

TRENDS IN RACIAL ECONOMIC SEGREGATION AND ITS GEOGRAPHIC DECOMPOSITION, 1991-2020

Heewon Jang

KEY FINDINGS

- U.S. schools have a high degree of racial economic segregation — the difference in poverty rates between schools attended by students of different racial/ethnic backgrounds.
 - In 1991, racial economic segregation was 0.27, meaning that poverty rates in Black, Hispanic, and Native American students' schools were, on average, 27 percentage points higher than in White and Asian students' schools.
 - Racial economic segregation increased to 0.30 in 1998 but declined to 0.23 in 2020.
- Black-White economic segregation remained stable, while Hispanic-White economic segregation declined since the late 1990s.
- Most racial economic segregation occurs between districts in the same state, rather than between states or between schools in the same district.
- However, racial economic segregation within districts has increased since the late 1990s, especially in districts enrolling more Black, Hispanic, and Native American students.

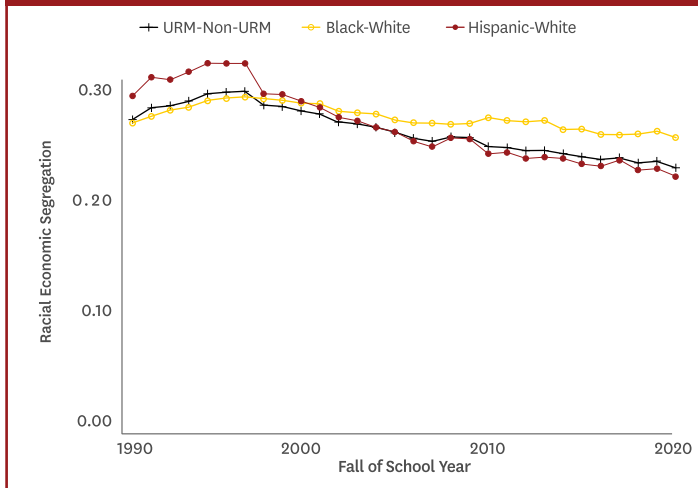
Race and poverty are closely intertwined in U.S. society, and public education is no exception. Black, Hispanic, and Native American students are isolated in high-poverty and under-resourced schools. The current statistics from the National Center for Education Statistics (NCES) show that approximately 40% of Black, Hispanic, and Native American students attend high-poverty schools (schools where more than 75% of students are eligible for free or reduced-price lunch). In comparison, only 8% of White and 14% of Asian students attend high-poverty schools.

The school segregation literature mostly discusses *either* racial (e.g., Black-White) or economic (e.g., poor-non-poor) segregation, but racial economic segregation evaluates the joint distribution of students by race and poverty — the difference in poverty rates between schools attended by students of different races. Racial economic segregation — the relative isolation of racially minoritized students in higher-poverty schools — is the strongest predictor of racial achievement gaps among all dimensions of school segregation. Indeed, *racial* segregation creates racial achievement gaps to the extent it concentrates racially-minoritized students in high-poverty schools (Reardon, 2016; Reardon et al., 2021).

Using the Longitudinal School Demographic Dataset (LSDD; Reardon et al., 2022), this brief describes trends in racial economic segregation during the last three decades and the geographic decomposition of these trends. I compute racial economic segregation each year as the difference in school poverty rates between the average student from two different racial groups. School poverty is based on free lunch (FL) eligibility — students whose family income is below 130% of the federal poverty line. I estimate racial economic segregation between underrepresented and racially minoritized (URM) students — Black, Hispanic, and Native American students — and non-URM students — White and Asian students. I also estimate White-Black and White-Hispanic economic segregation. I then decompose racial economic segregation into between-state, between-district within-state, and within-district components, expressing the total segregation as the sum of these geographic components. For more details, see [Jang \(2022\)](#).

Racial economic segregation is high, but Hispanic-White economic segregation has declined

FIGURE 1. NATIONAL TRENDS IN URM-NON-URM, BLACK-WHITE, AND HISPANIC-WHITE ECONOMIC SEGREGATION

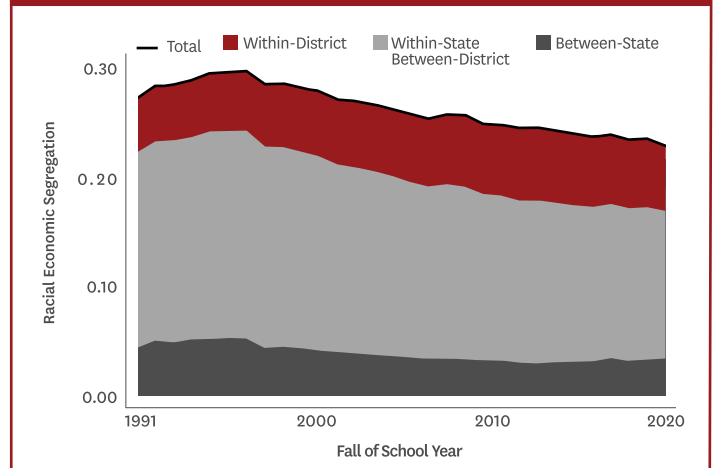


At the national level, URM-non-URM economic segregation was 0.27 in 1991, indicating that the poverty rate was 27 points higher in URM students' schools than in non-URM students' schools. Racial economic segregation between URM and non-URM students increased during the early- and mid-1990s until it peaked at 0.30 in 1998 and then declined through the 2000s and 2010s.¹ In 2020, URM-non-URM economic segregation was 0.23, corresponding to a 23-percentage point gap in poverty rates between the average URM and non-URM student's school.

