

The Electric City

A History of Segregation in Schenectady and its Legacy

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Introduction

Schenectady, from the Mohawk “Skahnéhtati”, is a city of 65,273 along the Mohawk River in eastern Upstate New York near its confluence with the Hudson. “The Electric City”, Schenectady gained prominence as a major railroad and industrial center in the late 19th and early 20th century as General Electric was founded there in 1892 and The American Locomotive Company (ALCo) in 1901. GE Power, the division that produces turbines and generators, is still headquartered there, and the massive GE monogram sign still towers over downtown Schenectady to this day (Figure A).

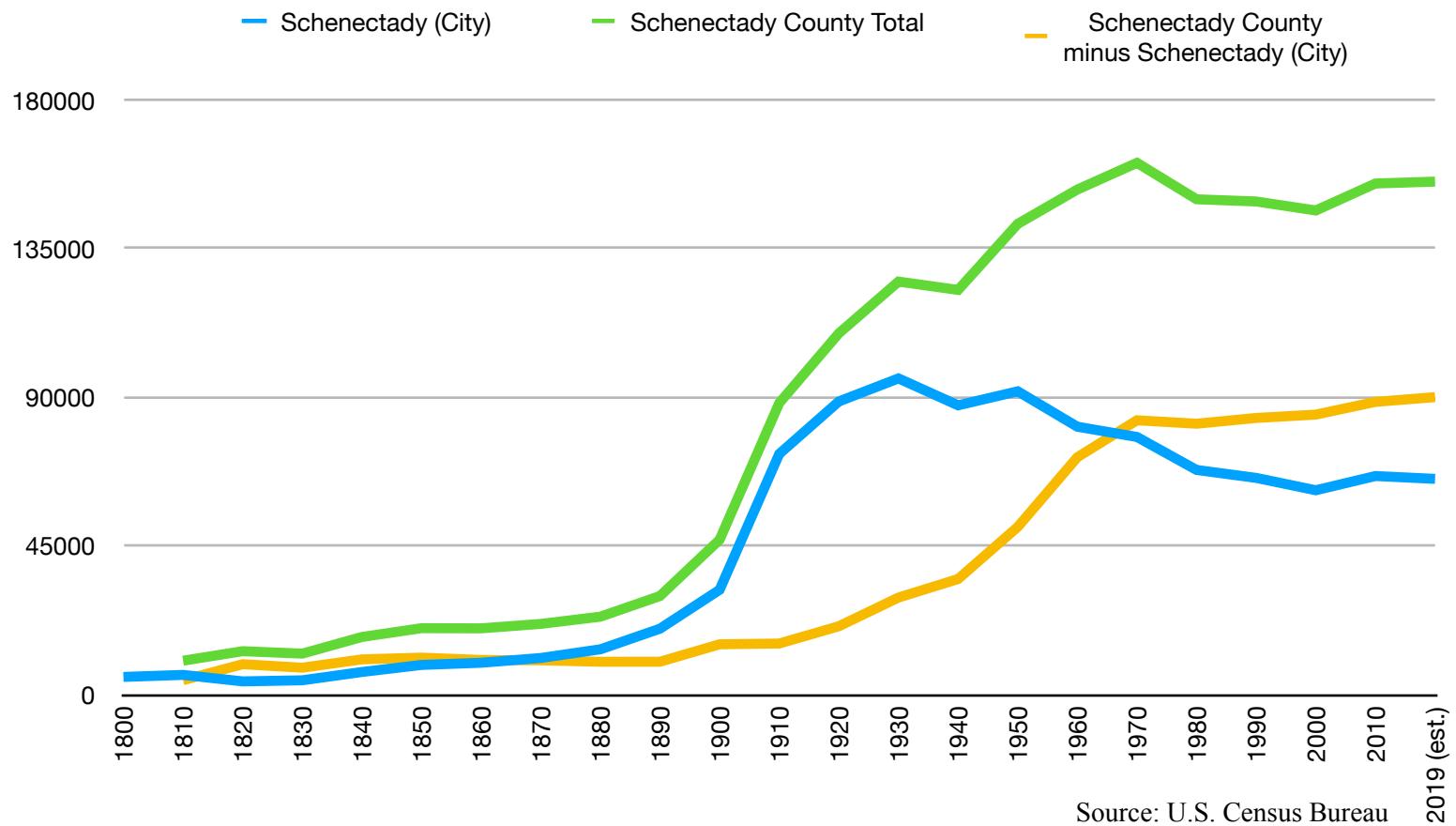
Figure A:



