

# History of Federal Housing Discrimination Studies

- 1977 Housing Market Practices Survey
  - Large pilot effort
  - Documents high levels of discrimination s
- 1989 Housing Discrimination Study
  - First nationally representative study of Housing Discrimination
  - Drove research on housing discrimination for a decade by providing data
- 2000 Housing Discrimination Study
  - Measures changes. Document declines especially in sales market (Turner and Ross 2005)
  - National estimates of Asians and pilot native Americans
  - Less impact given growing prevalence of correspondence studies
- 2010 Housing Discrimination Study
  - First study to use the internet as a primary source of advertisements (market portal)
  - Documented continued discrimination in all markets
  - Examined source of income discrimination

# Critiques of Paired Testing and HDS 2000

- Interpretation of Measures and Market Discrimination
  - Disparate treatment under common scenario (not disparate impact)
  - Miss mitigating impacts of behavioral adjustments (Heckman 1998 JEP)
  - Initial request matters, but race matters (Ondrich et al. 2001 REStat)
- Heterogeneity across Testers
  - Heckman (1998 JEP) documents evidence of heterogeneity in labor market
  - Ross et al. (2008 JUE) find no evidence of heterogeneity in mortgage pilot
  - HDS 2000 collects actual tester attributes (Turner et al. 2002 HDS Report)
- Minority Favored Scenarios and Net Measure
  - Ondrich et al. (2000 JUE) document negative correlation on receiving call back
  - Sandwich tests – white to white comparison (Turner et al. 2002 Appx)
- Underrepresented Neighborhoods and Alternative market portals
  - Local weekly papers, local public bulletin boards (Turner et al. 2002 Appx)

# Correspondence vs. In-Person Testing

- Cost and Sample Size (Christensen et al. 2021; Kline et al. 2021)
  - Steering and fine geography (Christensen and Timmins 2022)
- Internet age of housing search
  - Internet search just changes the portal through which housing accessed
  - Key issue is how far into the process. Where does discrimination take place
    - Sales testing – directly observe service, rental – at least observe time and access
- Names as proxy treatment for race or ethnicity
  - First names for African-Americans and Asians can signal family unobservables
  - Last names for Hispanics and Asians reduce likelihood of intermarriage and generations in the U.S.
  - Previous work based on accents (Purnell et a. 1999; Massey and Lundy 2001)

# Possible Goals for Large Federally Funded Efforts

- Fund in-person efforts to better understand stages where discrimination is most prevalent and so inform enforcement activities
- Use lower cost correspondence testing for regular monitoring nationwide instead of large, once a decade efforts
- Use lower cost correspondence testing for detailed investigations
  - Geographic variation in treatment based on very low levels of geography
  - Sandwich tests to accurately quantify bias in traditional net measures