

Racial Differences in the Search for Housing: Do Whites and Blacks Use the Same Techniques to Find Housing?

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Abstract

Studies report that real estate brokers often provide less information to black clients than to whites and steer them to different neighborhoods. However, few studies have investigated racial differences in housing search procedures. If blacks believe they will receive less useful information from brokers, they may avoid them.

Analyzing 1992 data from Detroit, this study finds that blacks were significantly less likely than whites to consult brokers. Blacks tended to rely more on methods such as talking with friends, checking newspaper ads, or driving through neighborhoods. Blacks were also more likely to believe that they missed housing opportunities because brokers discriminate. Differences in the socioeconomic characteristics of subjects account for some of the differences in the use of brokers. Eradicating discrimination by brokers will broaden housing opportunities only for blacks who use brokers. Policy actions that address the perception of discrimination by brokers may be a more powerful tool.

Keywords: Discrimination; Minorities; Markets

Aims of this investigation

For almost 30 years, fair housing audits have assessed possible racial discrimination in the sale or rental of housing. They frequently report that, when matched pairs of black and white homeseekers approach the same real estate broker, race makes a difference. Although blacks are generally shown homes and treated hospitably, they are often provided with less information about the housing market and about financing than whites. These audit studies also report racial steering. More blacks than whites are shown homes in racially mixed or in all-black neighborhoods; white auditors are seldom shown homes in mixed areas.¹

¹ For comprehensive summaries of audit studies, see Fix, Galster, and Struyk (1993); Galster (1990); Turner (1992); Yinger (1986, 1993, 1995).

The Department of Housing and Urban Development systematically measured racial discrimination in the marketing of advertised properties in the largest metropolitan areas, once in 1977 and again a dozen years later (Turner, Struyk, and Yinger 1991; Wienk et al. 1979). Summarizing these national surveys, Galster (1992, 647) concluded:

Housing discrimination against black and Hispanic homeseekers and apartment seekers occurs in roughly half of the instances when these persons interact with an agent. . . . Typically this discrimination is subtle in nature and therefore difficult for the individual to detect. . . . The frequency of this discrimination has not changed noticeably since 1977.

While there is now a systematic base of information about how brokers treat black and white homeseekers, we know much less about whether blacks and whites use the same search strategies when they enter the housing market. The fair housing auditing technique assumes a particular search method and thus cannot provide evidence on how minority housing seekers adjust their searches because of discrimination. By looking at actual search behavior, we can learn more about differences between black and white homeseekers and the costs that discrimination imposes. If blacks believe they will be provided with little information by brokers and will be steered toward a limited array of options, they may avoid using them and rely on informal search methods, such as talking with friends or scanning newspaper ads. Thus, the elimination of discrimination by brokers will only be a first step toward increasing housing opportunities for minorities. This exploratory study seeks to determine whether blacks and whites in metropolitan Detroit used similar methods when they recently sought housing.

Whom we asked: Detroit area homeseekers

Data were gathered from April through July 1992 in the Detroit Area Study (DAS), an annual social science survey conducted by the University of Michigan's Department of Sociology. This investigation focused on the causes of continued residential segregation, the nature and extent of racial polarization, and the status of blacks and women in the labor market. The 1992 DAS is one component of the Multi-City Study of Urban Inequality. Similar investigations of the causes of residential segregation, the nature of racial polarization, and the status of minorities in local labor markets were conducted in Atlanta in 1993 and in Boston and Los Angeles in 1994.

Using a two-stage study design, researchers first selected a representative sample of the Detroit area population age 21 and over. Residential blocks (or block groups in the case of blocks with sparse populations) were sampled proportional to their population in the April 1990 census. All housing units within the selected blocks were identified by DAS staff and, in a second stage, a sample of dwelling units was randomly chosen. Interviewers visited every sampled home and listed all residents. At the door stoop, one household member (age 21 or over) was randomly selected for interviewing. Because this study focuses on racial differences, we sought a sufficiently large sample of blacks so that estimated parameters would have small standard errors. Consequently, blocks or block groups 70 percent or more black in 1990 were sampled at a higher ratio. Data presented in this article are weighted to reflect this over-sampling of densely black neighborhoods.² For the purposes of this study, the Detroit metropolitan area includes the city of Detroit, the remainder of Wayne County, and two densely populated contiguous counties (Macomb and Oakland).³

