

# The Long-Run Effects of Residential Racial Desegregation Programs: Evidence from *Gautreaux*\*

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## Abstract

This paper provides new evidence on the long-run effects of residential racial desegregation programs by studying the Gautreaux Assisted Housing Program. From the late 1970s to the 1990s, Gautreaux assisted thousands of Black families in relocating to predominately White, mostly suburban neighborhoods. We link historical program records from Gautreaux to administrative data and use plausibly exogenous variation in neighborhood placements to estimate the effects of Gautreaux on the long-run outcomes of children. Being placed in a White neighborhood significantly boosts children's future lifetime earnings, employment, and wealth. Gautreaux children placed in a White neighborhood are also significantly more likely to be married and twice as likely to be married to a White spouse. Moreover, neighborhood placements through Gautreaux shape the neighborhood choices of Gautreaux children in adulthood. Children placed in White neighborhoods during childhood are residing in neighborhoods that are significantly less Black with more non-Hispanic White residents nearly 40 years later.

**Keywords:** Neighborhoods, Desegregation, Children.

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# 1 Extended Abstract

Residential segregation by race remains a persistent feature of U.S. housing markets. Despite declines in segregation during the past four decades, the average Black household currently lives in a Census block that is 54 percent Black, although Black households make up only 12 percent of the population. A large social science literature, both theoretical and empirical, provides evidence that Black-White residential segregation has important effects on economic and social outcomes of Black families (Wilson, 1987; Cutler and Glaeser, 1997; Denton and Massey, 1993; Ananat, 2011; Chetty et al., 2020).

However, empirical evidence on the effects of policies that reduce residential racial segregation is limited. A robust and growing literature examines the impact of school desegregation policies (Bergman, 2018; Billings et al., 2014; Johnson, 2011, 2019; Guryan, 2004), but there is comparatively little on the impact of policies to reduce *residential* desegregation. The Moving to Opportunity (MTO) experiment provided rigorous evidence on the impact of changing residential segregation by income but did little to desegregate on the basis of race. Even among MTO participants who leased-up in low-poverty neighborhoods, only 18 percent moved to neighborhoods that were majority White.<sup>1</sup>

In this paper, we study the long-run consequences of the largest residential racial desegregation program in U.S. history: the Gautreaux Assisted Housing program. From 1976 to 1998, the Gautreaux program helped more than 7,000 Black families living in urban neighborhoods in Chicago move to private rental housing. The result of a class action lawsuit, the Gautreaux program inspired numerous suits across the country to desegregate housing via housing policies such as public housing or vouchers.<sup>2</sup> Gautreaux was designed to place Black families in mostly White, frequently suburban neighborhoods. As a result of its emphasis on reducing racial segregation, 83 percent of households that participated in Gautreaux moved to neighborhoods where the fraction of Black households was less than 30 percent.

At the outset, it is unclear whether and by how much moving to a White neighborhood may affect outcomes for low-income Black families. On one hand, the children and adults in Gautreaux could benefit from living in neighborhoods with potentially lower crime rates, attending schools with greater resources, or through higher employment rates (Clampet-Lundquist et al., 2011). On the other hand, Black families moving to White neighborhoods could face hostility from White institutions or neighbors, exposing them to new risk. For example, Black children could face increased stigmatization or scrutiny in White neighborhoods by police (Bergman, 2018) and receiving White neighborhoods could alter public investments

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<sup>1</sup>Similarly, Chyn (2018) studies the impact of relocating due to public housing demolitions finds large reductions in neighborhood poverty exposure, but minimal change in exposure to greater racial diversity.

<sup>2</sup>Following Gautreaux, similar suits were initiated in: Baltimore (MD), Buffalo (NY), Cincinnati (OH), Dallas (TX), Memphis (TN), Miami (FL), Minneapolis (MN), New Haven (CT), New York (NY), Omaha (NE), Pittsburgh (PA), Port Arthur (TX), Toledo (OH) and Yonkers (NY).

to curtail opportunities for Black families (Derenoncourt, 2022). Moving to suburban areas could also reduce participant’s proximity and access to social networks. Finally, children of Gautreaux households that relocated to suburban neighborhoods attended majority-White schools. Prior research suggests that this change could increase the incidence of risky behavior and interactions with the criminal justice system (Kling et al., 2007; Clampet-Lundquist et al., 2011; Chin, 2021; Bergman, 2018; Bacher-Hicks et al., 2019).

