

Examining the Persistence of American Housing Discrimination Through the Asian Lens: A Literature Review

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ABSTRACT

This paper examines the historically controversial and essential issue of racial influences in housing practices through the Asian scope. While many ongoing debates garnered national attention about the roots of the home-ownership gap between Black and White Americans, the story of Asians and their housing struggle in America is vastly underreported. Various discriminatory realtor agencies across the United States still demonstrate racially motivated housing malpractices towards Asians, alluding subconsciously to the persisting stereotypes of the race arising in the 19th century. The aim of this literature review is to thoroughly analyze the roots, status quo, and possible modern solutions to the unseen issue of housing discrimination against Asians in the United States.

Introduction

Access to adequate housing is not only a human right recognized by the United Nations' Universal Declaration of Human Rights but also a widely acknowledged necessity for life that people have been driven by for millennia. In the United States, purchasing a house is still viewed as a priority goal, part of the greater scheme of the "American Dream"¹ for many immigrants due to the allure of houses as generationally preserved shelters as well as valuable financial assets that symbolize wealth. Even today, owning a house is considered a part of the American Dream by over 87% of those who settle in the nation.²

Though people continue to demand housing in the United States, new houses have been built focusing only on the most benefitting aspects for consumers. In fact, over 3.4 million new houses were constructed between 2015 and 2019³, and today, organizers of new and increasingly more expensive communities advertise aspects such as advantageous educational zoning, low crime rates of the surrounding area, or nearby convenience centers to appeal to possible clients. However, what is often overlooked by such high-end designs of houses and the general American society is the necessity of owning a house. Despite the aspects of convenience advertised by many designers, owning a house is not only an aspiration or a dream for the American people but is rather a requirement that should be fulfilled with the full support of the federal and local governments. Nevertheless, in the current status quo, equal housing for all Americans is not a goal to be achieved in the near

¹ Robb, Brian H. "Homeownership And The American Dream." Forbes. Last modified September 28, 2021. <https://www.forbes.com/sites/forbesrealestatecouncil/2021/09/28/homeownership-and-the-american-dream/?sh=6026dd6223b5>.

² Yun, Lawrence. "Why Homeownership Matters." Forbes, 12 Aug. 2016, <https://www.forbes.com/sites/lawrenceyun/2016/08/12/why-homeownership-matters/?sh=7305edae480f>.

³ "Number of Homes Built in the U.S. by Construction Year 2019 | Statista." Statista, 2021, <https://www.statista.com/statistics/1041889/construction-year-homes-usa/>.

future—rather, the path toward homeownership is one that is still stained by the visible footprint of racial segregation.

Asian Americans are one of many groups who compose a minority demographic with aspirations for achieving adequate housing in the United States—however, housing discrimination is still an issue⁴ in modern-day America that obstructs minority groups from fair access to mortgages or home purchases, and Asian Americans are overlooked victims.⁵ To resolve the issue of housing discrimination towards Asian Americans, it is indispensable to establish national regulations on real estate agencies while also increasing the involvement of the Department of Housing and Urban Development (HUD) to better protect minority demographics, which will be discussed further in this paper.

Literature Review

Path of Housing Discrimination in the United States

Historians and generational victims of discriminatory housing explain that the roots of housing segregation have been laid in the industry ever since the rise of demands for houses in the United States through suburbanization and urban sprawl. As White Americans have been the majority buyers of houses throughout the 20th century, planners and brokers of real estate properties made efforts to match their interests, which included racially segregating notions. Various strategies were taken by real estate agencies to promote white-majority or white-only communities in the most profitable areas of housing during the 20th century. One major practice was redlining⁶, which is when people of certain races were denied housing services by their real estate agents. Black American majority communities were marked with red lines on a map to be low-profit areas which served as reminders for the real estate service providers not to assist anyone residing within the set boundaries. Redlining proved later to be a major deterrent to increasing Black homeownership rates⁷ as many Black American families in the United States during the 20th century had been barricaded from not only housing opportunities but also programs that assisted American citizens' housing that were created by the New Deal.⁸

Moreover, local governments during the time also implemented the exclusionary zoning policy, in which racial minorities were denied from moving into any mid-to-high-class neighborhoods, as it had been deemed necessary to maintain property values by fulfilling the interests of wealthy White American families who often showed patterns of "White Flight,"⁹ or the act of migrating away from a racially diversifying area.

⁴ McQueen, MP. "Housing Discrimination: What Is It, and What Can You Do About It?." Investopedia. Last modified April 26, 2022. <https://www.investopedia.com/housing-discrimination-what-can-you-do-5074478>.

