Chapter 8
Conditions of Life in the Racial Ghetto

The conditions of life in the racial ghetto are strikingly different from those to which most Americans are accustomed—especially white, middle-class Americans. We believe it important to describe these conditions and their effect on the lives of people who cannot escape from the ghetto.1

CRIME AND INSECURITY

Nothing is more fundamental to the quality of life in any area than the sense of personal security of its residents, and nothing affects this more than crime.

In general, crime rates in large cities are much higher than in other areas of our country. Within such cities, crime rates are higher in disadvantaged Negro areas than anywhere else.

The most widely used measure of crime is the number of "index crimes" (homicide, forcible rape, aggravated assault, robbery, burglary, grand larceny, and auto theft) in relation to population. In 1966, 1,754 such crimes were reported to police for every 100,000 Americans. In cities over 250,000, the rate was 3,153, and in cities over 1 million, it was 3,650—or more than double the national average. In suburban areas alone, including suburban cities, the rate was only 1,300, or just over one-third the rate in the largest cities.

Within larger cities, personal and property insecurity has consistently been highest in the older neighborhoods encircling the downtown business district. In most cities, crime rates for many decades have been higher in these inner areas than anywhere, except in downtown areas themselves, where they are inflated by the small number of residents.

High crime rates have persisted in these inner areas even though the ethnic character of their residents continually changed. Poor immigrants used these areas as "entry ports," then usually moved on to more desirable neighborhoods as soon as they acquired enough resources. Many "entry port" areas have now become racial ghettos.

The difference between crime rates in these disadvantaged neighborhoods and in other parts of the city is usually startling, as a comparison of crime rates in five police districts in Chicago for 1965 illustrates. These five include one high-income, all-white district at the periphery of the city, two very low-income, virtually all-Negro districts near the city core with numerous public housing projects, and two predominantly white districts, one with mainly lower middle-income families, the other containing a mixture of very high-income and relatively low-income households. The table shows crime rates against persons and against property in these five districts, plus the number of

1 We have not attempted here to describe conditions relating to the fundamental problems of housing, education, and welfare, which are treated in detail in later chapters.
patrolmen assigned to them per 100,000 residents, as follows:

<table>
<thead>
<tr>
<th>Number</th>
<th>High-income white district</th>
<th>Low-middle-income white district</th>
<th>Mixed high-income white district</th>
<th>Very low-income Negro district No. 1</th>
<th>Very low-income Negro district No. 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Index crimes against persons</td>
<td>80</td>
<td>400</td>
<td>338</td>
<td>1,615</td>
<td>2,820</td>
</tr>
<tr>
<td>Index crimes against property</td>
<td>1,638</td>
<td>1,750</td>
<td>2,080</td>
<td>2,598</td>
<td>2,630</td>
</tr>
<tr>
<td>Patrolmen assigned</td>
<td>93</td>
<td>133</td>
<td>115</td>
<td>243</td>
<td>291</td>
</tr>
</tbody>
</table>

These data indicate that:

- Variations in the crime rate against persons within the city are extremely large. One very low income Negro district had 35 times as many serious crimes against persons per 100,000 residents as did the high-income white district.
- Variations in the crime rate against property are much smaller. The highest rate was only 2.5 times larger than the lowest.
- The lower the income in an area, the higher the crime rate there. Yet low-income Negro areas have significantly higher crime rates than low-income white areas. This reflects the higher degree of social disorganization in Negro areas described in the previous chapter, as well as the fact that poor Negroes as a group have lower incomes than poor whites as a group.
- The presence of more police patrolmen per 100,000 residents does not necessarily offset high crime in certain parts of the city. Although the Chicago Police Department had assigned over three times as many patrolmen per 100,000 residents to the highest crime areas shown as to the lowest, crime rates in the highest crime area for offenses against both persons and property combined were 4.9 times as high as in the lowest crime area.

Because most middle-class Americans live in neighborhoods similar to the more crime-free district described above, they have little comprehension of the sense of insecurity that characterizes the ghetto resident. Moreover, official statistics normally greatly underestimate actual crime rates because the vast majority of crimes are not reported to the police. For example, studies conducted for the President’s Crime Commission in Washington, D.C., Boston, and Chicago, showed that three to six times as many crimes were actually committed against persons and homes as were reported to the police.

