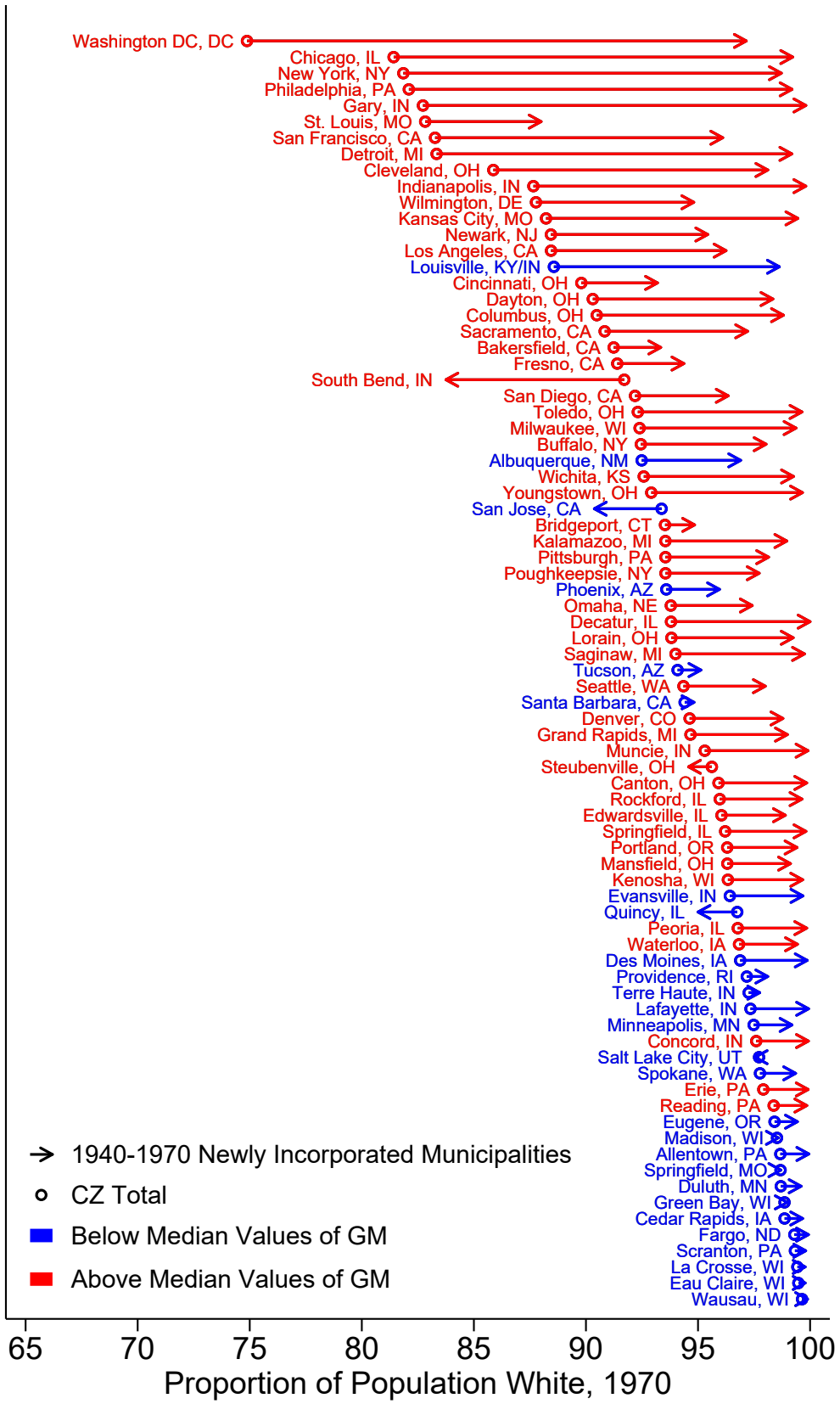
Full sample storytelling

October 16, 2024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Dayton, OH
Columbus, OH
Sacramento, CA
Bakersfield, CA
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Omaha, NE
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Santa Barbara, CA
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Muncie, IN
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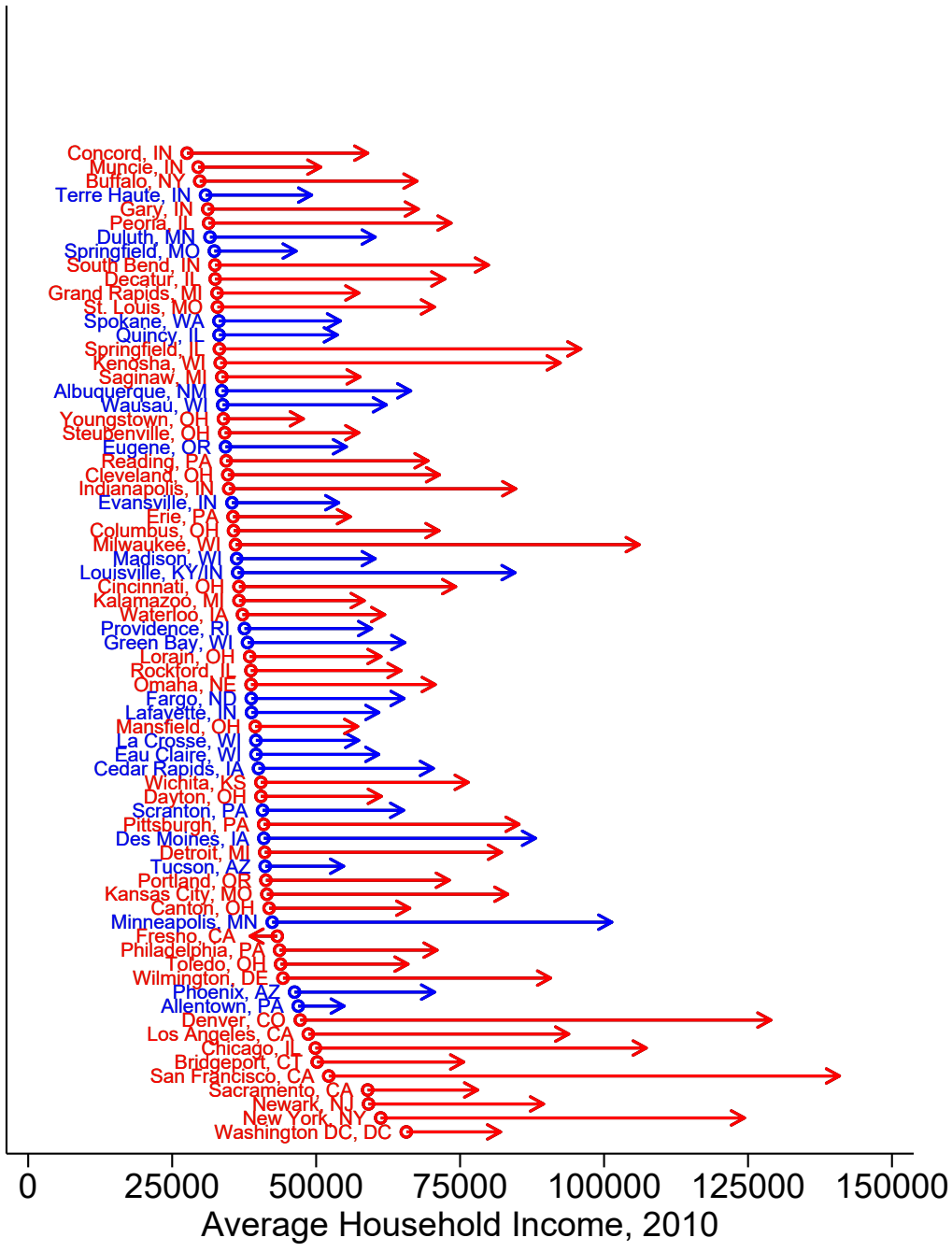
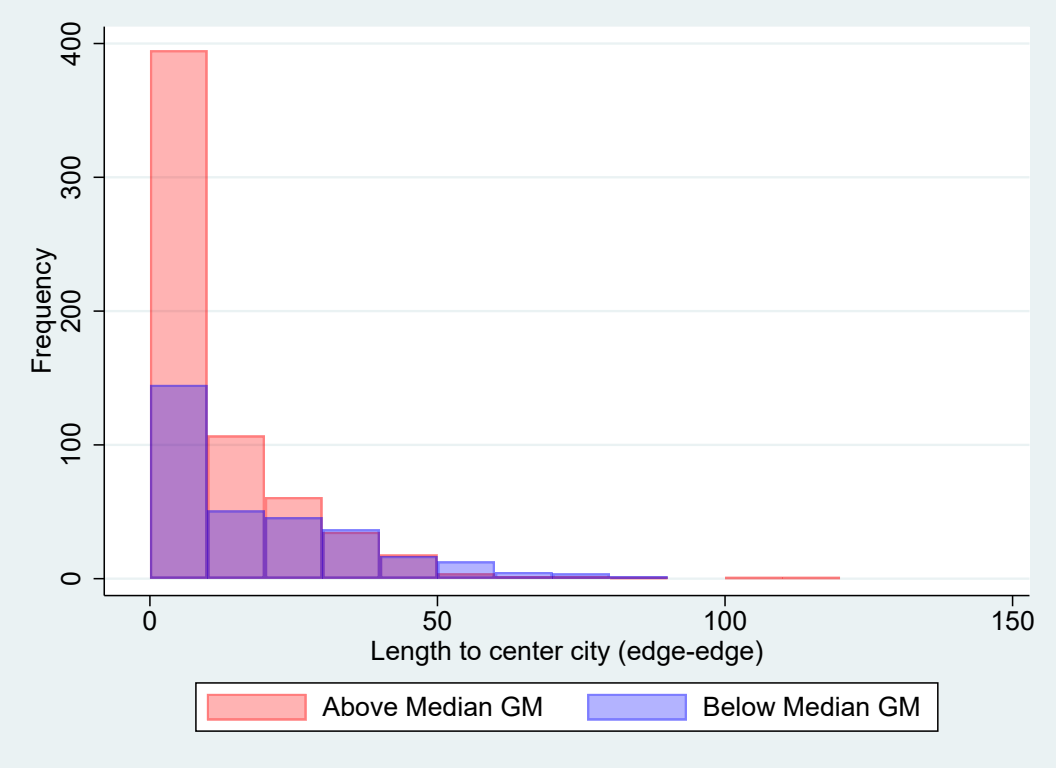
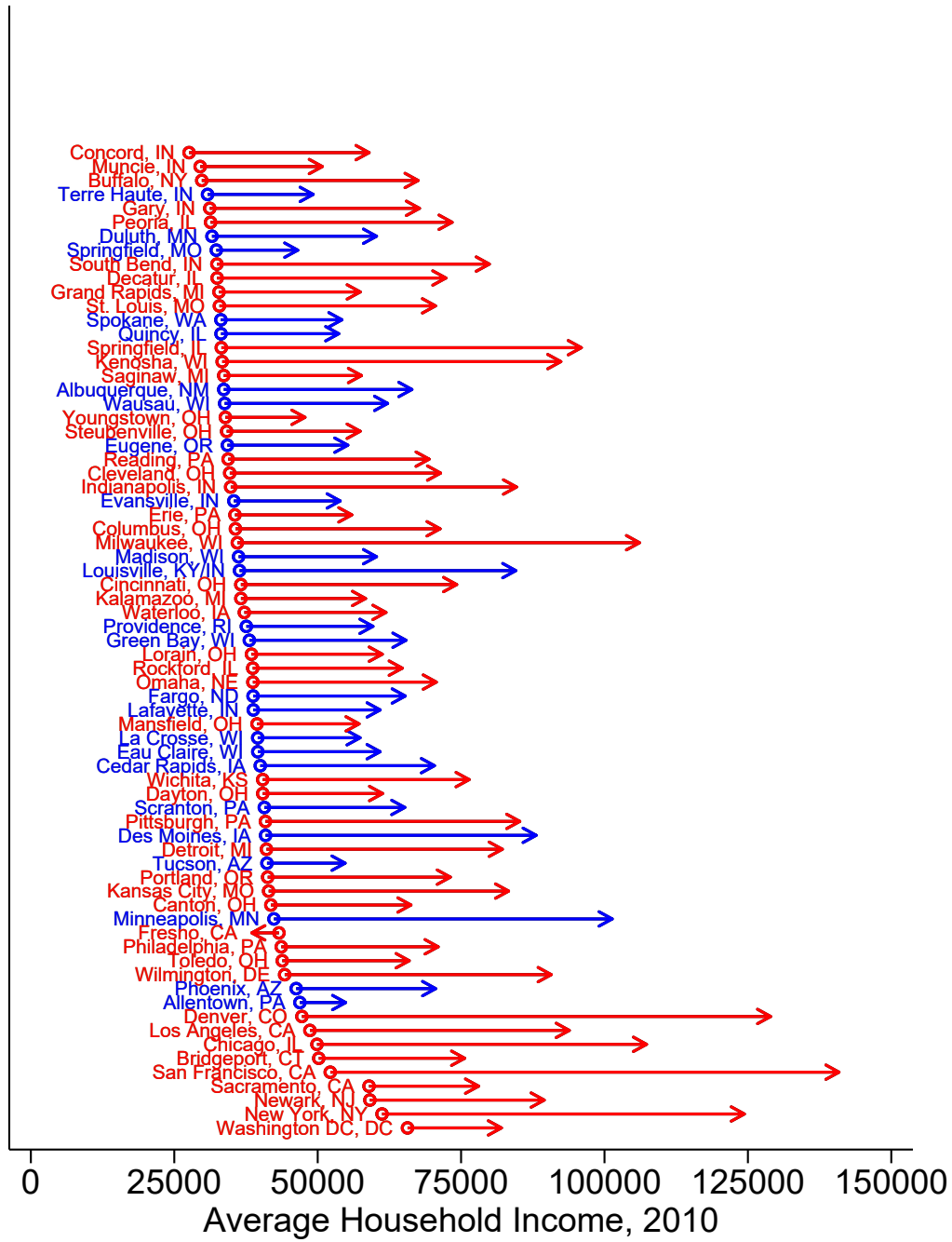
Canton, OH
Rockford, IL
Edwardsville, IL
Springfield, IL
Portland, OR
Mansfield, OH
Kenosha, WI
Evansville, IN
Quincy, IL
Peoria, IL
Waterloo, IA
Des Moines, IA
Providence, RI
Terre Haute, IN
Lafayette, IN
Minneapolis, MN
Concord, IN
Salt Lake City, UT
Spokane, WA
Erie, PA
Reading, PA
Eugene, OR
Madison, WI
Allentown, PA
Springfield, MO
Duluth, MN
Green Bay, WI
Cedar Rapids, IA
Fargo, ND
Scranton, PA
La Crosse, WI
Eau Claire, WI
Wausau, WI
1940-1970 Newly Incorporated Municipalities
CZ Total
Below Median Values of GM
Above Median Values of GM
65
70
75
80
85
90
95
100
Proportion of Population White, 1970



