

Steven: Hello, and welcome to the Inequality Podcast. I'm Steven Durlauf. On today's show, we have two interviews, both dealing with the question of neighborhood effects. What is a neighborhood effect? It's really an effort to measure the influences that the location in which your child grows up has on educational outcomes and subsequent outcomes in adulthood. This is a fundamental dimension of inequality. It is natural in thinking about the effects of the first 18 years of life on children to focus on family influences. But family, important as it is, is only one part of the puzzle. A second dimension is to understand social influences, and that's why neighborhoods are an essential component in understanding the determinants of economic success and economic disadvantage. In the first segment, I'm joined by three leading sociologists whose work on neighborhood effects has been deeply influential to me and who have co-authored really foundational work on the question. The first is Felix Elwert, a sociologist at the University of Wisconsin-Madison. The second is David Harding, a sociologist at the University of California-Berkeley. And the third is Geoff Wodtke, one of my colleagues here at the Stone Center, where he is an Associate Director. This will be an opportunity to turn the tables on him since Geoff is usually the person conducting interviews. In our second segment, Geoff and our fellow Associate Director Damon Jones will talk to Marissa Thompson of Columbia University. Her work focuses on important dimensions of neighborhood effects driven by education, because after all, one's neighborhood helps determine what school one attends. Her work specifically examines the ways in which parents make choices, and actually constrain choices given housing and rental prices, with reference to where they want to live, with a very specific focus on how parents perceive the racial and socioeconomic composition of neighborhoods as mattering for the choices they make as parents as to where to live. But first, here is my conversation with Felix Elwert, David Harding, and Geoff Wodtke.

Steven: I honestly cannot think of any three scholars whose work on neighborhood effects has had a deeper influence on my own research. I'm really excited about the opportunity to talk with you. I thought maybe the best way to start is to ask about the main findings you've had in different dimensions of this agenda, and I was hoping we could start with your work on the dynamics of family and neighborhood influences.

Felix: Neighborhood effects are a really old topic in the social sciences, in sociology as well as in economics. Neighborhood effects describe the fact that the residential environment of individuals affects their outcomes. This is not just a descriptive statement. We already know people are sorted in place; this is really clear in racial segregation and income segregation of neighborhoods. We also know that outcomes cluster in space; for example, the difference in life expectancy at birth between the highest and lowest US counties has been 41 years. What's less well established is whether these associations between residential environment and people's outcomes are

actually owed to a causal effect or if that's just an artifact of selective choice of residents. Our work tries to disambiguate between neighborhood associations and neighborhood effects. We're interested in figuring out whether neighborhoods make a difference for people's outcomes.

Steven: Might you then elaborate on the specific findings you have about timing and neighborhood effects?

Geoff: Sure, let me first say that it's a lot easier hosting than being in the hot seat. Getting to findings, it might help to start with a bit of context on how I first got interested in this type of research. When I started grad school, it was just after the Moving to Opportunity study, which was a randomized housing mobility experiment that assigned participants either to receive housing vouchers to move to lower poverty neighborhoods or no housing assistance. They had just released their interim impacts assessment, the first wave of interpretation and discussion of those results, which showed that on educational outcomes, the intervention didn't seem to have a very large effect. The aura around campus at Michigan among researchers interested in poverty and inequality was that, oh wow, neighborhoods don't matter. To me, that couldn't possibly be the case. Dave, Felix, and I, and others, set off to figure out what social scientists were kind of missing here. Pat Sharkey and Jacob Faber, who are sociologists working on similar topics, wrote this great paper maybe a decade ago called "Where, When, Why, and For Whom Does Neighborhood Poverty Matter?" I sort of like to think that our research, the three of us together, has kind of been trying to fill in answers to some of those questions imperfectly. We started with the when and the for whom. We looked at how living in a high-poverty neighborhood from birth through adolescence, so long-term residence in these environments, affected outcomes like high school graduation and the risk of teen parenthood. We found, rather unsurprisingly in hindsight, that kids who spent their entire childhood in these environments were doing much, much worse on these outcomes than students who had grown up in more advantaged environments. We also found that the experience of these long-term exposures to high-poverty neighborhoods was hugely unequally distributed by race. In subsequent work getting at the question of when does living in a high-poverty neighborhood matter, we tried to sort out exactly what stages of child development living in a high-poverty neighborhood seems to be most consequential. We found some evidence that for outcomes like high school graduation and teen parenthood, living in a high-poverty neighborhood later during adolescence seemed to be much more consequential than living in a high-poverty neighborhood earlier during childhood. All of these consequences we also found were exacerbated or compounded for children living in families with relatively higher incomes. If you're living in a lower-income family in a lower-income neighborhood, outcomes seem to be the worst for that particular group. If you're in a relatively higher-income family, it seems like you're potentially buffered from

some of the negative consequences of spatially concentrated poverty.