Two facts are crucial to a understanding of the effects of high crime rates in racial ghettos; most of these crimes are committed by a small minority of the residents, and the principal victims are the residents themselves. Throughout the United States, the great majority of crimes committed by Negroes involve other Negroes as victims. A special tabulation made by the Chicago Police Department for the President’s Crime
Commission indicated that over 85 percent of the crimes committed against persons by Negroes between September, 1965, and March, 1966, involved Negro victims.

As a result, the majority of law-abiding citizens who live in disadvantaged Negro areas face much higher probabilities of being victimized than residents of most higher income areas, including almost all suburbs. For nonwhites, the probability of suffering from any index crime except larceny is 78 percent higher than for whites. The probability of being raped is 3.7 times higher among nonwhite women, and the probability of being robbed is 3.5 times higher for nonwhites in general.

The problems associated with high crime rates generate widespread hostility toward the police in these neighborhoods for reasons described elsewhere in this Report. Thus, crime not only creates an atmosphere of insecurity and fear throughout Negro neighborhoods but also causes continuing attrition of the relationship between Negro residents and police. This bears a direct relationship to civil disorder.

There are reasons to expect the crime situation in these areas to become worse in the future. First, crime rates throughout the United States have been rising rapidly in recent years. The rate of index crimes against persons rose 37 percent from 1960 to 1966, and the rate of index crimes against property rose 50 percent. In the first 9 months of 1967, the number of index crimes was up 16 percent over the same period in 1966, whereas the U.S. population rose about 1 percent. In cities of 250,000 to 1 million, index crime rose by over 20 percent, whereas it increased 4 percent in cities of over 1 million.

Second, the number of police available to combat crime is rising much more slowly than the amount of crime. In 1966, there were about 20 percent more police employees in the United States than in 1960, and per capita expenditures for police rose from $15.29 in 1960 to $20.99 in 1966, a gain of 37 percent. But over the 6-year period, the number of reported index crimes had jumped 62 percent. In spite of significant improvements in police efficiency, it is clear that police will be unable to cope with their expanding workload unless there is a dramatic increase in the resources allocated by society to this task.

The problem of interpreting and evaluating "rising" crime rates is complicated by the changing age distribution of the population, improvements in reporting methods, and the increasing willingness of victims to report crimes. Despite these complications, there is general agreement on the serious increase in the incidence of crime in the United States.
Third, in the next decade, the number of young Negroes aged 14 to 24 will increase rapidly, particularly in central cities. This group is responsible for a disproportionately high share of crimes in all parts of the Nation. In 1966, persons under 25 years of age comprised the following proportions of those arrested for various major crimes: murder, 37 percent; forcible rape, 64 percent; robbery, 71 percent; burglary, 81 percent; larceny, about 77 percent; and auto theft, 89 percent. For all index crimes together, the arrest rate for Negroes is about four times higher than that for whites. Yet the number of young Negroes aged 14 to 24 in central cities will rise about 63 percent from 1966 to 1975, as compared to only 32 percent for the total Negro population of central cities.3

HEALTH AND SANITATION CONDITIONS

The residents of the racial ghetto are significantly less healthy than most other Americans. They suffer from higher mortality rates, higher incidence of major diseases, and lower availability and utilization of medical services. They also experience higher admission rates to mental hospitals.

These conditions result from a number of factors.

POVERTY

From the standpoint of health, poverty means deficient diets, lack of medical care, inadequate shelter and clothing and often lack of awareness of potential health needs. As a result, almost 90 percent of all persons with family incomes less than $2,000 per year suffer from chronic health conditions that adversely affect their employment—as compared with less than 8 percent of the families with incomes of $7,000 or more.

Poor families have the greatest need for financial assistance in meeting medical expenses. Only about 34 percent of families with incomes of less than $2,000 per year use health insurance benefits, as compared to nearly 90 percent of those with incomes of $7,000 or more.3

These factors are aggravated for Negroes when compared to whites for the simple reason that the proportion of persons in the United States who are poor is 3.5 times as high among Negroes (41 percent in 1966) as among whites (12 percent in 1966).