Above Median Average Difference: 92.82%
Below Median Average Difference: 69.28%

	Panel A: Below Median GM CZs							
	1940-70 Incorporations		All other munis		Principle Cities		CZ Average	
	mean	sd	mean	sd	mean	sd	mean	sd
HH Income, 1970	12766	3483	10884	1998	10928	961	10249	1208
Home Value, 1970	23926.41	7993.26	18911.51	5168.46	19071.57	3848.10	16704.70	3683.49
HH Income, 2010	93106.92	35914.21	66251.96	21733.07	63186.18	14829.39	64193.71	11133.63
Pct White, 1970	97.46	4.58	97.36	3.03	95.41	2.47	97.57	2.38
Pct White, 2010	79.30	17.70	82.73	14.06	75.24	14.12	87.56	8.02
	Panel B: Above Median GM CZs							
	1940-70 Incorporations		All other munis		Principle Cities		CZ Average	
	mean	sd	mean	sd	mean	sd	mean	sd
HH Income, 1970	13909	5272	12744	4930	10899	922	11561	1050
Home Value, 1970	24188.34	10264.59	19825.29	9170.47	17723.56	4297.08	19469.02	4371.02
HH Income, 2010	85549.13	50883.49	72903.95	41440.82	52307.90	14353.43	68475.28	12857.98
Pct White, 1970	96.50	10.70	96.63	8.41	79.97	13.80	92.06	5.41
Pct White, 2010	80.14	24.20	89.44	16.25	59.45	17.34	79.32	11.02
	Panel C: All CZs							
	1940-70 Incorporations		All other munis		Principle Cities		CZ Average	
	mean	sd	mean	sd	mean	sd	mean	sd
HH Income, 1970	13673	5143	12187	4595	10640	980	10770	1299
Home Value, 1970	23466.38	10127.76	18463.10	8568.00	17379.00	3989.75	17769.27	4186.59
HH Income, 2010	82269.09	48062.29	68406.05	35778.02	53366.29	12657.06	64918.35	11982.74
Pct White, 1970	96.74	9.62	97.19	7.41	88.31	12.97	94.86	4.97
Pct White, 2010	83.55	21.74	91.52	14.13	71.84	18.86	83.86	10.64


Frequency
0
100
200
300
400
0
50
100
150
Length to center city (edge-edge)
Above Median GM
Below Median GM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Phoenix, AZ
Allentown, PA
Denver, CO
Los Angeles, CA
Chicago, IL
Bridgeport, CT
San Francisco, CA
Sacramento, CA
Newark, NJ
New York, NY
Washington DC, DC
0
25000
50000
75000
100000
125000
150000
Average Household Income, 2010
1940-1970 Newly Incorporated Municipalities
CZ Total
Below Median Values of Instrument
Above Median Values of Instrument

Table 1: Economic Characteristics

	(1) Family Income, 1970	(2) Home Value, 1970	(3) Household Income, 2010	(4) Prop White, 1970	(5) Prop White, 2010	(6) place_pop1970	(7) Muni A
Incorporated 1940-70	1818.821	-1264.950	2427.757	8.302	12.626	-3244843.865	-3.201e-
	(1990.582)	(4979.257)	(14611.107)	(5.095)	(9.044)	(2017697.722)	(5056162
Above Median GM	827.587***	2152.461**	2302.127	-7.895***	-12.826***	347593.363	-626821
	(262.536)	(894.999)	(3416.881)	(0.994)	(3.085)	(213280.006)	(8120199
Above Median GM X Inc. 1940-70	-619.356	-2560.180***	-13240.523***	8.309***	9.336***	-343132.011	-1.694e+
	(500.678)	(969.601)	(4255.056)	(1.044)	(2.044)	(214640.756)	(8861990
Observations	2785	4251	7836	4343	7836	7849	7717
R^2	0.104	0.261	0.132	0.260	0.269	0.290	0.337

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 2: Raw Splits

	(1) touching	(2) below_len_edge	(3) len_edge_edge
samp_dest	0.462	0.044	-8.732
	(0.280)	(0.235)	(8.633)
above_x_med	0.005	-0.020	-0.332
	(0.038)	(0.049)	(2.122)
samp_destXabove_x_med	-0.046	-0.027	1.861
	(0.144)	(0.041)	(1.908)
N	7719	7719	7594
R^2	0.024	0.050	0.056

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 3: Muni-District similarity

	(1) exclusive_district_place	(2) exclusive_district_shape	(3) psum_shared_boundary_muni	(4) min_hausdorff_muni
samp_dest	0.133	-0.055	-0.171	-0.044
	(0.222)	(0.214)	(0.214)	(0.045)
above_x_med	0.021	-0.081	0.077*	-0.023**
	(0.022)	(0.052)	(0.040)	(0.010)
samp_destXabove_x_med	-0.087	0.129**	0.018	-0.005
	(0.076)	(0.055)	(0.054)	(0.009)
N	7849	7849	7849	7849
R^2	0.069	0.174	0.205	0.175

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 4: Raw Splits

	(1) landuse_sfr	(2) landuse_apartment	(3) pct_rev_ff	(4) pct_rev_sa	(5) pct_rev_debt
samp_dest	14.881	-2.518**	-0.641	0.869	50.974
	(13.873)	(0.984)	(1.062)	(1.257)	(177.372)
above_x_med	-0.183	0.365*	0.516***	0.108	-11.683
	(2.518)	(0.214)	(0.156)	(0.423)	(12.737)
samp_destXabove_x_med	10.185***	-0.466**	0.708**	-1.751***	-27.132
	(2.288)	(0.195)	(0.287)	(0.599)	(37.523)
N	7716	7716	7738	7738	7738
R^2	0.260	0.292	0.085	0.055	0.057

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 5: AI Zoning - Density

	(1) Allows Mixed Use	(2) Allows attached SFH	(3) Allows ADUs	(4) Allows flex zoning by right	(5) Average min lot size	(6) Max min lot size
Incorporated 1940-70	-1.088***	-0.482***	-1.002**	-0.494**	36357.515*	62215.901
	(0.415)	(0.116)	(0.407)	(0.226)	(19435.604)	(52491.468)
Above Median GM	-0.113***	0.116	-0.128	-0.010	-2762.223	-18323.995
	(0.040)	(0.073)	(0.104)	(0.057)	(3660.235)	(17871.498)
Above Median GM X Inc. 1940-70	0.018	-0.141**	0.015	-0.008	-11645.263	8701.767
	(0.082)	(0.061)	(0.100)	(0.092)	(9176.759)	(22595.478)
Observations	2605	2633	2623	2635	2457	2453
R^2	0.056	0.046	0.190	0.044	0.062	0.068

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 6: AI Zoning - Regulations

	(1) Inclusionary Zoning	(2) Permit caps	(3) Number of agencies	(4) Public hearings for MF	(5) Max review days
Incorporated 1940-70	0.301	0.903***	-1.248*	0.601*	-82.383
	(0.356)	(0.299)	(0.644)	(0.334)	(93.938)
Above Median GM	0.179*	0.004	-0.194	0.130	68.079***
	(0.106)	(0.059)	(0.159)	(0.085)	(22.275)
Above Median GM X Inc. 1940-70	-0.502***	-0.005	0.963***	-0.083	-34.216
	(0.089)	(0.060)	(0.222)	(0.102)	(31.136)
Observations	2520	2637	2613	2599	2311
R^2	0.215	0.047	0.068	0.048	0.108

