

18th Annual Harold I. Levine Real Estate Institute

How Our Past Shapes Our Future

November 3, 2022



ATG LEGAL
EDUCATION

18th Annual Harold I. Levine Real Estate Institute

Implicit Bias and Discrimination
in Housing: How History Impacts
the Industry Today



Matt Difanis

Re/Max Reality Associates
Champaign, IL

Audio problems? Listen by phone: **888.788.0099**, Access Code: **867 5939 7305**



ATG LEGAL
EDUCATION



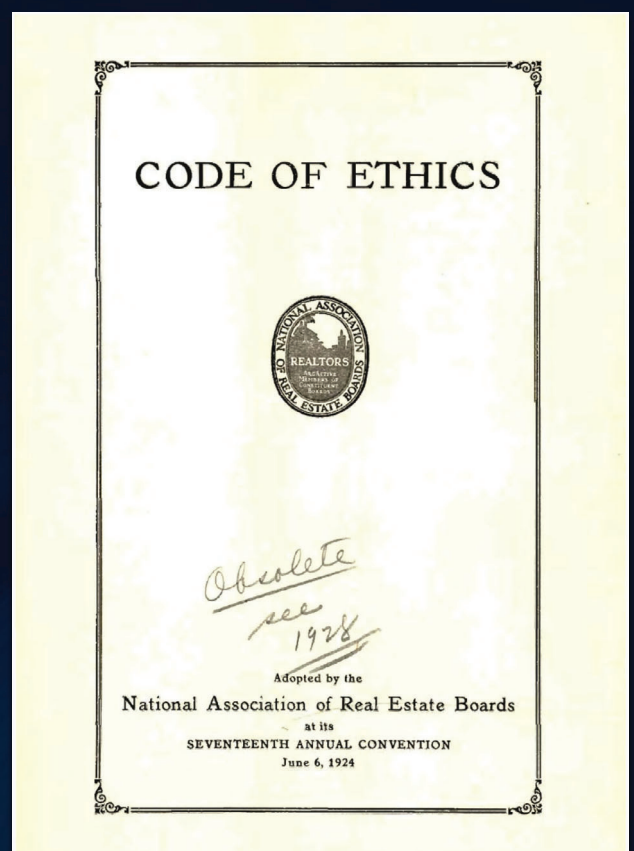


Illinois REALTORS® Celebrates 50 Years of Fair Housing





For decades, the
Code mandated
housing
discrimination



ARTICLE 32.

Before the closing of a transaction, the Realtor should recommend the examination of title and conveyancing papers.

ARTICLE 33.

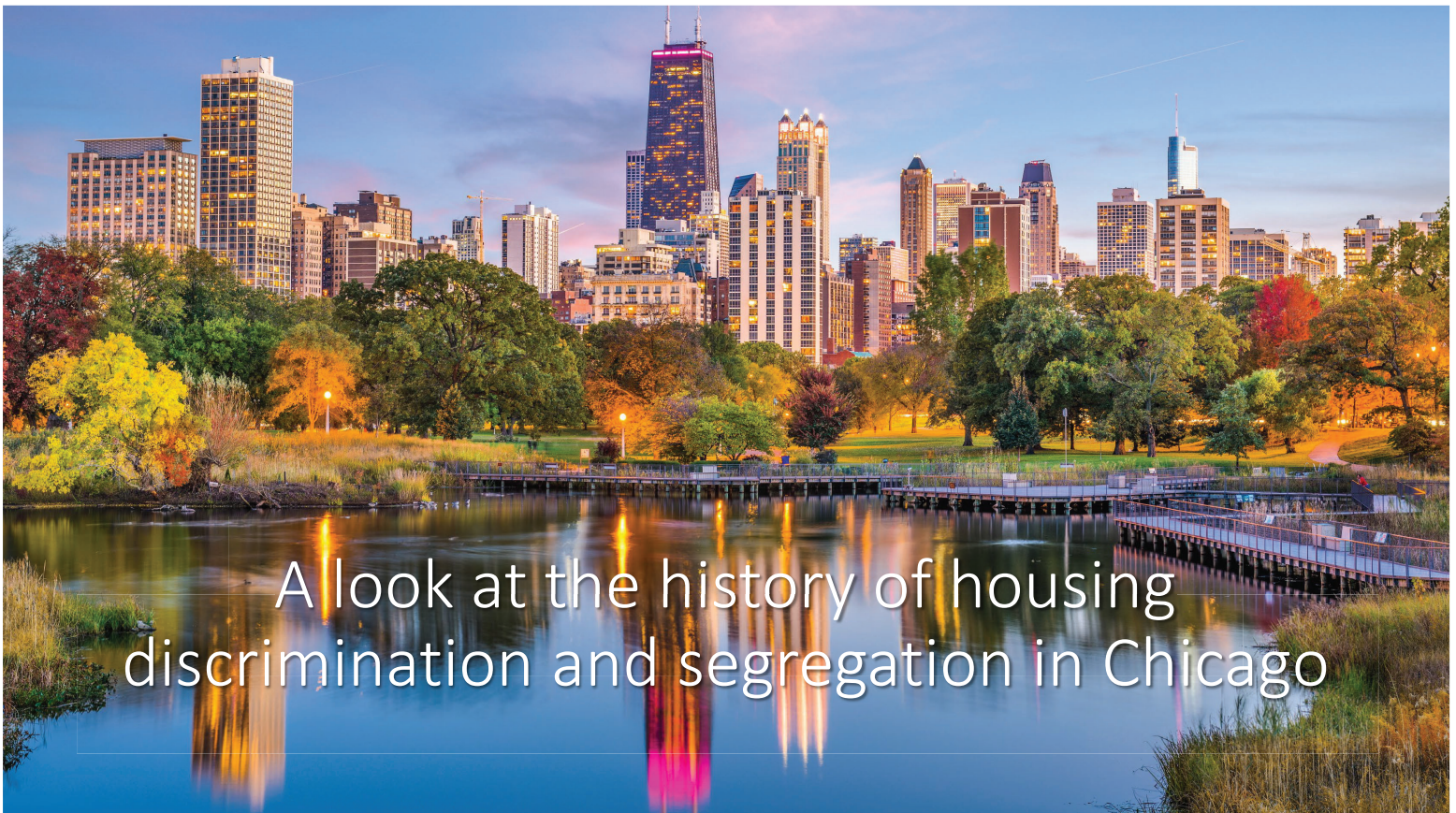
All contracts and agreements to which a Realtor is a party should be made in writing and should be complete and exact.

