Dionissi Aliprantis: We're going to start off with a conversation today where we're going to be talking about some issues related to some of my own research, in part, because I know that best, but also because that's going to give our viewers a sense of some of the issues that we're going to be exploring in the future. One of the key mechanisms that social scientists believe helps maintain racial inequality is neighborhood effects. Now, neighborhood effects capture the idea that if you put the same person in two different environments their economic outcomes are likely to change.

Why is that? Because many forms of economic opportunity are accessed through one's neighborhood. So you can think about, for adults, things like access to employment, job referral networks, and for kids you can think about things like future job referral networks or schools and safety. It's the case that in the United States today, Black and white households live in very different neighborhoods, and I don't mean just separate, but very unequal. Even when they have the same incomes, it turns out Black and white families live in neighborhoods with very different socioeconomic characteristics.

I think this is a pretty incredible fact, and it has implications for economic mobility, so let me repeat that in another form. Even when Black households have high incomes, they live in neighborhoods with much higher unemployment rates than white households with the same incomes. To get us into the magnitudes, one statistic you might consider is that Black households with incomes of around $175,000 per year live in neighborhoods with similar unemployment rates as white households with incomes under $10,000 a year on average.

This is, I think, is a really important fact. There's this basic question that you might wonder: Is this fact explained by some aspect of economics that's not captured in income? We know that Black households are overrepresented in big cities where housing is more expensive, and this fact could also be explained by the racial wealth gap.

We know that there's differences in wealth by race, even conditional on income, and those differences in wealth could maybe be a deterrent or serve as an obstacle to Black households moving into high socioeconomic status neighborhoods. In a bit, we're going to discuss some of my research into this question that I've done with colleagues at the Cleveland Fed. But before doing so, we're going to hear from two distinguished guests that we have with us today. I'm really thrilled that this is how our conversations at the PEI [Program on Economic Inclusion] are going to get started, conversations with the two of you. Very, very happy to have you on.

Ingrid Gould Ellen is the Paulette Goddard Professor of Urban Policy and Planning at New York University. She's also the faculty director of NYU's Furman Center for Real Estate and Urban Policy. **Ann Lott** is the executive director of the Inclusive Communities Project in Dallas, Texas.

We're going to start with a conversation a little bit directed toward you, Ingrid. Ingrid, could you tell the audience a little bit about yourself starting professionally, so your title. You're a professor. You direct a center for real estate and urban policy. What does that mean? What do you do, and how do you define success in your job?

Ingrid Gould Ellen: My day job, I like to say, is that I'm a professor and a teacher at NYU's graduate school, Wagner Graduate School of Public Service. We have an amazing set of students who want to go on to change the world and make it a better place, and certainly many of them feel deeply about advancing racial equity. I teach classes, and they are mostly master's students, so they are mostly students who are getting, I don't like to say sort of an MBA for the public and nonprofit sector, but I just said it.

I also am a faculty director at the Furman Center, as you mentioned, which is a research center that focuses on housing and urban policy. It really has four missions. One of its missions is to produce academic research on urban policy issues, and we're particularly focused on housing and neighborhoods and segregation.

A second objective is to provide data and analysis really to the practitioner community. We engage a lot with policymakers, and we try to produce policy analysis and data that's useful. Our third part of our mission is to advance dialogue, have events like this where you bring people together. You bring together researchers and practitioners and people with different points of view to really grapple with some of the most challenging and third rail, often, issues in current policy. Then the fourth is really to train the next generation. Absolutely every piece of work that comes into the Furman Center involves students. If McKinsey came in, they would tear their hair out. That's maybe not the most efficient way, but for us, it's a core part of our mission.

I will say that also a big part of my own work is also just being in my research cave and doing my research, which is all very ... it all connects to real-world policy issues. A lot of that is on affordable housing and neighborhood change and segregation.

Dionissi Aliprantis: OK, great, thank you. I should mention, for people that maybe aren't familiar with you that you're well known in the field for having a lot of students, putting out a lot of work, really prolific. Yeah, definitely it's clear that putting students first is a big part of what you do and trying to think about educating the next generation of practitioners and policymakers and researchers.

I'm curious to know. You said that a lot of the work that you're doing is around affordable housing, segregation. Now, the slightly more personal question, how did you get interested in this work? Were there any personal experiences that drew you to it?

Ingrid Gould Ellen: Yeah, I mean, I would say two things. I think, on the neighborhood front and segregation, I'm going to date myself here, but I grew up in Brooklyn in the '70s, and the color lines were just so sharp at that point. I lived in a pretty affluent white neighborhood, but right across, a quarter mile away from our house was a very different neighborhood with a very different set of resources. That was striking to me. I think that really motivated me to study the segregation and to understand the ways to break down those ... make neighborhoods more equal.