⁵ Levy, Daniel K., and Claudia Aranda. "More Than 50 Years after the Fair Housing Act, More Action Is Needed to Address Housing Discrimination against Asian Americans and Pacific Islanders." *Urban Institute*, 30 Apr. 2021, www.urban.org/urban-wire/more-50-years-after-fair-housing-act-more-action-needed-address-housing-discrimination-against-asian-americans-and-pacific-islanders.

⁶ Townsley, Jeremy, Unai Miguel, and Matt Nowlin. "The Lasting Impacts of Segregation and Redlining." SAVI. Last modified June 24, 2021. <https://www.savi.org/2021/06/24/lasting-impacts-of-segregation/>.

⁷ Jackson, Candace. "What Is Redlining?." *The New York Times*. Last modified August 17, 2021. <https://www.nytimes.com/2021/08/17/realestate/what-is-redlining.html>.

⁸ Gross, Terry. "A 'Forgotten History' Of How The U.S. Government Segregated America." NPR. Last modified May 3, 2017. <https://www.npr.org/2017/05/03/526655831/a-forgotten-history-of-how-the-u-s-government-segregated-america>.

Aside from redlining and exclusionary zoning, covenants⁹, which were restrictions that were first told to entail race-neutral features such as lot sizes, were also later manipulated to make sure that the covenant-implied houses were inaccessible to Black American families. Covenants were majorly applied to cities such as Chicago, an area that still clearly shows segregation in outlining and its impact on neighborhoods and districts as seen to-day—predominantly due to racially discriminatory practices¹⁰ conducted in the past. While the issue of homeownership disparities has persisted through various methods, the federal government started discussing and acting on reducing the gaps between majority and minority races starting in the mid-to late-20th century.

In addressing a solution to reducing the disparities, the 1968 Fair Housing Act was signed to highlight the illegality of housing segregation based on discriminatory factors¹¹. The passing of the Fair Housing Act took a step in reducing legally established discriminatory housing practices, which has since driven real estate agencies to take the alternative of similarly segregating yet under-the-table methods to earn maximum profit. Since the 1968 law declared it nationally illegal to practice redlining among other discriminatory zoning policies, most visible racially motivated housing concerns were silenced, although countless people from various minority groups have continued to suffer from the effects of a non-streamlined realtor system. In legal terms, the success of the Fair Housing Act can be measured with no hindrances, but in reality, it was ultimately only successful in part to end housing segregation. Despite some unwanted results that the 1968 Fair Housing Act brought, activists support the idea that the law sets a constitutional boundary that deems racial discrimination in housing encounters unlawful in any form, now able to argue that a certain realtor agency is in violation of the act (although the tactics used by exploitative realtors are difficult to detect). To supplement the Fair Housing Act of 1968, the United States Department of Housing and Urban Development (HUD) was also created to enforce the prosecution of illegal housing discrimination that the law had established.

Reality of the Asian American Housing Market

While it is important to acknowledge continued efforts to combat racism towards Asian Americans, housing discrimination is a particularly severe issue due to its low level of detectability¹². With the passage of the 1968 Fair Housing Act, it is widely conceived that housing discrimination for racial minorities has been relieved to a point where no further enforcement is required—redlining, among other racist zoning or real estate sales practices, was banned with the law being passed. However, while legal practices of housing discrimination were banned decades ago, racist undertones in sales and contracts are lingering. A 2013 Urban Institute report describes an experiment in which an Asian American and Pacific Islander (AAPI) and a White American individual, both acting as home buyers, called local real estate agencies inquiring about purchasing a house. The results showed that the AAPI tester was told up to 15.5% less information on housing in the area, and was shown

⁹ Thompson, Cheryl W. "Racial covenants, a relic of the past, are still on the books across the country." NPR. Last modified November 17, 2021. <https://www.npr.org/2021/11/17/1049052531/racial-covenants-housing-discrimination>.

¹⁰ Rouse, Chair C., Jared Bernstein, Helen Knudsen, and Jeffery Zhang. "Exclusionary Zoning: Its Effect on Racial Discrimination in the Housing Market." The White House. Last modified June 17, 2021. <https://www.whitehouse.gov/cea/written-materials/2021/06/17/exclusionary-zoning-its-effect-on-racial-discrimination-in-the-housing-market/#:~:text=Exclusionary%20zoning%20laws%20place%20restrictions,o>.

¹¹ Leacock, Kevin. "A Brief History of Housing Policy in the U.S." National Nurse-Led Care Consortium. Last modified October 29, 2019. <https://nurseledcare.phmc.org/advocacy/policy-blog/item/641-a-brief-history-of-housing-policy-in-the-u-s.html>.