ARTICLE 34.

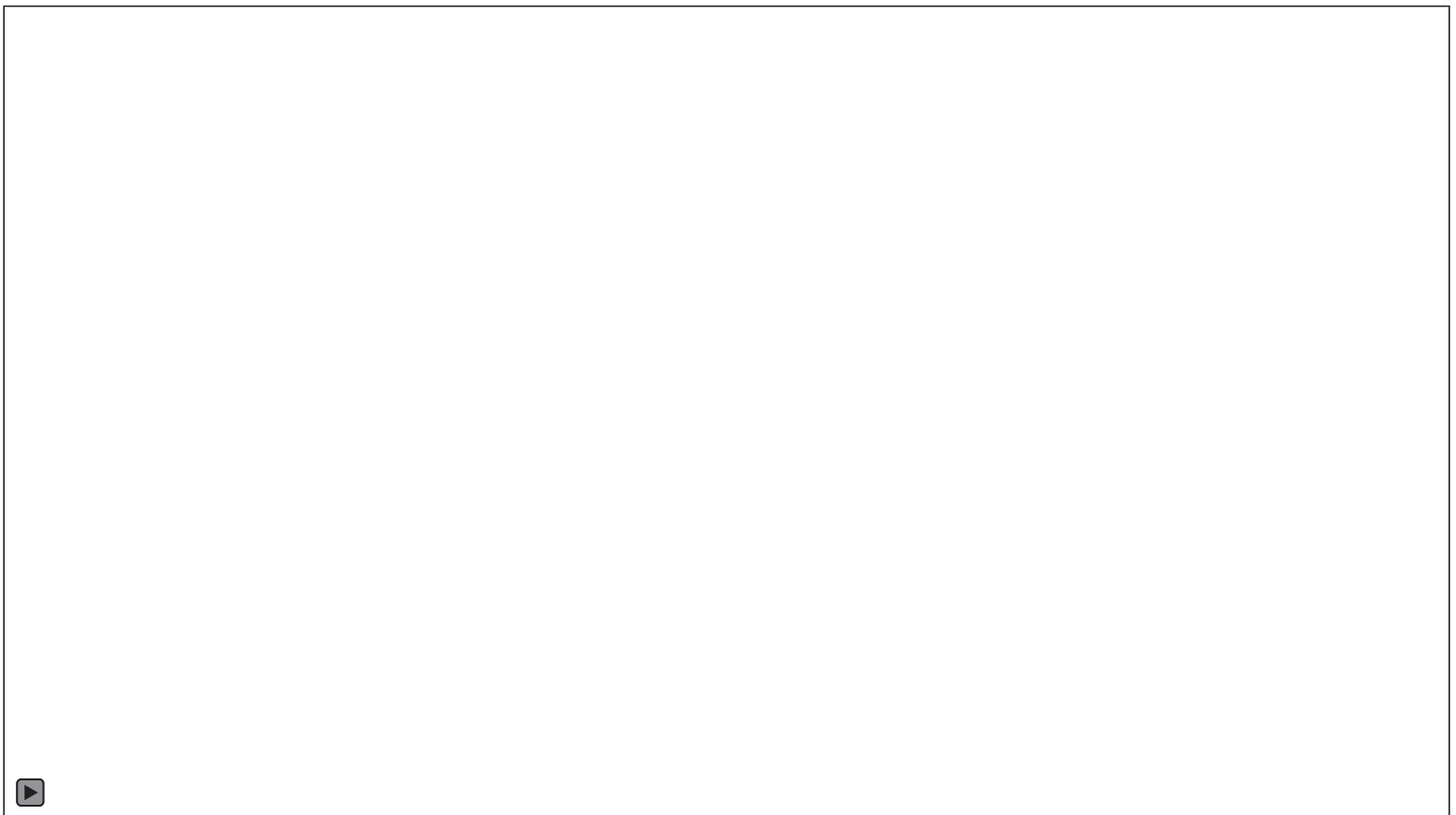
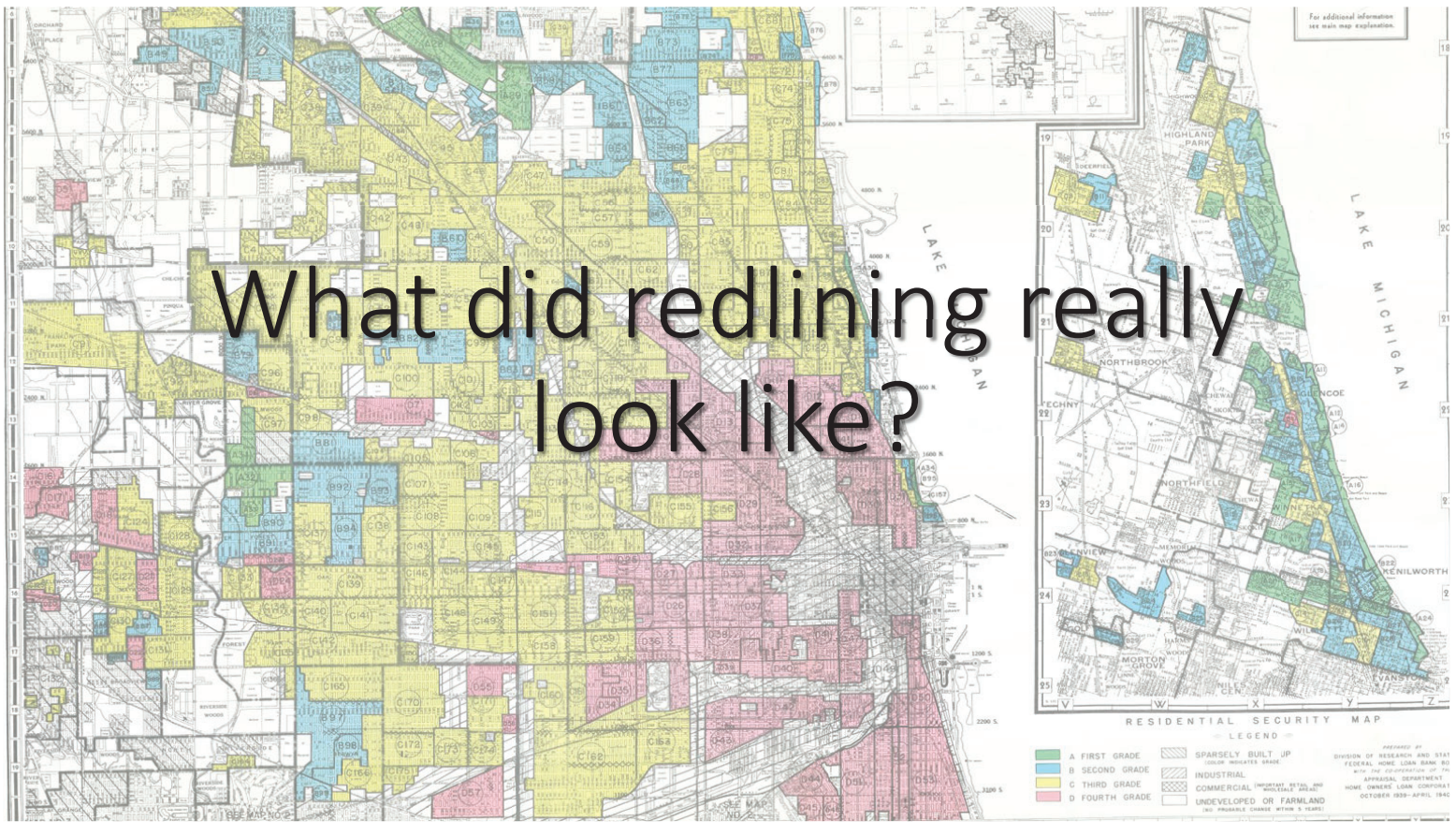
A Realtor should never be instrumental in introducing into a neighborhood a character of property or occupancy, members of any race or nationality, or any individuals whose presence will clearly be detrimental to property values in that neighborhood.

