

Racial Discrimination and Housing Outcomes in the United States Rental Market

Christensen, Sarmiento-Barbieri & Timmins

Discussant: C. Luke Watson (FDIC)

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This Paper

1. Correspondence study across 50 MSAs varying names on rental listings
 - ▶ Three applications per listing, 24hr apart
 - ▶ Names designed to signify gender (M/F), race (W,AA,H), & mother's edu (H,M,L)
 - ▶ Hold constant: gmail, message
2. Estimate differential response rate
 - ▶ Control for order, name controls, MSA
 - ▶ Coefs on AA or H; W is omitted group
 - ▶ Pooled and MSA specific relative rates
3. Heterogeneity analysis
 - ▶ Correlate across MSA corr in AA & H relative rates
 - ▶ Compare to MSA segregation
 - ▶ Compare to intergenerational income mobility
4. Ex post look at who got apartment

Example of Estimates

- ▶ White response rate: 60%
- ▶ AA response rate: 54.4%
→ relative rate of $(54.4/60) - 1 = -9.3\%$
- ▶ H response rate: 57.2%
→ relative rate of $(57.2/60) - 1 = -4.6\%$

Prior Estimates

- ▶ Page (1995, JUE): 20% for AA, 10% for H
- ▶ Hanson & Hawley (2011, JUE): 11% for AA
- ▶ Zhao, Ondrich, & Yinger (2005, JHousE): 9% for AA, 14% H

Plus many more...

Exhibit 3

Results of National Rental Tests

Minority	Study	Advertised Unit Available		Inspected More Units	
		White Favored (%)	Net Measure (%)	White Favored (%)	Net Measure (%)
Black	HMPS1977	30	19*	27	6*
	HDS1989	19	7*	34	19*
	HDS2000	12	4*	23	7*
	HDS2012	5	0	18	3*
Hispanic	HDS1989	17	9*	27	10*
	HDS2000	12	7*	21	6*
	HDS2012	5	3*	21	8*
Asian	HDS2000	7	0	13	-5
	HDS2012	5	2	22	6*

HDS = Housing Discrimination Study; HMPS = Housing Market Practices Survey.

** Indicates statistical significance for net measures at the 90-, 95-, or 99-percent level.*

Note: Gross estimates (percent White favored) are by definition statistically significant.

Sources: Estimates of HMPS1977 are from table 2 of Wienk et al. (1979); estimates of HDS1989 and HDS2000 (except for the Asian minority group) are from exhibits 3-1 and 3-2 of Turner et al. (2002); Asian estimates of HDS2000 and estimates of HDS2012 are from exhibit V-1 of Turner et al. (2013)

Exhibit 7

Steering Evidence From Housing Discrimination Studies

Minority	Study	Houses Recommended in Whiter Tracts		Houses Inspected in Whiter Tracts	
		White Favored (%)	Net Measure (%)	White Favored (%)	Net Measure (%)
Black	HDS1989	6	- 6	4	- 2
	HDS2000	16	4*	11	4*
	HDS2012	25	8*	21	5*
		Non-Hispanic White Favored (%)	Net Measure (%)	Non-Hispanic White Favored (%)	Net Measure (%)
Hispanic	HDS1989	12	4	7	2
	HDS2000	17	2	15	5*
	HDS2012	23	2	26	5

HDS = Housing Discrimination Study.

* Indicates statistical significance for net measures at the 90-, 95-, or 99-percent level.

Notes: The HDS1989 report on steering (Turner, Mikelsons, and Edwards, 1990) considered only a difference in percent White of more than 5 percentage points as discrimination, so the estimates are drawn from the HDS2000 report, which used the same measurement for its analysis of both HDS1989 and HDS2000. Gross estimates (percent White favored) are by definition statistically significant. Statistical significance of HDS1989 net measures is not available due to the lack of data.

Sources: Estimates of HDS1989 and HDS2000 are from exhibits 3-13 and 3-19 of Turner et al. (2002); estimates of HDS2012 are from exhibits IV-19 and IV-24 of Turner et al. (2013)

Some thoughts

- ▶ The experiment has been done, but...
 - ▶ Is the message used typical?
 - ▶ First message sent on 2nd day posted
- ▶ Mechanisms
 - ▶ Is mother's edu signal going through?
 - ▶ If not, then does estimate represent expected revenue?