I will say, on the housing front, I also was very fortunate to live in a brownstone in Brooklyn. And I have to say that it gave me a very stable life growing up. I lived there my entire life. My mother held onto it until my father died. It also had some extra space that we took in a lot of people. So there were lots of always extra people and relatives and people who needed some places to live who were living with us.

Dionissi Aliprantis: OK, wonderful. Thank you. Yeah, OK. So then I guess, thinking the professional path that you've been on, could you maybe speak to some of your experiences? I think you've spent some time working, for example, with some local public housing authorities, local governments, private sector maybe. I think you were advising the Department of Housing and Urban Development. I'd be curious to hear about your career path as you got interested in affordable housing and residential segregation. How did you engage with that, and how did you get to where you are now?

Ingrid Gould Ellen: After college, I worked at the department of housing in New York City [The New York City Department of Housing Preservation and Development], and then I went back to get a graduate, master's degree in public policy. I really wanted to become Ann, right? I really wanted to develop affordable housing. I wanted to work in a nonprofit that was addressing the issues that I really cared about. But when I got to grad school, honestly, I kept on getting drawn into their research-oriented classes. I couldn't help myself. So I ended up applying to the

doctoral program while I was in my master's program. I got in, and then I got cold feet. I went and I thought, I really have to try ...

I took a leave for two years to go work, and then I realized then that ... I worked at Abt Associates doing some of the research-based consulting, and I realized the kind of work that really, I found personally very satisfying and fulfilling. I found that it was ... I guess my question for myself was whether I was going to feel that just doing research was going to be too far removed from the issues that I really care about. And I found that it was, for me personally, doing research on the issues that I cared about was the right line. So I went back, and I did get my PhD. Then I was really lucky to get a job at NYU, given that I was born and bred in New York, very happy to go back to New York. Then I've been there ever since.

I have to take in little tours. I do advising with governments. I did spend six months in the beginning of the Obama Administration at HUD [Department of Housing and Urban Development].

Dionissi Aliprantis: OK, so thanks. Yeah, thanks for giving us that insight into your background. With that, I think I'd like to ask you a little bit more focused on the research that you do, and the way you're thinking about the policy space. When you think about residential segregation, you spoke about just the contrast and how you found it. I don't know if shocking is the right word, but there was just this really strong contrast when you were growing up in different neighborhoods, especially along racial lines. I guess the question is why do you care about segregation still today, and why do you think others should care?

Ingrid Gould Ellen: I think that, I mean, you brought this up in your introduction, which is that—and I think this is really important to point out—is that cities in the United States, they aren't just segregated. They're also unequal, right? That segregation, at least in the United States, has resulted in large disparities in resources and services across neighborhoods. As you said, Black households, even after controlling for income, live in neighborhoods with higher unemployment rates, with higher poverty rates, with under-resourced schools, and with more violent crime.

Segregation, in other words, is not creating separate but equal neighborhoods. It is creating separate and emphatically unequal neighborhoods, and there's growing evidence that suggests that those neighborhoods matter. Those neighborhood environments matter.

I've done work, and others have done work showing that segregation, that it appears that living, that Black and Hispanic young adults, who live in more segregated metropolitan areas end up with worse labor market outcomes, lower educational attainment, even worse work outcomes. And so I think that a big part of my concern about segregation really is rooted in those neighborhood disparities, which I think we have lots of evidence to suggest that they matter. I think even if neighborhoods were more equal, I think segregation would still be, or let me say might still be troubling in that it might continue to sustain prejudice and feed racial divisions by keeping people apart. And segregation may perpetuate political divides as well, which in this very politically fractured world I think is something that has certainly become more resonant to me in the last few years. Finally, I think segregation might also undermine overall well-being by cutting off opportunities for interaction, cutting off the flow of information, and inhibiting economic mobility.

Dionissi Aliprantis: Yeah, OK, so thanks. I'm hearing that at its most fundamental level, it's really about economic opportunity that it looks ... it's hard to imagine this kind of layout of our cities or our neighborhoods with ... it's hard to reconcile this kind of layout of our cities together with economic opportunity also being equitably distributed, but then there's this other set of issues that, like this Pew Research Center survey. I mean there's many, but one in particular looking at the limited interactions across race and the ways that you have these different ... you can have almost like [have] different societies.

