D Comparison with Specifications Used in HDS 2012 Report

This section examines differences in steering into high poverty neighborhoods reported in the present study versus differences documented by Turner et al. (2013) in the initial HDS 2012 report. Replication code is not available for the steering-into-poverty tests or racial composition test from the HDS 2012 report. We therefore construct tests that are as similar as possible to the description provided in Turner et al. (2013) using publicly available data files that contain census tract measures of poverty rates and white shares used by the authors.

Table D.1 reports estimates of differences for African Americans relative to white testers, which are the tests in the present paper that were conducted in the prior report. We compare results on white shares and poverty rates using the primary specification with block group measures used in the present study (Column 1), comparable specifications with/without controls that use census tract measures (Columns 2-3), and specifications that aggregate recommendations by tester and also use census tract measures (Columns 4-5). The tests reported in the final two columns are the most similar to those reported in Turner et al. (2013). We note some difference in sample sizes that we cannot explain and stress that this is an approximate and not an exact replication. We note a substantial number of null values in RHGEO dataset, which contains the census tract data used in Turner et al. (2013). This reduces the sample size relative to the tester dataset that is merged with block group measures. Both sets of results indicate that the power and the magnitude of effects diminishes as a result of aggregation to the trial level and to the census tract. The choice of controls also affects estimate magnitudes, but less so.

In both cases, estimates of differences become substantially smaller and tests less powered when we measure outcomes at the census tract level and aggregate to the level of a tester recommendation set (comparing differences in tester means). We find a difference of 2.8% [0.87] for differences in white shares when the test is constructed in this way, which is larger but not statistically different from the the 1.8% [0.8] difference reported in Turner et al. (2013). Differences in poverty rates fall by an order of magnitude and become statistically non-significant. Using this specification, we estimate that homes recommended to African American testers have a .27% [0.29] higher poverty share than those recommended to a white tester. This is very similar to the difference of .2% [0.2] that is documented in the HDS report. Variation in poverty rates between block groups appears to be particularly diminished when using census tract measures. For instance, while the tract-level poverty rate (8.5%) is similar to the block group-level poverty rate (8.6%) for the average home in the HDS sample, the standard deviation of neighborhood poverty rates for the set of homes within a given trial is substantially smaller when using the tract-level measure of poverty: 3.79% at the tract level vs. 5.02% at the block group level. The standard deviation of block group-level poverty rates within the average census tract where recommendations are made in the study also appears to be quite large: 3%. When considering that the average neighborhood level poverty rate is 8.6%[43], it becomes clear that using tract-level measures may mask considerable heterogeneity in the neighborhoods that testers are steered into.

[43]The average neighborhood level poverty rate is 8.5% when measured at the tract level.

Table D.2. Differential Steering and White Share

	Dep. Variable: White Share				
	Block Gr	Tract	Tract	Tester Mean	Tester Mean
African American	−0.0430***	−0.0315*	−0.0358**	−0.0280***	−0.0294**
	(0.0166)	(0.0166)	(0.0164)	(0.0087)	(0.0135)
Poverty Rate Advert Home	*Y*	*N*	*Y*	*N*	*Y*
Racial Comp Advert Home	*Y*	*N*	*Y*	*N*	*Y*
ln(Price) Advert Home	*Y*	*N*	*Y*	*N*	*Y*
Observations	21,458	15,270	14,342	498	480
Adjusted R^2	0.7788	0.8320	0.8293	0.7598	0.7492
	Dep. Variable: Poverty Rate				
	Block Gr	Tract	Tract	Tester-Tract	Tester-Tract
African American	0.0159*	0.0093	0.0077	0.0027	0.0027
	(0.0088)	(0.0076)	(0.0075)	(0.0032)	(0.0029)
Poverty Rate Advert Home	*Y*	*N*	*Y*	*N*	*Y*
Racial Comp Advert Home	*Y*	*N*	*Y*	*N*	*Y*
ln(Price) Advert Home	*Y*	*N*	*Y*	*N*	*Y*
Observations	20,133	15,269	14,341	498	480
Adjusted R^2	0.5310	0.5877	0.5926	0.6721	0.7071
Note:					*p<0.1; **p<0.05; ***p<0.01

Note: Coefficients report differences in the poverty rates in neighborhoods recommended to minority testers relative to a white tester (the omitted category). Columns 1-3 report estimates from main specifications that measure outcomes at the block group level, whereas columns 4-6 report estimates from tests that measure poverty rates at the census Tract level (data come from (Turner et al., 2013). All regression specifications control for the full set of actor characteristics, assigned characteristics, and search Characteristics. Actor characteristics: tester income, tester household income, gender of tester, age of tester, month of test, educational attainment of tester; Assigned Characteristics: household members, current home ownership status, current lease type, car ownership status, reason for moving, years in current residence, length of employment at current job, reason tester can afford down payment, current lease assigned to tester; Search Characteristics: month of test, sequence of tester appointments, time of the appointment (am/pm), type of recommended building, total number of homes recommended to tester, availability of advertised home as stated by agent. Standard errors are clustered by market for consistency with sampling design.