ARTICLE 35.

No instructions nor inducements from any client or customer relieve the Realtor from his responsibility strictly to observe this Code of Ethics.



A look at the history of housing discrimination and segregation in Chicago



“[The new housing project] has the realtors guessing as to what the ultimate result will be when so many of this race are drawn into this section from the already negro-blighted district . . . With approximately 6,500 colored people moving into this district, it is evident they cannot be closed in; they must have an outlet; and the problem of keeping park and water frontage close by reasonably free of them will be difficult to surmount.”



“The trend of the colored people will now be accelerated toward this park and water frontage, which many people consider could have been avoided had it been located west of Indiana.”



... it is believed (particularly since the advent of the housing project) that this entire section will ultimately go colored, which will increase the number of colored people using the lake front. Washington Park is already doomed."



"I've been in many demonstrations all across the South, but I can say that I have never seen—even in Mississippi and Alabama—mobs as hostile and as hate-filled as I've seen here in Chicago."

—Dr. Luther King, Jr.

Chicago, 1966

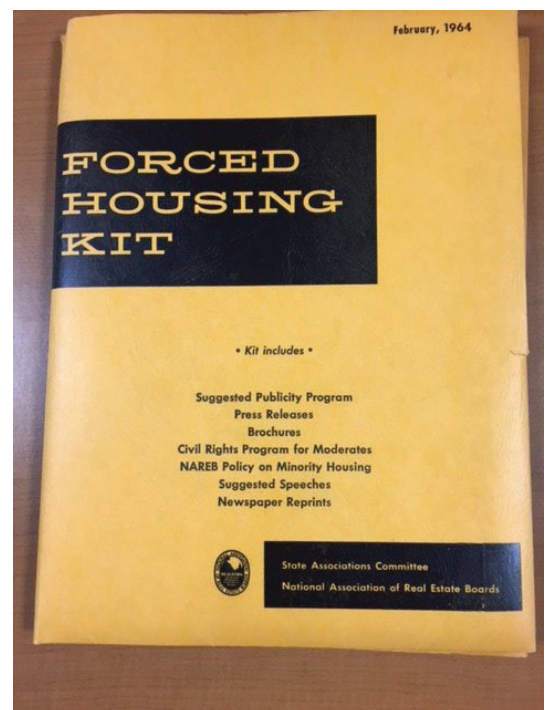


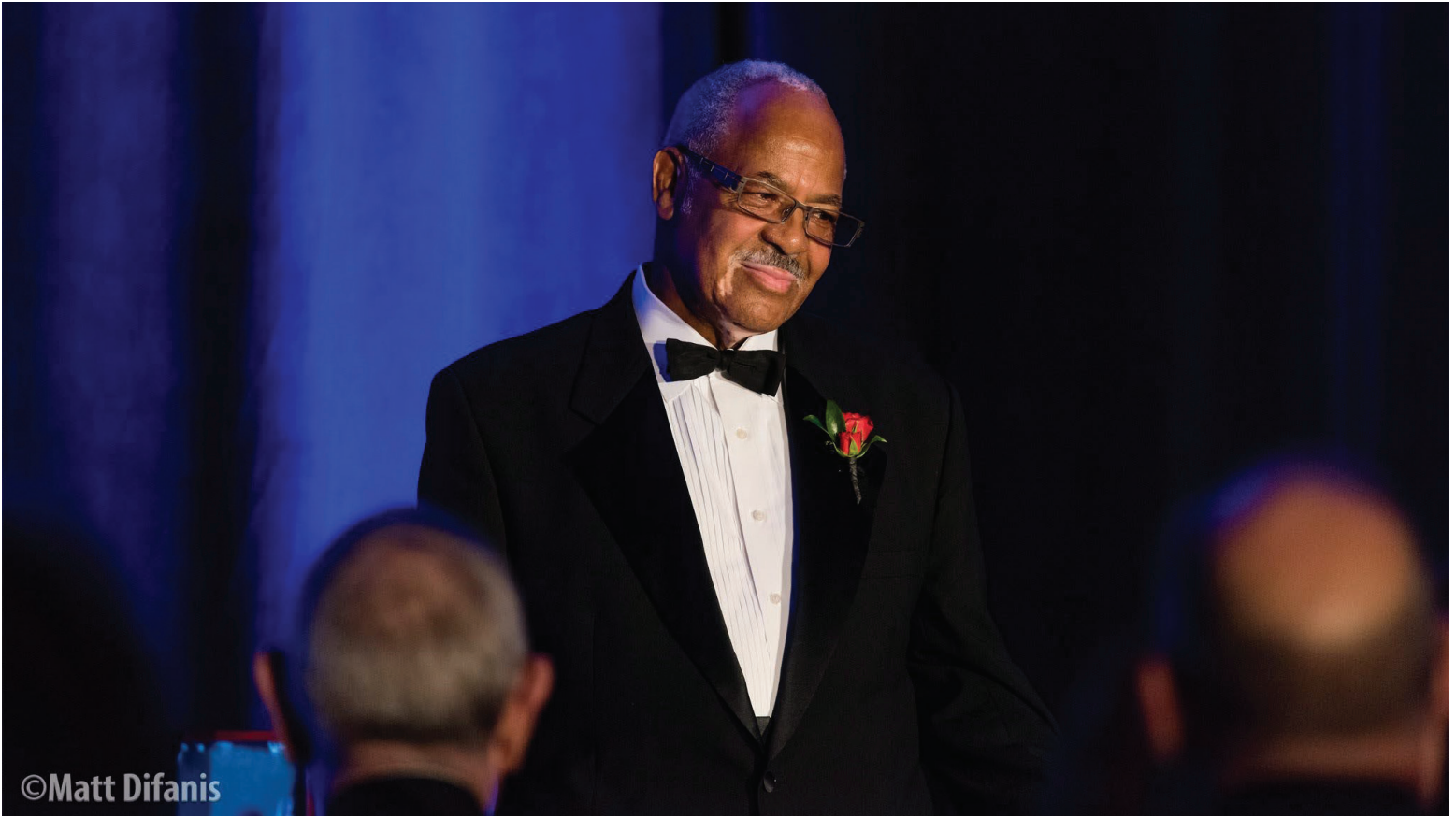
Dr. Martin Luther King, Jr., dropping to his knees after being hit in the head with a fist-sized rock thrown by a member of a white mob during King's march on August 5, 1966. He was leading a march through an all-white neighborhood to a real estate office to protest housing discrimination.





