Redlining and Patterns of Racial Segregation and Poverty in Northeastern Pennsylvania

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Table of Contents
Executive Summary ........................................................................................................................ 3
Introduction .............................................................................................................................. 4
National History & Context ........................................................................................................ 5
Geographic Patterns by Race .................................................................................................... 10
Racial Patterns & Poverty: Current Conditions ......................................................................... 11
Poverty & Housing Segregation as a Legacy of Redlining ........................................................ 13
  Wilkes-Barre ............................................................................................................................ 13
  Scranton .................................................................................................................................... 15
Local Context for Redlining ....................................................................................................... 16
Conclusions ................................................................................................................................ 17

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Executive Summary

In the early to mid-20th century, policies and practices were implemented to promote homeownership. However, practices called redlining resulted in homeownership access that was significantly limited for those who were members of racial and ethnic minorities, particularly African Americans. Redlining refers to specific practices that excluded racial and ethnic minorities from homeownership. In particular, federal policies encouraged the use of maps that delineated neighborhoods unsuitable for bank lending for mortgages. The basis of these “redlined” neighborhoods was based largely on the race of residents. Redlining of this nature occurred all over the country in many prominent cities and significantly curtailed the ability of African Americans and other racial minorities to build wealth through homeownership. Even though redlining and explicit discrimination on the basis of race is no longer legal in the United States, the effects such practices have had on geographical racial concentration and present-day home prices are significant.

Analysis of census-tract level data shows that race and poverty are closely correlated in Northeastern Pennsylvania. Particularly in neighborhoods with a much higher share of nonwhite residents, poverty rates are generally much higher than average.

Comparisons between modern patterns of residential diversity and poverty reveal only a moderate correlation with past redlining designations in the Wilkes-Barre area and the City of Scranton. One possible explanation for the apparently limited correlation between current spatial distribution of race and poverty, particularly compared to findings from other cities, is the changing nature of demographic diversity in Northeastern Pennsylvania since 1930, the last census taken prior to development of HOLC redlining maps. Compared to Philadelphia, both Scranton and Wilkes-Barre had a higher share of native white residents, and a much smaller share of African American residents – only 0.5 percent in Scranton and one percent in Wilkes-Barre. Some areas in Luzerne County that had significant areas redlined (designated as grade D) reported zero African American residents on the 1930 census. Thus, it appears likely that in Northeastern Pennsylvania, factors other than race guided redlining designations. Additional evidence for this are references found in the Scranton ward narratives referencing characteristics such as presence of heavy industry impacts like mine subsidence and culm banks.

Nonetheless, this practice and the lack of access to homeownership capital more generally, may have still had a significant impact on the racialized nature of poverty in the region. Particularly, lack of access to homeownership financing through federal incentives denied those in minority groups an important means to build intergenerational wealth. Undeniably, the nationwide history around the creation of redlining maps in cities across the country were based on exclusion of nonwhite racial groups from ownership within white neighborhoods. As in the rest of the United States, racial disparities in income and housing continue to exist. However, redlining alone does not fully explain the structural factors that created and perpetuated these conditions. Nonetheless, inequality and discrimination in housing policies in the 20th century is an important context for contemporary efforts to reduce inequalities in our communities.
Introduction
In the early to mid-20th century, policies and practices were implemented to promote homeownership. However, practices called “redlining” resulted in homeownership access that was significantly limited for those who were members of racial and ethnic minorities, particularly African Americans. Redlining refers to specific practices that excluded racial and ethnic minorities from homeownership. In particular, federal policies encouraged the use of maps that delineated neighborhoods unsuitable for bank lending for mortgages. The basis of these “redlined” neighborhoods was based largely on the race of residents. Such policies operated off the premise that allowing African American and other non-white people to live on property lowered its value and the value of other homes in the area. Redlining of this nature occurred all over the country in many prominent cities and significantly curtailed the ability of African Americans and other racial minorities to build wealth through homeownership. Even in areas without redlining maps, HOLC loan underwriting rules were discriminatory towards minority homebuyers, effectively codifying racial discrimination in homeownership for decades.