I guess I'm going to ask you a question to push back a little bit and to see what your thoughts are. I'm reminded of ... Dan O'Flaherty has a quote in one of his papers that I really like where he says there's still in the United States, we have this issue where communications between Black and white Americans, they're garbled by stereotypes and the possibility of animosity, and how much being able to actually interact with each other in constructive settings can maybe break down some of that. I wanted to ... I don't know if I can push back or ask you, how do you see that as a little bit different? There's this very interesting speech that Richard Nixon gave where he talked about thinking about economic opportunity, and he was thinking, look, I don't know if hypocritical is the right word, but it feels a little bit empty to say that people are free to exercise their choices when they don't have the economic means to achieve them.

On the other hand, he talked about the fact that he's not necessarily sure that people should be going around telling an Italian person they can't live in an Italian neighborhood. Are there any ways that you think that, I guess, around race, around ethnicity, some of the ways it might be a little bit different? Maybe another way of asking that is, when you think about the link between the

present and history, do you see any differences across those kinds of different types of neighborhoods?

Ingrid Gould Ellen: I'm not sure I fully understand your question, right? I thought you were going in a different direction. Are you interested in what the policy response should be then in segregation? Is that what you're getting at?

Dionissi Aliprantis: Yeah, a little bit and I guess. You were mentioning that you think it's that having divided neighborhoods or divided cities creates this kind of space for people to just be in different places, unable to communicate with each other, unable to interact, and then that hurts our ability to work together.

Ingrid Gould Ellen: Right.

Dionissi Aliprantis: I guess the question is, do you see any distinctions between ... I guess, yeah, it is kind of a policy question of how do you think about ... what is the appropriate response? If somebody is just moving somewhere because they feel like they have some kind of emotional support?

Ingrid Gould Ellen: Got it, OK, so right. I'm going to take your question a little bit more about what the causes of segregation are, right? I mean and let me just sort of back up also. I feel like we should acknowledge that Black-white segregation has declined in cities really across the United States, but that said it remains stubbornly high in most cities and extremely high in some of them, frankly like Cleveland and like my hometown of New York City, where about in both places about three quarters of Black households would have to move to a different neighborhood in order to fully integrate all neighborhoods.

I think that there are, in a world where ... On the one hand, I think that the research shows that the explicit discrimination, the kind of door slamming that was so prevalent in the 20th century, I can say, has declined, and you have, surveys suggest, more tolerant racial attitudes, but we still are very segregated. I think there's no simple answer to why. I don't think there's a single factor that I can point to, to say, "This is why segregation persists." I think that there is a collection of factors that contribute, and you can divide them into four buckets.

One, as you talked about already and I know you've been doing some really interesting work on economic differences, and there continues to be large racial differences in income and wealth. I think that the median income now of non-Hispanic white households is about $74,000 versus $46,000 for Black households and $55,000 for Hispanic households, but there's quite a bit of

research, including your own, showing that those income differences just simply don't explain the levels of segregation that we see.

I think that wealth disparities, there's been little work until recently, really until your work, Dionissi, on the contribution of wealth disparities. I think there's more reason to think, I mean, the racial wealth divide is just enormous and that those differences can help to contribute, but again, I don't think, this can't ... the economic differences, yeah, can't explain the full extent of segregation, certainly for Black-white segregation.

Secondly, there's discrimination, right? Again, the national audit studies suggest that the really blatant door slamming has diminished, that more subtle forms of discrimination still persist. You see that Black and Hispanic households are told about fewer units. They're shown fewer units, and that kind of discrimination limits information. It increases search costs, and it may discourage minority home seekers from looking at a broader sort of neighborhood.

The third factor is preferences, which is complicated. They're the preferences of, as you mentioned, households of color may have an affirmative desire to cluster in neighborhoods where people share their culture or their background, but the survey evidence suggests that there's ... I don't mean to undermine that at all. People should be able to live where they want to live, but the survey evidence suggests that most Black and Hispanic survey respondents suggest that they have a preference for living in racially and ethnically mixed neighborhoods, right? What seems to be an affirmative preference may be actually an avoidance of moving to whiter neighborhoods, where families fear that they're going to face hostility.

I think it's also important to think about white households' attitudes, too. I mean, actually, my own research has really focused on the attitudes of white households and the residential choices of white households and the role of white avoidance of integrated and predominantly minority neighborhoods. I've found support for what I call the race-based stereotyping hypothesis, race-based, I should say, neighborhood stereotyping, suggesting that white households associate the presence of Black households with declining property values, disinvestment, crime, and this prevents them from even considering moving to more integrated neighborhoods.