Face-to-face interviews were carried out with 1,543 respondents: 750 black, 736 white, and 57 who chose other identities.⁴ This analysis is restricted to those who said they were black or white. The Latino and Asian populations of Detroit are too small to describe with a sample of this size. The study design sought to match race of interviewer and race of respondent to improve the data quality, especially for responses about sensitive issues such as stereotypes and reverse discrimination (Bernick, Pratto, and Davis 1994; Schuman and Converse 1971).⁵ The overall response rate in the 1992 DAS was 78 percent (Steeh 1993).⁶

² Reflecting the elevated level of racial residential segregation in metropolitan Detroit, only 6 percent of white respondents in the 1992 DAS lived in blocks or block groups that were 70 percent or more black at the time of the 1990 census. Ninety-four percent of black respondents lived in blocks or block groups that were 70 percent or more black.

³ The Detroit primary metropolitan statistical area as defined by the Bureau of the Census for 1990 included Lapeer, Livingston, Macomb, Oakland, St. Clair, and Wayne counties. The three counties sampled in the 1992 DAS included 90 percent of the white population in the Detroit metropolis as defined by the Bureau of the Census and 99.5 percent of the black population (U.S. Bureau of the Census 1991).

⁴ Races reported were as follows: black = 750; white = 736; Asian = 13; Hispanic = 12; American Indian = 5; other = 27.

⁵ Ninety percent of black respondents in the DAS were interviewed by black interviewers, and 92 percent of white respondents were interviewed by non-black interviewers.

⁶ The response rate was 81 percent for those 765 housing units selected in high-density black segments and 75 percent for the 778 housing units selected in low-density black segments.

Characteristics of metropolitan Detroit make it an appropriate location for the investigation of racial residential segregation. The 1990 census counted 47 metropolises of one million or more nationwide. The average segregation score comparing the residential distributions of blacks and whites across block groups was 69. Detroit was the most segregated and was the only location in which segregation increased in the 1980s. Its score (89) was more than two standard deviations above the mean for large metropolises (Farley and Frey 1994).

Throughout the nation, blacks fall behind whites on most indicators of social and economic status, but racial discrepancies were larger in Detroit. Six measures pertinent to housing market issues are summarized in table 1. The black-white difference in Detroit is compared to that found in all U.S. metropolises in 1990. The top panel shows that the proportion of adults with college degrees was lower in Detroit than across the nation, and the racial difference was greater. White households in Detroit had mean 1989 incomes above the national average, but black household incomes were slightly below. The poverty rate for blacks in Detroit was higher than for blacks in all metropolitan areas but was lower for whites. Racial discrepancies in the value of owned homes and in monthly rental payments were larger in Detroit than elsewhere. The one inversion to this pattern involves tenure, because, in Detroit, an unusually large proportion of households owned their homes.

What we asked: Questions to assess racial differences in housing search

We know little about what people actually do when they are in the housing market. Economists have developed theories of housing search taking race into account (Courant 1978; Courant and Yinger 1977), and a few studies have analyzed whether the racial composition of a neighborhood is linked to the advertising of homes in major newspapers (Galster, Freiberg, and Houk 1987; Turner 1993). A small number of investigations have gone at least one step further. Weisbrod and Vidal (1981) assessed the barriers constraining the search of low-income renters in Pittsburgh and Phoenix who were given vouchers allowing them to compete on the open market. Zonn (1980) studied the actual methods used by approximately 500 Milwaukee households purchasing a home two decades ago; and more recently, Turner and Wienk (1993) and Turner (1993) obtained information about the search strategies used by 200 home buyers in Washington, DC, and neighboring Prince George's County in 1990. These last

Table 1. Characteristics by Race for Metropolitan Detroit and Metropolitan United States, 1990