Source: The Daily Gazette

Fueled by this massive industry, the population of Schenectady skyrocketed between 1890 and 1930. The depression and post-war deindustrialization hurt Schenectady as it did many cities around the country. As figure B shows, the general population of the city of Schenectady

Figure B:



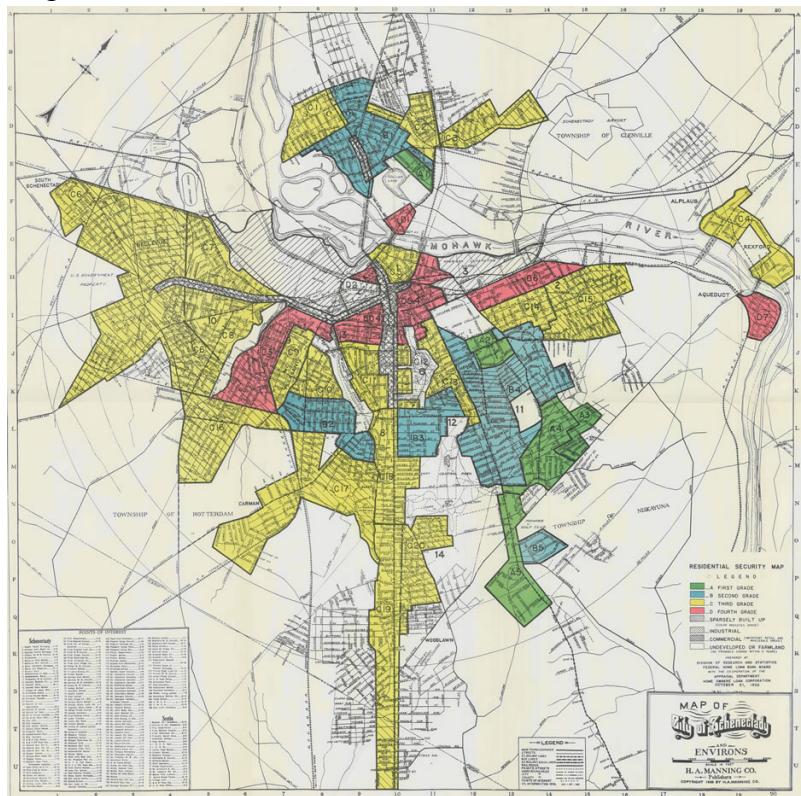
decreased from 87,549 to 66,135 between 1940 (the first census after Schenectady was redlined, and the beginning of suburbanization) and 2010 (24.5%), despite the county at large, Schenectady County, growing at nearly the same (ABS[n]) rate from 122,494 to 154,727 (20.8%). As of 1970, a majority of county residents live outside of the city of Schenectady. With that White flight from the city, Schenectady's Black population is much larger than its suburbs. Black residents constitute 20.8% of those who live in the city of Schenectady, whilst only comprising 12.7% of the county population, and only 4.3%, 2.0%, and 3.3% of Schenectady's suburbs, Rotterdam, Scotia, and Niskayuna respectively (U.S. Census Bureau, 2020).

Methods

In 1933, the H. A. Manning Company put out its “Residential Security Map” of Schenectady (Figure C). These maps were produced for cities all around The United States, and divided Schenectady’s residential areas into four grades, colored green, blue, yellow, and red depending on the desirability and “risk” of providing a mortgage on houses in a given neighborhood. Red lined neighborhoods were deemed “too risky” to lend to, making it difficult or impossible to get mortgages in order to buy and sell homes in these areas (Gross, 2017).

There were many factors that contributed to a neighborhood’s rating, but the predominant determinant was the race of the residents. In Schenectady, the black population lived largely in red lined areas, with some in yellow lined areas. Blue and green lined neighborhoods were all white. Schenectady has a large Italian population, who were also considered “less than optimal lenders”. Of Schenectady’s 5 red lined neighborhoods, only D2 has an Italian population percentage rate lower than 70% at only 50%.