Last, but not least, is the role of public policy, right? Historically, policies such as the enforcement of racial covenants, the siting of public housing, the underwriting requirements for FHA loans, which redlined racially mixed areas, created and certainly perpetuated segregation. Those historic practices have

since been banned, but the residential patterns that they created are sticky. They're stubborn, right? As Barack Obama said in his race speech quoting William Faulkner that the past isn't dead. The past isn't even past, that these are patterns that really are, like I said, sticky, and also there are current day policies that continue to perpetuate segregation, most notably, perhaps, restrictive land use regulations.

Dionissi Aliprantis: Yeah, I think that's a really nice introduction into a conversation with Ann. Ingrid, thanks for your comments. I feel like we could talk all day about these issues.

Ann, I'd like to turn to you now, and I'd like to ask you to maybe tell the audience a little bit about yourself, again maybe starting professionally, so your title. You're the executive director of the Inclusive Communities Project in Dallas, Texas. What does that mean? What do you do, and how do you define success in your job?

Ann Lott: First of all, thank you for the opportunity to talk to the audience. I, too, enjoyed the conversation with Ingrid. I appreciate the work that both of you are doing. It really informs some of the work that we do at the Inclusive Communities Project.

If I had to describe our work, I would just say that we really ... there's three major areas of focus. The first one is just the work that we do to create and foster inclusive communities for all the reasons that Ingrid has already spelled out, so I won't go into a lot of detail about that. But we really do believe that an inclusive and diverse community is the healthiest community, and it's a neighborhood and community where the families that we serve can thrive.

We also work primarily, well solely, with low-income families. It's extremely low-income families, as that is defined by HUD, so typically our families earn $14,000 or so a year, and it's 30 percent of the area median income for the Dallas-Fort Worth (DFW) area. They are looking for housing with their housing vouchers. What we are attempting to do is to expand their housing options and expand the choice that they make with their housing vouchers.

I've found before I worked with the Inclusive Communities Project, I worked for a season with the housing authority in the city of Dallas [The Dallas Housing Authority], and so I know the intent of the housing voucher is to open up access to some of these thriving communities, but more often than not, it's not there for all the reasons that Ingrid has already discussed. We work really hard to open up the housing opportunities for families in some of the higher-income

areas. In doing so, we often address the barriers that really keep our families locked in high- poverty, high-crime areas, and so we work to address the barriers of discrimination, a pattern of discrimination and racism in housing in the DFW area.

Dionissi Aliprantis: OK, thank you. I do want to get to the work that you're doing now because I think it touches on a lot of these issues. But before we get there, I'd like to ask again a kind of personal question. I just am curious to know what kind of personal experiences drew you to this work? How did you get interested in it? Then I'd like to hear more about your professional path, like how you started down this road and how you got to where you are now.

Ann Lott: Well, I'm going to date myself, too, Ingrid. I also grew up in the cities, and I had parents who grew up in the segregated South, right? They grew up in segregation. They went to the all-Black high school. They lived in the all-Black community. When my father was old enough to move, he moved, and he did so by joining the military. He did it solely to get out of the segregated South and to move to healthier neighborhoods and healthier communities, so I personally grew up in inclusive communities.

I grew up in diversity, where my classmates didn't all look like me, and I absolutely loved it. One thing about the military, you're going to experience different cultures. You're going to travel to different places and as you go to school with people who don't look like you, as you live next door to people who don't look like you, one of the things that you learn really early in life is that we all pretty much want the same things. We're not alien. This is not alien at all. I absolutely loved that experience to live in a community where people are Black, and white, and they're Asian, and they're Latinx. That has been my personal experience, and so I agree with it on a personal level.

When I moved to Texas, I did not find an environment like that that I grew up in. I grew up in San Diego, California. In Texas, the racial lines were a lot more defined. If you're Black, you're going to live in the southern sector, and if you're white, you're going to live more so in the northern sector. I had never seen anything like it, quite frankly. I had never experienced that level of segregation.

I started my professional work with the housing authority and working directly with the housing authority I came to realize that OK, the racial patterns that we see are by design. This was intentional. You built affordable housing for people of color in some of the worst geographical areas in the city. That has been my experience.

While the research has informed a lot of my work, I think just the biggest thing that's shaped my perception and my views are working with the families that live in public housing, providing services to the families that are looking for housing with their vouchers. I spent years working in the public housing industry, and I never came across a family that was there by choice. That may surprise a lot of people, but mostly the women with the small children were there because they had no other options. They didn't even get an opportunity to choose which community they could live in. All of these decisions are made for them and for their households.

