Desegregation and urban change: Evidence from city boundaries

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Public schools in many large cities were ordered to desegregate by race in the late 1960s and 1970s. While school integration generated modest improvements for black educational attainment, it also had potentially large and unintended consequences for American cities. I compare cities that experienced varying degrees of desegregation to their suburban districts over the 1970s, focusing on neighborhoods on either sides of school district boundaries. In white neighborhoods, the average desegregation plan reduced housing prices and rents by 4-5 percent and heightened vacancy rates. In transition areas, rents also declined due to a shift in the composition of the housing stock toward smaller rental units favoring adults over families with children. This historical episode provides an opportunity to estimate the willingness to pay to avoid exposure to black peers, a parameter of continued policy interest.