¹² Asare, Janice G. "How Systemic Racism Is Baked Into The Fabric Of American Housing." Fobes. Last modified February 1, 2022. <https://www.forbes.com/sites/janicegassam/2022/02/01/how-systemic-racism-is-baked-into-the-fabric-of-american-housing/?sh=37b8f807430f>.

18.8% fewer properties in comparison to the white buyer. Not only are these numbers significant in affecting an Asian American individual's experience with purchasing houses, but it is further daunting that these discrepancies in housing opportunities reaching nearly 20% are extremely difficult to detect.

From the perspective of an average Asian American home buyer, there is virtually no way to know that up to 20% fewer property listings are being shown than are available for purchase. Moreover, the houses exempt from being shown to many Asian American home buyers are often in more favorable conditions and affordable contracts; thus, local real estate agencies while deliberately avoiding breaking law precedents of redlining and zoning are still guilty of exploiting the customer's lack of information. Had an Asian American buyer noticed through outside resources that they were not given access to all available information and opportunities in the housing area and raised concerns, it is still an easy task for agencies to evade such concerns as Asian Americans are often excluded from the interests of fair housing advocacy efforts.

Myths Regarding Asians in Advocacy

The issue of Asian Americans lacking representation in advocacy groups and policy reforms despite being a minority is largely due to the myth that Asians in America are widely successful and are the "model minorities".¹³ The narrative of the model minority myth, however, stays untrue in the scope of affording housing.¹⁴ Knowing the informational and advocacy vulnerability of Asian Americans, many private realtors reap exploitative benefits from discriminatory housing tactics to lead such a minority demographic into unfavorable mortgaging conditions or overpriced contracts. The bottom 40% of Asians in America, in fact, account for just 13% of the total income that all Asians make in the nation¹⁵—in other words, their income pool is far less than expected or assumed by exploitative realtor agencies. This fact, along with the myth of Asians as the overachieving minority group in the United States, causes more realtors to exploitatively maximize profits by limiting the buyers' options to homes that are unpurchasable, or mortgage rates that exceed realistic financial capabilities. Most unsuspecting buyers fall into the trap, eventually finding themselves in a disadvantageous economic situation¹⁶.

Possible Solutions

To address this widely glossed-over issue of housing discrimination against Asian Americans, it is crucial to set national standards. While the United States operates federally and provides much freedom to states and municipalities in terms of governance, polarization in housing is too glaring an issue to be left to local standards that often prove to be lenient and disengaged with providing security. Currently, becoming a realtor is dependent on state processes of approval, most of which are lenient in issuing a license compared to other sectors of

¹³ Pazniokas, Mark. "Legislator, opposing segregation, claims Asians 'have never been discriminated against'." *CT Mirror*, 23 Mar. 2021, ctmirror.org/2021/03/23/legislator-opposing-segregation-claims-asians-have-never-been-discriminated-against/

¹⁴ Budiman, Abby, and Neil G. Ruiz. "Key facts about Asian Americans, a diverse and growing population." *Pew Research Center*, 29 Apr. 2021, www.pewresearch.org/short-reads/2021/04/29/key-facts-about-asian-americans/.

¹⁵ "Asian American Social Class Is More Complicated." *NBC News*, 16 February 2015, <https://www.nbcnews.com/feature/in-plain-sight/asian-american-social-class-more-complicated-data-n316616>.

¹⁶ Williams, Dima. "A Look At Housing Inequality And Racism In The U.S." *Forbes*. Last modified June 3, 2020. <https://www.forbes.com/sites/dimawilliams/2020/06/03/in-light-of-george-floyd-protests-a-look-at-housing-inequality/?sh=43abc45a39ef>.

services that interact with essential aspects of life. For example, the presence of national boards for medicine as well as the discipline of medical studies in order to become a certified doctor is one of the most challenging educational processes to take.¹⁷ A similar logic applies to being involved in law,¹⁸ in which the state approval to engage in legal matters as prosecutors or attorneys is also on a far more difficult level than attaining a license to being a realtor. Considering how crucial the need for shelter is, as well as the fact that houses are some of the costliest financial assets to purchase, the relative ease of becoming a realtor in a comparatively unregulated market is alarming. Moreover, realtors approved by their states are not required nor compelled to join a national association for regulatory purposes, as most are focused on harvesting profits in the most beneficial and competitive areas. There is a severe lack of a sense that realtors are service providers to citizens, as the housing industry grows increasingly lucrative in the United States. To provide a comparison, it is easier to understand that realtors, who effectively are the medium through which home buyers find and purchase houses, hold just as much influence, if not more, in someone's life than a server at a restaurant who dictates which food on the menu is still available for a diner. Indeed, outright housing discrimination against Asian Americans such as denying service is no longer in place, but in providing such a minority population with less information and less favorable options available for housing, the realtors' exploits are essentially comparable to a restaurant's staff only making certain options on the menu available for certain customers to gain maximum profits. Such outrage in the food industry would not go unnoticed due to its blatancy, but as realtors are not regulated as harshly as dining businesses, they are left open to perform any exploits unnoticed.