What I found is that when you give them that opportunity to make a decision, when you give them sometimes resources that would help them make the move, they, by and large, choose to move. Very few people, when given opportunities, choose to stay in a community where the poverty rate is high and where the crime rates are high and where it's predominantly minority. That may seem shocking to a lot of people, but I think that's what really informs my choice. When the families that we serve are given the choice, they seek out neighborhoods with good schools. They seek out neighborhoods where they feel safe and where they feel like they can thrive.

Dionissi Aliprantis: Thank you. That's beautiful. Thanks for sharing all of that. Yeah, it's definitely the case. There's some very recent research coming out showing, for example, that if you provide households with housing choice vouchers with more information about schools that they make quite different decisions about where they move.

I guess I'm curious to know, to hear a little bit more about your experience working with those families, so in terms of ... what are some of the obstacles that you see for families that want ... you said, families want to make those moves. What are some of the obstacles that you've encountered in your work?

Ann Lott: The biggest obstacles that we face is just an unwillingness of landlords and property owners to take the rental assistance, and so even though they have the voucher that would help them afford to move to some of these communities, they are having a hard time finding landlords who will take their vouchers. You have cities within the DFW metroplex where there is absolutely no affordable housing to low-income families that's available. This is by design. This is by choice. You have 97 percent of the landlords with properties in the higher-opportunity areas who will not accept the Section 8 voucher.

I know high opportunity means different things to different people, so let me narrow that down. I'm talking about the areas where the poverty rates are

below 10 percent and where the neighborhood schools are exemplary. Those landlords in those areas will not accept any kind of rental assistance, and that is the biggest barrier that families face.

Ingrid Gould Ellen: Can I jump in and just ask one question? Ann, I'm just ... How do you work with those landlords? What are you doing to try to bring those landlords, what do you think it takes to bring those landlords in to get them to participate in the voucher program?

Ann Lott: You know, it's really hard, Ingrid, when the market is so tight. When the market is at 97-98 percent, it absolutely is difficult, if not impossible, to persuade multifamily landlords to take the vouchers. About 70 percent of the families that we see that live in these higher-opportunity areas, live in single-family homes. It is a lot easier to talk with, we call them, the mom-and-pop landlord. It is a lot easier to talk with them and persuade them to give the family with the voucher a chance, particularly if they get an opportunity to meet the family. They are more likely to give them an opportunity, and that's where we have our biggest success is with those single-family property owners.

Dionissi Aliprantis: I'm curious to know, Ann, and I'm curious, again getting back to this issue of the role of economics relative to other factors, with those landlords, how much do you think comes from, I don't know how you would call it, administrative burden of dealing with, for example, collecting payments? How much do you think it is just not wanting to deal with the population of people that holds vouchers? Is there some sense that you have about what are the different factors driving that unwillingness to accept vouchers? I guess, also, maybe connected with that is if a market started to cool off a little bit, do you think ... what do you think the prospects are in that kind of a world?

Ann Lott: When the market is soft, our prospects are greater. We do have landlords, multifamily landlords, who will agree to take the voucher if they have an occupancy, or a vacancy rate around 10 percent. That's when they begin to get nervous, and they will accept a voucher holder under those circumstances.

Yes, you are correct. A lot of the owners who refuse to take the vouchers, they rarely say it's because of the families. I think they've gotten politically savvy or maybe racially sensitive, but very rarely do they say, "We don't want to lease to those people." I have heard that over my tenure in housing, but usually they will cite they don't want to work with the bureaucracy, particularly here in Texas, where we just think that we should be our own person. We should pull ourselves up by our own bootstraps, and they're just fundamentally opposed to the idea that people will receive, in their view, something for nothing. They

simply just don't want to deal with the hassle of a housing authority and the bureaucracy, or they're just fundamentally opposed to the idea of a handout, what they perceive as a handout.

Dionissi Aliprantis: OK, thanks. It's a little bit like the conversation with Ingrid. This is really fascinating, and especially, yeah, some of the things I've been thinking about in this space. I feel like we could speak for a very long time, but I feel like I have to move on to some of the work that I wanted to present, my own research, and I'm very interested to hear the reaction from the two of you.

Before that, Ann, I wanted to ask, could you speak a little bit? Do you have a sense that the households, the families that you work with when they are successful, and we see how in an opportunity neighborhood, so when your efforts do pay off, what kind of experiences do they have when they're there? Can you tell me some of the obstacles and maybe some of the success stories, some of the wins that you all have had?