Figure C:



Even after the redlining process was outlawed in the 1968 Fair Housing Act and the 1977 Community Reinvestment Act (CRA), Black Schenectadians have long been held back from home-ownership by loan approval processes (Brooks, 2020). Figure D shows that in 2016, the mortgage denial rate (denied applications/(submitted applications-withdrawn applications)) for Whites in the Capital Region was 12.2%, but the rate for Blacks was 18.8%. This is not a result of White applicants asking for less, in fact the average White application that was denied was for \$119K, whilst the average denied Black application was for \$99K

Figure D:

RACE AND GENDER	Denial Rate	Applications Received		Loans Originated		Approved, Not Accepted		Denied		Withdrawn/Incomplete	
		Number	Av. Amount	Number	Av. Amount	Number	Av. Amount	Number	Av. Amount	Number	Av. Amount
BLACK (TOTAL)	18.80%	146	\$ 118,541.10	106	\$ 124,216.98	1	\$ 92,000.00	25	\$ 99,240.00	14	\$ 111,928.57
MALE	22.22%	58	\$ 108,413.79	42	\$ 114,357.14			12	\$ 95,333.33	4	\$ 85,250.00
FEMALE	20.69%	64	\$ 118,265.63	44	\$ 123,886.36	1	\$ 92,000.00	12	\$ 102,916.67	7	\$ 113,000.00
JOINT (MALE/FEMALE)	4.76%	24	\$ 143,750.00	20	\$ 145,650.00			1	\$ 102,000.00	3	\$ 145,000.00
WHITE (TOTAL)	12.18%	2706	\$ 130,475.98	2157	\$ 131,984.70	39	\$ 128,461.54	304	\$ 118,960.53	206	\$ 132,053.40
MALE	15.07%	1132	\$ 128,499.12	864	\$ 129,049.77	17	\$ 131,294.12	156	\$ 125,038.46	95	\$ 128,673.68
FEMALE	11.67%	774	\$ 111,742.89	620	\$ 114,095.16	9	\$ 120,444.44	84	\$ 97,178.57	61	\$ 106,606.56
JOINT (MALE/FEMALE)	8.66%	798	\$ 151,339.60	671	\$ 152,166.92	13	\$ 130,307.69	64	\$ 132,734.38	50	\$ 169,520.00

Source: Federal Financial Institutions Examination Council

Black Schenectadians also faced difficult renting out housing. In the early 50's, one white woman, Fern Winston, was able to lease out an apartment in the Hamilton Hill neighborhood, which was popular with General Electric employees for its easy access to the plant (Johnson, 2018). When it was revealed that her husband and her son were Black however, "the landlady got very upset. She had a heart attack. It created a real commotion in the whole neighborhood, and [Fern] had to move out." (Zahavi, 1996, p.534)

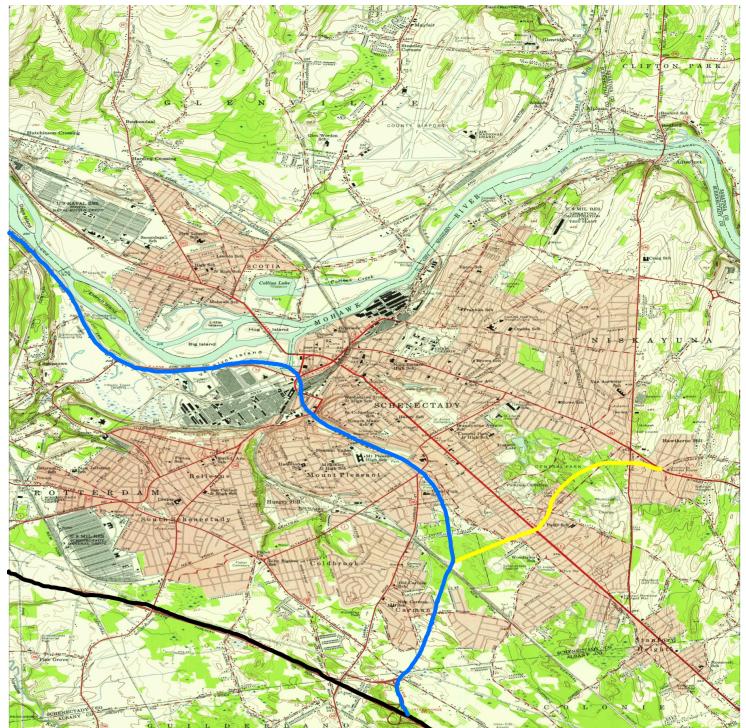
In the nearby suburb of Delmar, when a white couple rented out a house to the Cunninghams, a Black family, in 1957 they were met by opposition from the otherwise all white