	Metropolitan Detroit	Metropolitan United States
College graduates (among population age 25 and over)		
White (%)	19.5	24.1
Black (%)	9.7	12.5
Ratio of black to white	0.50	0.52
Mean household income (1989)		
White (\$)	44,850	41,699
Black (\$)	26,511	26,591
Ratio of black to white	0.59	0.64
Poverty rate (all ages)		
White (%)	6.9	8.4
Black (%)	32.5	27.7
Ratio of black to white	4.71	3.29
Householders who own		
White (%)	75.5	66.2
Black (%)	48.7	40.5
Ratio of black to white	0.65	0.61
Median value of owner-occupied homes		
White (\$)	72,050	88,100
Black (\$)	28,250	54,850
Ratio of black to white	0.39	0.62
Median monthly rent for renters		
White (\$)	426	415
Black (\$)	267	328
Ratio of black to white	0.62	0.79

Source: U.S. Bureau of the Census (1991).

studies were restricted to persons whose search led to a home purchase.

Because of the dearth of previous studies, it was not possible to draw on an array of tested questions about housing search, especially since this was the first investigation of this topic with a representative household sample for a major metropolis. To gain information from people who had knowledge of or experience with the current housing market, only those who had searched for a home or apartment within the past five years were asked the search questions. Thirty-six percent of black and 47 percent of white respondents said they had, giving us a sample of 272 black and 344 white searchers.

Those who had looked for housing were asked if they had used any of five techniques: consulting a broker, reading newspaper ads, speaking with friends or relatives, looking at For Sale or For Rent signs, or going to community organizations and churches that might list openings (figure 1). A respondent could answer “yes” or “no” to each of these five methods and had the opportunity to report other search strategies.

Figure 1. Questions Asked about Housing Search, 1992 Detroit Area Study

A12. Have you searched for a house or an apartment in the last five years?

<input type="checkbox"/> 1. Yes	<input type="checkbox"/> 5. No	
↓		SKIP TO NEXT PAGE, SECTION B

A13. (RB, P.1) Which of the following methods did you use in your most recent search?

A13a. Talked with friends and relatives	<input type="checkbox"/> 1. Yes	<input type="checkbox"/> 5. No
A13b. Newspaper ads	<input type="checkbox"/> 1. Yes	<input type="checkbox"/> 5. No
A13c. For Sale or For Rent signs	<input type="checkbox"/> 1. Yes	<input type="checkbox"/> 5. No
A13d. Real estate brokers	<input type="checkbox"/> 1. Yes	<input type="checkbox"/> 5. No
A13e. Community organizations or churches	<input type="checkbox"/> 1. Yes	<input type="checkbox"/> 5. No
A13f. Other (SPECIFY)	<input type="checkbox"/> 1. Yes	<input type="checkbox"/> 5. No

A14. In general, which method do you feel is the best way to locate a house or apartment?

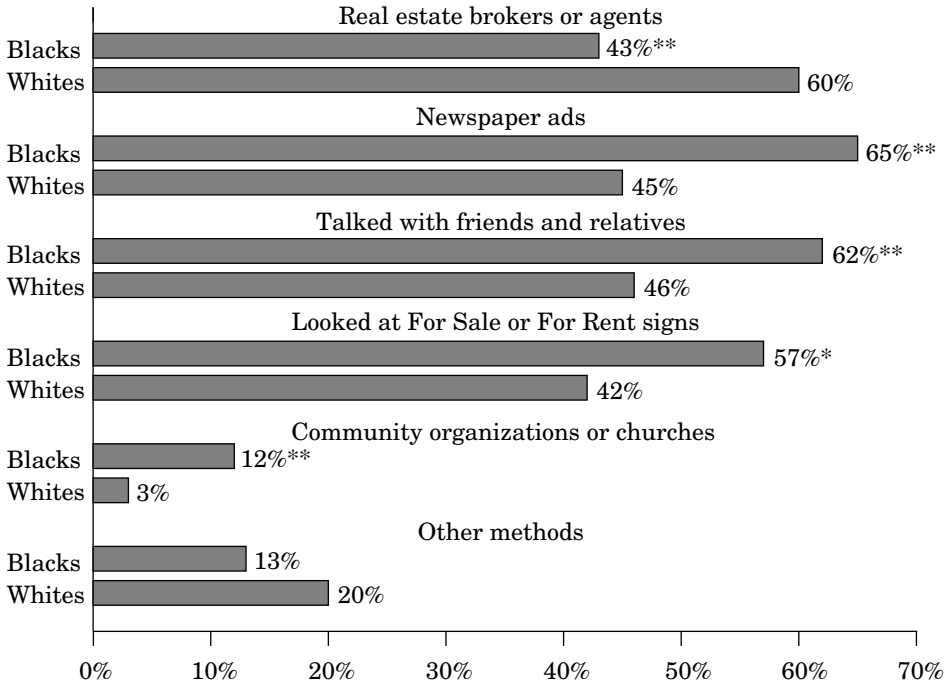
(WRITE QUESTION NUMBER FROM A13, IF APPROPRIATE)