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 7: Muni-District similarity, CZ level

	(1) EI	(2) mean_dist_max_int	(3) mean_min_hausdorff_muni	(4) mean_psum_shared_muni
GM_raw_pp	0.007***	0.011***	-0.004***	0.005
	(0.003)	(0.003)	(0.001)	(0.004)
N	118	118	118	118
R^2	0.681	0.709	0.742	0.342

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 8: CZ Segregation

	(1) vr_blwt_cz	(2) diss_blwt_cz	(3) SP_nexpd_1970	(4) rco1970
GM_raw_pp	0.016***	0.003***	0.007***	-0.033***
	(0.003)	(0.001)	(0.002)	(0.007)
N	118	118	130	130
R^2	0.724	0.582	0.258	0.433

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 9: School District Amenities

	(1) mean_ap	(2) totenroll	(3) st_ratio_leaid	(4) pct_white_leaid	(5) pct_free_red_lunch_leaid
int_0	35.346	5567.768*	15.801	-2.097***	0.711
	(22.336)	(3010.331)	(12.475)	(0.519)	(0.708)
above_x_med	1.177	193.388**	1.910***	-0.087**	0.010
	(0.925)	(78.164)	(0.474)	(0.037)	(0.022)
above_x_med_int_0	-4.696	-872.194***	-3.359**	0.233***	0.045
	(3.479)	(324.655)	(1.512)	(0.074)	(0.127)
above_x_med_int_0	0.000	0.000	0.000	0.000	0.000
	(.)	(.)	(.)	(.)	(.)
N	3089	4224	4199	4224	4224
R^2	0.118	0.081	0.395	0.369	0.082

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

	All	White	Black	W-B Gap	Not Ec. Disadvantaged	Ec. Disadvantaged	NEC-ECD Gap
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Panel A: IV with GM							
Percentage Point Change in Urban Black Population	-0.003	0.002	-0.001	0.003	-0.002	-0.003**	0.001
	(0.002)	(0.004)	(0.002)	(0.003)	(0.002)	(0.001)	(0.002)
Panel B: OLS with Munis							
New Number of Municipal Govts, P.C. (total)	-0.114**	0.083	-0.010	0.079	0.010	-0.040	0.046
	(0.047)	(0.077)	(0.039)	(0.072)	(0.049)	(0.037)	(0.054)
Panel C: Two Step with Munis							
New Number of Municipal Govts, P.C. (total)	-0.493**	-0.098	-0.404**	0.244	-0.454**	-0.498***	0.032
	(0.198)	(0.333)	(0.156)	(0.246)	(0.213)	(0.131)	(0.168)
Dep. Var Mean	0.045	0.180	-0.377	0.562	0.318	-0.255	0.574
Observations	130	130	130	130	130	130	130
Panel B: OLS with School Districts							
New Ind. Sch. Dists., P.C. (total)	0.001	0.006***	0.003**	0.002	0.002*	0.001	0.001
	(0.002)	(0.002)	(0.001)	(0.002)	(0.001)	(0.001)	(0.002)
Panel E: Two Step with School Districts							
New Ind. Sch. Dists., P.C. (total)	-0.005**	-0.001	-0.004**	0.001	-0.007**	-0.007***	-0.001
	(0.003)	(0.005)	(0.002)	(0.005)	(0.003)	(0.002)	(0.003)
Dep. Var Mean	0.039	0.174	-0.390	0.570	0.313	-0.258	0.572
Observations	118	118	118	118	118	118	118

Table 10: School District Capital Expenditure

	(1) Capital outlays/Total Expenditure	(2) Capital outlays/Total Enrollment	(3) Log Capital Outlays	(4) log(Capital outlays/Total Enrollme
Prop Border with 40-70 incorporation	0.040	1.275	2.175	1.288
	(0.088)	(1318.729)	(2.454)	(1.254)
Above Median GM	-0.002	73.278	0.516**	0.137
	(0.009)	(105.966)	(0.214)	(0.104)
Prop Border 40-70 X Above Median GM	-0.036	-385.582	-1.882***	-0.520**
	(0.022)	(364.857)	(0.496)	(0.244)
Observations	4117	4117	4116	4116
R^2	0.063	0.013	0.180	0.055

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

	(1) stu_vr_blwt_cz	(2) stu_diss_blwt_cz	(3) stu_RCO_blwt_cz	(4) stu_SP_nexpd_blwt_cz	(5) stu_A_01_blwt_cz	(6) stu_A_09_blwt_cz
Panel B: School District Segregation						
GM_raw_pp	0.015***	0.003***	-0.026	0.015***	0.002***	0.012***
	(0.002)	(0.001)	(0.026)	(0.006)	(0.000)	(0.002)
Dep. Var. Mean	0.211	0.264	0.246	1.287	0.114	0.549
Observations	118	118	118	118	118	118

	VR	Diss	RCO	SP	Atkinson ($\beta = 0.1$)	Atkinson ($\beta - 0.9$)
	(1)	(2)	(3)	(4)	(5)	(6)
Panel A: IV with GM						
Percentage Point Change in Urban Black Population	0.012***	0.003***	-0.037*	0.016**	0.002***	0.012***
	(0.002)	(0.001)	(0.023)	(0.008)	(0.001)	(0.003)
Panel B: OLS with Munis						
New Number of Municipal Govts, P.C. (total)	0.111*	0.017	-0.345	0.071	0.011	0.101
	(0.067)	(0.040)	(0.296)	(0.156)	(0.018)	(0.098)
Panel C: Two Step with Munis						
New Number of Municipal Govts, P.C. (total)	1.387***	0.501***	-4.764**	2.086**	0.260***	1.484***
	(0.208)	(0.089)	(2.059)	(0.807)	(0.042)	(0.204)
Dep. Var Mean	0.092	0.192	-0.496	1.112	0.080	0.340
Observations	130	130	130	130	130	130
Panel D: OLS with School Districts						
New Ind. Sch. Dists., P.C. (total)	0.009***	0.004***	-0.031***	0.012**	0.001***	0.011***
	(0.002)	(0.001)	(0.010)	(0.005)	(0.000)	(0.002)
Panel E: Two Step with School Districts						
New Ind. Sch. Dists., P.C. (total)	0.029***	0.012***	-0.101**	0.045***	0.005***	0.033***
	(0.004)	(0.002)	(0.039)	(0.015)	(0.001)	(0.004)
Dep. Var Mean	0.093	0.194	-0.529	1.115	0.083	0.348
Observations	118	118	118	118	118	118

	School District Segregation		School District Achievement			
	(1) Variance Ratio	(2) Dissimilarity Index	(3) Interquartile Range	(4) Variance	(5) Black	(6) White
GM	0.013***	0.003***	0.008***	0.003**	-0.007**	0.000
	(0.002)	(0.001)	(0.002)	(0.001)	(0.003)	(0.002)
Dep. Var. Mean	0.211	0.264	0.318	0.072	-0.129	0.114
Observations	130	130	130	130	130	130