community. Neighbors would make comments, claiming that the presence of a Black family were driving down properties. Their children were the only students at school that were not white, and were made aware of that fact. It was mostly due to this that in 1962 they moved into Schenectady proper (Westbrook & Cunningham, 2011; Cheney, 2020; Grondahl, 2011).

It should be noted that one method of segregation common across The United States is not present in Schenectady: the construction of the Interstate Highway System. Across the United States, from Boston to Miami, Atlanta to St. Louis, the construction of the Interstate Highway System was used to destroy non-white communities and divide cities (DiMento & Ellis, 2014, p.143). One particularly egregious offender is the nearby city of Syracuse, whose I-81 is notorious for its razing of the communities of the 15th ward and physical division of the city (DiMento & Ellis, 2014, p.175-178).

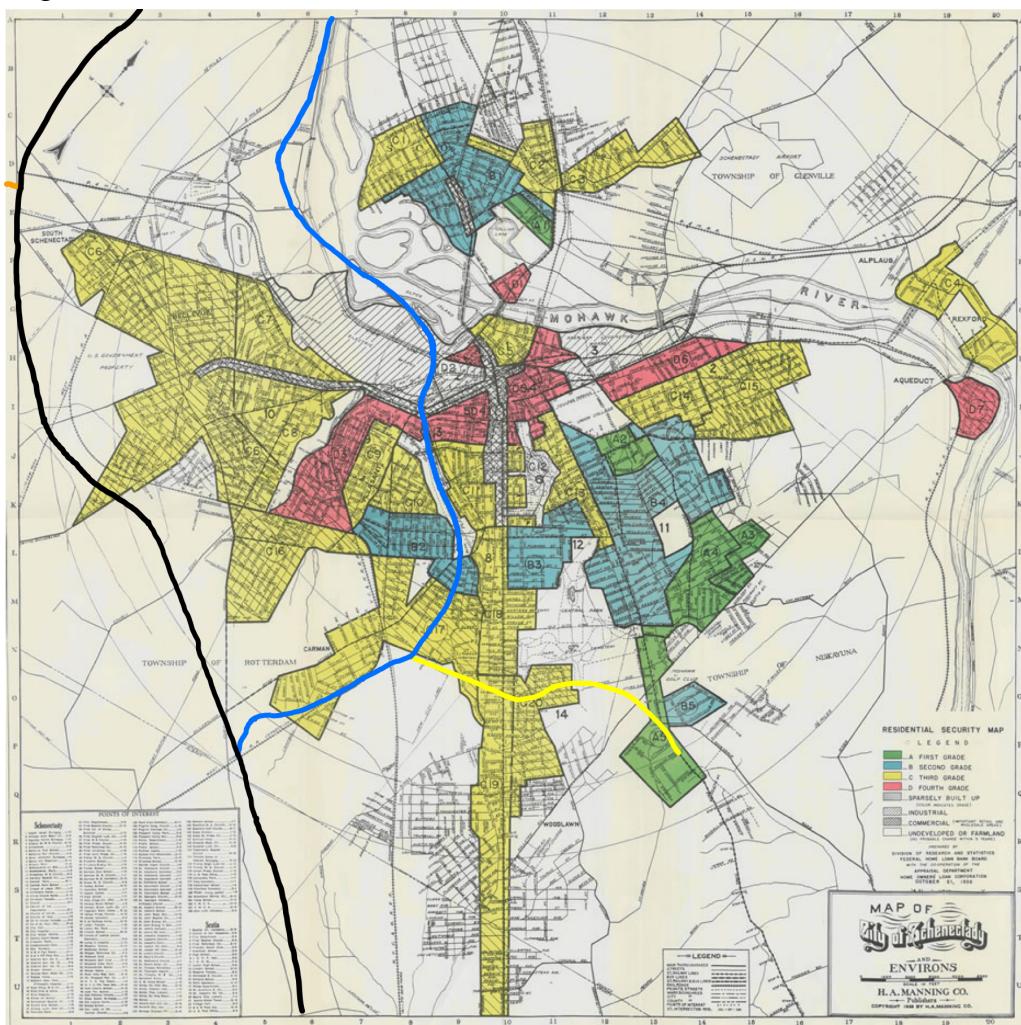
Schenectady does have two highways that run through it, I-890 and NY-7 (The Crosstown), and two that go around, I-90 (The Thruway) and I-88, however minimal damage was done to communities during construction. Figure E contains a map of Schenectady in 1954, with the modern day paths of I-90 (Black), I-890 (Blue), and NY-7 (Yellow). Likewise, figure F is Schenectady's redlining map with the modern day paths of I-88 (Orange), I-90 (Black), I-890 (Blue), and NY-7 (Yellow).