Steven: These particular findings were very influential in my interpretation of work I've recently done with Yoosoon Chang and Joon Park of Indiana University Bloomington, and Seunghee Lee, who is at the Korean Development Institute. The basic finding we found in this work is that if you look at the influence year by year of parental income on predictions of child permanent income, there's essentially a monotonic relationship in the sense that the adolescent years are particularly influential in predicting the outcomes for children in adulthood. I bring all of that up because it's very much consistent, I think, with the findings you have on the relative importance of neighborhood effects in adolescence. One of the messages I took from your work was that we need to rethink what parental incomes are doing for children. One idea is that income provides the necessities of life directly. The second idea is that it provides memberships in neighborhoods and memberships in schools. That type of income influence is qualitatively different from the necessities-of-life one. But if you take that route, it's very consistent with your findings: what shows up in the purely statistical, correlative exercises is interpretable via the things that you've identified.

Felix: I think that's right, Steven, and this speaks to two questions: the question of timing and the question of mechanisms. Let me speak to the issue of timing. There's much evidence that early childhood interventions are highly efficient because they compound or accumulate over time to create large effects in adulthood. These findings are very well established, and we really have no beef with them. But our work points out that interventions on childhood neighborhood environment appear to have no effect on educational outcomes, net of interventions on neighborhood environments in adolescence. If hypothetically we were to intervene on childhood neighborhood circumstances, that will have an effect, and that effect will likely compound. If, however, we additionally intervene on adolescent neighborhood circumstances, that adolescent intervention will dominate and possibly even supersede the earlier intervention. If we had the choice between intervening early in childhood and in adolescence, I think at this point it's not quite yet clear where we would want to intervene. Intervening in early childhood would allow more years for effects to compound. Intervening in adolescence would supersede the earlier intervention and potentially have larger effects right off the bat.

David: I'll pick up on Felix's invitation to talk about the mechanisms, because I think that helps us understand what's potentially going on with adolescence and neighborhood effects. We've basically talked about four categories of mechanisms. One is the physical environment, and Geoff's recent paper about exposure to toxic pollutants is important there. The second is the cultural environment of the neighborhood that young people are exposed to. A third is the

institutional and other resources. The fourth is the social organization of the neighborhood, which is a very long-standing sociological concept that talks about the way in which people in a neighborhood are connected to one another and can act collectively for the common good. Just as an example for thinking about adolescence: what's the capacity of people in the neighborhood to come together to exert control over what happens in public space, whether we're talking about truancy or violence or even just monitoring what's happening with the neighbor's kids? If neighborhood effects are concentrated among adolescents, a lot of those mechanisms make sense. We're not so worried about very young children, who are very much focused on their parents and family, and it's much easier to buffer the impacts of the neighborhood for younger children. But when kids get to adolescence, they're much more engaged with their peers and much more independent, so they're much more exposed to all those possible mechanisms in particular.

Geoff: Attention to the developmental specificity of the different mechanisms is also hugely important for thinking about when neighborhoods matter. Environmental health hazards, which are unequally distributed across neighborhoods, very likely matter a lot more for very young children when they're most susceptible to the influence of toxic hazards compared to older kids who are further along in their development and biologically less sensitive to some of these things. Whereas things like peer influence or culture don't really make sense when we're talking about neighborhood effects on infants and toddlers. When we're talking about adolescents, those are surely among the dominant mechanisms that might explain neighborhood effects. It always helps to think longitudinally about what growing up in different neighborhood environments actually means and which sets of mechanisms might operate more or less strongly at different points in the life course.

Steven: That relates in my mind to one perspective on neighborhood effects and people from disadvantaged neighborhoods: the set of events in adolescence which can have disastrous consequences for subsequent prosperity. Obviously, one is pregnancy, another is incarceration, and another is drug usage. In my reading of the ethnographies of Kathryn Edin and others, what defines successful parenting in certain neighborhoods is that your children avoid these things, and these are things that we don't necessarily have on the radar screen in terms of how we identify good parenting. Could you elaborate a bit on thinking about the role of neighborhoods in allowing adolescents in this very complicated time of life to avoid these events, which have extremely persistent consequences?