Ann Lott: Sure. I think the biggest success story, the thing that we hear the most is that the families feel safe. That's, by and large, the first thing that they say. "I live in the community, and I just feel safer." Those kind of ... that safety is really just in the eyes of the beholder, but they report that they feel safe.

They also report that they love the education that their children are receiving. Some of the children may struggle, but they can see that the quality of the education is so much superior to where they were. They report that they like that there's more resources within the schools, more options within the school. That's, by and large, what they report.

They also love the amenities of the community. They love the shopping. They love the parks. A lot of them report that all of those amenities are within walking distance, and so they can walk pretty much any place they want to go.

Some of the drawbacks is that if you ... We find that when we move them to some of the outer-ring suburbs that are still kind of developing, and they report that they feel a little bit isolated that the people in these communities live in houses with big fences, and no one interacts. They feel like they've lost their sense of community. They report that their neighbors are not friendly, and they don't know their neighbors, and they'd prefer to live in a community where there really weren't as many high fences, and that they were able to have the interaction with their neighbors.

They also report it's expensive. It's expensive to live there. These neighborhoods, in order to get there, a lot of them, you have to pay a toll, and so just paying the toll to get to and from the places you want to go is a big drawback. Then, lastly, they report, for those who have a complaint, their number one complaint is that they feel the racial tension, and they feel like they are racially profiled. When they walk into a convenience store they feel that they are racially profiled. They say sometimes they walk in public spaces, and people look at them like they don't have a right to be there are some of the experiences that our families share.

Dionissi Aliprantis: Thanks, Ann. Yeah, so I'm going to come back to some of these issues with the research I'm going to talk about now. But I have to point out the conversation about schools that kind of resonates with me. I've worked with kids in Cleveland, and I think it's one of the more interesting findings about the Gautreaux Housing Mobility Program, where kids initially moved, and they reported like, "I've got all this homework now," and their grades fell when they started. But then they figured out the pace of things, and they were able to catch up, but initially things got worse, right? It took a transition.

Yeah, so I'm going to try to be quick, but I think this sets the stage nicely for some of the research I'd like to get your feedback on and hear your reactions to ... about the racial wealth gap and thinking about access to opportunity neighborhoods.

A little bit about myself. I'll just say it. My dad grew up in poverty in Greece after World War II, and so when I was growing up, in high school and college I was really interested in economic development at an international scale. I worked a lot with a medical nonprofit in places like Haiti and the rest of Latin America. I think that part of my life was really summed up by this famous quote by the economist Robert Lucas [Jr.] that's, "once you start thinking about growth, it's hard to think about anything else."

Then, so at some point in graduate school, I read this collection of Gandhi's work called *The Essential Gandhi*. I think that book really changed my thinking. I had to engage with Gandhi in a way that wasn't just a cartoon character or this caricature of his ideas, but really, I think he has very deep philosophical ideas about the ways that we're both powerful and also powerless in ways we don't always appreciate.

One of the things that he really emphasizes is just this power of example and the power of self-improvement. I think of this quote from [the book] *Doctor*

Zhivago about the attraction of an inward music from truth rather than the power of the lion tamer that just forces people to do things.

I started reflecting on this issue of self-improvement and my immediate surroundings. At the time I was in Philadelphia, and I realized I was very interested in international development, but I realized I knew a lot less about what was going on in places like North Philly than I did about what was going on in other countries. I started thinking about some of the issues around racial inequality in the US. I, in some sense, in Philadelphia had similar experiences as both you, Ingrid, and you, Ann, about recognizing at some point there's something in the air. It just feels like these kinds of divisions of our neighborhoods are just something that we have gotten used to breathing. It's in the water. Then you take a step back and you realize, wait a minute, this is ... If these neighborhoods were all organized this way according to people's eye color or hair color, you'd be really weirded out, right? You realize that same kind of thing.

Yeah, so I've been thinking in terms of the economics research about these issues, I guess, ever since then. This project that I'd like to tell you all about is kind of an extension of some earlier work, trying to think about the work of the sociologist William Julius Wilson, thinking about neighborhood effects, effects of residential segregation, and trying to think about how to explain this fact that even with the same incomes Black and white households live in very different neighborhoods.

When I started thinking about this with my colleagues, my colleagues, I think, were a little bit more open-minded at the start, but I was just very convinced this is about the racial wealth gap. I'm going to tell you the reasons why I thought that.

The reasons I thought that one was it's huge. Even with the same levels of income, Black and white families or households have very different levels of wealth. To me, it's like, look, this is just a clear obstacle that's explaining why these households, even high-income Black households aren't able to get to those neighborhoods. It's an obstacle.