"Presented herewith is a collection of material designed to help real estate boards and state associations when they are confronted with the problem of 'forced housing' -- proposed or existing."





Quantifying the Cost of Housing Discrimination



“The Plunder of Black Wealth in Chicago”

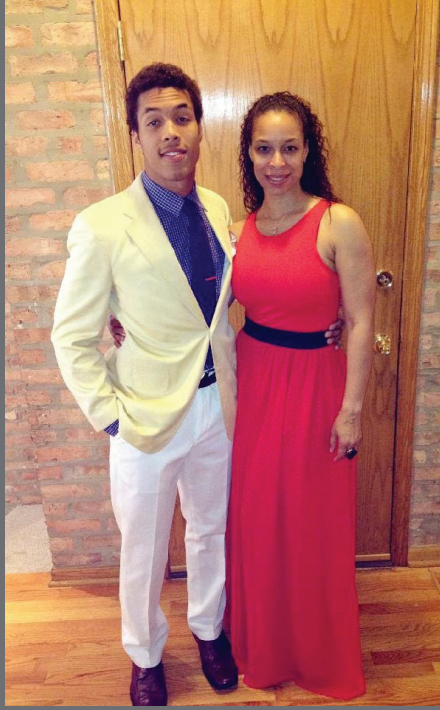
Research study from the Samuel Dubois Cook Center on Social Equity, published in May 2019

- From 1940-1960, home ownership rate in U.S. grew from 43% to 62%
- White Americans had easy access to low-cost, low-interest government backed loans
- Black Americans were forced into a secondary, unregulated market of contract sales
- Between 75% and 95% of homes sold to Black families during 1950s and 60s were contract sales
- Typical price markup was 84%
- In 2019 dollars, average EXTRA monthly payment impact was \$587
- Over the two decades studied in just Chicago, between \$3.2 and \$4 billion was expropriated from the Black community.
- See full report at <https://socialequity.duke.edu/wp-content/uploads/2019/10/Plunder-of-Black-Wealth-in-Chicago.pdf>















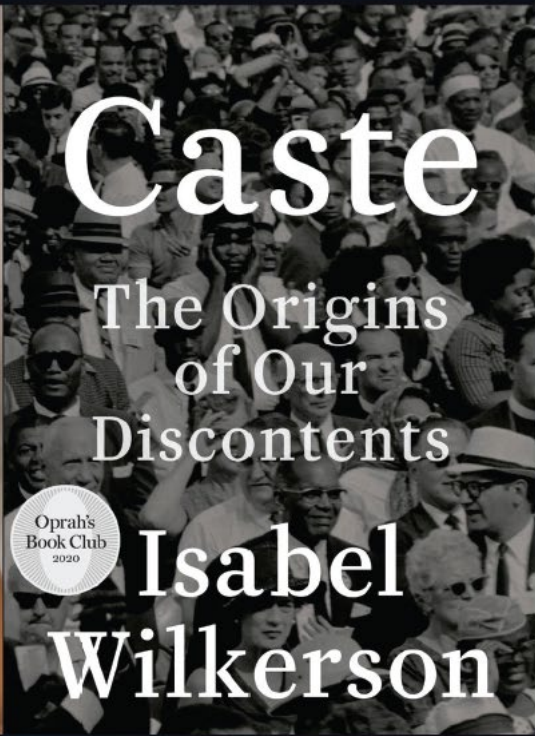
- Black real estate professionals often do twice the work for half the pay.
- Looked askance when working in predominantly white neighborhoods and suburbs.
- Presumed by white colleagues to have unqualified clients.
- Often diversify their businesses to withstand recessions and low Black home ownership rate—i.e., brokerage plus management plus development plus construction.
- % brokers of color underrepresent total population.