Even though redlining and explicit discrimination on the basis of race is no longer legal in the United States, having been supplanted by the 1968 Fair Housing Act, the effects such practices have had on geographical racial concentration and present-day home prices are significant. The Community Reinvestment Act (CRA) enacted in 177 was also a tool to encourage fair lending practices and to increase lending to underserved communities and populations. This report attempts to understand ways that the historic legacy of redlining in Scranton and Wilkes-Barre, Northeastern Pennsylvania’s two largest cities, may be connected to current patterns of racialized poverty and housing segregation.

Geographic Information Systems (GIS) data on historic redlining patterns in the Wilkes-Barre area was obtained from the University of Richmond’s Mapping Inequality project. Similar data was not available in digital form for Lackawanna County; however, narrative descriptions of the perceived quality of individual wards were located. Local data on neighborhood redlining from these sources was compared to current patterns of poverty and racial diversity, and additional analysis was conducted to demonstrate the correlation between race and poverty at the census tract level throughout the region.
National History & Context
Among the most widely recognized pieces of legislature to ever be implemented in the United States is the New Deal, a system of public works projects, financial reforms, social welfare programs, and regulations enacted by President Franklin D. Roosevelt in between the years of 1933 and 1939. Following the events of the Great Depression that began in 1929, Americans were in a state of despair and panic. Roosevelt created the welfare system, social security, and federal unemployment insurance. The New Deal was additionally instrumental in promoting home ownership, a value Roosevelt firmly believed in to promote broad economic security (Muscato, 2020). Encouraging people to buy property, the Home Owner’s Loan Corporation (HOLC) and Federal Housing Administration were each established to simplify the process of purchasing and building houses. However, this newly expanded access to homeownership would not be equally provided to all.

In order for President Roosevelt to convince some in Congress to sign off on the numerous proposals set forth in the New Deal, homeownership was approached from a segregationist perspective. There was a significant push for white Americans to own homes; however, the benefits that came along with doing so did not extend to people of other races and ethnicities. It was very difficult for people who were not white to obtain mortgages, housing loans, and reasonable payment plans to even be able to afford living in such areas.

In fact, “in the racist attitudes of segregation, racially mixed neighborhoods were seen as a direct threat to the stability of white homeownership” (Muscato, 2020). In more specific terms, it was widely believed that property value plummeted once African American and other non-white residents moved into a neighborhood. For this reason, it was often legally written into the deed that only persons of Caucasian decent were allowed to occupy and own a certain property. Known as “racial covenants,” this form racially enforced housing discrimination existed all over the country is large cities like Boston, Chicago, Los Angeles, Seattle, Philadelphia, and Washington, D.C (Santucci, 2019). Historical research suggests that not only were these racially based homeowner laws used to prevent non-whites from moving to an area, but they were also a prominent selling point for whites looking to migrate to a new neighborhood.

Redlining has been around long before the enactment of the New Deal. This policy often marks the beginning of redlining in the United States not for the reason of first occurrence, but because it was a major series of legislature that explicitly made the practice legal as well as created associations to enforce and encourage it. The Fair Housing Act of 1968 declared it to be unlawful to discriminate against someone’s race or national origin in the terms, conditions, or privileges of sale of a dwelling, which formally outlawed redlining. This is not to say that the implications of such a practice have not persisted over the years. Many of those who researched the long-term consequences of redlining in America have found that the racial covenants placed on properties throughout the 1940s have actually had a significant effect on home prices in the twenty-first century (Sood, Speagle, & Ehram-Solberg, 2019). This work also suggests that racial covenants accounted for African American spatial concentrations and lower homeownership rates.

In 2019, Aradhya Sood, William Speagle, and Kevin Ehram-Solberg, all professors at the University of Minnesota, published a paper titled “Long Shadow of Racial Discrimination: Evidence from Housing Covenants of Minneapolis.” As previously mentioned, their research focused on the long-term effects of
early-to-mid 20th century racial covenants on socioeconomic outcomes like house prices and racial segregation. Not only were they studying the longitudinal implications of racial discriminatory policies in the United States, but they looking to see how such attitudes have persisted in their effects on current housing conditions. They focused on the city of Minneapolis, Minnesota by using a newly constructed data set consisting of historical county property deeds dating from 1910 through 1955. They then cross examined that information with present day data from the census, county tax accessor, and the American Community Survey. Census data in reference to race of residents, age, and home ownership was analyzed from the years of 1940, 1950, and 2010, while the American Community Survey used figures on resident income only pertaining to 2010. The tax accessor data reported on the year in which a house was built, it’s geo-spatial location, square footage, lot size, number of stories, and other all other similarly relevant characteristics (Sood, Speagle, & Ehram-Solberg, 2019).

