

STATE OF BLACK ARIZONA - HOUSING AND EDUCATION

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In researching the state of Education and Housing for African Americans in Arizona, there are clearly a number of factors and variables that have affected and will continue to affect the ability of African Americans to achieve quality education and housing in the United States as a whole. As such, a portion of this essay will address the state of Black America based on the proposition that the available national research findings are a macrocosm of educational and housing conditions for African Americans in Arizona or any state for that matter. Of course, depending on the region of the country studied, there will be obvious dissimilarities that surface. But for the most part, when it comes to experiences in the arenas of Education and Housing, African Americans in many parts of the country can likely tell the same tale, with a few twists and turns.

In supporting the premise that African Americans in Arizona are a microcosm of what is occurring nationally, the correlation that exists between higher levels of educational attainment and securing quality homeownership housing will surface. The inherent connection between how educational attainment impacts one's ability to attain quality housing was gleaned from multiple data sources available on each of the two topics.

Starting with an historical reference from the early to mid-20th Century, to existing conditions at the dawn of the 21st Century, the essay will briefly describe past and present conditions in relation to education and housing in Arizona, as well as data comparing income levels and wealth generation. There are a number of systemic factors that have implications for African Americans on a national and local scale. The focus will be on the most common factors which oftentimes, intentional or unintentional, can result in limiting choices for African Americans. The key is to recognize the implications and to change

course where needed in order to avoid reversing the gains that African Americans have made.

National and Local Demographic Trends: Past and Present

In 1900, African Americans represented 2.7% of the total population in Phoenix, about 150 out of 5,544 residents.¹ By 1920, the number of African Americans in Phoenix had increased as a percentage of the population to 3.7%. By 1940, African Americans represented 6.5% of the population. Based on 2006 Census estimates, African Americans represent 3.8% or 231,677 of Arizona's total population of 6.2 million, compared to 12.8% or 38.4 million of the total US population (estimated at 300 million).

African Americans migrated to Arizona from urban areas in the South and Midwest. They sought the promise of opportunity and freedom that the West appeared to offer. Black settlers during the early 1900s to late-1920s were mostly middle-class, educated, owned their homes, and believed in community activism. Since Jim Crow restrictions were in full force, African Americans established businesses, built churches, and formed community organizations that provided meeting and gathering places for residents.² In 1912, John E. Lewis opened the first hotel for African Americans who were not welcome in White establishments. In 1921, Dr. Winston Hackett started the Booker T. Washington Memorial Hospital with his wife Myrtle to offer healthcare options to Blacks.

While the African American migration to Phoenix in the 1920s and 1930s continued to increase, employment opportunities did not improve. And as less educated Blacks began arriving after World War I from mostly rural areas of the South and Texas panhandle, the men took jobs in the unskilled service sector and women worked as domestics in White homes.³

The migration of African Americans to Arizona, particularly to the urban areas, continued from the 1940s through the present. As stated earlier, based on 2006 Census data, Arizona's population was estimated 6.2 million people. Of this amount, an estimated 231,677 African Americans reside in Arizona, with the majority living in Phoenix and Tucson.

Based on 2006 Census data, the population of African Americans residing specifically in the City of Phoenix is 5.6% or about 80,100. Although Phoenix is the 5th largest populated City in the country, compared to other large cities, the population of African Americans in Arizona is relatively small. For example, the top four cities in terms of population size have a much higher percentage of African Americans: Chicago at 35.3% or about 970,200; New York at 25.1% or about 2.1 million; Houston at 24.7% or 513,200; and Los Angeles at 9.6% or about 364,000.

Housing and Economic Conditions – Past and Present

As the population of African Americans relocating from urban and rural areas during the 1900s to 1930s increased, racial attitudes toward Blacks became more aligned with other American cities. The promise of opportunity and freedom that the West initially appeared to offer was displaced by more open prejudice and discrimination.