- Even greater underrepresentation in industry leadership roles—the Sarah Ware Theorem
- Frequently hit a glass ceiling when attempting to get involved in industry leadership
- Have to be willing to be “the only one.”



- Racist slurs and hate speech remain common
- Constantly anticipating the next embarrassing, dehumanizing racist episode—e.g., JoAnne Poole

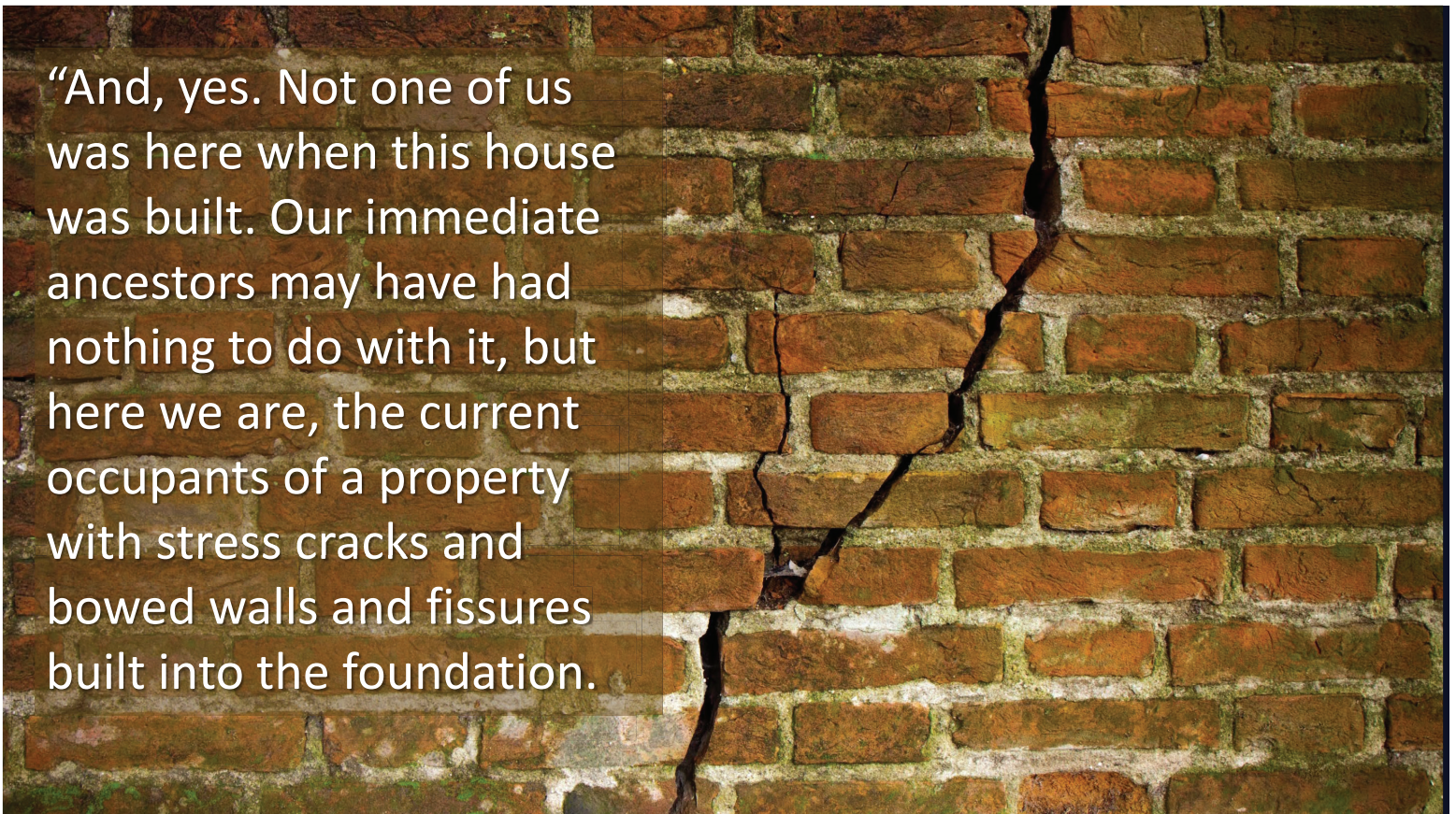





“We in the developed world are like homeowners who inherited a house on a piece of land that is beautiful on the outside, but whose soil is unstable loam and rock, heaving and contracting over generations, cracks patched but the deeper ruptures waved away for decades, centuries even. Many people may rightly say, ‘I had nothing to do with how this all started. I have nothing to do with the sins of the past. My ancestors never attacked indigenous people, never owned slaves.’



