

# BALTIMORE METRO AREA

State: Maryland

Census Designation: Baltimore-Columbia-Towson, MD



The Baltimore area is a somewhat unusual case for us to begin with, as most of its school districts, like those in several southern states, are organized by county. Since districts are the primary units of analysis for school finance in the United States, much of our discussion of the Baltimore area will be focusing on variation in funding adequacy and other outcomes between a relatively small number of relatively large districts.

That said, as discussed earlier in this report, housing segregation within the city of Baltimore was crafted through municipal ordinances between 1910 and 1917—that is, racial segregation was the law. But the stage for today’s sharp racial dividing lines between Baltimore City and its six surrounding counties was actually set long before those ordinances. They date back to when the city was established as an independent-governing entity in 1851, not included under any other county governance structure. This original decision does not appear to have been based on race, although the dynamics changed somewhat as the city grew by annexing adjacent land. In any case, the separation of Baltimore City from Baltimore County laid out a geographical structure that would shape segregation—and its impact on school funding—in the metro area from that point forward.

The story of the 1910s ordinances in Baltimore City serves as an intriguing precursor to the later use of blockbusting. The original law, when adopted, attempted to freeze racial differences in neighborhoods where they stood at that moment; Black families could not move to white neighborhoods, and vice versa. The problem was this didn’t address the situation in already-mixed neighborhoods. The real estate industry in Baltimore adapted by seeking opportunities akin to what later became the widely popular strategy of blockbusting (discussed above). Yet the original ordinance seemed to prohibit the practice. As a result—and certainly not coincidentally—amendments to the law dropped the restrictions on mixed blocks, setting the stage for early, more micro-level forms of blockbusting activity (Boger 2009).

When the racial ordinances were outlawed by the Supreme Court’s Buchanan decision in 1917, city officials responded quickly. Baltimore’s mayor formed a “Committee on Segregation” to coordinate the efforts of city departments (e.g., building, health) with those of realtors and private homeowner associations to keep the city segregated. In 1925, a group of roughly 20 neighborhood associations formed an alliance and urged, among other things, the incorporation of racial covenants into all existing and future deeds in white neighborhoods (Rothstein 2018). These covenants would shape segregation in the city and the surrounding Baltimore County for decades (Pietila 2010).

Baltimore’s borders were effectively finalized by a 1948 referendum that stopped the city from any further annexations of outlying suburban neighborhoods in Baltimore County (Duffy 2018). This solidified school district and other governance boundaries, creating opportunities (and demand) for the real estate industry, enabled by federally insured loans and covenants forbidding future sale to Black (and, later, Jewish) buyers, to relocate white families to safe havens in outlying areas in Baltimore County and nearby Howard and Anne Arundel counties without fear of “urban” encroachment or envelopment (Pietila 2010).

In addition, between 1930 and 1970, Baltimore’s Black population more than doubled but availability of housing (in which they were allowed to live) was insufficient to meet this demand (thanks in part to the city’s refusal, amid white protests, to build public housing units for nonwhite families). Making things worse, many Black families were displaced during this time by slum clearance, urban renewal, and transportation construction, further widening the gap between supply and demand. Blockbusting helped to fill it (Power 1983).

