J. K. Rowling’s Harry Potter series depicts a version of Britain where wizards and various magical creatures have secretly co-existed for hundreds of years, yet far from being an idyllic society, this magical world is rife with institutionalized racism. While there have been numerous critical studies of Rowling’s portrayal of racism, most have either focused on the overt bigotry of the antagonistic Death Eaters, which seems to serve overtly didactic purposes, or on the more problematic aspect of systemic racism and collusion depicted in the plight of the house elves. What this paper argues is that Rowling’s depiction of racism is far more complex and nuanced than prior critical studies have acknowledged. Despite research indicating that the series develops empathy and tolerance in its readers, such as the Italian study published in The Journal of Applied Social Psychology (45.2 [Feb 2015]: 105-121), many of Rowling’s characters who are born into the magical world and openly disavow the type of racism preached by Voldemort and his followers nonetheless have a proclivity towards casual racism in how they interact with Muggles as well as the various sentient magical creatures. Moreover, the laws which govern the ways in which witches and wizards interact with Muggles, which are ostensibly designed to protect the magical world from discovery, disadvantage those witches and wizards born to non-magical parents. Ultimately, what we see is that pureblood witches and wizards, even those such as the Weasleys who actively fight for Muggle welfare, still harbor racist tendencies and benefit from a privileged social position.