David: You hit the nail on the head. If you're a parent raising a child in a concentrated poverty neighborhood, what you're trying to manage is just so much more than what middle-class parents have to think about. A lot of your parenting energy does go to avoiding those

particular hazards. Even to the point of keeping your child alive in some neighborhoods: one of the most spatially patterned social phenomena there is, is violence. It's an organizing feature of many high-poverty neighborhoods, at least in the United States. If you talk to parents raising kids in high-poverty neighborhoods, that's what they're focused on. Success gets redefined. Not that they don't aspire for their kids to go to college and talk to them about the value of education; I think nobody knows better the value of education than people who are struggling in the labor market without it. But in terms of the day-to-day work of parenting, the immediacy of those dangers can really take over.

Steven: Thinking about policy from this vantage point, one conclusion I draw from your work is that we have to think harder about integration. Economic and racial integration is essential in reducing intergenerational persistence and in simply reducing the probabilities of difficult life outcomes. That's politically problematic on many dimensions. But one of the messages I took was that thinking about the portfolio of inequality and anti-poverty policies, one part of it, as Felix said, is early childhood investment; I don't think anybody wants to argue that that's not important. But maybe the complement to that in the efficient portfolio of policies is policies that really do promote greater socioeconomic desegregation, or, in the theory of the second best, as it were, diminish the consequences of socioeconomic segregation. Inequalities in school expenditures, of course, can be equalized by setting different rules. But my sense from your work is that we have to think harder about that: it really is integration itself that needs to be the policy goal. Do you think that's an over-interpretation?

Felix: I think that's right, Steven. However, I think the devil will be in the details. The evidentiary basis for the causal effects of desegregation along this or that dimension is actually not as strong as we would like it to be yet, so this calls for further research. There's really strong, dependable evidence for the effects of segregation. But one thing that is difficult when thinking about measures to desegregate is that it can be difficult to override individuals' preferences. Owens, for example, has written a great paper in which she speculates that maybe school and neighborhood segregation to an extent substitute for each other: that is to say, if school choice is allowed, people have less of an incentive to segregate a neighborhood. If neighborhoods are desegregated, then maybe there's a greater impulse to segregate at the school level. I don't think these are healthy impulses, but they are very well documented, especially for racial and socioeconomic segregation, which is increasing in the United States.

Steven: Those are important points. Even though there's been some controversy in the empirical literature, I think the evidence that school busing programs in the 1960s and 1970s were undermined because

parents chose different school districts is a fact that happened, and it was the way in which preferences overrode integration policy. The politics of implementing these policies has to be accounted for. I will add anecdotally: I was actually listening to the debate between Eugene McCarthy and Robert Kennedy in 1968 before the California primary. McCarthy, in the debate, actually referred to the isolation of American ghettos as a form of apartheid and said that something had to be done to break them up, and Bobby Kennedy attacked him. Even people who had pristine liberal credentials found that something that did not resonate. That all said, one doesn't want to lose attention on the idea even if it's politically problematic, and we have to recognize that preferences can cut in many different directions. Just to add one more detail to what you said, Felix, there's also the issue of parents avoiding public schools and using private schools in response to different policies designed to equalize.

Felix: That's right. One area where there's hope, I think, is that despite very strong parental preferences, especially on the racial composition of schools, there's good evidence that parents are actually terrible judges of the value added of their schools in the sense that racial composition is not a great correlate of school quality. That's what I mean by saying that designing these policies will be difficult: finding solutions to problems that have bedeviled our country for too long.

Geoff: If there's anything that our research suggests in terms of policy, it's that whatever those policies designed to achieve greater integration and mitigate the harms of spatially concentrated poverty might be, there's going to have to be a sustained long-term commitment to them. I get the sense that a lot of the policy community wants quick fixes, one magic thing to solve a problem that has complicated roots in history. There's a lot of history and sociology on where highly concentrated segregated neighborhoods came from. It was a function of one of the largest internal migrations in American history from South to North to satisfy labor demand in northern cities in the wake of World War I, which accelerated through World War II. This concentrated large numbers of low-income people who experienced incredible segregation in very small geographic areas of cities. Then the economic base that drew those people there in the first place completely fell out from underneath them in a matter of 20 or so years through deindustrialization. The idea that we're going to turn around those massive historical changes with some relatively simple, costless intervention is just wishful thinking. Whatever the interventions might be, they're going to have to be sustained, probably for as long as it took for the problem to materialize in the first place.