A lack of economic opportunities and discriminatory practices resulted in limiting housing choices for Blacks. By 1940, the majority of Black families were renting homes in substandard, segregated neighborhoods of South Phoenix. Located outside the city limits, the South Phoenix area was prone to flooding and thus considered a less desirable location for housing.

During this time, two distinctly different residential areas for African Americans developed in Phoenix: One attracted more affluent, middle-income professional Blacks

which included some of the early African American settlers. The boundary of this area was 16th Street to Central Avenue, east to west and Washington Street to Buckeye Road, north to south. The second residential area was comprised of less educated, lower-income Black residents who had migrated from the rural areas of the South and Texas panhandle. The boundary of this area was 7th to 17th Avenues, east to west and Madison Street to Buckeye Road, north to south.^{1,2} The Southern Pacific Railroad was the physical boundary which Whites and Blacks rarely crossed.

Living conditions for residents in the area just “south of the tracks” were extreme and atrocious. Structures built using tin cans, cardboard boxes and wooden crates were overcrowded and unsafe. There was no heating, plumbing, electricity, sewer systems or paved roads. The State Board of Health referred to the South Phoenix area as “The Shame of Phoenix.” Father Emmett McLoughlin, a Catholic priest who committed his life to working with the poor called it a “cesspool of poverty and disease.” Federal officials who had begun working on programs to combat the impact of the 1930s Depression era called the area one of the worst slums in the country.⁴

In the wealthier part of the valley or “north of the tracks”, housing starts boomed in the late 1920s, with over 900 dwelling units constructed in 1929. Then along came the Depression which had a devastating impact on the Phoenix housing industry. There was widespread unemployment and the numbers of Whites out of work or the “newly” poor increased significantly. Federal involvement expanded into the public housing arena and helped pull the Phoenix housing industry out of its slump. Contractors received bid awards to build three public housing projects and employed anywhere from 400 to 600 men. Of the three housing projects, one was for African Americans, one for Anglo Americans and one for Mexican Americans. Although low-income minorities became the beneficiaries of

this federal involvement, it appears on the surface that the immediate goal of the federal action was aimed at responding to concerns raised by higher income Whites who began seeing their fortunes dwindle because of the unprecedented challenges in the Phoenix housing market

In 1941, construction was completed on the first African American public housing site in Phoenix known as the Matthew Henson Public Housing Project. Located between 7th and 9th Avenues, and Sherman to Tonto Street, this first addition consisted of 150 units. Two other public housing sites were also completed during this period for low-income Anglo Americans (Frank Luke – 150 units) and low-income Mexican Americans (Marcos de Niza – 225 units).⁵

Following the build out of two more additions in the mid-1940s and in 1959, the Matthew Henson Public Housing project (372 total units) came to be the focal point and hub of the African American community. It provided a secure starting place for many African American families and produced a nurturing environment for politicians such as Senator Cloves Campbell, Sr., State Representative Art Hamilton; civil rights advocate Opal Ellis, community activist Vernell Coleman, and many others. Strong values about faith, family, community, education and respect for your elders were always emphasized by the families in the Henson community; as so adequately stated by the community respondent to this essay (Thomas Wilson III): “The entire community took part in raising each child and contributed to the successful attainment of their goals. Education, career path setting, homeownership, respect for self and others, as well as faith and commitment to family and community transcended from one generation to another. There was much pride in being a homeowner because homeownership was the first and only step towards the generation of wealth for African Americans.” The Matthew Henson housing site was

seen as a way for African Americans to grow and pursue the vision and dream they had for themselves and their children. And while the Matthew Henson housing project became a long-term home for some, a large percentage moved beyond the fences of public housing to become doctors, lawyers, judges, teachers, city council members, state legislators and ultimately homeowners.

Although the Matthew Henson housing site has been replaced as part of the federally funded HOPE VI revitalization effort, the history and significance of the site as the first housing project for African Americans in Arizona is being honored and preserved. Plans are in the works for five of the original red-brick buildings to be converted into a Cultural and Interpretive Center and the location for expanded youth programs. The new Henson Village housing development includes a mix of income levels from low to middle to market rate. Today, the demographics for the area (also known as “Central City South”) have changed significantly. The percentage of low-income African Americans, excluding the elderly population, has decreased. This is further indication that many African Americans who descended from the first occupants of Matthew Henson have achieved higher education, economic stability and moved on to become homeowners with the choice of residing in any part of the valley.