This information was used to identify which homes resided on lots that had previous racial covenants, which was the main variable of focus throughout this research. Together, these sources of data were able to map prejudice by showing which properties had covenants, which demographics have lived there during the reviewed census years, and how housing prices have fluctuated presumably in accordance to this data. The researchers expected that properties with a history of covenants would be of higher value overtime compared to those would did not have regulations on the race of residents, even present day when such restrictions have long since been outlawed. They were also curious of the condition of the neighborhoods these properties would be a part of, since areas with covenants were often presumed to of higher class and prestige. In order to better understand the persistence of housing discrimination over time, Sood, Speagle, and Ehram-Solberg additionally sought to identity “the causal effects of the historic racially-restrictive covenants on several modern socioeconomic and geographic outcomes” (2019). Again, these outcomes include elements of housing prices and racial segregation and were further separated into two categories of either an individual or geographic level. In alliance with their original hypotheses, Sood, Speagle, and Ehram-Solberg ended up concluding that previous covenants have significant impacts on the socioeconomic outcomes mentioned before.

More specifically, on average, houses in modern day Minneapolis with past racial covenants are fifteen percent higher in cost than houses without any such covenants. Additionally, a one percent increase in covenanted houses in a census block were found to result in a nineteen percent reduction in black homeownership. These results also suggest that the long-run effects of housing covenants are due to three distinct mechanisms: private investment and home quality, public investment, and preference externalities (2019). The first mechanism refers to the fact that a home located on a covenanted property is more expensive than an identical home on a non-covenanted property in the same exact city. The type of person willing to spend more money for the same housing quality is most likely investing in what they perceive to be a “nicer” neighborhood. As well as this, back in the day, non-covenanted houses were often made of cheaper materials, and this mindset could have persisted in the evaluation of superior housing districts today. Because these areas have always tended to have more affluent residents, who are therefore in a higher position of political influence, these covenanted neighborhoods have routinely had better funding when it comes to public works and investment, explaining the second mechanism. The third mechanism is preference externality, which refers to the
homogeneity caused by covenants. Residents usually prefer to consume the same goods as their neighbors, meaning they choose to live in areas where their neighbors share their preferences.

Also in 2019, Larry Santucci of the Federal Reserve Bank of Philadelphia published a paper titled “How Prevalent Were Racially Restrictive Covenants in 20th Century Philadelphia? A New Spatial Data Set Provides Answers.” As the title suggests, this paper analyzed the great volume of racial covenants that existed in Philadelphia, Pennsylvania between the years of 1920 and 1932. Santucci sought to create an accurate representation of the full extent of racial restrictions on homeownership in Philadelphia, as it continues to be among the most residually segregated cities in the United States. This of course followed the results of recent studies, including the work of Sood, Speagle, and Ehram-Solberg, which all suggested that a legacy of racial segregation in areas all over the county have actually created “persistence differences in neighborhood outcomes” (Santucci, 2019). Choosing the city of Philadelphia held particular significance, since during the early 20th century many African Americans migrated from the south to northern cities like Baltimore, Chicago, Detroit, and New York City. This influx of African Americans ultimately caused increasing racial diversity as well as a great degree of residential segregation patterns. African American communities were created in the poorer, central districts of many of these cities, while white residents began moving outward towards city boundaries and local suburbs (Santucci, 2019). Many methods were then used to keep African Americans from leaving urban neighborhoods.

Such methods involved violence, inequality in housing prices, imposition of racially dependent fees, and even law enforcement tactics. In fact, there were instances throughout history where police officers arrested black people for merely being in a white neighborhood on the grounds of serving as a “nuisance” who brought down the value of property (Santucci, 2019). Zoning ordinances were also a large factor in the spatial positioning of neighborhood demographics, as specific zones were legally banned from housing non-white residents. Although the Supreme Court found mandated racial zoning unconstitutional in 1917, they continued to exist in various American cities until as late as the 1980s. The cities that did comply with the Supreme Court’s ruling were able to find a loophole by instead writing racial covenants into the individual property deeds. In Santucci’s words, “clauses typically put into deeds by land developers, racial covenants restricted the sale of new properties to whites only and prevented future generations of homeowners from selling or renting the property to African Americans” (2019). Racial covenants could fall into three categories in terms of limitations toward members of a certain race or ethnicity: one, restriction of sale, lease or ownership; two, restriction of occupancy; or three, restriction of both ownership and occupancy. It was also common for these constraints to be written into the deed with a specific duration of at least twenty years, the time it generally takes for a new generation to be formed.