David: Just to put a finer point on what Geoff is saying, we don't want you to walk away from this podcast thinking that people's individual preferences are what are driving neighborhood segregation. As you mentioned, Steven, this is largely a story about race; decades

and decades of policy decisions have created the level of segregation we've got now. That is also maintained by individual preferences, but the preferences we're talking about are the preferences of middle and working-class white families about where they want to live and where they want to send their kids to school, and the way that race is used as a signal by those families for the "quality of schools or neighborhoods." There's a classic paper by Steve Raudenbush and Rob Sampson that shows that if you ask people where the most dangerous neighborhoods are, they will simply identify the Black neighborhoods in the city, even though there's actually not that strong a correlation between crime rates and racial composition.

Steven: I wonder if we could turn to your recent work on neighborhood versus school effects? In thinking about the importance of location, there are different dimensions to consider. One of them is the people one interacts with day to day, one form of a neighborhood effect. Geoff mentioned another, which has to do with the environment. Unsurprisingly, many people conflate or equate neighborhoods with schools. Your work has challenged that. Dave, would you mind taking the lead to describe your findings?

David: The basic question of that paper is how much of the neighborhood effect on educational outcomes, in this case, reading and math achievement scores, can be accounted for by the schools that kids from different neighborhoods attend. The short answer is none, which I think surprised us and surprised a lot of other folks as well. The reason for that is largely because neighborhood characteristics are sort of uncorrelated with the school quality measures that actually matter for children's educational achievement. What the neighborhood characteristics are correlated with is the demographic composition of the schools, but that's not a very good predictor of kids' achievement scores.

Geoff: School quality is an extremely amorphous concept, and it's very difficult to measure. I don't think we claim to have definitively measured it or measured it with more accuracy than others, but what we showed is that however you measure it, whether that's in terms of resources like expenditures per pupil, climatic measures like classroom disorder, or catch-all measures like value added which capture how much a school directly contributes to students' learning as measured by reading and math test scores, on any of these measures we don't see very large differences across high versus lower poverty neighborhoods. What we do see big differences across neighborhoods in is the demographic composition of students, but as Dave mentioned, that's not the strongest predictor of test scores. It's other things like value added and other indicators of quality that just don't really differ that much between high and low poverty neighborhoods. There are some caveats. We focus specifically on elementary schools and even more specifically on first-grade classrooms within elementary schools. I suspect the story could be different in high school during

adolescence, where the degree of heterogeneity in the curriculum is just much greater across schools than it is in first grade, where pretty much every first-grade classroom is trying to teach kids how to read and basic numeracy.

Felix: It is possible that our finding that neighborhood effects are not mediated by elementary school quality is actually the result of sustained policy reform over the last decade or two. It's still a well-entrenched perception that elementary schools vary quite dramatically across neighborhoods, but new research, including our own, suggests that that's just not the case anymore. Elementary schools don't really vary that much anymore because there are standardized funding keys, mandates for student-teacher ratios, teacher training, and increasingly standardized curricula, so that what kids learn in the vast majority of elementary schools in the United States is actually quite uniform. That doesn't rule out some disaster stories at the lower end of the tail and some amazing schools at the upper end, but in my experience in informal conversations, we tend to overemphasize the experience of the extreme tails of the distribution, perhaps because, as academics, we are so focused on the upper tail of the achievement distribution in our own families. For the most part, though, these schools seem to be quite exchangeable, so it's post-hoc not so surprising that elementary schools don't seem to contribute much to the neighborhood effects on kids' educational attainment.

Geoff: If you listen to public debate, talk to other parents, there's this almost uniform perception that schools in poor neighborhoods are underfunded or funded much worse than schools in higher-income neighborhoods or the suburbs. I came armed with data for this question. The average tuition for private elementary schools in the US is around \$12,000 per year. These schools typically have other funding sources from an affiliated church or something, so maybe their actual expenditures per pupil are higher, maybe let's say \$15,000 a year. As a point of comparison, Chicago Public Schools spend nearly \$30,000 per pupil annually, and the national average for public schools is around \$13,000. In local discourse, Chicago Public Schools are widely perceived to be bad as a whole relative to private schools or suburban schools, but that certainly doesn't map onto differences in their funding.