Many agree that achieving homeownership is a measure of economic success and upward mobility.⁶ However, this measure of success has remained somewhat stagnant for African Americans. The national homeownership rate was 68.8 percent in 2006. The homeownership rate in Arizona was 71.6 percent. And while this percentage is above the national average, homeownership rates for African Americans in Phoenix was at 45 percent during this period.

On October 29, 2003, the Consumer Federation of American and BET.com issued a press release that made the claim that African Americans are beginning to close the wealth gap with the rest of Americans. The release cites that from 1989 to 2001, median black household wealth to median U.S. household wealth increased from 9.1% to 22.1%. The rise in homeownership over the past decade has been a significant factor in growing wealth. National homeownership rates for African Americans increased from 42% in 1990 to 48% in 2003. And while this still lags behind the national rate of 68.8%, it is seen as significant progress. As stated in the 2003 press release, “Americans build more wealth through owning a home than they do investing in the stock market. Homeownership is a powerful way to transmit wealth from generation to generation.” The press release also showed the net wealth of the typical African American household rose from \$5,919 in 1989 to \$19,010 in 2001 which is a net increase of 221%. By comparison, the net wealth of a typical US household rose only from \$64,788 in 1989 to \$86,100 in 2001, an increase of 32.9%.⁸ However, income inequality is a better indication that economic conditions for African Americans are not as promising as these statistics would suggest. The gap between the richest and poorest families and the richest and middle-income families has continued to grow significantly in most states during the past two decades.⁹ Since the late 1990s, the trend of growing inequality in the nation accelerated. Incomes fell for the poorest families by 2.5% and remained stagnant for middle-income families at 1.3%. However, incomes for the wealthiest families climbed by 9%.

Between the late 1980s and the mid-2000s, gains for the wealthiest families outpaced the poorest and middle-income families. There was little change in incomes for the poorest families during this period which went from \$15,931 to \$16,744, an increase of \$813 over two decades or about \$48 per year. Middle-income families saw an increase of

\$2,790 from \$41,529 to \$44,319 or about \$164 per year. The wealthiest families' incomes increased by \$20,454 from \$100,662 to \$121,116 which is an increase of \$1,203 per year. These figures have not been adjusted for inflation, so given the value of today's dollar, the minimal income gains made by low to middle-income families during this period likely reflect a backward trend.

Income inequality between the poorest families; the largest percentage being African American and the wealthiest families typically White, is a commonly referenced statistic, but doesn't tell the complete story. When you compare the national net wealth of Whites with that of African Americans, the net increase is significantly greater for African Americans, but there is still a huge disparity of net wealth overall. Wealth or net worth is a better indicator of a family's ability to achieve economic security and upward mobility. When the statistics are viewed in this light, the gap is even wider. The median income for African Americans in 2004 was \$28,000 versus \$48,000 for Whites. The net worth held by African Americans, including home equity, was \$11,800 or about 10% of the \$118,300 net worth held by Whites. But when you subtract home equity, African Americans held only \$300 in net financial assets or less than 1% of the \$36,100 in net financial assets held by whites.¹⁰ As summarized in more simple terms by Thomas Wilson, the vast majority of African American's net wealth is equal to the value of their property less the current market value and that such value is either an addition to or subtraction from net wealth. The impact of the current housing crisis on local and national economies has been nothing short of devastating for individuals and families across the country. So if the net wealth of an African American family is based on owning their own home, then what do current statistics reveal? Based on figures released by the Federal Housing Finance Agency, the Phoenix Metropolitan Area posted a three month drop in values of over 7.5 percent and

current values are down by more than 16.6 percent from a year ago. The bottom has dropped out of the housing market and more and more Americans, particularly African Americans and other minorities are upside down on their mortgages. African American homeowners who do not have funds in reserve to weather periods of unemployment or undertake necessary home repairs or equipment replacements are exposing themselves to even greater economic instability.