Figure E:



Source: K. T. G. H.

Figure F:



Source: H. A. Manning CO.

Figures G and H are aerial pictures taken of the Mont Pleasant neighborhood of Schenectady in 1950 and 2020 respectfully. Relative to other cities, little residential area was impacted, with the vast majority of highway being built in open land, an existing valley, or industrial areas. I-890 can be seen near the top of figure H, having been “slotted perfectly” into the Mont Pleasant Valley that can be seen at the top of Figure G. Much of The Crosstown was built along the edges of residential areas, and through Central Park. The few residential areas that were affected were to the west in largely yellow, and some blue & green, lined areas. No red lined areas of Schenectady were affected by the construction either highway.

Figure G:

7



Source: The Daily Gazette

Figure H:



Source: Apple Inc.

Impacts

As Douglas Massey and Nancy Denton demonstrate in their 1993 book “American Apartheid”, segregation begets poverty. That is certainly the case in Schenectady. The median income in the city of Schenectady is only \$44,826, much lower than the \$63,785 median for Schenectady County. The poverty rate is also much higher: 18.4% in the city and 12.1% in the county, meaning that the poverty rate is 10.9% higher in the city than outside the city (Figure I).

Figure I:

	Population	Poverty Rate	Persons in Poverty
City	65,273	18.4%	12010
County	155,299	12.1%	18791
Outside City (calculated)	90,026	7.5%	6781

Source: U.S. Census Bureau

This segregation begets poverty principle is also applied to Schenectady’s schools. Schenectady City School District is the second largest school district in the Capital Region, second only to the Shenendehowa Central School District in Clifton Park (which is only grades 1-12). The district serves 9,256 students from Pre-Kindergarten to 12th grade. The plurality, 30.9%, of students are Black. 23.3% are White, 20.6% are Hispanic, and 18.3% are Asian. 81% of students are classified as economically disadvantaged, 33.9% receive SNAP benefits, and 22.1% live below the poverty line. 4.7% of students are homeless. The median household income for students is only ½ of the statewide median household income of \$65,323 (ACS-EDb). Schenectady also falls well below the New York State average in graduation rate. The statewide

graduation rate is 83%, whilst Schenectady's rate is 68%. A deep dive into the graduation rate does reveal some interesting results. As Figure J presents, graduation rates among White, Black and Hispanic students are fairly similar a little below the total rate, but the rate among Asian students is much higher. Schenectady also falls behind in test scores, particularly within non-white populations. The neighboring district of Niskayuna tells a much different story. 81% white, the median household income is \$146,700, more than 3 times that of Schenectady CSD. Only 13% of students are “economically disadvantaged”, less than a sixth of Schenectady’s 81%. Niskayuna’s graduation rate is 96%, 13% higher than the state average, and 28% higher than Schenectady’s (ASC-EDa).