Steven: It seems to me you're developing really quite a broad vision of the interactions of social and family factors. The first set of findings you had are looking at trajectories of family measures and neighborhood measures, and you found in economist jargon, dynamic complementarities: there was an interaction between the quality of the neighborhoods as you've measured it and aspects of family resources. Your second paper, in contrast, found that the school and neighborhood effects were in some sense additive; there was not an interaction between them. What Geoff put on the table was that that may have

something to do with the fact that you constrained elementary schools, and so the way to square the circle is that if you were to look at high schools, the associations would reemerge. I wanted to say all that because I think it's illustrative of the richness of this body of work. You've taken the inequality literature back to thinking about childhood and adolescence collectively as trajectories of experiences, and found that the timing of things along these trajectories matters in and of itself, but also that there are interesting differences in the interaction structures. That's not so much a question as the way I wanted to process your findings using the economist template.

Felix: That's a good way of thinking about the problem. Another way of thinking about it: the institutions or contexts we've talked about, family, neighborhood, and schools, are schools the most equal among those three? They're not equal, but if we're talking relatively, inequality in per-pupil expenditures is a small fraction of the level of inequality in say, household incomes. When thinking about substitutability and complementarity, it helps to keep in mind just the range of variation or differences across the different settings. There are schools, especially elementary schools, where there's just not as much variation. People also spend relatively less time in schools. We're born into a family in a neighborhood, and we die in a family in a neighborhood, but school doesn't start until age four or five; we only spend six to eight hours a day there, and most of us are done by age 25 or so. The scope conditions for the imprint of schools are comparatively less than, say, families or neighborhoods, and that's just important to keep in mind when thinking about how these things substitute or complement one another.

Steven: Could you say something about the identification problems you've had to overcome? Something lives in the background here, which is that these are extraordinarily hard phenomena to isolate in data. I would really like you to share with the audience what the conceptual challenges are in being able to distinguish neighborhood versus family effects.

Felix: There are two main estimation challenges. The first is selection. The second is the dynamics of selection. Selection just means that people's outcomes may differ across neighborhoods, not because the neighborhoods cause them to be different, but because different people were selected into these neighborhoods, where selection could be a choice or external constraints like force and racism. To control for that, one would either need a randomized experiment that just randomizes people into neighborhoods, but we don't have that; or quasi-experimental variation in people's neighborhood location, which is very hard to come by; or very large datasets that control for the richest imaginable set of selection factors. That's the route we've taken. Because controlling for observables is always enjoyed with provisos, we often add formal sensitivity analysis to this work where we try to figure out how much

unobserved selection there would have to be in order to flip the direction of our estimates. By and large, we find that quite a bit of unobserved selection would still have to be available, net of everything that we control for, to subvert our results. The second problem is that people don't just select into a neighborhood once and then they're done for life. Rather, they potentially make a choice about where they want to live every few years, every year, maybe even faster. So the selection problem appears and reappears at every iteration of the cycle. Even the best randomized experiment so far hasn't addressed that, because neighborhood randomization in MTO and some other experiments happened just once at baseline. If people then move away, the duration of neighborhood exposure will not be the result of the initial randomization, and so we'd be back to an observational study. To solve that, we've imported and adapted techniques that were developed in biostatistics for estimating causal effects of complicated treatment regimens or treatment sequences over time, because structurally, the problem that folks in biopharmacology face is really quite similar to the problem that we face in neighborhood effects research, with a sequence of choices about neighborhoods, schools, and outcomes that get iterated over time.

Steven: I can't thank the three of you enough for a wonderful conversation.

Felix: Thank you, Steven.

David: Thank you.

Geoff: Thanks, Steven.

Steven: In thinking about the work that has just been described, neighborhood effects are not coincident but associated with schools. One reason for that is when parents make decisions on where to live, they're thinking about the schools their children are going to attend. One of the foundational dimensions of inequality in America is understanding the interactions of socioeconomic segregation of neighborhoods with racial segregation. If we're asking why children experience different outcomes when they reach adulthood, one of the reasons is that they grow up in different places and attend different schools, and the quality and characteristic differences of schools and neighborhoods help influence their opportunity sets. Once one thinks about neighborhood effects, one has to think about the process by which families are segregated along the dimensions of ethnicity, income, and race into distinct neighborhoods. That leads to the work of our next guest, Marissa Thompson, who is a sociologist at Columbia University. Her work focuses specifically on the role of education in shaping inequality, and she has been a leader in studying the way in which parental perceptions of neighborhood quality determine the choices they make as to where their children live. In this conversation, she will speak with Stone Center Associate Director

Geoff Wodtke and Damon Jones about her research and the current state of school segregation in America.

