

[Bhaman on Taylor, 'Race for Profit: How Banks and the Real Estate Industry Undermined Black Homeownership'](#)

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Keeanga-Yamahtta Taylor. *Race for Profit: How Banks and the Real Estate Industry Undermined Black Homeownership*. Chapel Hill: University of North Carolina Press, 2019. 368 pp. \$30.00 (cloth), ISBN 978-1-4696-5366-2.

Reviewed by Salonee Bhaman (Yale University) **Published on** H-1960s (November, 2019)
Commissioned by Zachary J. Lechner (Centenary College of Louisiana)

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Scholars of the twentieth century are likely to be familiar with the story of residential segregation in the United States as one of both systematic exclusion and divestment, wherein a rapidly expanding postwar state subsidized white homeownership while simultaneously excluding African Americans from a host of state protections and redlining urban areas out of inclusion in federally backed mortgage insurance programs. Urban historians have demonstrated the ways that these practices and the resulting white flight out of cities resulted in an urban core subject to severe overcrowding, municipal neglect, and harsh policing—a tinderbox of effects often described as culminating in the “urban crisis” of uprisings and social upheaval of the 1960s.[1] Keeanga-Yamahtta Taylor’s new monograph, *Race for Profit: How Banks and the Real Estate Industry Undermined Black Ownership*, extends and reframes this now well-trodden historical timeline by examining the dramatic changes in federal housing policy towards African American and low-income homebuyers between the 1968 Kerner Commission Report and the 1974 Housing and Community Development Act (HCDA). In doing so, Taylor constructs a thoroughly researched and rich accounting of the ways that agencies like the US Department of Housing and Urban Development (HUD) and the Federal Housing Authority (FHA) worked together with real estate and insurance industries to engage in a new politics of *predatory inclusion* to further entrench segregation while also exploiting black homeseekers with few other choices.

Race for Profit is a tightly constructed exploration of both urban and political history that makes an important contribution to histories of urban space, racial capitalism, and political formation. It is a work that interrogates the nuances of the racialized political economy that statecraft takes place in, giving thorough consideration to a variety of actors—including federal administrators, real estate brokers, tenant organizers, and individual families who testified against the practices of the FHA. Taylor lays the groundwork for this study by detailing the crisis of urban housing at the height of the “urban crisis,” making note of the work of organizers like Jesse Gray in black neighborhoods who orchestrated creative campaigns, like 1965’s “Rats for Rockefeller” campaign, to impress upon elected officials the plight of African Americans living in dilapidated urban housing. While many dismissed Gray and his followers, Taylor demonstrates how FHA redlining practices, real estate interests, and various unscrupulous lenders forced black residents to remain in cities, ineligible for assistance to make badly needed repairs to housing stock. Here, Taylor joins various scholars in thinking about race, capitalism, and the built environment as a complex framework for understanding

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the profitability of property ownership for white Americans as fundamentally reliant on the subjugation and degradation of black urban environments.[2]

These investments in segregated housing were undiminished by the 1960 Housing Act and 1968 HUD Act. Instead, Taylor argues, while often framed as answers to agitation for improved conditions, absent federal enforcement of antisegregation measures, both acts created new financial incentives for real estate and insurance investment in urban areas. Taylor notes that despite a long-standing record of racial animus against African Americans and a financial incentive to encourage segregation, real estate and insurance companies were historically empowered by the federal government to administer and shape these new housing programs to disastrous effect. Noting that Lyndon Johnson's vision for a Great Society occurred alongside a mounting bill for the war in Vietnam, Taylor goes on to show that while War on Poverty programs have come to be a metaphorical stand-in for a bloated government welfare state in the rhetoric of conservative politics, the Great Society actually ushered in an unprecedented level of enmeshment between the public and private sector.

Taylor demonstrates that the increasing reliance on public-private partnerships to house America's poor and working-class African American population created a dynamic wherein the racially discriminatory practices of the real estate industry became closely imbricated with state policy around housing, insurance, and inclusion. Juxtaposing the lax enforcement of the 1968 Fair Housing Act and new incentives to house the urban poor through public-private collaborations encouraging low-income homeownership, Taylor effectively demonstrates that in the wake of Johnston's War on Poverty, triumphalist narratives of racial liberalism belied the actual practices of exploitation through predatory lending, neglect, and segregation that shaped both black and white housing markets. The legacy of the Kerner Commission had in fact created new financial incentives for racial segregation, wherein the same insurers, companies like MetLife and Equitable, which had fought integration in the boom of modernist developments that proliferated after World War II, were now heralding themselves as the brokers of a bright new future for African American homeowners. Taylor notes that these unscrupulous practices continue unchecked, and in many cases were exacerbated, as the Nixon administration was sworn in.

In addition to providing a detailed analysis and exploration of housing policy, *Race for Profit* is also a valuable contribution to the historiography of realignment and the political shifts of the late 1960s and 70s, elaborating on the ways that Nixon's "New Federalism" produced new, unique challenges for HUD's affordable housing program. The book is also a study of the limits and logics of postwar racial liberalism. Perhaps nowhere are these limits as succinctly articulated as through Taylor's depiction of George Romney, Richard Nixon's secretary of housing and urban development, who assumed office as a strident advocate for low-income housing programs, only to oversee and justify massive agency mismanagement, prioritizing speed and expansion over evidence of misconduct and fraud within the agency and laying blame at the feet of African American homebuyers when these revelations become public.