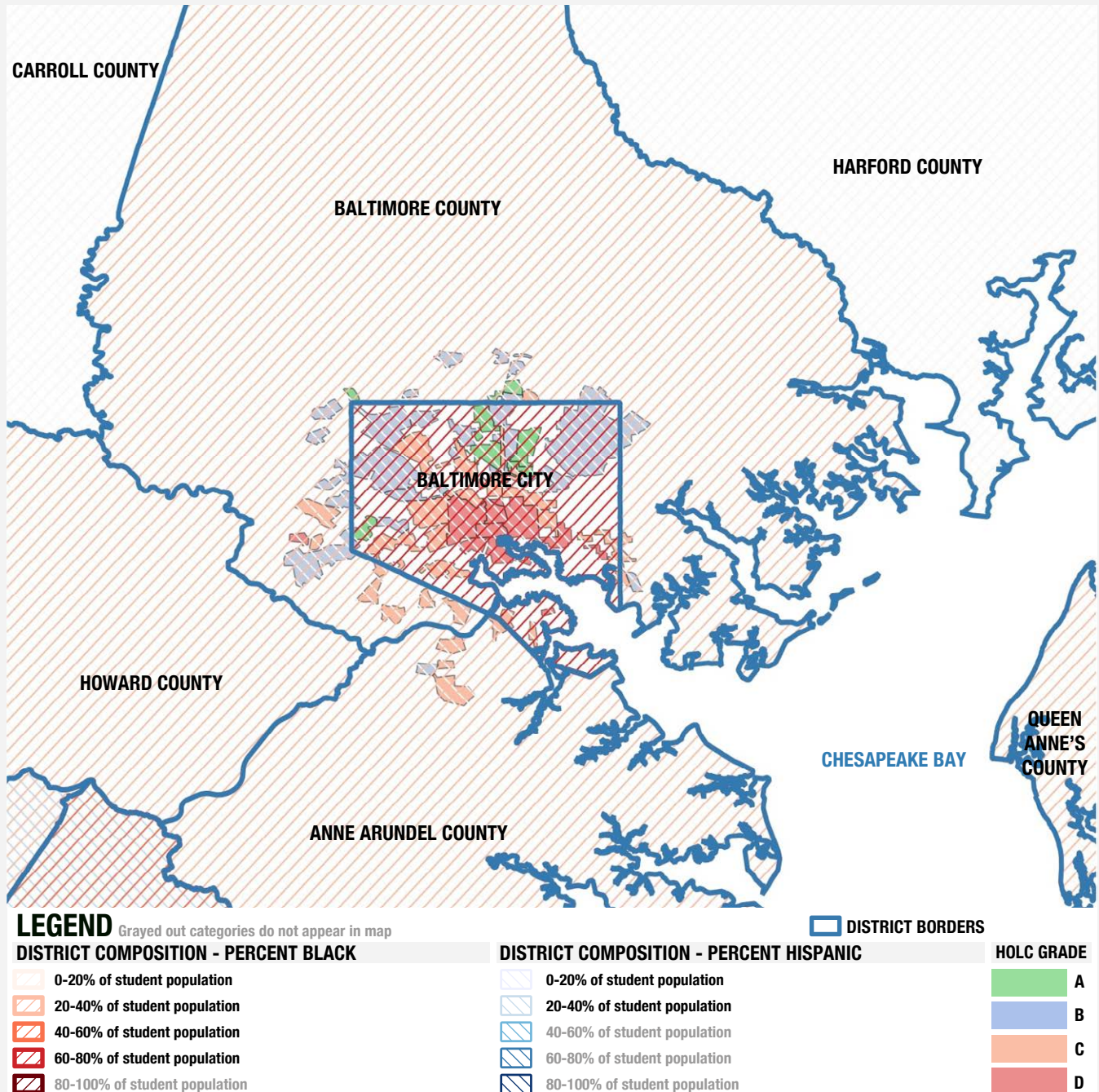
As mentioned above, blockbusting in Baltimore began early, but it would become an increasingly popular strategy in the 1950s and 1960s (Orser 1997). Realtors willing to violate the long-standing

practice of not selling homes in white neighborhoods to Black families were able to turn healthy profits by purchasing homes at below-market rates from white people nervous about racial “infiltration” and the recent *Brown v. Board* decision. These homes were then marked up and sold to Black buyers who,

excluded from federal loan programs, were forced into “rent-to-buy” and similar high-risk, predatory arrangements. Tens of thousands of homes were “flipped,” changing all-white neighborhoods into mostly-Black neighborhoods over relatively short periods of time (Power 1983). Moreover, as in so

**Figure 4**

### SCHOOL DISTRICT STUDENT RACIAL/ETHNIC COMPOSITION MAP, BALTIMORE METRO AREA, 2018



To improve visibility of HOLC zones, map does not include entire metro area. See Box 1 for information on measures.



many other cities and areas across the nation, when public housing was finally built to help fill the demand, it was heavily segregated (Weld 1976).