	C. Goodman		Census of Governments			Census
	Municipalities		School districts	Townships	Special districts	Main City Share
	(1)	(2)	(3)	(4)	(5)	(6)
Panel A: First Stage						
$\widehat{GM}$	1.668***	1.668***	1.668***	1.668***	1.668***	1.668***
	(0.306)	(0.306)	(0.306)	(0.306)	(0.306)	(0.306)
Panel B: OLS						
GM	-0.000	0.003	0.333***	0.007	-0.031***	-0.802***
	(0.003)	(0.003)	(0.090)	(0.005)	(0.009)	(0.160)
Panel C: Reduced Form						
$\widehat{GM}$	0.005	0.013	0.990**	0.033**	-0.046**	-1.878***
	(0.008)	(0.010)	(0.423)	(0.014)	(0.021)	(0.418)
Panel D: 2SLS						
GM	0.003	0.008	0.530**	0.020**	-0.028**	-1.126***
	(0.005)	(0.006)	(0.217)	(0.008)	(0.012)	(0.159)
First Stage F-Stat	29.76	29.76	29.76	29.76	29.76	29.76
Dep. Var. Mean	-0.26	-0.33	-12.95	-0.57	0.64	-3.37
1940 Dep. Var. Mean	1.49	1.61	14.09	2.29	0.89	32.86
Observations	130	130	118	130	130	130

	C. Goodman		Census of Governments			Census
	Municipalities		School districts	Townships	Special districts	Main City Share
	(1)	(2)	(3)	(4)	(5)	(6)
Panel A: First Stage						
$\widehat{GM}$	2.185***	2.185***	2.185***	2.185***	2.185***	2.185***
	(0.302)	(0.302)	(0.302)	(0.302)	(0.302)	(0.302)
Panel B: OLS						
GM	0.010	0.016**	1.084***	0.013	-0.073***	-1.029***
	(0.006)	(0.007)	(0.293)	(0.011)	(0.016)	(0.237)
GM_raw_pp_2	-0.000	-0.000	-0.024**	0.000	0.002***	0.004
	(0.000)	(0.000)	(0.009)	(0.000)	(0.000)	(0.006)
Panel C: Reduced Form						
$\widehat{GM}$	0.047***	0.059***	3.306***	0.100***	-0.127***	-4.316***
	(0.012)	(0.012)	(0.588)	(0.024)	(0.033)	(0.649)
GM_hat_raw_2	-0.002***	-0.003***	-0.210***	-0.003***	0.005***	0.129***
	(0.000)	(0.001)	(0.047)	(0.001)	(0.001)	(0.032)
Panel D: 2SLS						
GM	0.027***	0.030***	2.405***	0.042***	-0.058***	-1.631***
	(0.006)	(0.007)	(0.468)	(0.013)	(0.016)	(0.337)
GM_raw_pp_2	-0.001***	-0.001***	-0.065***	-0.001**	0.001***	0.015**
	(0.000)	(0.000)	(0.015)	(0.000)	(0.000)	(0.007)
First Stage F-Stat	52.50	52.50	52.50	52.50	52.50	52.50
Dep. Var. Mean	-0.26	-0.33	-12.95	-0.57	0.64	-3.37
1940 Dep. Var. Mean	1.49	1.61	14.09	2.29	0.89	32.86
Observations	130	130	118	130	130	130

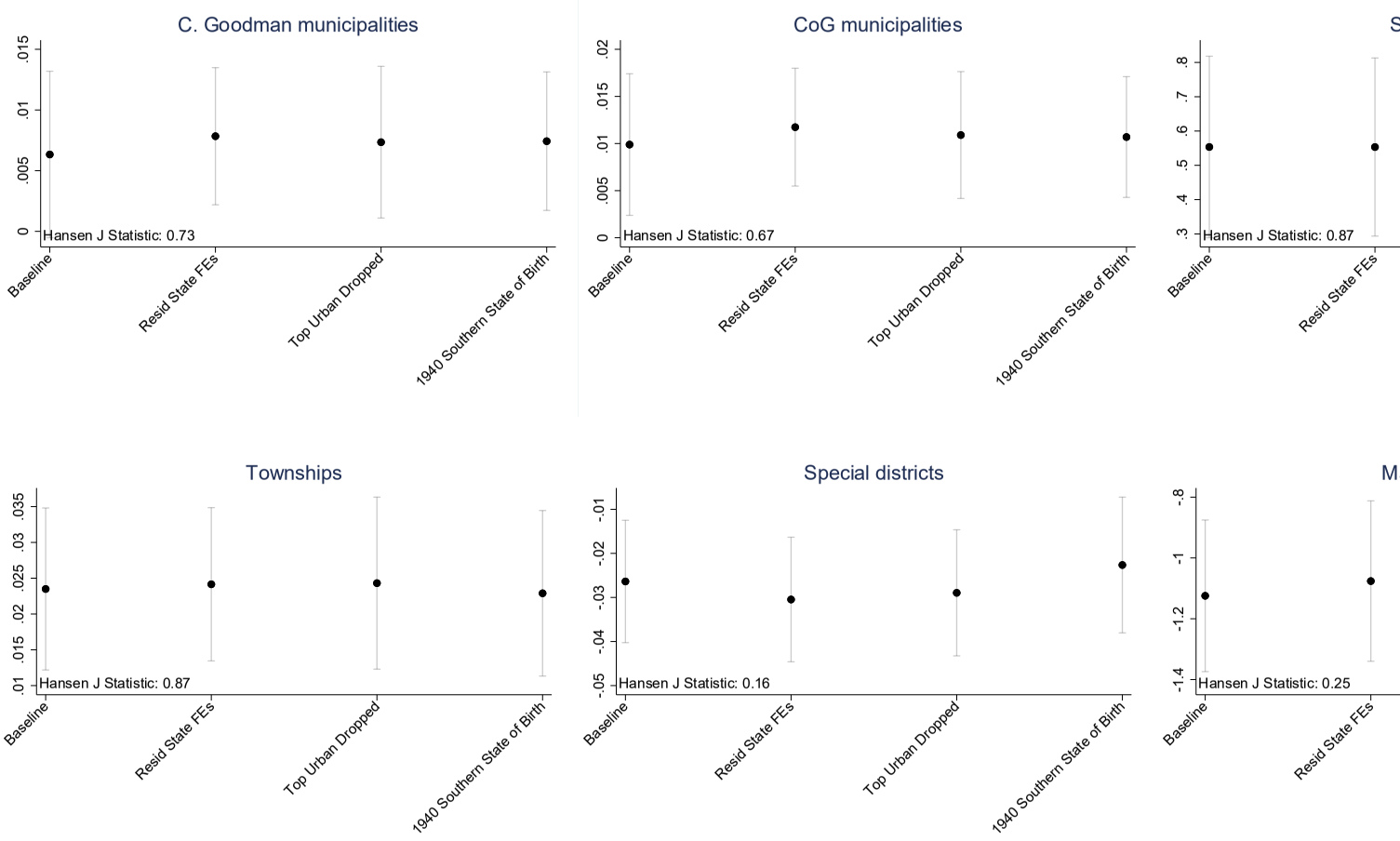
	C. Goodman		Census of Governments			Census
	Municipalities		School districts	Townships	Special districts	Main City Share
	(1)	(2)	(3)	(4)	(5)	(6)
Panel A: First Stage						
Predicted Percentile Change in Urban Black Population	0.656***	0.656***	0.656***	0.656***	0.656***	0.656***
	(0.108)	(0.108)	(0.108)	(0.108)	(0.108)	(0.108)
Panel B: OLS						
Percentile Change in Urban Black Population	0.000	0.002	0.157***	0.004**	-0.013***	-0.279***
	(0.001)	(0.001)	(0.033)	(0.002)	(0.002)	(0.051)
Panel C: Reduced Form						
Predicted Percentile Change in Urban Black Population	0.002**	0.003***	0.162***	0.005***	-0.009***	-0.267***
	(0.001)	(0.001)	(0.036)	(0.002)	(0.003)	(0.051)
Panel D: 2SLS						
Percentile Change in Urban Black Population	0.003**	0.004***	0.279***	0.008***	-0.014***	-0.407***
	(0.001)	(0.002)	(0.057)	(0.003)	(0.003)	(0.069)
First Stage F-Stat	36.66	36.66	36.66	36.66	36.66	36.66
Dep. Var. Mean	-0.26	-0.33	-12.95	-0.57	0.64	-3.37
1940 Dep. Var. Mean	1.49	1.61	14.09	2.29	0.89	32.86
Observations	130	130	118	130	130	130