In addition to ascertaining racial differences in search methods, this investigation determined whether there was racial consensus about the best way to locate a new home or apartment. Respondents who had searched were asked which one method was the best to find a home or apartment. These housing search queries were efficient and productive. They were clearly understood by respondents, were easy for interviewers to ask, elicited no objections, and quickly provided relevant information.

What we found: Black-white differences in housing search

Race makes a difference in housing search. In their most recent foray into the housing market, Detroit area blacks made significantly less use of brokers than whites, but much more use of informal methods such as newspaper ads and talking with friends or relatives (figure 2).

Figure 2. **Methods Used by Detroit Area Blacks and Whites in Their Most Recent Housing Search**



Source: Detroit Area Study, 1992.

Note: Data are limited to persons who searched for a house or apartment in the past five years. Unweighted sample size: blacks = 272; whites = 344.

* $p < 0.05$. ** $p < 0.01$.

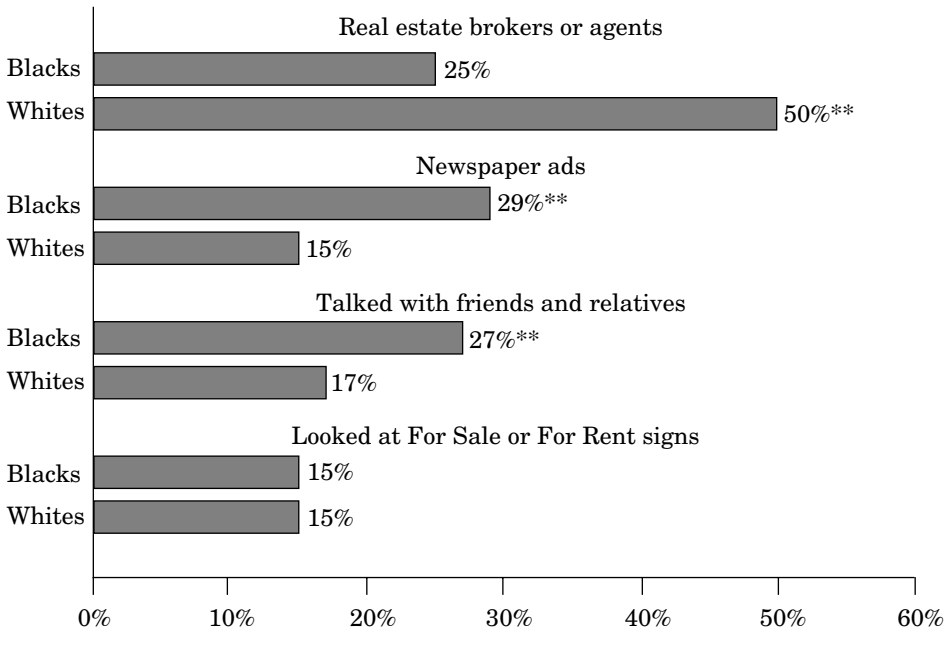
Zonn's 1980 study of Milwaukee home buyers and Turner and Wienk's 1993 study in Washington, DC, imply that consulting with real estate agents was the most effective way to locate housing. In metropolitan Detroit, 6 of 10 whites compared with only 4 of 10 black searchers used this method. This was, however, only one of four methods frequently reported by both races. But there is an important difference: Significantly more whites than blacks used the formal method of consulting a broker, while more blacks than whites used each of the four less formal strategies. Approximately one-sixth mentioned methods other than those listed on the interview schedule. Most commonly, this was "driving through a neighborhood," presumably to find an attractive home with a For Sale sign. The next most common "other" method involved people who made a distinction between brokers and agents and then said they used an agent. Overall, blacks used more methods than whites; an average of 2.5 methods for blacks, which was significantly greater than the two methods reported by whites.

