

Distinguishing Causes of Neighborhood Racial Change: A Nearest Neighbor Design

Marcus Casey

Abstract

We study neighborhood choice using a new research design that contrasts the move rate of homeowners who receive a new different-race neighbor immediately next door vs. slightly further away on the same block. This approach isolates a component of household preferences directly attributable to their neighbors' identities. Both Black and White homeowners are more likely to move after receiving a new different-race neighbor. Results are robust to additional controls (e.g. income) and alternative research designs. We find evidence of heterogeneity in responses associated with income, density, and region, which has implications for understanding contemporary neighborhood change and prospects for maintaining stable, integrated neighborhoods.