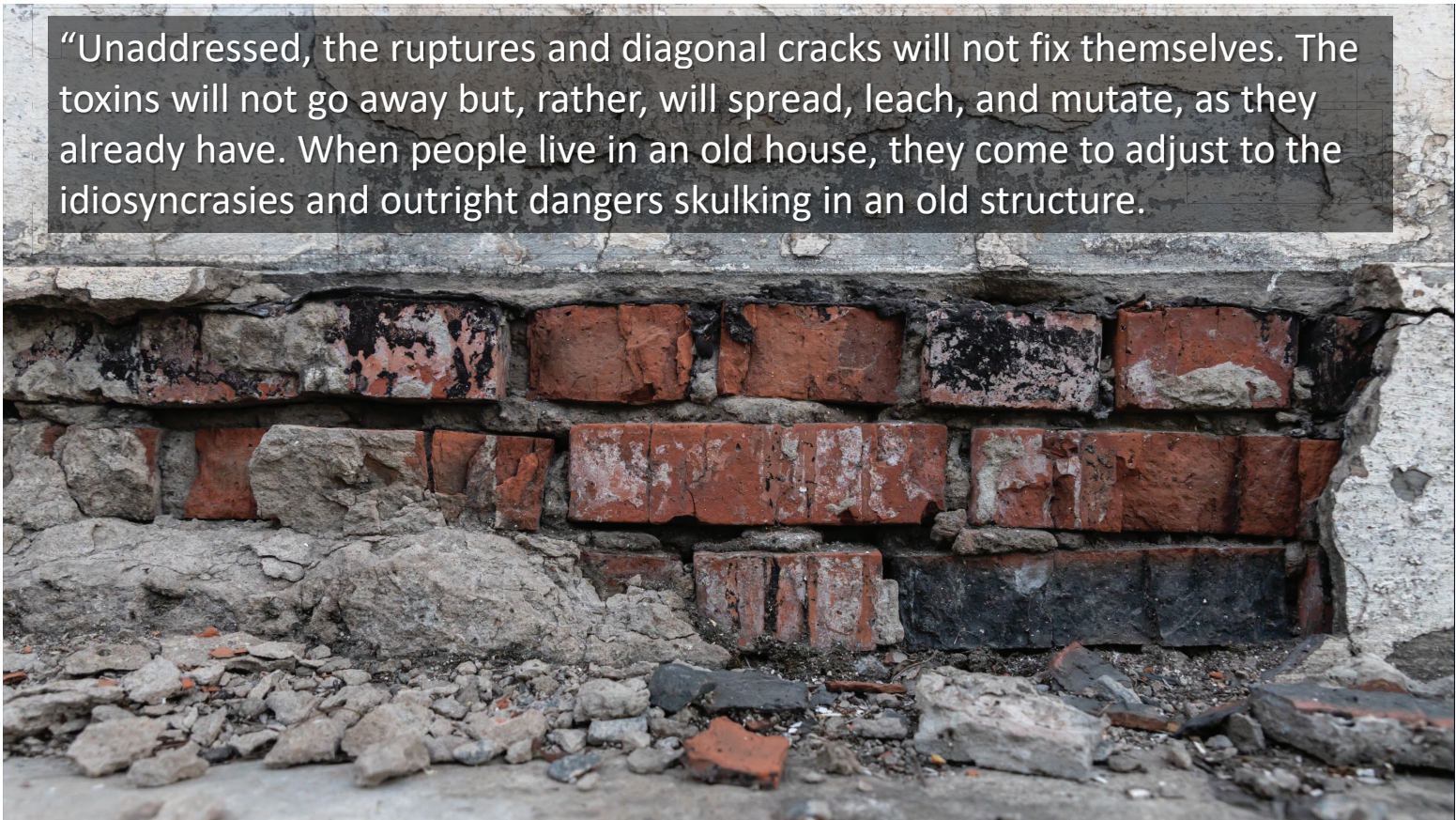
“And, yes. Not one of us was here when this house was built. Our immediate ancestors may have had nothing to do with it, but here we are, the current occupants of a property with stress cracks and bowed walls and fissures built into the foundation.