To describe racial differences in how the housing market is perceived, respondents were asked, "In general, which method do you feel is the best way to locate a house or apartment?" (figure 3). Respondents were constrained to only one best method. Those who mentioned using an agent were combined with those who recommended brokers, and those who thought that driving through a neighborhood was the best strategy were merged with those who recommended looking at For Sale signs.

Substantial racial differences are evident in judgments about the best search method, just as they are among methods used in the last search. Half of whites said that a broker was best, which is double the proportion for blacks. Blacks, more so than whites, recommended newspaper ads and talking with friends as the best methods, while similarly small proportions of both races ranked looking at signs as the best way to find a house or apartment.

This evidence leads to rejection of the hypothesis that Detroit area blacks and whites use the same methods to seek housing. When they are in the housing market, blacks and whites use different methods, with blacks relying on informal techniques more than whites. Additionally, the findings lead to rejection of the hypothesis that blacks and whites share similar views about the best way to find housing, since whites recommend using brokers about twice as frequently as blacks. Blacks rely to a lesser extent on brokers than whites, and thus they use informal

Figure 3. Responses of Detroit Area Blacks and Whites about the Best Method to Locate a House or Apartment



Source: Detroit Area Study, 1992.

Note: Data are limited to persons who searched for a house or apartment in the past five years. Unweighted. Sample size: blacks = 272; whites = 344.

* $p < 0.05$. ** $p < 0.01$.

strategies, a phenomenon that could potentially increase the cost of their housing search.

Black-white differences: The effects of social, economic, and demographic characteristics

The choice of a search method is influenced by a person’s characteristics. As table 1 shows, blacks and whites in Detroit differ greatly along many dimensions relevant to the housing search, such as income. These differences may explain why whites use and recommend brokers more frequently than blacks.

Consulting a broker, we hypothesized, would be linked to five demographic characteristics. First, age presumably has an impact. Young people have less experience in the housing market and fewer assets and thus may feel less comfortable visiting a broker. Older persons who have purchased several homes also may make less use of a broker. Second, extensively educated persons probably search most efficiently, so they would consult

brokers more than those with limited educations. Third, family income should be positively linked to consulting brokers in the housing search. Gender is included as the fourth demographic variable to investigate whether males and females differ in their search methods, although there is no hypothesis regarding how gender may affect housing search. Finally, owners or aspiring owners, presumably, are more likely to consult brokers than renters are, because the transaction costs are much higher when buying a home.

To summarize the findings, those who used or recommended a broker were distinguished from those who relied exclusively on the less formal search methods. Several further analyses were considered to distinguish the different informal methods, as well as to distinguish those who relied on a broker exclusively from those who used a broker along with informal methods. Almost all who consulted a broker also read ads or talked to friends, but even here there is a racial difference suggesting that blacks rely less on brokers. Three-quarters of whites who consulted brokers also used other search strategies, but a significantly higher proportion of blacks did so (89 percent). Overall, these analyses provided little additional information.

In table 2, respondents' characteristics are related to housing search (defined only as use of a broker in the last search and recommending a broker as the best method).

Concerning the use of a broker, differences by age were small, but for both races, the highest proportion using brokers were those ages 35 to 44—people who had limited experience in the housing market. Educational differences were trivial among whites, but extensively educated blacks used brokers more frequently than blacks with a high school education or less. Family income was not significantly linked to consulting brokers among whites, but among blacks, those with higher incomes were more likely to use them. Gender did not make a difference in the consulting of brokers during the last search, but among both races, homeowners were significantly more likely to use brokers than renters.