	C. Goodman	Census of Governments				Census
	Municipalities		School districts	Townships	Special districts	Main City Share
	(1)	(2)	(3)	(4)	(5)	(6)
Panel A: First Stage						
$\widehat{GM}$	2.338***	2.338***	2.338***	2.338***	2.338***	2.338***
	(0.290)	(0.290)	(0.290)	(0.290)	(0.290)	(0.290)
Panel B: OLS						
GM	0.004	0.007**	0.457***	0.018***	-0.028***	-0.939***
	(0.002)	(0.003)	(0.083)	(0.005)	(0.007)	(0.112)
Panel C: Reduced Form						
$\widehat{GM}$	0.013*	0.021**	1.431***	0.058***	-0.057***	-2.601***
	(0.008)	(0.009)	(0.383)	(0.015)	(0.019)	(0.432)
Panel D: 2SLS						
GM	0.006*	0.009***	0.562***	0.025***	-0.024***	-1.112***
	(0.003)	(0.003)	(0.124)	(0.006)	(0.007)	(0.120)
First Stage F-Stat	65.10	65.10	65.10	65.10	65.10	65.10
Dep. Var. Mean	-0.26	-0.33	-12.95	-0.57	0.64	-3.37
1940 Dep. Var. Mean	1.49	1.61	14.09	2.29	0.89	32.86
Observations	130	130	118	130	130	130

	C. Goodman	Census of Governments				Census
	Municipalities		School districts	Townships	Special districts	Main City Share
	(1)	(2)	(3)	(4)	(5)	(6)
Panel A: First Stage						
$\widehat{GM}$	2.185***	2.185***	2.185***	2.185***	2.185***	2.185***
	(0.302)	(0.302)	(0.302)	(0.302)	(0.302)	(0.302)
Panel B: OLS						
GM	0.003	0.004**	0.278***	0.010***	-0.017***	-0.711***
	(0.002)	(0.002)	(0.055)	(0.003)	(0.006)	(0.092)
Panel C: Reduced Form						
$\widehat{GM}$	0.008	0.011*	0.870***	0.033***	-0.036***	-1.994***
	(0.006)	(0.006)	(0.190)	(0.009)	(0.012)	(0.355)
Panel D: 2SLS						
GM	0.004	0.005**	0.359***	0.015***	-0.016***	-0.912***
	(0.002)	(0.002)	(0.073)	(0.003)	(0.005)	(0.108)
First Stage F-Stat	52.50	52.50	52.50	52.50	52.50	52.50
Dep. Var. Mean	-0.16	-0.19	-7.11	-0.37	0.45	-2.65
1940 Dep. Var. Mean	1.49	1.61	14.09	2.29	0.89	32.86
Observations	130	130	118	130	130	130

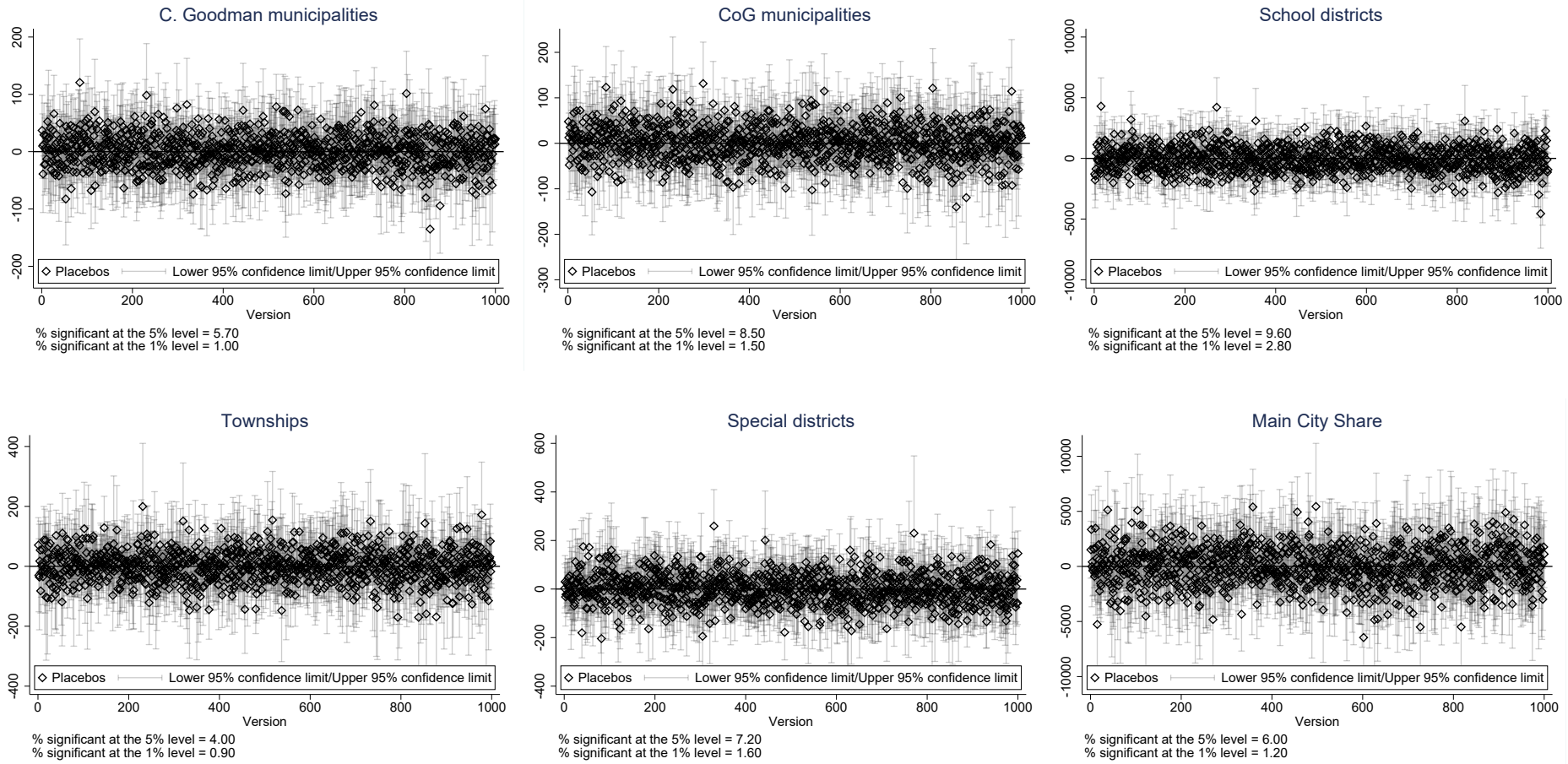
	IV	Reduced Form
New municipalities per capita, 1900-10	-0.012***	-0.029***
	(0.004)	(0.009)
New municipalities per capita, 1910-20	-0.005	-0.011
	(0.004)	(0.010)
New municipalities per capita, 1920-30	0.000	0.000
	(0.002)	(0.004)
New municipalities per capita, 1930-40	0.001	0.003
	(0.002)	(0.004)
New municipalities per capita, 1910-40	-0.003	-0.008
	(0.007)	(0.016)