In order to better understand the full extent these racial covenants and the historic practice of redlining have had in restricting homeownership in Philadelphia, Santucci developed a spatial database. To do so, he used the official property deeds, acquired from the City of Philadelphia Department of Records (DOR), to analyze which housing agreements were written between the years of 1920 and 1932 and included racial specification of residents. Spanning these years, the database ended up finding more than 3,800 cases in which a property had racial covenants written into the deed. Almost a fourth of
these cases were located in Ward 22 of Philadelphia, which was where middle to upper class residents often sought homes so as to get away from the hustle and bustle of Center City (Santucci, 2019). Similarly, Ward 34, which had over fifteen percent of the total cases, became a getaway of sorts for wealthier residents of the city seeking a home on the western banks of the Schuylkill River. These findings suggest that the more expensive, more desirable sections of Philadelphia were at an increased likelihood of having racial covenants written in the property deeds. Ultimately, this research yields findings that indicate racial covenants were put in place to restrict African Americans from living in newly developed areas, sheds new light on patterns of residential segregation, and implies that racial covenants existed virtually all over the city rather than in vast concentration. It appears that often times, housing price alone in a majority white neighborhood was enough to deter members of other races and ethnicities to live there.

Again in 2019, Daniel Aaronson, Daniel Hartley, and Bhashkar Mazumder of the Federal Reserve Bank of Chicago revised a 2017 article titled “The Effects of the 19302 HOLC ‘Redlining’ Maps.” These researchers focused the scope of their work on studying the long-term effects of the redlining maps created by Home Owner’s Loan Corporation (HOLC) throughout the 1930s, when they were prioritizing white homeownership over non-white homeownership. They sought to see the implications these maps have had on racial segregation, home ownership, house values, rents, and credit scores in urban areas across the United States. It has routinely been found that the place someone lives permanently has an insurmountable effect on their socioeconomic status and success in life. This is due to the fact that location when growing up commonly influences academic performance, wage earning, economic mobility, health, and even lifetime longevity (Aaronson, Hartley, & Mazumder, 2019). Because there is such a significant raced-based difference in all of these categories determining socioeconomic standing, these researchers hypothesize a positive correlation between the HOLC’s redlining maps from the 1930a and neighborhoods with lower class, non-white residents in the 21st century. The HOLC’s redlining maps were of over two hundred different cities in the nation and documented the perceived “riskiness” of lending home loans and housing assistance to certain households.

As described in the introduction of this paper, the Home Owner’s Loan Corporation was established in the wake of the Great Depression as one of the numerous programs President Roosevelt put into motion to jumpstart the economy and bring prosperity back to struggling Americans. The purpose of the corporation was to give home loans, mortgages, and housing assistance to families so that they could own property of some sort. This notion stemmed from the government’s mentality that home ownership was among the best ways for people to invest in their futures. “Neighborhoods were classified based on detailed risk-based characteristics, including housing age, quality, occupancy, and prices. However, non-housing attributes such as race, ethnicity, and immigration status were influential factors as well” (Aaronson, Hartley, & Mazumder, 2019). The neighborhoods that the HOLC rated as the least desirable due to overall quality, age, and demographic composition were drawn in red on their maps, hence the beginning of the term redlining. The residents of these redlined districts were usually non-white, of a lower class, and of a low socioeconomic status, making them ineligible for financial assistance or credit. Other research on this topic suggests that the neighborhoods that were not eligible for support during this time period, otherwise known as the redlined districts, have fallen further into
dismay over the years due to the countless social problems associated with poverty and economic collapse.