The current housing crisis has hit Arizona hard. In 2008, Arizona was ranked third behind Nevada and Florida among states with the highest foreclosure rates. In the past 18 months, the number of valley homeowners who have lost their homes to foreclosure is estimated at 40,000. And of this amount, 14,564 or 36% are in Phoenix. Factors leading to the surge in foreclosures include decreased home values, higher interest rates, and increased mortgage payments after adjustable rate mortgages reset, job losses, etc.¹¹ And given the amount of foreclosures, new housing starts are improbable in this market. Banks, builders, investors and potential new homeowners are walking away from the deals, and current homeowners are simply walking away period.

So, what are the implications of the housing crisis on wealth building through homeownership? While some researchers claim to be unsure about how this crisis will affect the wealth gap, the available data is sufficient enough to draw a logical conclusion. Since most of Black wealth is concentrated in home equity, it is logical to suggest that the wealth divide between Whites and Blacks in Arizona and across the nation will continue to widen. Four decades after Dr. King's vision of economic equality, African Americans seem to have achieved little in the way of shared and equitable prosperity.¹⁰

Educational Attainment – Past and Present

In the early 1900s, like many states across the country, school segregation was the norm in Arizona. In an override vote of then Governor Joseph Kibbey's veto, Arizona's territorial legislature passed a resolution in 1909 that allowed segregation in Arizona schools. While many parts of Arizona did not establish segregated education facilities, the Phoenix School Board adopted the resolution that created a "separate but equal" policy. In 1910, the Frederick Douglass School for Black elementary students was established and shortly thereafter, the Booker T. Washington Elementary School. In 1925, Dunbar Elementary School was added. African American high school students attended Phoenix Union High School, but were taught in a separate "colored" classroom. This structure for high school students remained until 1926, when there were enough Black students to justify creating the Phoenix Union Colored High School. This was the only segregated high school in Arizona which was later named George Washington Carver High School.

African Americans slowly, but surely began to resist the concept of segregation in schools and in society as a whole. In 1945 Carver High School students staged a sit-in that lasted six weeks at a coffee shop that refused to serve African Americans. The NAACP student committee members conducted a sit-in at the Walgreen's lunch counter several years later. The Greater Phoenix Council for Civic Unity, a multiracial organization, joined with the NAACP, Urban League, Arizona's first African American Legislators (Hayzel B. Daniels and Carl Sims) and others to push the legislature to end mandatory segregation in schools.¹ In 1951, legislation passed giving local school boards the option of voluntary desegregation. As a result, other Arizona communities, including Tucson who had the next largest population of African Americans, began desegregating schools - however, Phoenix resisted. Following lawsuits filed against Phoenix Union High School on behalf of three black students, Superior Court Judge Frederic Struckmeyer, Jr.

issued a ruling in 1953 that Arizona's segregation laws were an unconstitutional delegation of legislative power. A similar suit filed against Wilson Elementary School District resulted in another ruling that segregation in elementary schools was also unconstitutional. It is interesting to note that these Arizona rulings occurred a year in advance of the landmark court decision in Brown versus the Board of Education.

In spite of the prejudice and discrimination that early African American settlers encountered, they fared well as a close-knit community. Those who led the charge toward fairness and equality in education have been the driving force behind the many gains made by those who came after them. They encouraged us to do well in the face of adversity and have left a strong legacy on which the African American community in Arizona continues to build.

The statewide graduation rates by race/ethnicity for the Class of 2007 African American students fared well compared to other races or ethnicities. Based on a four year graduation rate of the five races/ethnicities tracked, 72.3% of African American students graduated high school, just behind Asians (85.5%) and Whites (81.3%). The four year graduation rate for Hispanic students is 64.7% and 55.0% for Native Americans. The total average graduation rate for all groups is 73.4% compared to the national average of 85.5%.