The legacy of these decades of efforts can be seen in the composition map presented in Figure 4 (see Box 1, above). To reiterate, to improve visibility of the HOLC zones, the map does not include the entirety of the metro area, but in this case all seven of the area's school districts are at least partially visible in the map. Note, first, the position of the Baltimore City district, the land borders of which are almost entirely encompassed by Baltimore County.

Predictably, most of the HOLC zones are located within the Baltimore City district's borders, and the rest are relatively close to them. Neighborhoods in the northern sections of the city and surrounding county were given high (A/B) grades and the central city largely C and D grades. Still, across the entire metro area, all but one of the neighborhoods assessed as highest risk (D grades) and most of those that received C grades are found in the Baltimore City district, which today serves the most heavily Black/Hispanic student population (around 90 percent). Even within the city, though, there is evidence of a connection between the racial/ethnic composition of neighborhoods today and the HOLC grades (Evans et al. 2012).

Yet a few of the large counties in the area also serve substantial Black student populations: Anne Arundel (21 percent Black), Baltimore County (39 percent), and Howard County (24 percent). And all three also serve students that are roughly 10-15 percent Hispanic. As a result, the Baltimore area is somewhat unusual among our case studies in that between-district segregation, while substantial (specifically the concentration of Black/Hispanic students in the city), is not the primary driver of total area segregation (see Table 3). This is not only because the counties are somewhat racially/ethnically diverse, but also because, like the city, they are highly segregated internally (due in no small part to their large geographical size).

The distribution of HOLC zones reflects the fact that there were already pockets of Black residents in Baltimore County and Anne Arundel County in the late 1930s, but postwar suburbanization, fueled by

redlining, covenants, and blockbusting, saw many white residents move further out into the suburbs (Pietila 2010). The *Brown* decision in 1954 may also have exacerbated this "flight"; prior to this decision, school segregation statewide was required by law.