To collect a comprehensive analysis of the effects of these redlined maps have had on urban decay and racial composition of neighborhoods, Aaronson, Hartley, and Mazumder compared records of geocoded city maps to census data between the years of 1910 and 1940, census data between the years of 1950 and 1980, and census data between the years of 1990 and 1910. Splitting up the census years into three separate groups was done to see if there was a distinctive pattern of change as time went on. Between these sources of data, they were able to collect information on various neighborhood characteristics like race, homeownership, house values, rents, and population (Aaronson, Hartley, & Mazumder, 2019). They additionally collected credit scores between 1999 and 2016 to acquire a more current evaluation of redline residents borrowing capabilities. The results of this data show that the HOLC’s redlined maps did in fact significantly impact the segregation of neighborhoods, as the areas that were defined as being the riskiest were the ones that had the heaviest concentrations of African Americans all throughout the 20th century. This means even after redlining and racial segregation were outlawed as legitimate practices, the separation it caused between races, ethnicities, and classes in neighborhood composition persisted. They also found that the redlined homes on the maps had lower values, rents, and occupancy rates that have continued to exist overtime.
Geographic Patterns by Race

Northeastern Pennsylvania includes the counties of Bradford, Carbon, Columbia, Lackawanna, Luzerne, Monroe, Montour, Northumberland, Pike, Sullivan, Susquehanna, Wayne, and Wyoming. Each county’s individual racial demographics are depicted in the previous graphs. Together, these counties have a population of 1,181,137. In this region of Pennsylvania, 79.12 percent (934,525) are white, 2.72 percent (32,077) is Black or African American, 0.12 percent (1,452) is American Indian or Alaska Native, 1.15 percent (13,567) is Asian, 0.03 percent (409) is Native Hawaiian or other Pacific Islander, and 1.25 percent (14,791) is of other racial descent. The vast majority of residents in Northeastern Pennsylvania are white, with very small proportions of individuals coming from all other racial groups. However, the two largest cities in the region have a much larger share of residents who are nonwhite.


<table>
<thead>
<tr>
<th>Race</th>
<th>Estimate</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>White alone</td>
<td>934,525</td>
<td>79.12%</td>
</tr>
<tr>
<td>Black or African American alone</td>
<td>32,077</td>
<td>2.72%</td>
</tr>
<tr>
<td>American Indian / Alaska Native alone</td>
<td>1,452</td>
<td>0.12%</td>
</tr>
<tr>
<td>Asian alone</td>
<td>13,567</td>
<td>1.15%</td>
</tr>
<tr>
<td>Native Hawaiian / Other Pacific Islander alone</td>
<td>409</td>
<td>0.03%</td>
</tr>
<tr>
<td>Other</td>
<td>14,791</td>
<td>1.25%</td>
</tr>
<tr>
<td><strong>Total Population</strong></td>
<td>1,181,137</td>
<td>100.00%</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Race</th>
<th>Scranton</th>
<th>Wilkes-Barre</th>
<th>Pennsylvania</th>
</tr>
</thead>
<tbody>
<tr>
<td>White alone</td>
<td>64,436</td>
<td>29,983</td>
<td>10,341,442</td>
</tr>
<tr>
<td>Black or African American alone</td>
<td>4,672</td>
<td>5,621</td>
<td>1,423,319</td>
</tr>
<tr>
<td>American Indian / Alaska Native alone</td>
<td>68</td>
<td>146</td>
<td>24,847</td>
</tr>
<tr>
<td>Asian alone</td>
<td>3,795</td>
<td>873</td>
<td>427,892</td>
</tr>
<tr>
<td>Native Hawaiian / Other Pacific Islander alone</td>
<td>34</td>
<td>121</td>
<td>4,107</td>
</tr>
<tr>
<td>Other</td>
<td>1,188</td>
<td>2,263</td>
<td>258,694</td>
</tr>
<tr>
<td><strong>Total Population</strong></td>
<td>76,869</td>
<td>40,847</td>
<td>12,791,181</td>
</tr>
</tbody>
</table>