MATERNAL MORTALITY

Mortality rates for nonwhite mothers are four times as high as those for white mothers. There has been a sharp decline in such rates since 1940, when 774 nonwhite and 320 white mothers died for each 100,000 live births. In 1965, only 84 nonwhite and 21 white mothers died per 100,000 live births—but the gap between nonwhites and whites actually increased.

INFANT MORTALITY

Mortality rates among nonwhite babies are 58 percent higher than among whites for those under 1 month old and almost three times as high among those from 1 month to 1 year old. This is true in spite of a large drop in infant mortality rates in both groups since 1940.

NUMBER OF INFANTS WHO DIED PER 1,000 LIVE BIRTHS

<table>
<thead>
<tr>
<th>Year</th>
<th>Less than 1 month old</th>
<th>1 month to 1 year old</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>White</td>
<td>Nonwhite</td>
</tr>
<tr>
<td>1940</td>
<td>37.2</td>
<td>39.7</td>
</tr>
<tr>
<td>1950</td>
<td>19.4</td>
<td>17.5</td>
</tr>
<tr>
<td>1960</td>
<td>17.2</td>
<td>16.9</td>
</tr>
<tr>
<td>1965</td>
<td>16.1</td>
<td>15.4</td>
</tr>
</tbody>
</table>

LIFE EXPECTANCY

To some extent because of infant mortality rates, life expectancy at birth was 6.9 years longer for whites (71.0 years) than for nonwhites (64.1 years) in 1965. Even in the prime working ages, life expectancy is significantly lower among nonwhites than among whites. In 1965, white persons 25 years old could
expect to live an average of 48.6 more years, whereas nonwhites 25 years old could expect to live another 43.3 years, or 11 percent less. Similar but smaller discrepancies existed at all ages from 25 through 55; some actually increased slightly between 1960 and 1965.

LOWER UTILIZATION OF HEALTH SERVICES

A fact that also contributes to poorer health conditions in the ghetto is that Negro families with incomes similar to those of whites spend less on medical services and visit medical specialists less often.

<table>
<thead>
<tr>
<th>Income group</th>
<th>White</th>
<th>Nonwhite</th>
<th>Ratio, white to nonwhite</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $3,000</td>
<td>9</td>
<td>5</td>
<td>1.8-1</td>
</tr>
<tr>
<td>$3,000 to $5,499</td>
<td>7</td>
<td>4</td>
<td>1.8-1</td>
</tr>
<tr>
<td>$7,500 and over</td>
<td>6</td>
<td>4</td>
<td>1.5-1</td>
</tr>
</tbody>
</table>

Since the lowest income group contains a much larger proportion of nonwhite families than white families, the overall discrepancy in medical care spending between these two groups is very significant, as shown by the following table:

<table>
<thead>
<tr>
<th>Income by race</th>
<th>Expenses</th>
<th>Total</th>
<th>Medical</th>
<th>Doctor</th>
<th>Dental</th>
<th>Medicine</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $2,000 per family per year</td>
<td>White</td>
<td>130</td>
<td>33</td>
<td>61</td>
<td>52</td>
<td>13</td>
<td>5</td>
</tr>
<tr>
<td>Nonwhite</td>
<td>130</td>
<td>33</td>
<td>61</td>
<td>52</td>
<td>13</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>$10,000 and more per family per year</td>
<td>White</td>
<td>179</td>
<td>34</td>
<td>61</td>
<td>37</td>
<td>31</td>
<td>16</td>
</tr>
<tr>
<td>Nonwhite</td>
<td>133</td>
<td>34</td>
<td>61</td>
<td>37</td>
<td>31</td>
<td>16</td>
<td>8</td>
</tr>
</tbody>
</table>

These data indicate that nonwhite families in the lower income group spent less than half as much per person on medical services as white families with similar incomes. This discrepancy sharply declines but is still significant in the higher income group, where total nonwhite medical expenditures per person equal, on the average, 74.3 percent of white expenditures.