Figure 1: Overidentification IV Tests, Balanced Controls



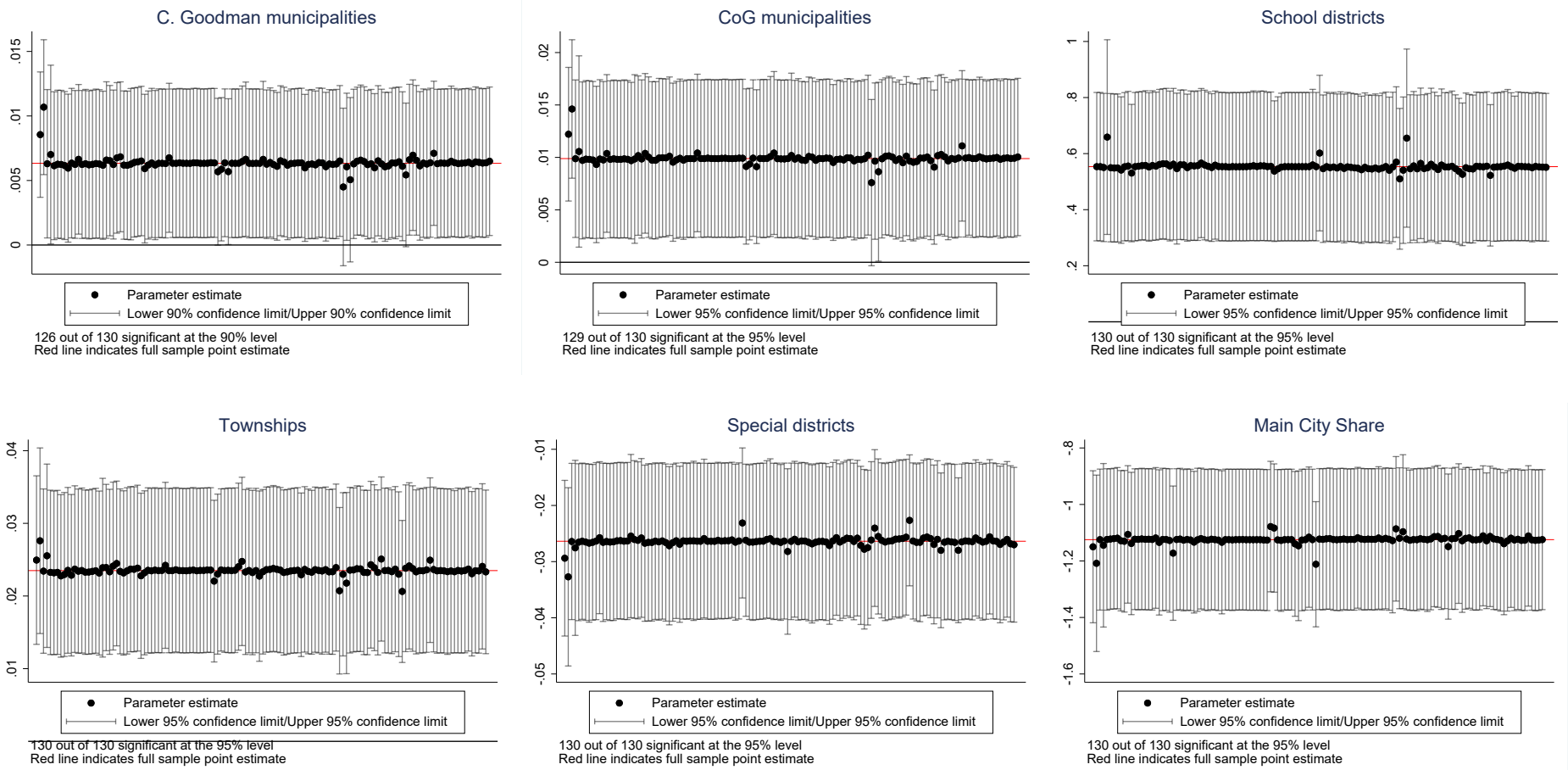
Notes: Point estimates come from our baseline instrument and three alternative instruments, where all specifications include census region fixed effects and CZ-level co transportation cost in 1920, and are weighted by 1940 CZ urban population. Robust standard errors generate 95% confidence intervals.

Figure 2: Placebo Tests, Balanced Controls



Notes: Regression results according to equations in the Empirical Strategy section, weighted by 1940 CZ urban population. All specifications include census region fixed effects and CZ-level controls for the sum of shares, coastal, and 1920 transportation cost in 1920. Each of the 1,000 instruments is constructed using randomly generated variation in Southern county-level shocks. Robust standard errors generate 95% confidence intervals.

Figure 3: Leave-one-out IV Tests, Balanced Controls



Notes: Regression results according to equations in the Empirical Strategy section, weighted by 1940 CZ urban population. All specifications include census region fixed effects and CZ-level controls for the sum of shares, coastal, and 1920 transportation cost in 1920. Each parameter estimate comes from a regression that drops one CZ at a time. Robust standard errors generate 95% confidence intervals.

	School District Segregation		School District Achievement			
	(1) Variance Ratio	(2) Dissimilarity Index	(3) Interquartile Range	(4) Variance	(5) Black	(6) White
GM	0.013***	0.003***	0.008***	0.003**	-0.007**	0.000
	(0.002)	(0.001)	(0.002)	(0.001)	(0.003)	(0.002)
Dep. Var. Mean	0.211	0.264	0.318	0.072	-0.129	0.114
Observations	130	130	130	130	130	130

	Census of Governments
	Townships
	(1)
Panel A: First Stage	
$\widehat{GM}$	2.185***
	(0.302)
Panel B: OLS	
GM	0.015***
	(0.004)
Panel C: Reduced Form	
$\widehat{GM}$	0.051***
	(0.015)
Panel D: 2SLS	
GM	0.023***
	(0.006)
First Stage F-Stat	52.50
Dep. Var. Mean	-0.57
1940 Dep. Var. Mean	2.29
Observations	130

	(1) VR	(2) Diss	(3) RCO	(4) SP	(5) Atkinson ($\beta = 0.1$)	(6) Atkinson ($\beta = 0.9$)
	(1)	(2)	(3)	(4)	(5)	(6)
Percentage Point Change in Urban Black Population	0.012***	0.003***	-0.037*	0.016**	0.002***	0.012***
	(0.002)	(0.001)	(0.023)	(0.008)	(0.001)	(0.003)
Dep. Var. Mean	0.092	0.192	-0.496	1.112	0.080	0.340
Observations	130	130	130	130	130	130