Schenectady CSD has a long history of being underfunded. The low property values as a result of a legacy of redlining mean low property tax revenues, a key revenue raiser for schools, are low. As a result, Schenectady loses much of the independence enjoyed by wealthier districts, as it is highly dependent on New York State for funds. The district frequently must deal with budget cuts, oft by cutting services and closing buildings. This has been exacerbated by the COVID-19 pandemic, in which a 20% cut in state aid across the board has been proposed, which would hurt Schenectady disproportionately. Schenectady relies on the state for 69% of its funding, so a 20% cut means they are being forced to cut 14% from their budget, and have had to close schools, move students online, and lay-off staff. One of the schools that was spared closing this year, Oneida Middle School, had to be closed between 2012 and 2016 to help the district cover budget shortfalls from reduced state aid. During that time, two of the district’s elementary schools were stretched to accommodate some the 7th and 8th grade students leaving Oneida, and

Figure J:
Graduation Rate by

Subject	All
White (NH)	64.3%
Black (NH)	53.5%
Hispanic	52.3%
Asian	73.4%
All	61.5%

Source: NYSED

some capacity was doubled up at Mont Pleasant Middle School 10-15 minutes away (Stanforth, Matson). Mont Pleasant itself is another example of closing schools to save on costs. It was a high school up until 1992, when the nearby Steinmetz Middle School was closed and secondary education was consolidated into Linton High, now known as just Schenectady High. Several years ago, Mont Pleasant was transformed yet again as the district sold off half of the building to the Boys & Girls club, again to cut costs and consolidate. (Matson)

There is one Schenectady neighborhood in particular in which every single one of the aforementioned aspects of segregation, deindustrialization, and poverty is embodied: Hamilton Hill. As previously discussed, Hamilton Hill began as a neighborhood primarily occupied by employees of General Electric. In the first half of the 20th century, the General Electric and the American Locomotive Company made Schenectady into an industrial production powerhouse, earning it the nickname “The City That Lights and Hauls the World” (Rabrenovic, 1996, p.120; Fine, 2016, p.21)). So many GE & ALCo employees lived in Hamilton Hill that in 1929 the city constructed an eight story tall octagonal ramp, deemed the “Klondike Stairs”, to allow workers to easier commute between Hamilton Hill and the factories (Johnson, 2018). The ramp can be seen in the top left of figure Y.

Following the Second World War, mirroring nationwide trends, manufacturing began to decline in Schenectady. Though the highways that were built did not directly harm communities, it did allow for increased suburbanization (Fine, 2016, p. 23). “Closing the plants set in motion a residential exodus from Hamilton Hill, and gradually residents displaced from more expensive cities moved in... They were not attracted by job opportunities, but by low rents-they could not

afford to live anywhere else.” (Rabrenovic, 1996, 167) These lower rents were brought about as a result of much of the Hill being redlined, and the rest yellowlined. The inability to buy and sell these properties drove down property values and discouraged investment and maintenance. This process further concentrated Schenectady’s non-White population and worsened segregation in the city, as there was an 83% increase in the area’s non-White population between 1940 and 1950. This is the point at which the first of what Sally Svenson calls “Black ghettos” appeared, as the population increased, job availability dropped, housing deteriorated, and disease and crime rates went up (Svenson, 2017, p.237).

Revitalization efforts in Hamilton Hill have not received much in the way of public funding, rather relying heavily on private entities like Better Neighborhoods, which was founded in 1966 in response to a lack of federal investment in public housing solutions for the residents of Schenectady, to renovate deteriorating homes and then sell them to primarily first time homebuyers with low rate mortgages (Kessler, 1969). The Schenectady Inner-City Ministry, formed by several area churches in 1967, leads many initiatives and provides free lunches to children during the summer (Rabrenovic, 1996, p.177). Margaret Cunningham, the Black women whose family moved into all-White 1957 Delmar, started the Hamilton Hill arts Center, an African-American Cultural Arts Center. They provides many services as Hamilton Hill’s only community center, including summer camps and after school programs for children, programs for adults, and a library (Programs).

Despite these valiant efforts, the residents Hamilton Hill continues to struggle. The median income in 12307, Hamilton Hill’s zip code, is only \$21,719 (12307 Income). Crime rates

are high. As a result of redlining, white flight, low home values, and rapid deindustrialization, this community has been crippled.

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