

Comments on: “Long Shadow of Racial Discrimination: Evidence from Housing Racial Covenants”

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- ▶ Question: Do houses that had racial covenants around 1948 sell for different prices than those that did not in 2018? Yes, 1.2% mean effect.
- ▶ Research design: RD around 1948 supreme court decision invalidating covenants. Compare houses built just before decision to those just after.
- ▶ Data: For the county containing Minneapolis, data provides a census of all sales between 1910 and 1955, about 30k transactions, indicating covenant or not. About 14k/30k survived to 2018. 2018 price/characteristics data from tax assessments and Zillow.

Questions

- ▶ Covenants are a constraint on what you can do with your property. Mechanically, a constraint should decrease property value. How do I reconcile this with your finding? Changed house characteristics? Maintenance? Correlation with neighbor covenants?
- ▶ Living near a house with a covenant could be valuable to white households. Was there value to having 1%, 50%, 90%, of neighborhood houses subject to covenants?
- ▶ If 1%, 50%, 90%, of neighborhood houses had covenants, did this restrict black behavior? Does this affect interpretation of your partial-elasticity?
- ▶ Zoning, mortgage access, realtors, and racially motivated violence all acted to restrict black location choice. Did covenants have much effect at the margin?

Three facts

- ▶ Cutler, Glaeser, Vigdor (1997) argues that residential segregation in the US peaked in 1950, or maybe a little later, and began to fall around 1970. It was flat from about 1950 to 1970.
- ▶ Baum-Snow (2007) argues that all residential decentralization from 1950-90 was due to the interstate. Boustan (2010) argues that all residential decentralization from 1940-70 was due to white flight.
- ▶ This paper shows that covenants were most common in near suburbs.
- ▶ How does this all fit together?
- ▶ More broadly, how did covenants affect black and white location choice and residential segregation? Understanding 2018 housing prices should inform our understanding of the welfare implications of these effects, but it is hard to interpret until we know what these effects are.