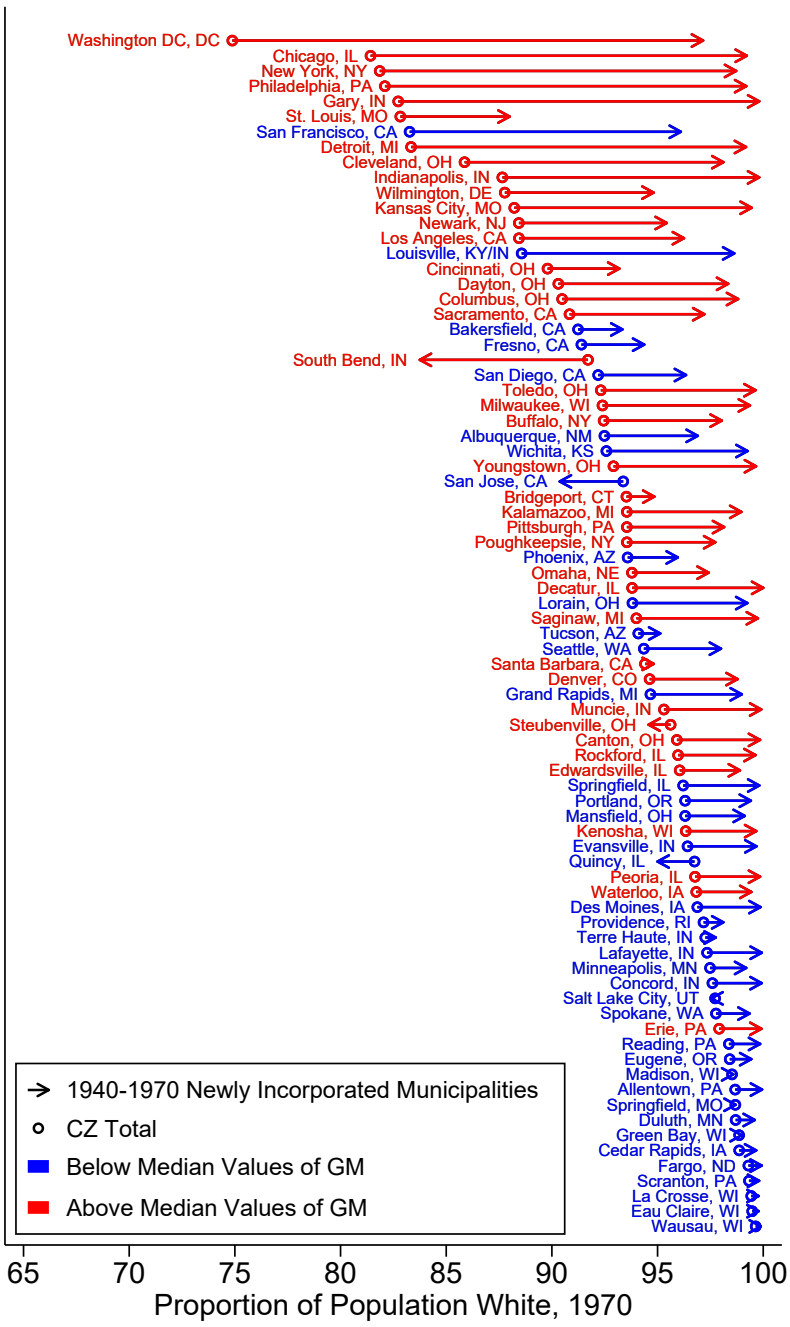
	2010 Muni Characteristics			Percentage of Municipal Revenues		Percentage of Municipal Land Uses		Muni-District Similarity
	(1) Percentage White	(2) Land Area	(3) 2010 Household Income	(4) Special Assessments	(5) Fines and Forfeitures	(6) Single Family	(7) Apartments	(8) Exclusive District
Above Median GM X Inc. 1940-70	9.336***	-68.146**	-13.241***	-1.751***	0.708**	10.185***	-0.466**	0.129**
	(2.044)	(27.977)	(4.255)	(0.599)	(0.287)	(2.288)	(0.195)	(0.055)
Above Median GM	-12.826***	44.943*	2.302	0.108	0.516***	-0.183	0.365*	-0.081
	(3.085)	(24.980)	(3.417)	(0.423)	(0.156)	(2.518)	(0.214)	(0.052)
Incorporated 1940-70	12.626	-368.061*	2.428	0.869	-0.641	14.881	-2.518**	-0.055
	(9.044)	(196.790)	(14.611)	(1.257)	(1.062)	(13.873)	(0.984)	(0.214)
Omitted Category Avg.	81.01	221.56	66.11	1.00	0.85	76.32	0.94	0.19
Observations	7836	7845	7836	7738	7738	7716	7716	7849

	(1) Adjacent to Principle City	(2) Outstanding Debt as Pct of Municipal Revenues
Above Median GM X Inc. 1940-70	-0.046	-27.132
	(0.144)	(37.523)
Above Median GM	0.005	-11.683
	(0.038)	(12.737)
Incorporated 1940-70	0.462	50.974
	(0.280)	(177.372)
Below Median Avg.	0.250	150.680
Observations	7719	7738

	School District Segregation		School District Achievement			
	Variance Ratio	Dissimilarity Index	Interquartile Range	Variance	Black	White
	(1)	(2)	(3)	(4)	(5)	(6)
Panel A: First Stage						
Predicted Percentage Change in Urban Black Population	1.341***	1.341***	1.341***	1.341***	1.341***	1.341***
	(0.377)	(0.377)	(0.377)	(0.377)	(0.377)	(0.377)
Panel B: OLS						
Δ_1940 − 70 School Districts P.C.	0.012***	0.003***	0.009***	0.004***	-0.005**	0.006***
	(0.002)	(0.001)	(0.002)	(0.001)	(0.002)	(0.001)
Panel C: Reduced Form						
Predicted Percentage Change in Urban Black Population	0.037***	0.008***	0.022**	0.010***	-0.021**	-0.021**
	(0.007)	(0.002)	(0.010)	(0.004)	(0.008)	(0.008)
Panel D: 2SLS						
Δ_1940 − 70 School Districts P.C.	0.027***	0.006***	0.016***	0.008***	-0.016**	0.000
	(0.005)	(0.001)	(0.004)	(0.001)	(0.007)	(0.004)
First Stage F-Stat	12.67	12.67	12.67	12.67	12.67	12.67
Dep. Var. Mean	0.21	0.26	0.32	0.07	-0.13	0.11
Observations	118	118	118	118	118	118

	School District Segregation		School District Achievement			
	Variance Ratio	Dissimilarity Index	Interquartile Range	Variance	Black	White
	(1)	(2)	(3)	(4)	(5)	(6)
Panel A: First Stage						
Predicted Percentage Change in Urban Black Population	1.377***	1.377***	1.377***	1.377***	1.377***	1.377***
	(0.384)	(0.384)	(0.384)	(0.384)	(0.384)	(0.384)
Panel B: OLS						
Δ_1940 − 2010 School Districts P.C.	0.012***	0.003***	0.009***	0.004***	-0.005**	0.006***
	(0.002)	(0.001)	(0.002)	(0.001)	(0.002)	(0.001)
Panel C: Reduced Form						
Predicted Percentage Change in Urban Black Population	0.037***	0.008***	0.022**	0.010***	-0.021**	-0.021**
	(0.007)	(0.002)	(0.010)	(0.004)	(0.008)	(0.008)
Panel D: 2SLS						
Δ_1940 − 2010 School Districts P.C.	0.027***	0.005***	0.016***	0.008***	-0.015**	0.000
	(0.005)	(0.001)	(0.004)	(0.001)	(0.007)	(0.004)
First Stage F-Stat	12.88	12.88	12.88	12.88	12.88	12.88
Dep. Var. Mean	0.21	0.26	0.32	0.07	-0.13	0.11
Observations	118	118	118	118	118	118

Figure 4: Most incorporations in 1940-1970 are mostly White



Notes: Share of White residents in 79 of 130 CZs of our data (those with sub-CZ racial data in 1970), depicted as circles, and the share of White residents in municipalities that were incorporated in 1940-1970, at the tip of the arrows. Some CZs are not shown in this figure because they either had no incorporations or were missing data on racial shares by municipality in those years. Newly incorporated municipalities have a lower share of White residents in only four of the 79 CZs for which we can conduct this exercise.