The other reason I was so convinced is I was coming to it from the perspective of my father, who was an immigrant from Greece. When I think about these nonfinancial factors, every summer when I was growing up, we would go back to Greece, and we would go to the village on the island where my dad was from. He just felt so much more comfortable there.

Greek was his native language. He spoke English with an accent. Culturally, he was just much more comfortable there. You could see it when he was there with his friends, but there's so much more economic opportunity in the US, and that's, in some sense, is why he came here.

From that perspective, I approached this question, and I thought, OK, we're just going to document this is one more reason that we should really care about the racial wealth gap. It's driving these kinds of neighborhood patterns. But when we got into the data and we started looking at it we found ... I was pretty shocked. Wealth doesn't seem to matter that much.

We've really p-hacked the data. That means, we cut the data many different ways. I was very convinced that it was just ... had to find the right way to show it. I was very determined and spent a lot of time trying to do this, but it turns out that it just wasn't about wealth. It just isn't the explanation. We really found the same thing for the cost of housing.

Then we kept looking in the data, and one thing that we found is we can explain this fact. The way that we can explain it is when Black households live in Black neighborhoods, they tend to live in much lower-socioeconomic status neighborhoods than white households with the same household income, but when Black households live in any other kind of neighborhood, they tend to live in neighborhoods with essentially the same socioeconomic status as their white counterparts with similar incomes. Then you start looking across cities, and you see that, typically, there's not a lot of neighborhoods that are both kind of high SES or socioeconomic status, and high share of Black. When you start looking across cities, you can see that as the supply of neighborhoods in the city that are both high SES and high share Black goes up, so does the neighborhood SES of Black households. It seems like there's kind of this tradeoff in terms of where Black households are able to live.

I'll offer a few speculative comments. I think I'll be very speculative here, and then I'm going to turn it back to the two of you to hear your thoughts. It seems to me there could be really three main reasons for this. One is discrimination in the housing market. It could be that, as we said, maybe landlords, maybe realtors are hiding units. The reason why I'm a little bit skeptical as this being the main driver is that we see this pattern at all income levels that includes high-income households. As Zillow and Realtor become more of a thing, I think that the capacity to hide units from those households, it just seems hard for me, for that to be the explanation. It might be. I'm telling you this is very speculative.

It could again be this issue of cultural affinity. You feel more comfortable speaking Greek. It could be that there's this attachment to community and family in Black neighborhoods. But I guess, for me, the issue there is then why do we see such stark lines, such stark residential cutoffs if that were the story.

Then the third issue is this issue of hostility in majority white neighborhoods, so some of the stories that you just recounted. I'm thinking about what the sociologist Elijah Anderson calls being Black in white spaces. That to us has started to emerge. It's taken us a little while to get our minds around these results. But I guess the take-home points for me are when we think about this issue about psychological safety. Whatever its contribution to this, it's probably relatively large, and so it makes us think that psychological safety, it isn't just this kind of touchy-feely thing that it actually really matters for economic mobility and economic opportunity. So it's a really important issue.

The other one there is that whatever these issues are, it looks like, at least through this neighborhood effects channel, equalizing the racial wealth gap or the racial wealth distribution, it wouldn't resolve these racial differences in economic mobility through neighborhoods. It's about these maybe deeper societal issues. With that, I'm curious to hear if either of you have any reactions to that or thoughts.

Maybe I could also put it in these terms in a constructive way. In both of your experiences, do you have thoughts on how do we create these kinds of spaces where there is psychological safety, where people do feel comfortable, that are welcoming, and where everyone can feel like they belong? How do we create those spaces, especially in high-opportunity neighborhoods?

Ann Lott: Wow. I would not discount the discrimination in the housing market, and it's true with Zillow at least. We are more aware of the options and the opportunities that are out there, but I think it's naïve to think that people of color still can access those opportunities.

Yeah, and I'm thinking about it both. It's really clear when I'm talking about my work. It's absolutely clear. I see it every day. Just because you have the resources with a voucher to access the market doesn't mean you're going to access the market. I do believe that if the complexion of the Section 8 program was whiter, we would not see the level of discrimination that we see today. Ingrid, you'll have to confirm that, but I believe that when the program was predominantly white ... before it was a voucher program it was a certificate program, and did you see a little bit more mobility when the households were white?