Post secondary education statistics reflect favorably for Arizona. As of 2006, the national average for those with a Bachelor's degree or more was 28%. The average for Arizona during this period was 24.5%. Of this amount, 18.5% are African American.

When viewing education from the standpoint of public dollars spent on education, the picture in Arizona is very bleak. Recent statistics show that Arizona has the dubious honor of ranking 50th in the nation for its commitment to education. And given the current

proposed reductions to funding for educational programs, Arizona will not be relinquishing this dubious honor anytime soon. In spite of efforts that resulted in the construction of state-of-the-art facilities that attracted world renowned researchers and scientists to the valley; without adequate funding, Arizona's educational institutions (particularly K-12) will continue to be viewed as inferior. When you add this systemic problem to those that already typically exist for low-income urban youth, i.e., poverty, hunger, violence, lack of parental involvement, etc., the landscape is even more troubling. But even these types of factors fail to minimize the value and importance of pursuing higher education which are often instilled in African American youth. In spite of the continued price hikes for tuition, more and more youth recognize the importance of being able to compete in the national and global economy, so they choose to do what is necessary to obtain their education. They work hard and study to qualify for scholarships and/or grants or work full or part-time while pursuing a post secondary education.

The impact of higher educational attainment on one's ability to achieve quality homeownership is tied to the expectation that higher education will typically result in obtaining a job that ultimately pays a higher income. As stated earlier, homeownership is an indicator of wealth building and growth. However, current market and economic conditions now forces all of us to prepare to weather a storm that will likely remain for at least the next several years.

Summary and Conclusion

Achieving the highest level of formal education, greater economic stability, and attaining quality housing are goals that most, if not all, Americans strive to accomplish.

Achieving these goals will ultimately be more about the conscious and subconscious choices that African Americans will make as individuals, as families, as members of tight-knit groups, and/or as an overall community. The choices that African Americans have made in the past, those made now, and those made in the future lead to multiple forks in the road. How African Americans choose to navigate these forks will be what moves them along the path to success or untold challenges... again, it is about choices.

There will be those who believe many of the systemic barriers have been removed. These folks truly believe that anyone, particularly African Americans, can succeed if the choice is made to take advantage of the opportunities that exist. They believe the playing field has been leveled and that anyone finding it difficult to achieve success simply is not trying hard enough. Those who agree with this view should do so only to the extent that achieving success in the face of challenge and adversity is often measured by an individual's spirit, strength and will to persevere. However, the realists among us believe strongly that many systemic barriers are alive and well for African Americans... even though as a country, the first African American President was elected.

Ultimately, removing the systemic barriers first requires those who have a true interest in achieving equality to come to a general consensus that many barriers still exist. Only then can the focus shift to clarifying the factors that result in success, challenging the system that creates inherent inequities, and identifying the behavioral changes necessary for African Americans to succeed.

Again, current market and economic conditions are forcing all to hunker down for a ride that will get much bumpier before it gets smoother. In the meantime, the African American community as a whole should assess what type of changes are needed to address the biggest challenges we seem to be facing...income inequality and how best to

build net wealth. As a community, better long-term and strategic planning for the future is critical in order to weather the cyclical nature of current and future economic storms.

Economists have stated that a dollar should change hands in a community at least seven times before it leaves that community. Unfortunately, African Americans as an ethnic group are consumers. In Arizona's African American communities, few opportunities exist for this dollar to change hands more than once before it leaves. As such, it is critical for Blacks to unite to develop economic strategies, and support plans that create business and employment opportunities particularly within communities that still have cultural ties and concentrations of African American families. Saving and building net wealth that is not dependant on home equity values will be the challenge, but should be a long term goal that we all aspire to achieve.

* Reference Numbers 1 through 5 below are compiled from the Matthew Henson Housing Project Historic Property Documentation, prepared for the City of Phoenix HOPE VI Project by Logan Simpson Design Inc., contributions by Jean A. Reynolds, MA and Robert Graham, AIA, December 2003

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