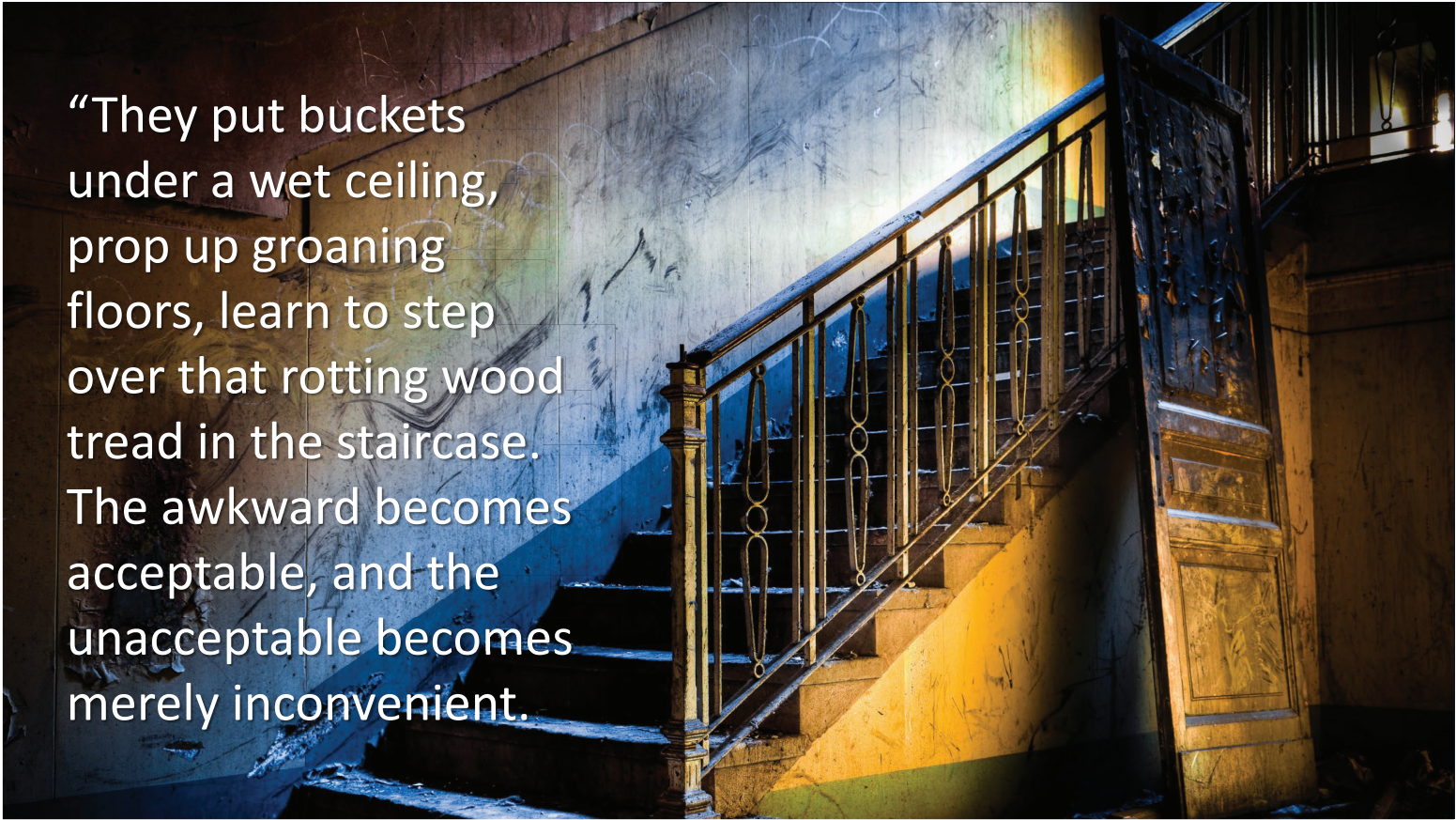


“We are the heirs to whatever is right or wrong with it. We did not erect the uneven pillars or joists, but they are ours to deal with now.

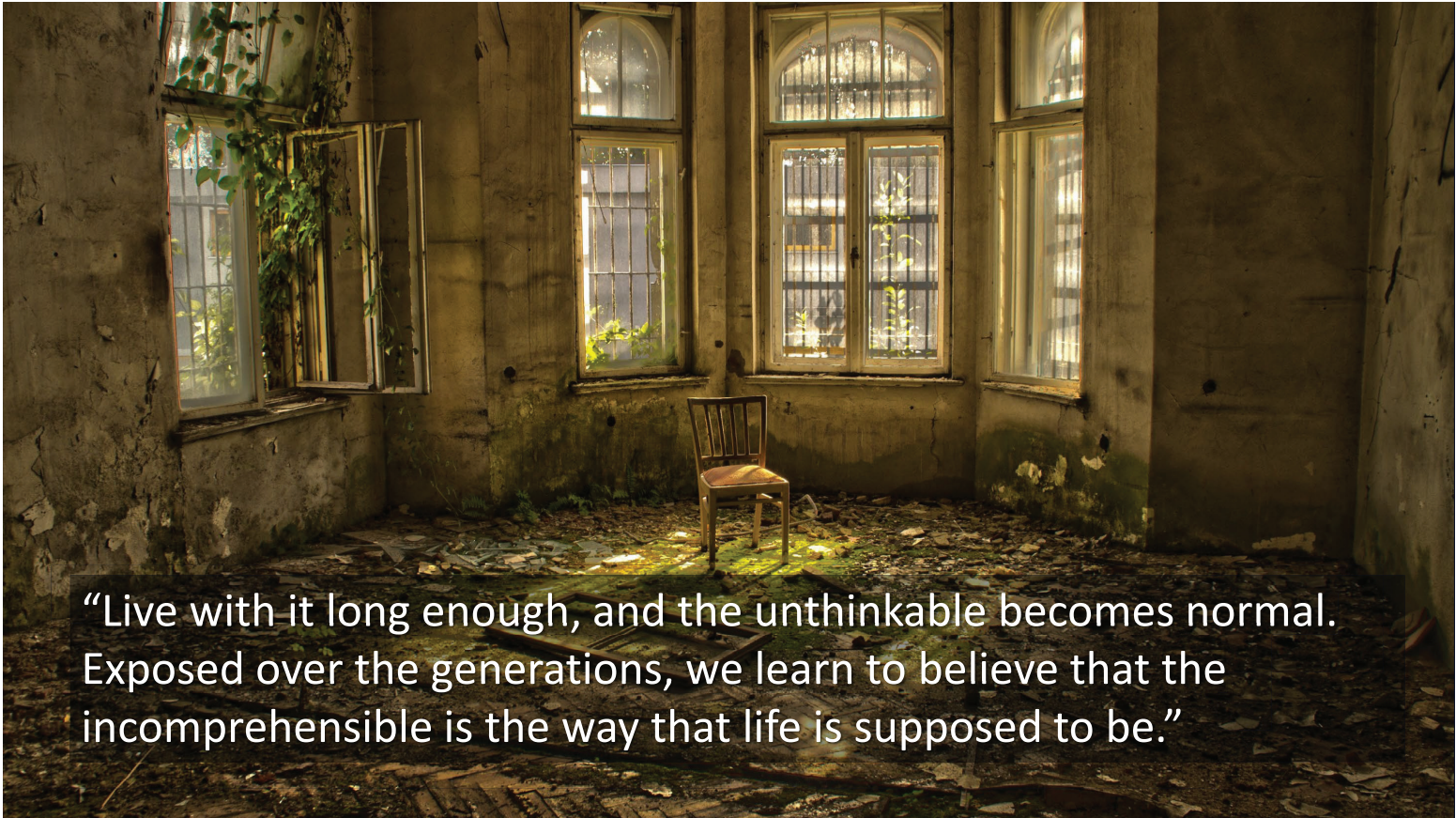
“And any further deterioration is, in fact, on our hands.



“Unaddressed, the ruptures and diagonal cracks will not fix themselves. The toxins will not go away but, rather, will spread, leach, and mutate, as they already have. When people live in an old house, they come to adjust to the idiosyncrasies and outright dangers skulking in an old structure.



“They put buckets under a wet ceiling, prop up groaning floors, learn to step over that rotting wood tread in the staircase. The awkward becomes acceptable, and the unacceptable becomes merely inconvenient.”



“Live with it long enough, and the unthinkable becomes normal. Exposed over the generations, we learn to believe that the incomprehensible is the way that life is supposed to be.”

Kimberly Offord

Designated Managing Broker, Fathom Realty



Michelle Mills Clement

Chicago Association of REALTORS® CEO



Article 3

Standard of Practice 3-11

“REALTORS® may not refuse to cooperate on the basis of a broker’s race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity.” (Adopted 1/20)







National Association of REALTORS® Mission

Our mission is to empower REALTORS® as they preserve, protect and advance the right to real property for all.