Trends in racial economic segregation differ when looking at Black-White and Hispanic-White economic segregation separately. Hispanic-White economic segregation was higher and increased more rapidly than Black-White segregation during the 1990s. However, Hispanic-White segregation declined more sharply after 1998, and its levels have been lower than Black-White segregation since 2000. Black-White economic segregation has been more stable over the last three decades — the poverty rate in the average Black student's school has consistently been between 26 and 29 points higher than in the average White student's school.

Most racial economic segregation occurs between school districts, but racial economic segregation *within* districts increased from the 1990s until the middle of the 2010s

FIGURE 2. GEOGRAPHIC DECOMPOSITION OF URM-NON-URM ECONOMIC SEGREGATION



The national trends in racial economic segregation in Figure 1 are shaped by changes in segregation at different geographic levels — between states, between districts within states, and within districts. I present a geographic decomposition of racial economic segregation in Figure 2 to show how much of national racial (URM-non-URM) economic segregation is due to each geographic component. Between-state racial economic segregation has declined since the mid-1990s, accounting for 18% of total racial economic segregation in 1995, 16% in 2000, and 15% in 2020. This implies that processes within states, not between states, are the primary driver of racial economic segregation in the entire nation.

Racial economic segregation between *districts* within states is consistently the most significant driver of total racial economic segregation, accounting for 60-70% of total segregation in the nation from 1991 to 2020. However, racial economic segregation between districts within states declined over time, accounting for 59% of the total in 2020. This decline is offset by increased racial economic

¹ In 1998, the *Common Core of Data*, which underlies the LSDD, began collecting data on reduced-price lunch eligibility in addition to FL eligibility. Some states appear to have erroneously counted reduced-price eligibility as FL eligibility prior to 1998, so their FL counts dropped markedly from 1997 to 1998. While a large decline in racial economic segregation is observed in 1998, sensitivity analyses show that the general downward trend since the 1990s is not explained by this reporting change (Jang 2022).

segregation between schools within the same districts. The within-district component of racial economic segregation increased from 0.05 (18% of total racial economic segregation) in 1991 to 0.065 (27% of total segregation) in 2015, an increase of 30% over twenty-five years. The level and share of within-district segregation slightly declined to 0.06 by 2020, when it accounted for 26% of total racial economic segregation. Given the importance of racial economic segregation for racial achievement gaps, the rise in racial economic segregation within districts is troubling and requires public attention. District policymakers can more easily implement intra-district than inter-district desegregation strategies, and reducing racial economic segregation should be a priority.

Districts with more racially minoritized students have experienced higher levels and growth of within-district racial economic segregation

FIGURE 3. AVERAGE WITHIN-DISTRICT TRENDS IN RACIAL ECONOMIC SEGREGATION, BY DISTRICT URM ENROLLMENT

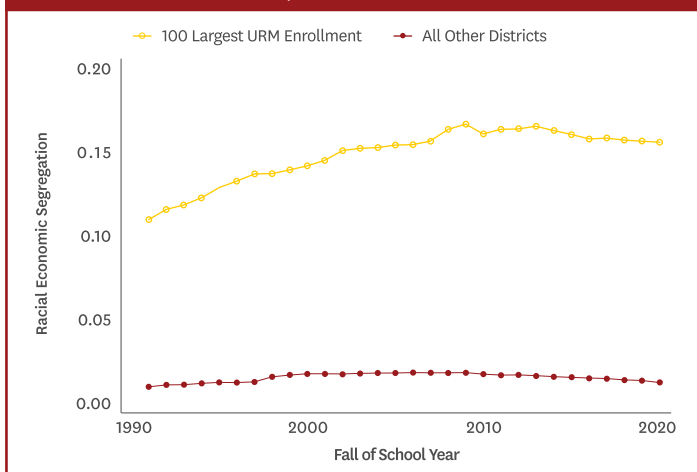


Figure 3 shows the average trends in within-district racial economic segregation by URM enrollment, separately for the 100 districts enrolling the most URM students in 2020 (of over 13,000 districts in the country, these 100 districts enroll 35% of all URM students, demonstrating the high levels of racial segregation between districts). Within-

district racial economic segregation is higher and increased more among the 100 districts with the largest URM student enrollments. Poverty rates in the average URM student’s school were 11 to 17 percentage points higher than in the average non-URM student’s school *in the same district* among these 100 districts. By contrast, average racial economic segregation in all other districts was less than 0.05 over the 1991-2020 period.

In terms of segregation trends, within-district racial economic segregation grew more among these 100 districts from 1991 through the 2000s. The within-district difference in poverty rates between the average URM and non-URM student’s schools increased by 52% from 1991 to 2009 and then decreased slightly to 0.16 by 2020. Racial economic segregation in districts serving fewer URM students (“all other districts” in Figure 3) increased slightly and remained flat since the late 1990s.

CONCLUSIONS

This brief documents trends in racial economic segregation from 1991-2020. The poverty rate in the average URM student’s school was between 20 and 30 points higher than in the average White or Asian student’s school during this time. Hispanic-White economic segregation declined while the Black-White gap in school poverty rates was stable after 1998. The decomposition analysis shows that, while most racial economic segregation occurs between school districts, racial economic segregation between schools in the same districts has been steadily growing. This growth primarily occurs in districts with large URM enrollments, where racial economic segregation is much higher. Racial economic segregation is the strongest predictor of racial achievement gaps, so these findings necessitate additional scholarly and public attention to developing policy solutions to promote racial equity in educational opportunity and outcomes.

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