Distinguishing Causes of Neighborhood Racial Change A Nearest Neighbor Design

Author:Patrick Bayer, Marcus D. Casey, W. Ben McCartney, John Orellana-Li, Calvin S. Zhang

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Whether contemporary households consider the race of their neighbors when choosing a neighborhood is controversial. We study neighborhood choice using a novel research design that contrasts the move rate of homeowners who receive a new different-race neighbor nearby to that of homeowners who live further away on the same block. This approach isolates a component of the household move decision directly attributable to their neighbors’ identities. Both Black and white homeowners are more likely to move after receiving a new different-race neighbor in their immediate vicinity. We discuss heterogeneity in this result and implications for understanding modern neighborhood racial change.