REALTORS® must not use harassing speech, hate speech, epithets, or slurs based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity.

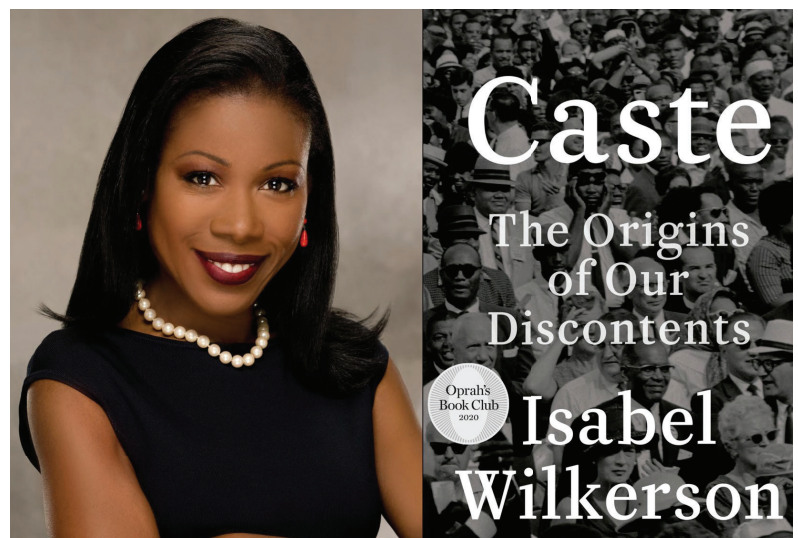
**Standard of
Practice 10-5**





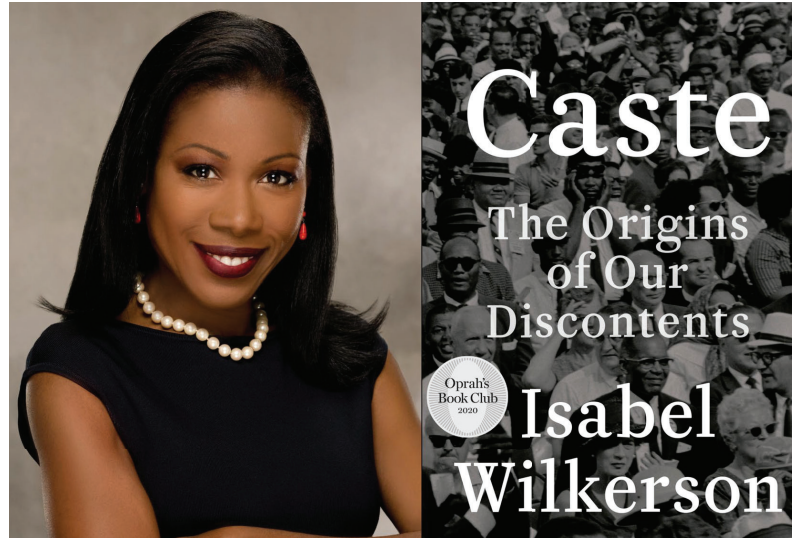
A Call for “Radical Empathy”

When an accident of birth aligns with what is most valued in a given caste system, whether being able-bodied, male, white, or other traits in which we had no say, it gives that lottery winner a moral duty to develop empathy for those who must endure the indignities they themselves have been spared. It calls for a radical kind of empathy.



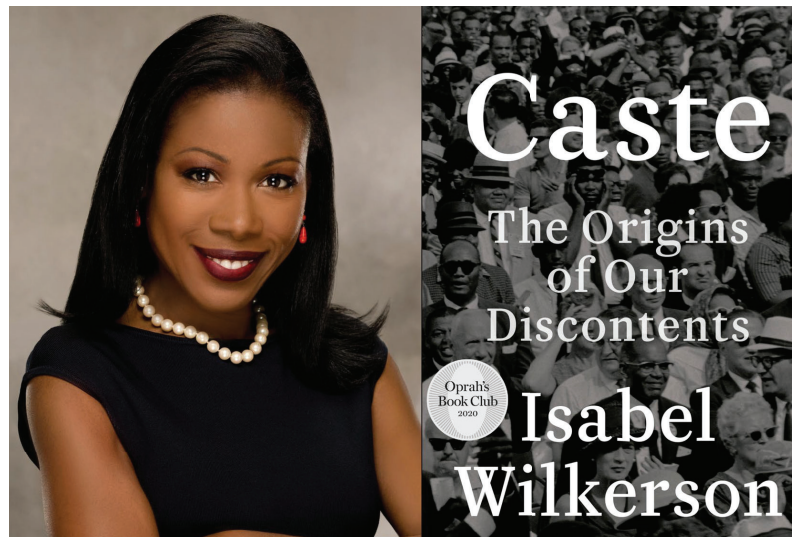
A Call for “Radical Empathy” (cont.)

Empathy is not sympathy. Sympathy is looking across at someone and feeling sorrow, often in times of loss. Empathy is not pity. Pity is looking down from above and feeling a distant sadness for another in their misfortune. Empathy is commonly viewed as putting yourself in someone else’s shoes and imagining how you would feel. That could be seen as a start, but that is little more than role-playing, and it is not enough in the ruptured world we live in.



A Call for “Radical Empathy” (cont.)

Radical empathy, on the other hand, means putting in the work to educate oneself and to listen with a humble heart to understand another’s experience from their perspective, not as we imagine we would feel. Radical empathy is not about you and what you think you would do in a situation you have never been in and perhaps never will. It is the kindred connection from a place of deep knowing that opens your spirit to the pain of another as they perceive it.



A Call for “Radical Empathy” (cont.)

Empathy is no substitute for experience itself. We don't get to tell a person with a broken leg or a bullet wound that they are or are not in pain. And people who have hit the caste lottery are not in a position to tell a person who has suffered under the tyranny of caste what is offensive or hurtful or demeaning to those at the bottom. The price of privilege is the moral duty to act when one sees another person treated unfairly. And the least that a person in the dominant caste can do is not make the pain any worse.