Similar information is reported in table 2 from the question concerning the best search strategy. Half of whites and one-quarter of blacks recommended a broker. Among whites there was little difference by age, educational attainment, or income. Among blacks, socioeconomic status made a difference. Those at the top of the educational attainment distribution and

Table 2. Responses about Use of Broker in Last Housing Search and Recommendation of Broker as the Best Method, by Demographic Characteristics for Whites and Blacks

	Used Broker or Agent in Last Search		Broker or Agent Is Best Method	
	Whites	Blacks	Whites	Blacks
Age (%)				
Under 35	54	38 ^{a,b}	47	19 ^{a,b}
35-44	59	54	56	36 ^a
45-54	58	22 ^a	58	11 ^a
55 & over	54	23 ^a	40	20 ^a
Educational attainment (%)				
Less than 12 years	57	16 ^{a,b}	38	7 ^{a,b}
12 years	52	33	42	19 ^a
13 to 15 years	60	48	54	28 ^a
16 or more years	55	73	55	53
Family income (%)				
Not reported	60	50 ^b	59	36 ^{a,b}
Under \$20,000	46	22 ^a	34	12 ^a
\$20,000 to \$39,999	51	45	45	13 ^a
\$40,000 to \$69,999	65	69	55	51
\$70,000 or more	55	64	57	55
Gender (%)				
Male	59	47	53	27 ^a
Female	53	40 ^a	46	25 ^a
Current tenure (%)				
Owners	71 ^b	69 ^b	61 ^b	51 ^b
Renters	33	28	32	13 ^a
Total (%)	60	43 ^a	50	25 ^a
Unweighted sample size	344	272	344	272

Source: Detroit Area Study, 1992.

^a The *t*-test indicates a significant ($p < 0.01$) black-white difference.

^b Differences within this racial group for this characteristic are significant ($p < 0.01$) using the chi-square test.

those at the top of the income distribution recommended brokers more frequently than other blacks. And among both races the tenure difference was large: Homeowners recommended consulting brokers more than renters did.

There is a large black-white difference in consulting or recommending brokers. A key hypothesis asks whether this is a real racial difference or the result of those large differences in social and economic status that distinguish the races in Detroit. For every category of each variable, a test was made to determine if

there was a racial difference; that is, is there a black-white difference once you control for age, education, or income? Significant racial differences are indicated.

While the overall racial difference in using brokers was large, there were relatively few significant differences once characteristics were taken into account. Consider educational attainment: Blacks lacking a complete high school education consulted brokers less frequently than whites, but for those with greater attainments, there was no significant racial difference. Similarly, blacks with family incomes under \$20,000 were less likely to consult brokers than similarly low-income whites; but at higher income levels, there were no significant racial differences. Controlling for tenure, there was no significant racial difference.

These findings imply that, although blacks toward the lower end of the socioeconomic distribution may use brokers less than whites, racial differences are small once we control for intervening variables. In particular, economically successful blacks and their white peers did not differ in their use of brokers. Among respondents with some college education and with incomes of \$40,000 or more, 65 percent of whites and 70 percent of blacks used brokers in their last search.

To more rigorously test the hypothesis that race has no net effect on the use of a broker, regression models were fit, but these data would not sustain this analysis. The likelihood that educational attainment and income influence the use of a broker depends on whether the searcher is seeking to buy or to rent. For example, income presumably affects the probability of using a broker less for those seeking an apartment than for those seeking to buy a new home. Unfortunately, information in this study about tenure pertains to the time of the survey, not to the time of the housing search. It is not feasible to fit one model for those who sought rental housing and another model for those seeking to purchase, since there is no reason to assume that current tenure is a satisfactory proxy for tenure at the time of the search. Conclusions should be drawn cautiously about the net effect of race on housing search.

Net racial differences in recommending a broker as the best search strategy reveal many more significant differences. Except for current homeowners and those at the top of the income and educational distributions, blacks were significantly less likely to recommend brokers than whites.

Conclusion

In Detroit—and similar older metropolises—blacks and whites continue to live in different neighborhoods (Farley and Frey 1994; Massey and Denton 1993). Two contrasting explanations seek to explain the role of brokers in perpetuating such segregation. One view stresses the key role of brokers in determining where homeseekers will live (Yinger 1993, 1995). Those who defend this perspective emphasize audit studies that show blacks and whites are provided with different information and are steered to different neighborhoods. Presumably, if brokers and lenders acted in a color-blind manner, black and white homeseekers would be shown similar housing opportunities, they would frequently decide to move into identical neighborhoods, and black-white segregation would decline.

