I’m really struggling to go from broad interests/themes to a specific question/proposal for the final paper. I was wondering if I could run one of these ideas (the one I think is the best) by you and see what your initial impressions are on whether it is viable/worth pursuing. I am very interested in applying for political science / political economy PhD programs in the fall and want to lay the groundwork for those applications with an idea I feel confident about pursuing/might pursue this summer.

Most broadly, I’m interested in what we concluded our class discussing yesterday—housing policy and specifically regulatory ‘capture’ by homeowners vis-à-vis exclusionary policies. I’m struggling to come up with plausible identification strategies to answer causal questions around this theme.

There’s this idea that the construction/development of cities is a process of capital accumulation, as individuals pour a huge share of their assets into likely (for the non-wealthy certainly) the biggest capital they’ll ever have, their home. This investment in capital also gives homeowner political capital as they now have political power (via voting) in a highly desirable place to live. They employ this political capital to protect the capital they accumulated from purchasing the house through supporting exclusionary housing policies. I can build off some models in which real estate developers/corporate interests compete against (essentially) NIMBYs; I think one place where I could add a contribution is understanding what role banks play in developing these housing regimes through their disbursement of capital in the form of mortgages. (It’s very likely that I’m way off on conceptualizing this -- I know you wrote a whole book about banks and credit scarcity!)

If the causal relationship is between capital (in the form of mortgages, through Stanford GSB I have access to loan-level data I believe I can leverage somehow) and exclusionary policies, I could instrument for capital in the form of mortgages with an exogenous change to the availability of capital overall, unrelated to the housing market. I think this would be rather challenging, maybe COVID-19? I’m worried the whiplashes in the credit markets around then would have occurred at too high of a frequency to match with the rest of my data.

The next step (likely outside of the scope for this paper) would be exploring the causal mechanism, specifically through how homeowners use political capital to build coalitions.

**Meeting w/Haber (March 05, 2025)**

* Home ownership rate has barely budged (65% of population owns house)
* Banking policy has drastically changed, hasn’t altered the equilibrium of housing regimes at all
* Intuition: federal policy has subsidized people how were already going to buy houses to just buy bigger houses
* **One approach: ask about how Community Reinvestment Act of 1977 has been operationalized over time.** 
  + Banks are supposed to lend to communities where they are doing business
  + What that means is very broad/bunch of ways to investigate this
  + Are there ever enforcement actions of the CRA and if so, what are the consequences?
  + What are the policies – how CRA is interpreted
  + Early 90s – Clinton administration would use the CRA to pressure banks to lend more broadly
    - Would block merger requests for banks that scored poorly on CRA evaluations about lending practices
  + No idea about what happened post-2008
* When banks do lend according to CRA / broad lending practices, does it have any effect on home ownership?
  + Open question – no empirical answer
* Focus on something that is policy-oriented and subject to political forces

**Key to the research proposal: what is the puzzle? Theoretical/empirical puzzle? Why is this an unresolved puzzle? If that is how far we get, that is totally okay. Get people doing what they should be wanting to do, which is developing their own ideas and writing about them. You get as far as you can get, don’t start with an identification strategy if you don’t have a question. Nail down the question, why it’s not resolved and why it’s an important question. For the research proposal, the empirical strategy/operationalization can be very vague. Just be honest. First articulate the question.**