Taylor's thoroughly researched and richly written monograph is remarkable on many fronts, but perhaps most so in its detailed examination of the actual conditions that black residents experienced in FHA-approved, dilapidated homes. Pulling from congressional testimony, internal audits, and snippets from lawsuits filed against HUD by buyers who maintained they had been misled by the agency, Taylor paints a vivid picture of the effects of decades of municipal divestment and

segregation enforced overcrowding on the physical housing stock of urban areas where black residents were expected to continue to live. Taylor's thoughtful investigation clues us into not only the big picture of segregated housing stock, but also the granular and poignant details of leaking roofs, buckling floors, vermin infestations, cold water, and faulty heating, among other conditions. These conditions, she argues, were allowed to flourish not solely because of disinterest and neglect on the part of housing officials and policymakers, but because they actively created profits for real estate developers invested in producing and representing segregated white suburbs in contrast to these conditions.

Without active and forceful state intervention, Taylor convincingly argues, race and risk became determining factors in assessing property values and futures. The elimination of FHA redlining guidelines led to a massive increase in the market for urban housing, an opportunity that unscrupulous mortgage brokers and real estate professionals were swift to take advantage of. They were aided, Taylor demonstrates, by the FHA's lax processes around inspecting urban housing before approving properties for insurance. Though these practices were the subject of great outcry from local press and those who had unwittingly purchased seriously dilapidated properties, Taylor demonstrates that Romney's and others' preoccupation with growth and volume as primary metrics of the HUD-subsidized mortgage program allowed concerns about FHA inspection processes to be ignored, minimized, and eventually reframed as the responsibility of potential buyers.

Taylor's focus on the individuals who make up the bureaucracies she takes as objects of study is notable. In a detailed study of office culture and attitude, Taylor notes that FHA appraisers were entry-level employees untrained in spotting and rooting out actual problems in stock. Furthermore, they were incentivized to ignore obvious problems in order to please realtors and brokers, while their low pay made them susceptible to bribes and corruption. More damningly, Taylor draws from internal audits and EEOC complaints filed against the FHA to explore the racism endemic within the offices themselves, showing that many inspectors believed potential homebuyers to be deserving of nothing more than the dilapidated and substandard housing stock they purchased, falsely reassured by the imprimatur of a federal inspection.

The importance of maintaining residential segregation was central to this "New Federalist" phase of HUD: Taylor demonstrates that local governments were largely unable or unwilling to face down the embedded interests that protested the construction of large-scale affordable construction in white suburbs, while the federal government refused to take action against patterns that indicated realtors sold newly constructed low-income housing to white families, while funneling black buyers into increasingly dilapidated units that had little hope of staying intact over subsequent years, let alone appreciating in value.

Taylor argues that when these dynamics became the subject of controversy in the press, administrators, real estate interests, and government social scientists responded by drawing on a long history of pathologizing black families as part of a permanent underclass, unable to properly maintain their homes due to failures of domesticity and character. Rather than reckon with the systemic fraud and shoddy practices of inspectors within their own agencies, both local and federal officials proposed plans aimed at reforming and retraining African American homeowners, rather than addressing patterns of segregation. The core impulse to address the failure of HUD's subsidized mortgage program by blaming the recipients of the mortgages was shared across the political

spectrum, Taylor asserts. While racial liberals proposed and implemented patronizing counseling programs and training sessions that relied on increased surveillance of recipients, conservatives doubled down on a policy of local control by cutting funding to federal agencies, restructuring HUD, and producing a discourse about the “urban underclass.” Both these groups came to embrace the construct of the underclass, and a politics that named individual responsibility and self-discipline, rather than segregation and mismanagement, as the crucial factors separating successes and failures of the housing program.

Taylor’s close readings of representations of an urban underclass are thoughtful and poignant, as she notes that often the “lack of distinction between people and place renders both as permanent, underling the hopelessness and misery of the observation” (p. 231). These observations, alongside a long-standing vision of undoing the Great Society, came to form the basis for a shift Taylor identifies as a revanchist turn. In the final portion of the monograph, Taylor tackles a formidable web of policies that fragmented and privatized HUD programs, including block grant funding systems and Section 8 housing vouchers. She argues that these programs marked a move toward neoliberalism distinguished not only by “privatization” but in fact a wholesale rejection of both the welfare state and its implicit social contract.

Among the myriad strengths of *Race for Profit* is Taylor’s thoughtful and poignant analysis of the structures of meaning that undergird the racialized political economy of homeownership in this period. In one such instance, she notes that the interests of real estate and home were fundamentally different—“one a commodity and the other intimating a place of belonging.” She goes on to note that while the white suburb signified “home as an expression of use value within white communities ... narratives perceived domestic dysfunction within black living spaces ... as incapable of achieving the status of *home*, thus reducing them to their base *exchange value*” (p. 11). It is this very tension that undergirds what Taylor ultimately argues is intrinsic to any public policy shaped primarily by the goals of private enterprise; it is this tension, which further underscores the logic of the United States’ commodified residential housing market.

Notes

[1]. Robert O. Self, *American Babylon: Race and the Struggle for Postwar Oakland* (Princeton, NJ: Princeton University Press, 2003); Thomas J. Sugrue, *The Origins of the Urban Crisis: Race and Inequality in Postwar Detroit* (Princeton, NJ: Princeton University Press, 1996).

[2]. N. D. B. Connolly, *A World More Concrete: Real Estate and the Remaking of Jim Crow South Florida* (Chicago: University of Chicago Press, 2014).

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