The information depicted in the previous graph comes from 2018 American Community Survey five-year estimates, collected from the website for the United States Census Bureau. The majority of residents in both Scranton and Wilkes-Barre, as well as the entire state of Pennsylvania, are white alone. Pennsylvania has a population of 12,791,181. Scranton is home to 76,869 of these people, while Wilkes-Barre is home to 40,847. Across the state, 80.8% (10,341,442) is white, 11.1% (1,423,319) is black or African American, 0.19% (24,847) is American Indian or Alaska Native, 3.3% (427,892) is Asian, 0.03% (4,107) is Native Hawaiian or other Pacific Islander, and 2.0% (258,694) is of other racial descent. In Scranton, 83.8% (64,436) is white, 6.1% (4,672) is black or African American, 0.09% (68) is American Indian or Alaska Native, 4.9% (3,795) is Asian, 0.04% (34) is Native Hawaiian or other Pacific Islander, and 1.5% is of other racial descent. In Wilkes-Barre, 73.4% (29,983) is white, 13.8% (5,621) is black or African American, 0.36% (146) is American Indian or Alaska Native, 2.1% (873) is Asian, 0.30% (121) is
Native Hawaiian or other Pacific Islander, and 5.5% (2,263) is of other racial descent. It is worth noting that Wilkes-Barre has double the proportion of Black or African American residents than Scranton and a lower proportion of white residents than both Scranton and the state.

Racial Patterns & Poverty: Current Conditions
Current data shows that poverty disproportionately impacts neighborhoods with a higher share of nonwhite residents. By analyzing the correlation between the share of residents in poverty and nonwhite residents at a small geographic scale, patterns of racialized poverty can be uncovered.

Data was analyzed for all Census Tracts in Lackawanna and Luzerne Counties. The tables below show the R-squared value, a measure of correlation between two variables. These values range from 0, signifying no correlation, to 1, signifying perfect correlation. Four economic measures were tested against two measures of racial diversity—the first being the percentage of residents who are Black, and the second the percent who are any race other than white, or who are Hispanic or Latino of any race.

![Table](Lackawanna County Correlation Table)

<table>
<thead>
<tr>
<th></th>
<th>Lackawanna County Correlation Table</th>
<th>Luzerne County Correlation Table</th>
</tr>
</thead>
<tbody>
<tr>
<td>R-square value for all Census Tracts (0 = no correlation, 1 = perfect correlation)</td>
<td>% Black (Alone or in Combination with Other Races)</td>
<td>% Not White and Non-Hispanic</td>
</tr>
<tr>
<td>Percent with Median Household Income Under $25,000</td>
<td>0.3127</td>
<td>0.4403</td>
</tr>
<tr>
<td>Median Household Income</td>
<td>0.2040</td>
<td>0.3970</td>
</tr>
<tr>
<td>Poverty Rate - Overall</td>
<td>0.3820</td>
<td>0.4388</td>
</tr>
<tr>
<td>Poverty Rate - Children</td>
<td>0.2571</td>
<td>0.3763</td>
</tr>
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Particularly notable correlation can be seen between the racial makeup of census tracts and the overall poverty rate, which accounts for among highest r-squared values in both counties. At the census tract level, higher shares of Nonwhite residents in both counties were noticeably associated with increased rates of poverty.

Among the 11 tracts in Lackawanna County with more than 30 percent nonwhite and/or Hispanic residents, ten had poverty rates above the average among all tracts, 16.6 percent.
Similarly, among the 20 tracts in Luzerne County with more than 30 percent nonwhite and/or Hispanic residents, 17 had poverty rates above the average among all tracts, 17.6 percent.

While it is certainly true that Pennsylvanians of all races and backgrounds live in poverty, this economic and social data shows that a racialization of poverty exists in many neighborhoods in the region. In particular, neighborhoods with a relatively large share of nonwhite and/or Hispanic residents tend to have notably elevated rates of poverty. In order to maximize efforts to address poverty in the region, it thus appears essential to account for both the geographic and racial patterns and historical contexts that exist in Northeastern Pennsylvania.
Poverty & Housing Segregation as a Legacy of Redlining

HOLC redlining maps categorize different regions of the city and its vicinity on a graded scale from A through D. A refers to “best,” B refers to “still desirable,” C refers to “definitely declining,” and D refers to “hazardous.” Areas graded “D” were considered to be “redlined” and in many cities represented largely nonwhite neighborhoods, particularly where lower income African Americans lived. Those redlined neighborhoods were largely denied access to home loan financing.