Negroes spend less on medical care for several reasons. Negro households generally are larger, requiring greater nonmedical expenses for each household and leaving less money for meeting medical expenses. Thus, lower expenditures per person would result even if expenditures per household were the same. Negroes also often pay more for other basic necessities such as food and consumer durables, as discussed in the next part of this chapter. In addition, fewer doctors, dentists, and medical facilities are conveniently available to Negroes than to most whites—a result both of geographic concentration of doctors in higher income areas in large cities and of discrimination against Negroes by doctors and hospitals. A survey in Cleveland indicated that there were 0.45 physicians per 1,000 people in poor neighborhoods, compared to 1.13 per 1,000 in nonpoverty areas. The result nationally is fewer visits to physicians and dentists.

Beating the heat, East Harlem, July 1966

Although widespread use of health insurance has led many hospitals to adopt nondiscriminatory policies, some private hospitals still refuse to admit Negro patients or to accept doctors with Negro patients. And many individual doctors still discriminate against Negro patients. As a result, Negroes are more likely to be treated in hospital clinics than whites and they are less likely to receive personalized service. This conclusion is confirmed by the following data:

<table>
<thead>
<tr>
<th>Type of medical specialist</th>
<th>Family incomes of $2,000-$3,999</th>
<th>Family incomes of $7,000-$9,999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physician</td>
<td>64</td>
<td>56</td>
</tr>
<tr>
<td>Dental</td>
<td>31</td>
<td>20</td>
</tr>
</tbody>
</table>

Although widespread use of health insurance has led many hospitals to adopt nondiscriminatory policies, some private hospitals still refuse to admit Negro patients or to accept doctors with Negro patients. And many individual doctors still discriminate against Negro patients. As a result, Negroes are more likely to be treated in hospital clinics than whites and they are less likely to receive personalized service. This conclusion is confirmed by the following data:

<table>
<thead>
<tr>
<th>Type of visit to physician</th>
<th>Family incomes of $2,000-$3,999</th>
<th>Family incomes of $7,000-$9,999</th>
</tr>
</thead>
<tbody>
<tr>
<td>In physician's office</td>
<td>68</td>
<td>56</td>
</tr>
<tr>
<td>Hospital clinic</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>Other (mainly telephone)</td>
<td>14</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>
ENVIRONMENTAL FACTORS

Environmental conditions in disadvantaged Negro neighborhoods create further reasons for poor health conditions there. The level of sanitation is strikingly below that which is prevalent in most higher income areas. One simple reason is that residents often lack proper storage facilities for food—adequate refrigerators, freezers, even garbage cans, which are sometimes stolen as fast as landlords can replace them.

In areas where garbage collection and other sanitation services are grossly inadequate—commonly in the poorer parts of our large cities—rats proliferate. It is estimated that in 1965, there were over 14,000 cases of ratbite in the United States, mostly in such neighborhoods.

The importance of these conditions was outlined for the Commission as follows:¹

Sanitation Commissioners of New York City and Chicago both feel this [sanitation] to be an important community problem and report themselves as being under substantial pressure to improve conditions. It must be concluded that slum sanitation is a serious problem in the minds of the urban poor and well merits, at least on that ground, the attention of the Commission. A related problem, according to one Sanitation Commissioner, is the fact that residents of areas bordering on slums feel that sanitation and neighborhood cleanliness is a crucial issue, relating to the stability of their blocks and constituting an important psychological index of “how far gone” their area is.

** There is no known study comparing sanitation services between slum and non-slum areas. The experts agree, however, that there are more services in the slums on a quantitative basis, although per-

¹ Memorandum to the Commission dated Nov. 16, 1967, from Robert Patriarcielli, minority counsel, Subcommittee on Employment Manpower and Poverty, U.S. Senate.
vided by landlords, number of receptacles, carrying
to curbside, number of electric garbage disposals;
(3) high relocation rates of tenants and businesses,
producing heavy volume of bulk refuse left on streets
and in buildings; (4) different uses of the streets—as
outdoor living rooms in summer, recreation areas—
producing high visibility and sensitivity to garbage
problems; (5) large numbers of abandoned cars;
(6) severe rodent and pest problems; (7) traffic con-
gestion blocking garbage collection; and (8) ob-
structed street cleaning and snow removal on
crowded, car-choked streets. Each of these ele-
ments adds to the problem and suggests a different possible
line of attack.

