

Testimony for National Commission on Fair Housing and Equal Opportunity

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Thank you for inviting me to speak at this important hearing. I'm honored to participate. I have been asked to draw on my research on racially integrated neighborhoods – and in particular neighborhoods shared by white and black households – to suggest a few policies that might help to promote racial integration. Let me say up front that I am focusing on policies other than anti-discrimination efforts in the housing market, but this should not imply in any way that I believe that housing market discrimination does not exist or is unimportant to address. Indeed it's critical.

But that said, much of the policy discussion about racial segregation has focused *solely* on housing market discrimination. As I argued in my book, *Sharing America's Neighborhoods: The Prospects for Stable, Racial Integration*, I believe the causes of the current ongoing levels of segregation are complex and involve more than housing market discrimination. Accordingly, any effective policy response should be multi-faceted as well, supplementing anti-discrimination efforts with other pro-integrative policies.

One key cause of ongoing segregation, besides the failure to adequately combat housing market discrimination, is the fact that white households, when moving in the ordinary course, tend to avoid moving into integrated neighborhoods. The question is why. My research suggests that white households' motivation to avoid sharing neighborhoods with blacks often does not stem from a benign desire to live exclusively among other whites or from the fact that their taste for local public services differs from that of blacks. White resistance to integrated living appears to be much more the result of negative racial attitudes, and in particular, race-based neighborhood stereotyping. Specifically, white households tend to believe that (1) black-white integrated neighborhoods, even if they are currently appealing places to live, will soon enough become all black, and (2) all-black neighborhoods are bad places to live, with poor schools and high rates of dilapidation and crime. Based as they are on negative stereotypes about partly or largely black neighborhoods, white decisions to avoid integrated neighborhoods seem objectionable in a way that decisions, say, to cluster voluntarily with other members of one's own ethnic group are not.

What is more, there are social costs to this ongoing perpetuation of racial segregation. There's considerable research suggesting that neighborhood segregation contributes to racial differences in education, health, housing, and labor market outcomes. And while evidence is inconclusive, several studies suggest that white households typically become more racially tolerant as a result of living among and being exposed to others from different racial groups. Finally, the collective consequences of individual residential choices may result in fewer integrated neighborhoods than is socially optimal. Many white and black households, that is, may in fact prefer to live in racially mixed environments, but because of a widespread lack of faith in the stability of these areas, these environments are relatively rare.

In short, there are reasons to believe that racial segregation is harmful not only to minority households (because separate is still unequal in so many respects) but also to society as a whole. Thus, in my view, there is justification for some carefully tailored, non-coercive government policies to promote integration – policies that go beyond combating discrimination. As noted, white households do not typically make their residential choices based on some innate preferences or tastes for racial composition; rather, neighborhood preferences are mutable and profoundly shaped by circumstances, context, and the set of alternatives. Put simply, neighborhood stereotypes can be chipped away at.

In the spirit of Cass Sunstein's and Richard Thaler's recent book, *Nudge*, I'd like to push us all to think about ways that we can 'nudge' households to make residential choices that might promote racial integration and ultimately prove to be better matches for them too. I am not suggesting that we force households to live in particular neighborhoods – any policies that restrict people's freedom to live where they want should be avoided – but I believe there are ways we can encourage households to broaden their horizons and consider a wider set of communities in making their residential choices.

My policy suggestions fall into three categories: (1) providing accurate information; (2) making the choice of a mixed neighborhood more appealing in low-cost ways; and (3) changing the 'architecture of choice,' to borrow the words of Sunstein and Thaler.

First, in terms of information, perhaps most critically, we can let households know that while a majority of neighborhoods are racially segregated, a substantial and growing minority are well integrated and not just fleetingly, but typically over many years. My own empirical research has demonstrated this. Yet the stubborn belief on the part of many that rapid racial

transition is inevitable has helped, by its self-fulfilling nature, to undermine racial mixing. The more we can do to break the chain of assumptions that white households reflexively hold about integrated neighborhoods, the more likely those neighborhoods will remain stable.

Many households make their residential choices based on very limited information and consider only a small set of alternatives. Thus, we might also invest in web-based, neighborhood information systems that would make it easy for people to gather information about a broad set of neighborhoods when making their residential choices -- about school quality, crime and the like. There will no doubt be some integrated neighborhoods that in terms of these legitimate quality of life indicators score low in people's minds, just as there are all-white neighborhoods that score low; but there will be plenty of mixed neighborhoods that score relatively high.

A second set of policies would try to make the choice of an integrated neighborhood more appealing in relatively low-cost ways. My research suggests that when white households have more secure expectations about the future quality of life in a community, they are more likely to tolerate racial integration. The implication is that racial mixing is more stable in communities in which school quality, property values, and other neighborhood attributes seem particularly secure. To the extent that this is true, aggressively attacking any superficial signs of decline -- fixing Wilson and Kelling's 'Broken Windows'—may be critical in encouraging white households to consider integrated communities they might otherwise avoid. Another possibility would be to invest in specialized magnet schools and to introduce school choice, at least within the public school system. For if it is true, as my research suggests, that much of white resistance to integrated neighborhoods is rooted in fears about the quality of integrated schools, then

breaking the link between residence and school should encourage white households to be more open to living in racially diverse environments.

Finally, I'd like to push us to think about ways to change the 'architecture' of residential choices. Can we come up with ways to present neighborhood choices in a manner that will encourage – though not force - households to make pro-integrative choices? One relatively modest possibility is for government to undertake affirmative marketing strategies to encourage white and minority households to consider neighborhoods where they are racially under-represented – through a traditional television advertising campaign, for example, that promotes the benefits of mixed neighborhoods. In order to get realtors involved in these efforts too, which is critical, we might consider something more novel. Specifically, in combination with a significant crack-down on unlawful racial steering by realtors (which research suggests remains a significant issue), we might consider offering a legal safe-harbor from the crackdown to those realtors who show clients a certain number of homes in a neighborhood in which the clients are racially under-represented. Obviously there would be lots of issues to work through before something like this could and should be tried, but I hope it's illustrative of the kind of policy brainstorming I think we need in this area.

There's also considerable room to change the architecture of choice among one set of households – Section 8 recipients. Experience in other policy areas suggests that changing the default option for choices can lead to profoundly different outcomes. Thus, why not reform the Section 8 voucher program so it is administered at a regional level? And why not incorporate a default option that voucher holders use their vouchers in low-poverty neighborhoods? Households could of course opt out of this default choice if they had a strong reason to prefer to

live in higher poverty areas. But in the process of opting out, they would be pushed to reflect on their decision, rather than simply reflexively choosing a high-poverty community, which for most voucher recipients is the status quo.

In summary, I would argue that there are many non-coercive policies we could adopt that would encourage households to consider a wider set of residential choices and foster racial integration in the process. I have suggested a few. While the optimism of many people during the civil rights era that integration was just around the corner now seems hopelessly naïve, I remain hopeful that in conjunction with stepped-up anti-discrimination efforts, these policies can help to broaden people's residential choice sets and nudge us all towards a more integrated world.