One solution to this issue of detectability is nationalizing realtor standards. This would entail prospective realtors having to go through state training and national testing to earn their license and raise the stakes of their job integrity far higher as their positions can be federally administered. Federally regulating realtors will take away the real estate industry's appeal as a market for unregulated business but rather as a service sector for providing homes to citizens. The realtors and agencies would still earn profits from their housing sales, but with tight federal administrations on their practices, they would be held accountable for discriminatory practices.

Federal Involvement

Aside from nationalized realtor standards, another supplement to reducing housing discrimination against Asian Americans is to increase the influence of the federal Department of Housing and Urban Development on the real estate market. As mentioned earlier, housing discrimination can prove to be as damaging to the quality of life as refusing food services. To provide safe and accessible foods, the United States heavily regulates the food industry via the Food and Drug Administration (FDA). There are laws set in place to continuously regulate businesses that provide food products or raw materials to ensure civil safety in both purchasing and consuming them. The HUD was similarly created in 1965 to provide equitable housing options in the legislature, but ultimately possesses far less regulatory control over the housing market than does the FDA in its respective field. Considering that the Food and Drug Administration was established in 1901¹⁹ to effectively regulate the food

¹⁷ Appel, Jacob M. "The Baltimore Sun. 'Do Md. doctors have too few requirements?' 14 May 2021. <https://www.baltimoresun.com/opinion/op-ed/bs-ed-op-0516-doctor-requirements-20210514-y163wdqc6ndjhm-yz757zsytdq-story.html>.

¹⁸ "Concord Law School. 'How to Become a Lawyer in California.' Concord Law School Blog. August 9 2022. <https://www.concordlawschool.edu/blog/news/how-to-become-lawyer-california/>

¹⁹ "FDA's Origin." U.S. Food and Drug Administration, <https://www.fda.gov/about-fda/changes-science-law-and-regulatory-authorities/fdas-origin#:~:text=Beginning%20as%20the%20Division%20of,to%20the%20agency%27s%20scientific%20mission.>

industry, the 64-year delay in establishing a similar organization in the form of the HUD as well as its comparative ineffectiveness²⁰ makes further federal involvement necessary. This is largely correlated to the sprawl of real estate agencies as growing private and untouched businesses, but as with trusts and monopolies in the era of industrializing America, regulations need to be set in place at some point to reduce polarization and discrimination. The HUD provides oversight and enforcement of fair housing to all, but in reality Asian Americans are considered far less often due to a minority portion of the demographic finding fiscal success. However, by that logic, any population with remotely stable fiscal standings should simply be subject to housing discrimination whether in the form of losing the opportunity to view certain properties or being left to overpriced contracts. It is crucial that the HUD takes a more widely inclusive role in passing federal legislation to bring about fair housing.

One specific suggestion is to work in tandem with voluntary organizations such as REALTOR and the National Fair Housing Alliance (NFHA)²¹, which advocate for integrity and responsibility in realtor practices and provision of fair housing opportunities to all Americans, respectively. By being open in communication to advocacy and fair housing demands, the HUD can prove to be instrumental in preventing discriminatory housing practices towards Asian Americans, dismantling the sentiment that the demographic does not suffer from housing issues due to their fiscal standings. The partnering of HUD with national organizations will expand much-needed authority over housing, and can subsequently cause a buildup of regulations and laws that will make exploits more easily detected and, therefore, far less viable.

Conclusion

As current conditions and research point out, nationalized standards and expanded federal control over housing are steps to consider in guaranteeing that no demographic, including the oftentimes overlooked Asian Americans, will suffer from discriminatory practices and undertones. There will be concerns over excessive federal power or regulation over a business sector, but it is crucial to understand that housing is one of the oldest and most imperative rights that all humans deserve—such a basic necessity, while it can be monetized in the scope of a capitalistic economy such as the United States, should never remain as unregulated as it stands today. Regardless of the perceptions of minority groups and the concerns raised by formulating change in the status quo, the first steps to finally unveiling and making amends to the still discriminatory housing system should be taken in unison by the Asian American population as well as the federal government.

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