that inter-ethnic group segregation varied with indicators of group status (Lieberson, 1963).

Taeuber and Taeuber’s (1964) investigation of foreign born whites in Chicago confirmed the hypothesis that the residential segregation of the foreign born from the native born white population was related to socioeconomic status.

Darroch and Marston (1971) examined 1961 census data on the ethnic stocks in Toronto. The results of their correlational analysis suggest that differences between the socioeconomic status of ethnic groups and that of the dominant group are highly associated with respective differences in levels of residential segregation.

Bleda (1975) used 1970 census data on 15 Standard Metropolitan Statistical Areas to test the ethnic group socioeconomic status and residential segregation hypothesis. Her findings provided more support for the socioeconomic status residential segregation relationship.

Further support for the socioeconomic status hypothesis was provided by Guest and Weed (1976) who examined residential segregation for Chicanos, Blacks and Puerto Ricans in 1960 and 1970 for Cleveland, Boston and Seattle as part of a comparison of relative segregation of “old immigrant groups” (Western Europe and Canada), “new immigrant groups” (Eastern and part of Southern Europe) and non-European immigrants. Guest and Weed found support for the socioeconomic status-ethnic residential segregation relationship.

Finally, Massey (1979) examined Spanish American residential segregation in the 29 largest urbanized areas in the United States and found a negative relationship between socioeconomic status and the degree of Spanish-White residential segregation. He concluded that whether measured in terms of education, income or occupation, Spanish-White segregation declines unambiguously with increasing socioeconomic status (Massey, 1979: 1017).

In sum, past studies generally confirm the ecological theory that residential segregation between ethnic groups is inversely related to socioeconomic status or ability-to-pay variables. However, the viewpoint that the degree of residential segregation between racial groups is a result of racial differences in the “ability to pay” has been discredited by a number of studies.