EXPLOITATION OF DISADVANTAGED
CONSUMERS BY RETAIL MERCHANTS

Much of the violence in recent civil disorders has
been directed at stores and other commercial estab-
lishments of the disadvantaged Negro areas. In some cases,
rioters focused on stores operated by white merchants
who, they apparently believed, had been charging
exorbitant prices or selling inferior goods. Not all the
violence against these stores can be attributed to
“revenge” for such practices. Yet it is clear that many
residents of disadvantaged Negro neighborhoods be-
lieve they suffer constant abuses by local merchants.

Significant grievances concerning unfair commercial
practices affecting Negro consumers were found in 11
of the 20 cities studied by the Commission. The fact
that most of the merchants who operate stores in
Negro areas are white undoubtedly contributes to the
conclusion among Negroes that they are exploited by
white society.

It is difficult to assess the precise degree and extent
of exploitation. No systematic and reliable survey
comparing consumer pricing and credit practices in
all-Negro and other neighborhoods has ever been con-
ducted on a nationwide basis. Differences in prices and
credit practices between white middle-income areas
and Negro low-income areas to some extent reflect
differences in the real costs of serving these two mar-
kets (such as differential losses from pilferage in super-
markets), but the exact extent of these cost differences
has never been estimated accurately. Finally, an
examination of exploitative consumer practices must
consider the particular structure and functions of the
low-income consumer durables market.

INSTALLMENT BUYING

This complex situation can best be understood by
first considering certain basic facts:

- Various cultural factors generate constant pressure on
  low-income families to buy many relatively expensive durable
  goods and display them in their homes. This pressure comes
  in part from continuous exposure to commercial advertising,
  especially on television. In January, 1967, over 80 percent
  of all Negro households had TV sets. A 1961 study of 464
  low-income families in New York City showed that 95 percent
  of these relatively poor families had TV sets.

- Many poor families have extremely low incomes, had previ-
  ous credit records, unstable sources of income or other
  attributes which make it virtually impossible for them to
  buy merchandise from established large national or local retail
  stores. These families lack enough savings to pay cash, and
  they cannot meet the standard credit requirements of estab-
  lished general merchants because they are too likely to fall
  behind in their payments.

- Poor families in urban areas are far less mobile than others.
  A 1967 Chicago study of low-income Negro households indi-
  cated their low automobile ownership compelled them to
  patronize neighborhood merchants. These merchants typi-
  cally provided smaller selection, poorer services and higher
  prices than big national outlets. The 1961 New York study
  also indicated that families who shopped outside their own
  neighborhoods were far less likely to pay exorbitant prices.

- Most low-income families are uneducated concerning the
  nature of credit purchase contracts, the legal rights and obli-
  gations of both buyers and sellers, sources of advice for con-
  sumers who are having difficulties with merchants and the
  operation of the courts concerned with these matters. In
  contrast, merchants engaged in selling goods to them are
  very well informed.

- In most states, the laws governing relations between con-
  sumers and merchants in effect offer protection only to in-
  formed, sophisticated parties with understanding of each
  other's rights and obligations. Consequently, these laws are
  little suited to protect the rights of most low-income
  consumers.

In this situation, exploitative practices flourish.
Ghetto residents who want to buy relatively expensive
goods cannot do so from standard retail outlets and
are thus restricted to local stores. Forced to use credit,
they have little understanding of the pitfalls of credit
buying. But because they have unstable incomes and

Sign on truck distributing food in Detroit riot notes reported
price-hiking by grocers

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frequently fail to make payments, the cost to the merchants of serving them is significantly above that of serving middle-income consumers. Consequently, a special kind of merchant appears to sell them goods on terms designed to cover the high cost of doing business in ghetto neighborhoods.

Whether they actually gain higher profits, these merchants charge higher prices than those in other parts of the city to cover the greater credit risks and other higher operating costs inherent in neighborhood outlets. A recent study conducted by the Federal Trade Commission in Washington, D.C., illustrates this conclusion dramatically. The FTC identified a number of stores specializing in selling furniture and appliances to low-income households. About 92 percent of the sales of these stores were credit sales involving installment purchases, as compared to 27 percent of the sales in general retail outlets handling the same merchandise.