Geoff: Today, we're joined by Marissa Thompson, who is currently Assistant Professor of Sociology at Columbia University. Marissa's research focuses on the causes and consequences of racial and socioeconomic inequality with an emphasis on understanding the role of education in shaping the outcomes of different groups over the life course. Thanks so much for joining us, Marissa.

Marissa: Thanks for having me.

Geoff: I thought a good place to begin would be with a little overview of the current state of school segregation by race and class in the US. How extensive is school segregation at our current historical moment, and how has it changed over the past 30 to 50 years?

Marissa: Most children in the US are attending schools that are racially and socioeconomically segregated. Many students are attending schools where their own race is overrepresented relative to the racial demographics of their communities. Part of that stems from the fact that neighborhoods continue to be racially and socioeconomically segregated, and about 75% or so of students are attending their own neighborhood public schools. The school segregation we see is flowing from the fact that neighborhoods are already segregated. How much segregation has changed over time is complicated because it really depends on what exactly you mean by segregation, how you want to measure it, whether you're talking about racial or socioeconomic segregation, and the level of segregation you're interested in. You could think about segregation as being within a school: if you have students of different races or socioeconomic backgrounds in different classrooms, that would be within-school segregation. Then there's between-school segregation but within the same district; between different districts; and then broadly across bigger metropolitan areas. The best estimates I've seen suggest that income and socioeconomic school segregation tends to have increased over the last 25 or so years, whereas racial segregation has mostly stagnated. We are at pretty high levels though, so just because it's not necessarily getting worse doesn't mean we've fixed our school segregation problem, in spite of the really remarkable positive changes we saw after Brown v. Board, where schools were becoming, particularly in the South, much less segregated. School segregation is associated with a number of valued life outcomes. Places that tend to have a lot of school segregation also tend to have a lot of racial and socioeconomic achievement gaps, tend to have less income mobility, tend to have funding disparities, and school discipline disparities. The link between school segregation and these outcomes is pretty complicated, and it's not clear exactly what mechanism leads to these negative outcomes. But looking at the causal effects of court-ordered desegregation on academic outcomes for Black children in districts

subject to court-ordered desegregation, we do find really positive effects on achievement and income, with positive spillover effects on siblings and children, from Rucker Johnson's work and others. So there's a lot of evidence that seems to suggest that desegregating schools would lead to positive outcomes. It's just not clear how we get there. Is it because of changes in funding? Is it because of broader psychological changes where attending better-funded schools leads to higher levels of self-efficacy? But we do see that lowering levels of school segregation is associated with really positive outcomes.

Damon: Now, I wanted to get into more of your own research related to parental choices and how they're tied up with patterns of school segregation. Obviously, there are lots of things that contribute to school segregation historically: legislation, housing policy, district boundaries, and so forth. But clearly, a big part of this is parents' decision-making over where to live and, relatedly, where to send their kids to school. Could you tell us a little bit about the role of parents' beliefs, preferences, maybe their conscious or even unconscious biases, and how these shape the racial and socioeconomic composition of schools?

Marissa: We know that parents pick neighborhoods based in part on the schools that are in that district, and some 75%-plus of students are attending their zoned neighborhood public schools. So the neighborhood that a parent picks does flow into the school their children end up attending. Obviously, neighborhoods vary dramatically in the cost of living and accessibility to different families, so it's not as if any parent could just pick any neighborhood they want to live in. But advantaged parents who have the ability to choose do tend to choose neighborhoods based in part or entirely on the school system. Parents' beliefs are a big part of why we see school segregation, in part because people have biased views of the quality of the school options they have in ways that are based on race and SES. Some of my own research, as well as research by Chantal Hailey and others, has shown that people have biased views of schools that serve high proportions of Black children or low-income children, and think that they're lower quality than otherwise similar schools with fewer Black children or fewer low-income children. So parents are picking these schools based on their perceived quality, but perceived quality is a racialized feature.

Geoff: So there's been this rise of online platforms like GreatSchools.com. When they first launched, the information they offered about schools was pretty sparse: maybe only racial composition, school free lunch composition, and then average test scores. Now, if you go on, they have all sorts of information, including things like equity rankings for a school. How does the rise of these platforms influence parental decisions about schools, and do they mitigate or maybe even exacerbate school segregation?