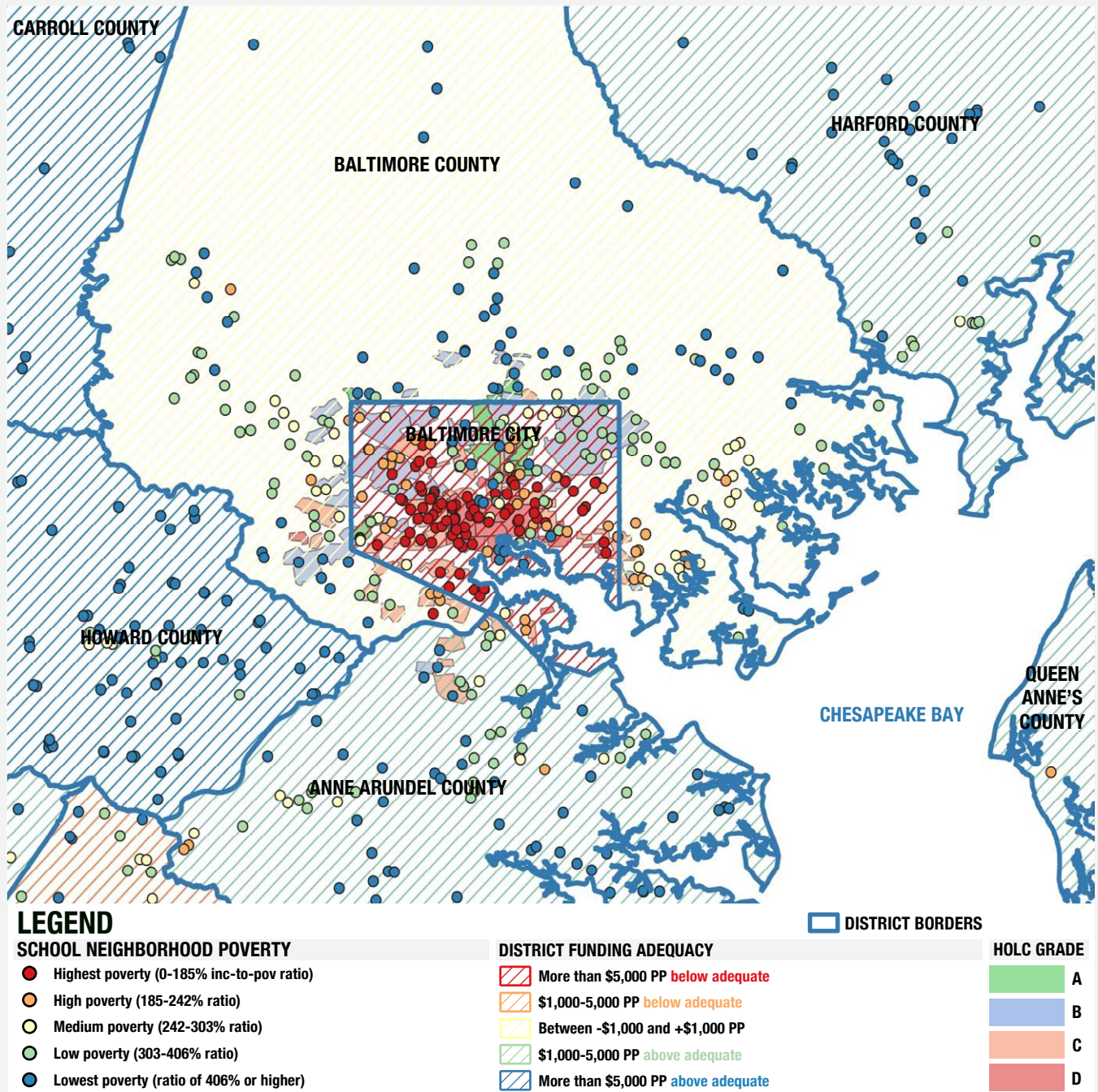
However, much of the counties' Black/Hispanic student populations are a result of shifts in more recent decades, during which time there were large decreases in the share of white students in Anne Arundel, Baltimore, Harford, and Howard Counties. Baltimore County schools, for instance, went from almost 80 percent white in 1989 to about 45 percent white in 2010 (Ayscue 2013). Yet much of the increase in the counties' nonwhite (particularly Black) population occurred in or near areas where the minority population was larger historically, including the city-adjacent areas of Baltimore County (Baltimore Metropolitan Council 2014). Fears of this racial transition stalled efforts to expand the availability of affordable housing in the city's inner suburbs (Vicino 2008).

Figure 5 presents the area's funding map. The relationship of the HOLC grades with school neighborhood poverty is clear even within Baltimore City borders: pretty much every single high-poverty school neighborhood (i.e., those with very low income-to-poverty ratios, represented by the red dots) is not only located within the city, but specifically located within or very near those spaces that were C- or D-graded over 80 years prior. The A- and B-graded areas within the city are largely populated by lower- and medium-poverty schools (blue, green, and yellow dots), although there are some higher-poverty schools (orange dots) in the city's westernmost A/B zones.

Across the rest of the area (i.e., the counties), the schools are mostly surrounded by lower-poverty areas (blue and green dots), including virtually all the schools in the counties directly bordering Baltimore County (Howard, Anne Arundel, and Harford). Within Baltimore County, there is economic segregation between the inner and outer suburbs, spurred in part by racial segregation (Hanlon and Vicino 2007; Vicino 2008). In the map, schools around the city border are somewhat mixed in terms of poverty, but the vast majority of Baltimore County's higher- and medium-poverty schools are found near

Figure 5

## SCHOOL DISTRICT FUNDING ADEQUACY MAP, BALTIMORE METRO AREA, 2018



To improve visibility of HOLC zones, map does not include entire metro area. See Box 1 for information on measures.



the city, whereas the schools located further out are generally in lower-poverty areas. Interestingly, many of the “inner ring” exceptions—e.g., the clusters of blue dots on the northern and southwestern borders of the city—are found in or near A-/B-graded HOLC zones.