The median income annually of a sample of 486 customers of these stores was about $4,200, but one-third had annual incomes below $3,600, about 6 percent were receiving welfare payments, and another 76 percent were employed in the lowest paying occupations (service workers, operatives, laborers and domestics), as compared to 36 percent of the total labor force in Washington in those occupations.

Definitely catering to a low-income group, these stores charged significantly higher prices than general merchandise outlets in the Washington area. According to testimony by Paul Rand Dixon, Chairman of the FTC, an item selling wholesale at $100 would retail on the average for $165 in a general merchandise store and for $230 in a low-income specialty store. Thus, the customers of these outlets were paying an average price premium of about 52 percent.

While higher prices are not necessarily exploitative in themselves, many merchants in ghetto neighborhoods take advantage of their superior knowledge of credit buying by engaging in various exploitative tactics—high-pressure salesmanship, "bait advertising," misrepresentation of prices, substitution of used goods for promised new ones, failure to notify consumers of legal actions against them, refusal to repair or replace substandard goods, exorbitant prices or credit charges, and use of shoddy merchandise. Such tactics affect a great many low-income consumers. In the New York study, 60 percent of all households had suffered from consumer problems (some of which were purely their own fault). About 23 percent had experienced serious exploitation. Another 20 percent, many of whom were also exploited, had experienced repossession, garnishment, or threat of garnishment.

GARNISHMENT

Garnishment practices in many states allow creditors to deprive individuals of their wages through court action, without hearing or trial. In about 20 states, the wages of an employee can be diverted to a creditor merely upon the latter's deposition, without advance hearing where the employee can defend himself. He often receives no prior notice of such action and is usually unaware of the law's operation and too poor to hire legal defense. Moreover, consumers may find themselves still owing money on a sales contract even after the creditor has repossessed the goods. The New York study cited earlier in this chapter indicated that 20 percent of a sample of low-income families had been subjected to legal action regarding consumer purchases. And the Federal Trade Commission study in Washington, D.C., showed that, on the average, retailers specializing in credit sales of furniture and appliances to low-income consumers resorted to court action once for every $2,200 of sales. Since their average sale was for $207, this amounted to using the courts to collect from one of every 11 customers. In contrast, department stores in the same area used court action against approximately one of every 14,500 customers.

VARIATIONS IN FOOD PRICES

Residents of low-income Negro neighborhoods frequently claim that they pay higher prices for food in local markets than wealthier white suburbanites and receive inferior quality meat and produce. Statistically reliable information comparing prices and quality in these two kinds of areas is generally unavailable. The U.S. Bureau of Labor Statistics, studying food prices in six cities in 1966, compared prices of a standard list of 18 items in low-income areas and higher income areas in each city. In a total of 180 stores, including independent and chain stores, and for items of the same type sold in the same types of stores, there were no significant differences in prices between low-income and high-income areas. However, stores in low-income

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*Assuming their sales also averaged $207 per customer.
areas were more likely to be small independents (which had somewhat higher prices), to sell low-quality produce and meat at any given price, and to be patronized by people who typically bought smaller sized packages which are more expensive per unit of measure. In other words, many low-income consumers in fact pay higher prices, although the situation varies greatly from place to place.

Although these findings must be considered inconclusive, there are significant reasons to believe that poor households generally pay higher prices for the food they buy and receive lower quality food. Low-income consumers buy more food at local groceries because they are less mobile. Prices in these small stores are significantly higher than in major supermarkets because they cannot achieve economies of scale and because real operating costs are higher in low-income Negro areas than in outlying suburbs. For instance, inventory “shrinkage” from pilfering and other causes is normally under 2 percent of sales but can run twice as much in high-crime areas. Managers seek to make up for these added costs by charging higher prices for food or by substituting lower grades.

These practices do not necessarily involve exploitation, but they are often perceived as exploitative and unfair by those who are aware of the price and quality differences involved but unaware of operating costs. In addition, it is probable that genuinely exploitative pricing practices exist in some areas. In either case, differential food prices constitute another factor convincing urban Negroes in low-income neighborhoods that whites discriminate against them.