Marissa: GreatSchools is a really interesting case because, as far as I understand, it was introduced in part to democratize information that advantaged parents already have. And yet it's the advantaged parents who are most able to take advantage of the information on something like GreatSchools, which leads to more segregation. There are a couple of working papers that have shown that access to these rankings, which are flattened measures of school quality that don't necessarily take into account all of the things we might think go into a "good school," leads people to self-segregate based on them. Families with the means to do so will move into districts with higher-ranked schools, and that can actually lead to more segregation, not less. The equity ratings are also interesting because they were introduced in part to mitigate the extent to which GreatSchools was driving the geographic concentration of advantage. However, some of my current work shows that while parents do have positive preferences for equity rankings, they value them much less than they value other aspects about a school like its average achievement, and average achievement is very correlated with the income of a school district in particular. So they're still sorting based on metrics that could lead to more segregation, and the equity rankings aren't necessarily disrupting that.

Damon: Could you describe for our listeners what exactly the equity rankings are and how they're calculated?

Marissa: On GreatSchools, the equity rankings are meant to illustrate the extent to which a particular school is serving disadvantaged students relative to how other schools in the district are serving disadvantaged students. Looking into it more, it seems to be the extent to which there are racial gaps and socioeconomic achievement gaps in a particular school relative to other schools in the district. So if you have a school, it's a measure of whether it's doing better or worse at serving students who are eligible for free and reduced-price lunch or Black and Hispanic/Latino students relative to white and Asian students in a school system. In any case, my research has shown that people don't value equity rankings as much as they value other aspects.

Damon: When you talked about parents' beliefs about school quality and it being biased, it seemed like there may be some objective things that they're just incorrectly projecting onto a school based on the composition of students. But is it all a bias, or if you have preferences over the racial composition of the school, is it a different type of issue? Are they making a mistake, or do they know their racial preferences and they're just expressing them when they're saying that this is not a good school?

Marissa: You could look at it both ways. You could think about the extent to which parents have different objective measures of, for

example, the average achievement of a school based in bias on racial or socioeconomic composition, but also parents may just have racial preferences that could either be based in some sort of racism or racial bias, or could be thinking about some of these social psychological aspects like belonging or how welcoming a school is. Some of my work has shown, consistent with other work, that Black parents have strong positive preferences for schools with more Black children. I wouldn't necessarily think of that as a racial bias; they might be looking for a welcoming environment, a place where their kids are going to fit in or not be the only ones. So I don't necessarily think that having race-based preferences means there are strong biases. But when we see that schools experimentally assigned to have the exact same rankings are then rated in terms of quality differently because there are more Black or white students, that's evidence that people are looking at these schools differently purely because of the racial composition.

Geoff: So, another thing you've studied is parents' perceptions of the degree of segregation in their districts and how those perceptions square with reality. Do parents have accurate perceptions about how segregated their districts are?

Marissa: My co-author, Sam Trejo, and I looked at this in a study that recently came out in *Sociology of Education*. We were interested in understanding if parents understood how segregated their own districts were, and we weren't expecting them to. I think most people don't have a good idea of how segregated their districts are, particularly when it comes to economic segregation. We were curious about variations in beliefs about the levels of school segregation, and also whether providing accurate, tailored information about someone's district could change their personal and policy preferences about policies in their district to reduce the amount of economic segregation. Getting to the punchline right away: we don't find any treatment effects. Even though parents, on average, really underestimate how much segregation there is in their district, we find that correcting those misperceptions doesn't do anything to change their personal or policy preferences. You might have thought that an information intervention, I see these all the time on social media, where people say well we should just tell people how much inequality there is, and then they'll be motivated to do something about it, and at least on the issue of economic school segregation, that doesn't seem to be the case. We're giving people tailored information about their own school districts and telling them in many cases that it's much more segregated than they think, and yet it doesn't move their preferences around any number of policies that could reduce local segregation.

Damon: So do you think that in some ways, liberal white parents' stated preferences for integration and diversity, if they hold those preferences, maybe they're not acting on them because they perceive segregation to be lower than it is in fact? And then you tell them

things are much worse, and it still doesn't change their behavior or preferences; what should we make of those stated commitments to diversity and integration?

Marissa: I think parents do tend to think differently about issues related to schooling for their own children than they may think about other social issues, and differently than the beliefs they think they hold. Even though people say that segregation is important, even though people say that diversity is important, it doesn't seem as though giving people information about inequality can move their preferences when it comes particularly to their own kids. If the goal is to lower levels of school segregation across race and across SES, I think we might need to start thinking outside the box because these campaigns to change hearts and minds, and relying on that as the mechanism through which we're going to lower school segregation, does not seem to be very effective or very efficient. It might be time to start thinking about other types of policy interventions. Obviously, we saw that court-ordered desegregation was remarkably successful in lowering levels of school segregation. I'm not sure that would be as tenable in today's political climate, but you could also think about economic incentives. I'm not an economist, but I can imagine that if there were tax breaks for living in a particularly racially or socioeconomically integrated neighborhood, maybe people would be more likely to do so. If you created more magnet schools that brought together people of different backgrounds, maybe that could lower levels of school segregation. I think we need to start thinking outside the box because I'm not sure that appeals to people's goodwill or to the ideal of education as a public good is necessarily going to get us much further on this issue.