Regarding the adequacy of K-12 funding in the area, due in no small part to the (segregation-fueled) concentration of poverty within its borders, Baltimore City is a large peninsula of severely inadequate funding jutting out into a bay of modestly inadequate funding (Baltimore County, with a funding gap of

-\$775 per pupil), which leads out to a sea of above-adequate funding (the other surrounding counties).

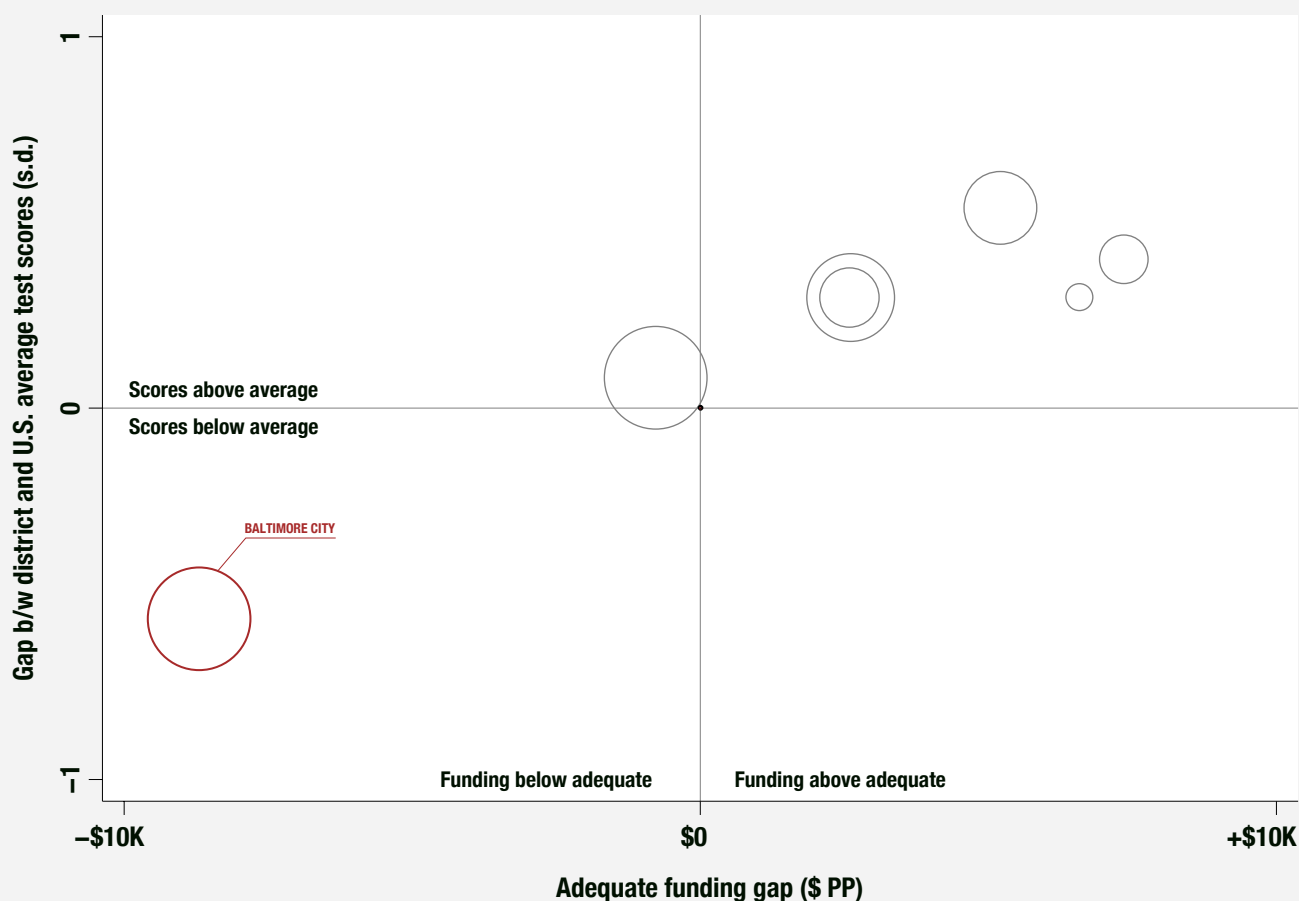
The seeds of this situation were planted generations ago. The area's C- and D-rated areas are largely located within the one present-day school district in the area that is overwhelmingly Black/Hispanic and where spending falls substantially below estimated adequate levels, while the remainder of C-graded zones (and one D zone) are mostly found in Baltimore County,