Wilkes-Barre

In Wilkes-Barre, most green (grade A) areas are located within the city limits, as well as in Kingston, Forty Fort, and Hanover Township. Many of these areas represent neighborhoods with higher poverty rates in the present day. Conversely, Swoyersville (located in the upper center of the map) is part of a relatively low poverty tract despite a significant portion of the borough being redlined as grade D.
A similar trend is apparent when comparing redlined areas to current racial diversity, as defined as tract-level percentage of population nonwhite and/or Hispanic or Latino. Many of the most diverse tracts in Wilkes-Barre and surrounding areas were graded A on HOLC maps. Conversely, redlined neighborhoods exist in neighboring municipalities which now have less diverse populations. However, Wilkes-Barre Township has both a higher share of nonwhite residents and several redlined districts.
Scranton

In the city of Scranton, original HOLC maps were not available in digital form for this analysis. Instead, ward-by-ward descriptions of desirability were obtained, which were based on HOLC redlining maps. Some wards were specifically tagged as “red” or “green” based on their HOLC designation while others had neutral descriptions. Some had mixed descriptions, with references to some red/undesirable areas within them and other more desirable or neutral areas. Given the incomplete nature of the available data, narrative descriptions for each ward were classified into these four categories, and mapped using a digitized layer of Scranton city wards created from historic documents.

The map below shows ward qualitative ratings (negative in red, positive in green, mixed in magenta, and neutral in orange) with current poverty rate by census tract, with darker colors representing higher rates of poverty. The highest poverty census tract in the city is within a ward that was classified as green. However, most other higher poverty tracts within the city are within mixed or redlined wards.
Similarly, there is only a moderate correlation between historic ward ratings and the percent of the population that is nonwhite and/or Hispanic or Latino by census tract. Nonetheless, most tracts with higher shares of nonwhite and/or Hispanic residents fell within wards classified as red/negative or mixed.

**City of Scranton: Redlining Status & Race**

Local Context for Redlining
One possible explanation for the apparently limited correlation between current spatial distribution of race and poverty, particularly compared to findings from other cities, is the changing nature of demographic diversity in Northeastern Pennsylvania since 1930, the last census taken prior to development of HOLC maps.

Compared to Philadelphia, both Scranton and Wilkes-Barre had a higher share of native white residents, and a much smaller share of African American residents – only 0.5 percent in Scranton and one percent in Wilkes-Barre. While racial concentrations for small geographies were not available for analysis, it is
possible that a relatively lack of African-American-majority neighborhoods in Wilkes-Barre and Scranton compared to cities like Philadelphia explain an apparently less insidious link between redlining and current social inequalities.

Furthermore, Swoyersville and Sugar Notch boroughs in Luzerne County, both of which had significant areas redlined (designated as grade D) reported zero African American residents on the 1930 census. Thus, it appears likely that in Northeastern Pennsylvania, factors other than race guided HOLC designations. Additional evidence for this are references found in the Scranton ward narratives referencing characteristics such as presence of heavy industry impacts like mine subsidence and culm banks.

As an additional complicating factor, insurance or real estate industry policies (or even unwritten norms) likely played a factor in limiting homeownership among nonwhite individuals other than the HOLC residential security maps and Scranton ward documents analyzed here. The underwriting manual used at the same time as redlining maps expanded racial discrimination in housing beyond redlined neighborhoods, though the current legacy of these factors in Northeastern Pennsylvania is difficult to quantify. The uncovering of other historical documents that may have guided policies of exclusion in Northeastern Pennsylvania would warrant further research.

Nonetheless, the nationwide history around the creation of redlining maps in cities across the country were based on exclusion of nonwhite racial groups from ownership within white neighborhoods, representing undeniable evidence of systemic racism in homeownership access in the United States.

**Conclusions**

Data shows that race and poverty are closely correlated in Northeastern Pennsylvania. Particularly in neighborhoods with a much higher share of nonwhite residents, poverty rates are generally much higher than average.

Though the spatial distribution of race and poverty in Northeastern Pennsylvania today does not appear closely correlated with the geography of past redlining, this practice and the lack of access to homeownership capital more generally, may have still had a significant impact on the racialized nature of poverty in the region. Particularly, lack of access to homeownership financing through federal incentives denied those in minority groups an important means to build intergenerational wealth.

As in the rest of the United States, racial disparities in income and housing continue to exist. However, redlining maps alone do not fully explain the structural factors that created and perpetuated these conditions. Nonetheless, inequality and discrimination in housing policies in the 20th century is an important context for contemporary efforts to reduce inequalities in our communities.