The opposing view emphasizes recent audit investigations that show blacks and whites are often treated much the same by brokers, and then contends that brokers play a passive role in maintaining segregation (Butters 1993). Presumably, they provide information to clients who already have well-formed ideas about their housing needs and their preferences. Given racial differences in preferences about neighborhood racial compositions, segregation will be the outcome even if brokers treat all clients similarly. Spokespersons for this viewpoint report that whites overwhelmingly seek neighborhoods with only a few black residents, while blacks prefer integrated neighborhoods with substantial numbers of black residents. Indeed, 50 percent black seems to be the preferred racial makeup for black homeseekers, but few whites would consider buying a home or renting an apartment in such a densely black neighborhood (Clark 1986, 1988, 1989, 1991; Farley et al. 1993, 1994). Racial segregation, from this perspective, depends not so much on what brokers do, but rather on the preferences of customers.

While these overarching views are frequently discussed, there is much we do not know about the operation of local housing markets. This investigation sought to determine whether blacks and whites differ in their housing search strategies by interviewing a large representative sample. Among blacks who entered the Detroit housing market in the five years before 1992, 43 percent consulted a broker; but among whites, it was a significantly higher: 60 percent. Blacks, more so than whites, relied on informal methods, such as reading newspaper ads or speaking with friends. This racial difference was, in large measure, accounted for by the large social and economic differences that distinguish

blacks from whites. If there is a narrowing of black-white differences in education and income, there will likely also be a reduction in the racial differences in housing search.

It is a challenge, perhaps an impossible task, to ascertain what proportion of racial segregation is caused by illegal discrimination by brokers and lenders and what proportion is caused by preferences of whites and blacks for neighborhoods where their own race dominates. In a metropolitan area as riven by race as Detroit, there is a widespread perception that discrimination is common throughout the housing market—and this belief may have a substantial impact on how homeseekers look for housing. That is, there is a large black-white difference in the perception of racial discrimination in the housing market, which may be linked to the patterns described in this article.

The 1992 DAS sought to ascertain whether blacks and whites shared similar views about the presence of racial discrimination and its impact on blacks. Respondents were asked about three reasons why Detroit-area blacks might miss out on good housing: because white owners will not sell or rent to blacks; because real estate agents will not show, sell, or rent to blacks; or because banks and lenders will not loan to blacks. While audit studies seek to measure the incidence of actual discrimination in the housing market, there are very few studies of the perception of discrimination in the marketing of housing.

The specific questions are shown in figure 4, which also displays the findings based on responses from those who searched in the past five years. There is widespread agreement that blacks miss out on good housing because white owners refuse to sell or rent to them. It may not be surprising that 85 percent of blacks believe that this occurs very often or sometimes. More surprising is the absence of a racial difference—more than 8 of 10 whites also agreed that blacks miss out on good housing for this reason.

Whites differ from blacks in perceiving discrimination by brokers. That is, just about the same proportion of blacks believed brokers discriminate as thought that white owners did, but significantly fewer whites believed that real estate agents will not show, sell, or rent to blacks. Moving to the third question about possible racial discrimination by lenders, we discover an even larger racial difference, with 51 percent of whites and 87 percent of blacks reporting that this happens sometimes or very often.

Figure 4. Perceptions of Discrimination against Blacks in the Detroit Area Housing Market by White Owners, Real Estate Agents, and Banks and Lenders