Damon: Can I follow up on the magnet schools? I wanted to ask about school choice more broadly. It may not be the common thing that most students experience; there's usually just a town with a high school. But in a place like Chicago, there's a debate going on about how much school choice there should be or how much we should focus on neighborhood schools. I get the sense that school choice is a way to have intra-district segregation and maybe keep certain families in the school district while allowing them to segregate within the school. Can you speak to any of that, or is there any research on it?

Marissa: School choice is a really interesting phenomenon. It's sometimes put forward as a way to lower levels of school segregation, although that's generally not what bears out in the research. Research by Peter Rich, Jennifer Candipan, and Ann Owens found that in districts with charter schools, an increase in charter school enrollment corresponded to increases in school segregation but decreases in residential segregation. So people are living in more racially integrated places, but still going to different schools. There's other research that shows this as well. Jared Schachner, who was here at the University of Chicago, has some research on this. We

generally find that when given the option, people tend to segregate by race and by SES, so school choice may be just creating more opportunities to segregate, even if it might be lowering residential segregation, which is a benefit for society in its own right. Gentrification also has an interesting relationship to school segregation. Pearman and Swain, for example, find that when there are school choice options in a community, neighborhoods tend to gentrify faster because people can move into those neighborhoods but don't have to send their kids to those neighborhood schools. I personally am not convinced that charter schools are going to save us on this issue, but maybe a policy intervention that created magnet schools or created lotteries based on socioeconomic distributions in a school could do something. The problem is that those policies are legally precarious. It's probably easier in this political climate to make a school assignment program based on socioeconomic status than to do something based on racial demographics in terms of an assignment policy for schools or a lottery for school choice.

Damon: You mentioned needing to think outside the box in terms of policy, and so we've talked about GreatSchools potentially making things worse, more information about school quality possibly leading to higher levels of segregation because more advantaged families are better equipped to act on the information, the equity ratings not seeming to move the needle, and providing people with more information about the degree of segregation not having very large effects on their attitudes toward different integrationist measures. So what do you have in mind when you think outside the box in terms of possible interventions or policy measures to try to attenuate school segregation along class or racial lines?

Marissa: One thing that comes from a recent paper by David Houston and colleagues showed that when people find out the learning rates of a school, when that information is not presented alongside the average achievement level, that can actually have desegregating effects, because learning rates are not correlated with neighborhood income in the same way that average achievement is. But parents have a really hard time recognizing what a "good school" in terms of its learning rate looks like out in the wild, and so they're not very good at sorting on that, even if that's maybe the better measure of school quality over average achievement. One potential fix, at least if we're committed to putting these rankings online, is to remove some of the information that drives segregation while retaining the information that we think might lower levels of segregation, thinking here about learning rates versus achievement. Broadly, I think this is a massive policy problem and is going to require a massive policy solution, in part because it's also so related to the neighborhoods that people are living in. There are a couple of different ways we could think about it. We could try to lower the average level of school segregation by having kids move into different places via neighborhood schools. Or we could raise the quality of the schools: if we think that school

segregation is a big problem because Black and Hispanic/Latino students are attending underfunded schools, then giving more funding to those schools without necessarily also changing the composition could have some of the desired effects. Not to say that I don't support desegregating schools, but I think there are a number of different ways we could tackle both our education problem and our segregation problem.

Geoff: All right, well, thank you so much for a really interesting discussion.

Damon: Thanks for coming.

Marissa: Thank you.

Steven: The Inequality Podcast is a production of the Stone Center for Research on Wealth Inequality and Mobility at the University of Chicago. I want to end the podcast with thanks to the people who really make it happen. First, I want to thank our producer and engineer Shane McKeon. Second, I'd like to thank our assistant director Gerardo Espinal Franco for the production oversight and doing everything that is required to bring the podcast to fruition. And finally, I'd like to thank our executive director Grace Kolavo for her support, not just for this project, but for every activity at the Stone Center. You may get in touch with us at stonecenter@uchicago.edu. Thank you so much for listening.

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