Having said that, we should not discount the cultural affinity. I keep thinking about what you said about the Italians. I don't know if you can remember, you said, "I'm Italian, and I want to live in an Italian neighborhood. Why do you think that that's ... why is that not good?" To that, I would say, if you're Italian and you want to live in an Italian neighborhood, you should live in an Italian neighborhood. I think the biggest question that we have, though, or the problem that we have is that what if you're Italian and you want to live in a diverse neighborhood, and you're blocked from doing that? You're denied that access and that opportunity, and that's what people of color are more likely to face. We don't always have that full range of opportunity, and so, by default, we go back to that place that we know we're welcomed, and we know that we're safe. That's my perspective, Ingrid. I would love to hear what Ingrid has to say.

Ingrid Gould Ellen: Yeah, Ann, that was really insightful. I mean, I think that Dionissi, I mean, I think that the work is really compelling, and I think it's really important. As I said earlier, you're really the first researchers that have really been able to show the degree to which racial differences and wealth, which my priors were also that that was a big part of segregation. I mean, I think that your story of the psychological safety and fear of hostility is part of the story.

I think there's some other things that, again, I wouldn't discount ongoing discrimination. I also wouldn't discount the role of historical, the legacy of discrimination, and just the memory, and also, frankly, like all of us when we go into our housing searches. I mean, Ann, you know this better than anybody. We all go in with really narrow blinders on, right?

I think that that is people go where they're used to going. That's where everybody went, and people don't think like, "Oh, I'm going to reinvent myself and go." I think a lot of it is social networks and norms.

Then the other thing that I would say also is that I do feel like the one thing I would say is I feel like you're discounting a little bit the role of white household choices, white choices, right? Again, if you look at neighborhoods that become integrated, 98 percent of them in the '90s became integrated through families of color moving into white neighborhoods, right? It's like, never happened, but now, since 2000, we're seeing this little uptick, which may be gentrification where you're seeing 94 percent, I think, of neighborhoods now that become integrated, become integrated through families of color moving into white neighborhoods.

I think a big part of the issue is that the white households are continuing to cluster. They don't have the same kind of, I think... I don't know what I share to

white people, in general, culturally, so I think that's an important part of the story, too.

Dionissi Aliprantis: Thanks, Ingrid. Thanks, Ann. Yeah, this is great feedback and great conversation. I wanted to just wrap up with really just one last question for each of you. I don't know. We can flip a coin. Maybe, Ann, you'll go first, since we started with Ingrid for the larger conversation. That is, what did I not ask you that I should have?

Ann Lott: I think we need to have more of a dialogue about how the location, the place where you live, particularly if you're a person of color or low income. If you're wanting to break out or break that cycle of generational poverty, it is really difficult to do so, unless you move out from among an area where there's high poverty and low-area median income. I think that we can't discount just the role that that plays, particularly when dealing with lower-income families.

The thing that drives my work and what makes me so passionate about what I do is that you actually do see those outcomes for the children that live in thriving and healthy communities. You do see them go on to higher education or learn a trade, and we actually are seeing a second and third generation of children who never lived in poverty. I just think that that is something that we could've spent more time talking about.

Dionissi Aliprantis: Yeah, I think that intergenerational perspective and just thinking about something, when I think about the work that you're doing, you just think of how hard it is. We don't have, I think, a lot of policies where you feel like you can say this. I'm not saying it entirely solves, but it addresses intergenerational poverty in a really serious way, and I think the work that you're doing really does. I'm glad that I asked that question. Ingrid, do you want to take a try at that?

Ingrid Gould Ellen: Yeah, although I don't know. I think the question you didn't ask maybe that is really about what should we do about this from a policy perspective, basically because we ran out of time, I think. Frankly, I don't think I can answer that in the time that we have left. I may punt it and just say, segregation is not going to end on its own, or it's going to take a really long time, right? I mean, it was decades in the making. It's going to take a long time, and the amazing work that Ann and her colleagues are doing, I think we do have to ... I think we need to invest in information and search tools. I think we need to tackle local land use. I think that there are a lot of regulatory barriers.

I think we need to continue to combat discrimination. I think we need to ensure that we have equitable funding of public services, so we don't have the kind of

divides, which not only are inequitable in themselves, but they also, frankly, perpetuate stereotypes and segregation. Finally, we need to reform our housing policies to ensure that they truly further fair housing.

Dionissi Aliprantis: OK, wonderful. Well, Ingrid Gould Ellen, Ann Lott, thank you so much for coming to this discussion. We are very appreciative of your time, of the work that you're doing, and yeah, I hope our paths cross again before too long.

Ann Lott: OK, thank you.

Ingrid Gould Ellen: Thank you.

Dionissi Aliprantis: Thank you.