which is roughly half-Black/Hispanic and funded slightly below adequate levels. Conversely, districts with adequate funding today tend to be those in which there are smaller Black/Hispanic student populations (and which were ungraded by the HOLC and subsequently developed as suburbs).

Finally, Figure 6 shows the relationship between adequate funding gaps (horizontal axis) and student testing outcome gaps (vertical axis) for Baltimore City

**Figure 6**

## STUDENT OUTCOME GAPS BY ADEQUATE FUNDING GAPS, BALTIMORE METRO AREA DISTRICTS, 2018



**Red markers with labels are majority-Black/Hispanic districts**



**Data source:** School Finance Indicators Database; Stanford Education Data Archive

**Note:** Markers weighted by student enrollment. Outcome gaps (y-axis) are the difference in average math and reading scores (in standard deviations) between each district and the U.S. average. Funding gaps (x-axis) are the difference between actual spending per pupil and estimated spending required to achieve national average test scores.

and the six (of 24 statewide) other government-run districts/counties in the entire Baltimore metropolitan area. This figure will be replicated for all of our case studies.

The outcome gaps, again, are from the Stanford Education Data Archive, and they are the difference, in standard deviations, between each district's average math and reading test scores and the U.S. average in 2018 (Reardon et al. 2021).<sup>8</sup> The adequate funding gaps are from the SFID, expressed in dollars per pupil. Each circle in the plot represents a district, with larger circles indicating larger total enrollments. Districts with Black and Hispanic enrollment greater than 50 percent (i.e., districts in which Black and Hispanic students together constitute more than half the student population) are indicated with red circles and district name labels. This is a simple way to visualize segregation between districts (in other metro areas, where appropriate, we will also present alternative plots).

Districts in the lower left quadrant of the plot are those with less funding than necessary to achieve national average outcomes, as well as those in which testing outcomes are lower than the national average. Conversely, districts in the upper right corner are those with more than enough funding to achieve national average outcomes and that are also achieving above-average outcomes.

This scatterplot is unusually sparse (due, of course, to the county structure of school districts in Maryland), but it paints a stark picture of unequal opportunity. The one district that serves a majority-Black and/or -Hispanic population (in this case, Baltimore City) not only is the only one in the lower left quadrant, but also is located toward the corner of that quadrant, far from its whiter counterparts. Baltimore County, which is almost but not quite half Black/Hispanic, is the circle in the middle of the plot, with funding just below estimated adequate levels and testing outcomes just above the U.S. average. Finally, the remainder of the area's counties, which serve lower shares of Black/Hispanic students—all but Howard County serve majority-white students—populate the upper right quadrant (funding above adequate levels and test scores above the U.S. average).

This section is from the report, "**Segregation and School Funding: How Housing Discrimination Reproduces Unequal Inequality**," available at: <http://shankerinstitute.org/segfunding>

<sup>8</sup> For all plots in this report presenting 2018 outcome gap estimates from the Stanford Education Data Archive (SEDA), including the national plots, missing estimates are imputed where possible based on data from prior years. This includes imputation for only 10 of the 357 districts in our seven metro areas; 7 of those 10 districts are in the Baltimore area. The SEDA estimates are aggregated to the district level (weighted by enrollment).