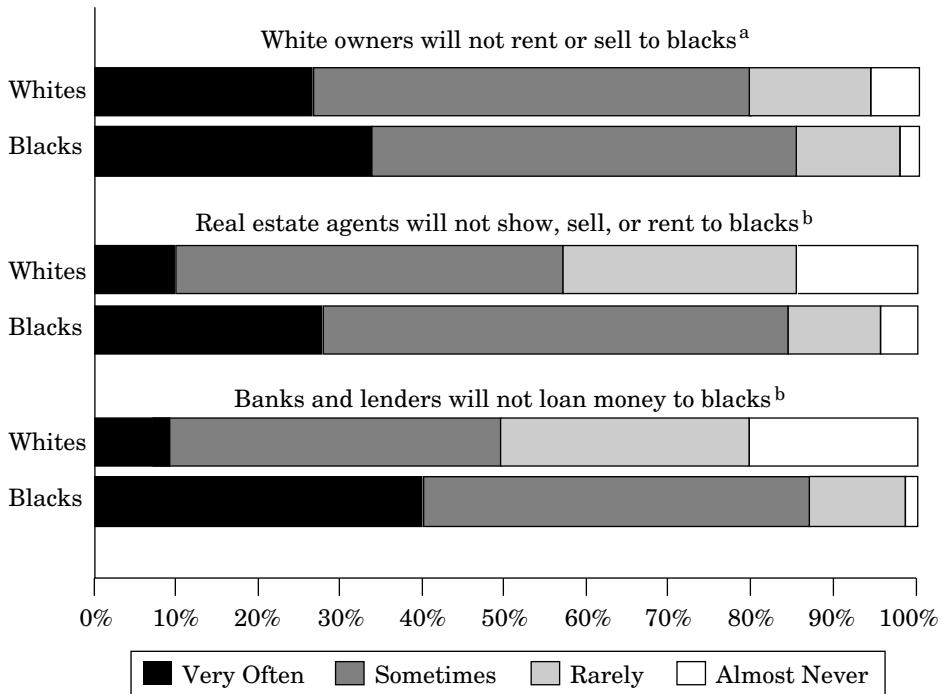
DAS QUESTIONS ABOUT HOUSING MARKET DISCRIMINATION

I'm going to mention several reasons why Black people may miss out on good housing in the Detroit area. I'd like you to tell me how often you think Black people miss out on good housing for each of the reasons I mention.

The first reason is because White owners will not rent or sell to Blacks. Do you think that Blacks miss out on good housing because (of this/White owners won't rent or sell to Blacks) very often, sometimes, rarely, or almost never?

The next reason is because real estate agents will not show, sell, or rent to Blacks. Do you think that Blacks miss out on good housing because (of this/real estate agents refuse to show, sell, or rent to Blacks) very often, sometimes, rarely, or almost never?

How about because banks and lenders will not loan money to Blacks to purchase a home. Do you think that Blacks miss out on good housing because (of this/banks and lenders will not loan money to Blacks to purchase a home) very often, sometimes, rarely, or almost never?



Source: Detroit Area Study, 1992.

Note: Data refer to persons searching for housing within the past five years.

^a Chi-square test shows racial difference is significant at 0.05 level.

^b Chi-square test shows racial difference is significant at 0.01 level.

These findings emphasize that both blacks and whites think the Fair Housing Act of 1968 failed to accomplish its goal of eliminating racial discrimination. Note that the majority of whites—and much more than a majority of blacks—believe that brokers and lenders discriminate, causing blacks to miss out on good housing.

Current efforts to eradicate discrimination by brokers, if successful, will broaden housing opportunities for those blacks who use brokers. As this article reports, these are often blacks with the characteristics of economic success. Such efforts, in the short run, will not eliminate those substantial racial differences in the use of brokers. Such a change might be encouraged were there a widespread belief that brokers did not discriminate. Real estate brokers now generally use a logo in their advertisements indicating that they are dedicated to providing equal opportunities; they sometimes advertise on black-oriented radio stations; and many banks similarly advertise their status as an equal opportunity lender. These efforts, however, have not been successful in eliminating the belief—among both blacks and whites—that the marketing of housing in the Detroit area is done in a racially biased manner.

This investigation documents racial differences in the search for housing and finds that blacks were less likely than whites to use brokers, but it is a first effort and needs to be repeated elsewhere with similarly large samples. Indeed, one of its major contributions is demonstrating the feasibility of easily obtaining information about housing search strategies from a multipurpose survey. Several changes will provide even more explicit information about the role of race, especially the addition of a question about whether the most recent search was to buy or to rent, one about the outcome of that search, and another regarding the race of any broker used. Further research on the rationale behind the use, and especially the non-use, of real estate brokers by all housing seekers would be helpful as well. There are likely a number of alternative explanations why some housing searchers do not use brokers, and some of these reasons may have important policy implications.

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