2020

Racial Inequality in Chicago: Income and Education

Richard Melstrom  
*Loyola University Chicago*, rmelstrom@luc.edu

Cassidy Redding  
*Loyola University Chicago*, credding@luc.edu

Follow this and additional works at: https://ecommons.luc.edu/ies_facpubs

**Recommended Citation**  
Melstrom, Richard and Redding, Cassidy. Racial Inequality in Chicago: Income and Education. Racial Inequality in Chicago: Income and Education, 1: , 2020. Retrieved from Loyola eCommons, School of Environmental Sustainability: Faculty Publications and Other Works,

This Report is brought to you for free and open access by the Faculty Publications and Other Works by Department at Loyola eCommons. It has been accepted for inclusion in School of Environmental Sustainability: Faculty Publications and Other Works by an authorized administrator of Loyola eCommons. For more information, please contact ecommons@luc.edu.

This work is licensed under a Creative Commons Attribution-Noncommercial-No Derivative Works 3.0 License.  
© The Authors, 2020.
**Racial Inequality in Chicago: Income and Education**

**Richard Melstrom and Cassidy Redding**

**Introduction**

Chicago is a racially diverse but highly segregated city. This segregation developed as a result of attitudes, actions and policies aimed at erecting barriers to residential mobility and racial integration, such as bank redlining, discriminatory lending, and city zoning that limited opportunity for Black residents to secure mortgages and protect housing values. This has led to pronounced levels of racial economic inequality. In fact, the racial wealth gap has widened more substantially in Chicago than the rest of the United States. Similar levels of inequality can be found in terms of income. The average Black household income is only 63% of average white household income. Economic inequalities are produced by and contribute to racial segregation, by limiting the affordability of housing and re-investment resources among disadvantaged race groups.

In this fact sheet, we present key statistics on differences in residential location, income and education by between Black and white Chicago residents. Statistical summaries of income by race groups are generally not reported at the city or neighborhood level. We fill this knowledge gap by summarizing population and income statistics of Black and white households reported in the 2018 American Community Survey (ACS). The ACS publishes these statistics at the census tract level. Chicago contains more than 800 census tracts. In the next section, which we reference by their corresponding numbers.

**Difference in Median Incomes Across Community Areas by Race**

Overall, there is a substantial difference in Black and white households’ income in Chicago. Although the range in median income across census tracts is quite similar between these groups ($5,000 to $247,888 for Black households, $5,000 to $235,536 for white households), in most census tracts Black households earn much less than white households. The average difference in median income between Black and white households is $19,002.

Figure 1 shows income differences summarized by Chicago community areas (see Appendix for all community area numbers). Each bar indicates the average tract-level median household income by race group in a community area. By this measure, white household incomes exceed median Black household incomes in most areas of the city. The most equal community areas are West Pullman (53 – see Figure 2) and Dunning (17). Note that these community areas are highly segregated: 93% of West Pullman residents are Black, and only 2% of Dunning residents are Black. Near South Side (33) has the largest average disparity between the median income of white and Black households at approximately $92,500. This community area, which has experienced substantial gentrification over several decades, is 47.5% white and 24.5% Black. In several community areas the Black-white gap is opposite the rest of the city (i.e. Black residents making more than white residents). These community areas also tend to be highly segregated with only a few Black households with very high incomes present. In Norwood Park (10), the difference is -$91,000, but the population is only 1% Black.

**Fig. 1 – Community area average tract-level median household incomes, separated by race group. The dots show the difference between the medians in each group in each community area (see Appendix 1 for complete list of community areas on axis)**.
Income and Education

Income differences between Black and white residents exist even controlling for college education. In 67% of the tracts where at least half of both Black and white populations held college degrees, white residents typically made more than Black residents in 2018.

Many more white than Black residents in Chicago have received a college education. Across census tracts, 33% of white residents at least 25 years old hold a college degree, compared to 25% of Black residents at least 25 years old. This difference can explain part but not all income inequality by race.

Figure 3 presents a scatter plot of median household income and percent college education by race in Chicago’s census tracts. The figure clearly shows a positive association between income and education: the larger the share of Black or white residents with a college degree in a tract, the higher income tends to be for that group of residents. This is true regardless of race. The figure also illustrates the disparity in income and education between these two groups. For white residents, there is a loose group of census tracts in the upper right of the graph where most (white) residents hold a college degree and earn income in the $50,000-$150,000 range. In contrast, for Black residents, there is a compact group of census tracts in the lower left of the graph where most (Black) residents earn less than $50,000 and do not hold a college degree.

Income inequality between race groups is greatest when Black residents do not hold a college degree, regardless of white residents’ college degree status. In tracts where either less than 50% of Black or white residents hold a college degree, white residents’ median household incomes are typically higher (even though in these tracts Black residents are slightly more likely to hold a college degree).

References


Fig. 3 – Median income and percent college education of Black and white residents’ in Chicago census tracts
Appendix 1 – Community area average of tract-level median household incomes, separated by race group. The dots show the difference between the averages in each group in each community area. All community area numbers are shown on x-axis.

Appendix 2 – List of community areas and their corresponding numerical assignments.

1 – Rogers Park
2 – West Ridge
3 – Uptown
4 – Lincoln Square
5 – North Center
6 – Lake View
7 – Lincoln Park
8 – Near North Side
9 – Edison Park
10 – Norwood Park
11 – Jefferson Park
12 – Forest Glen
13 – North Park
14 – Albany Park
15 – Portage Park
16 – Irving Park
17 – Dunning
18 – Montclare
19 – Belmont Cragin
20 – Hermosa
21 – Avondale
22 – Logan Square
23 – Humboldt Park
24 – West Town
25 – Austin
26 – West Garfield Park
27 – East Garfield Park
28 – Near West Side
29 – North Lawndale
30 – South Lawndale
31 – Lower West Side
32 – The Loop
33 – Near South Side
34 – Armour Square
35 – Douglas
36 – Oakland
37 – Fuller Park
38 – Grand Boulevard
39 – Kenwood
40 – Washington Park
41 – Hyde Park
42 – Woodlawn
43 – South Shore
44 – Chatham
45 – Avalon Park
46 – South Chicago
47 – Burnside
48 – Calumet Heights
49 – Roseland
50 – Pullman
51 – South Deering
52 – East Side
53 – West Pullman
54 – Riverdale
55 – Hegewisch
56 – Garfield Ridge
57 – Archer Heights
58 – Brighton Park
59 – McKinley Park
60 – Bridgeport
61 – New City
62 – West Elsdon
63 – Gage Park
64 – Clearing
65 – West Lawn
66 – Chicago Lawn
67 – West Englewood
68 – Englewood
69 – Greater Grand Crossing
70 – Ashburn
71 – Auburn Gresham
72 – Beverly
73 – Washington Heights
74 – Mount Greenwood
75 – Morgan Park
76 – O’Hare
77 – Edgewater