While the Gautreaux program sought to move families to predominately White, mostly suburban neighborhoods, it was a frequent challenge for program administrators to find sufficient affordable rental units in White communities that would lease to Black families using vouchers. As a consequence, some Gautreaux families were placed in predominately Black neighborhoods that were deemed “revitalizing.” Since most Gautreaux families were placed in units identified by program administrators according to an initial registration ordering, we argue that being placed in a White or Black neighborhood was plausibly exogenous to family circumstances. We show that after accounting for factors considered by program staff in placement—namely, the location at intake—Gautreaux families placed in White neighborhoods were observably similar across a range of baseline characteristics to other Gautreaux families from the same neighborhood who had been placed in Black neighborhoods.

We construct novel data linking digitized historical records from the Gautreaux program to administrative and Decennial census data to conduct the most comprehensive analysis to date for adults and the first long-run study of children’s outcomes as adults. We estimate the “treatment” effects of moving to predominately White neighborhoods on the adult labor market outcomes of children by linking to more than two decades of earnings and employment records from the Longitudinal Employer-Household Dynamics data. We study impacts on marriage, interracial marriage, incarceration and home-ownership by linking to the 2010 Decennial Census. We investigate effects on mortality by linking our sample to the Census Bureau’s version of the Social Security Administration’s Numerical Identification (NUMIDENT) file. Finally, we examine whether the children in Gautreaux families chose to live in more racially diverse neighborhoods as adults nearly 40 years later using longitudinal address data from the Census Bureau’s Master Address File Auxiliary Reference File (MAF-ARF), derived from tax records and other sources.

Compared to those placed in segregated, Black neighborhoods, children of Gautreaux participants placed in the predominately White neighborhoods targeted by the program experienced significant gains across a range of economic measures. We estimate that Gautreaux children placed in White neighborhoods earned about \$2,500 (32 percent) more at age 24 than Gautreaux children placed in Black neighborhoods. By age 38, Gautreaux children placed in target neighborhoods have accumulated \$51,000 (16 percent) more in lifetime earnings than their counterparts placed in Black neighborhoods. Treated children also spend more years with formal labor market attachment. These improvements in labor market outcomes appear to

have implications for household wealth: we estimate that treated children are 6-9 percentage points more likely to be a homeowner by their mid-30s, and live in neighborhoods with lower poverty rates (2.5 percentage points).

The impacts of Gautreaux were not limited to standard economic outcomes. Being placed in a White neighborhood during childhood has profound impacts on the neighborhood choices of Gautreaux children in adulthood. Nearly 40 years later, the children of Gautreaux participants who moved to a White neighborhood are living neighborhoods that are significantly more diverse than their counterparts placed in Black neighborhoods. Treated children are in neighborhoods that are, on average, 35 percent Black, 9.8 percentage points lower than children placed in Black neighborhoods, and 38 percent non-Hispanic White, 6.6 percentage points higher. We show that these effects are not driven by increased tendency to live with parents or increased propensity to live in their original placement neighborhood in adulthood. We also find that treated children were 24 percent (6.9 percentage points) more likely to be married in the 2010 Census and about twice as likely to be married to a White spouse (2 percentage point increase).

This paper offers several contributions to a large literature studying whether and how neighborhoods shape outcomes of children. Most notably, our analysis innovates and extends on previous research on the Gautreaux Housing Assistance Program in four main ways. First, we provide the first comprehensive long-run evidence on the impacts of Gautreaux placements on children. We break new ground by examining important outcomes including earnings, wealth (as measured by home-ownership), and social outcomes such as marriage. Prior work on Gautreaux children was limited to impacts on criminal justice involvement (Keels, 2008) and mortality (Kling and Voturba, 2009). While long-run studies of Gautreaux focused on impacts on adult mothers (DeLuca, 2005; DeLuca et al., 2010). Second, we estimate the effects of Gautreaux placements nearly four decades after the intervention which allows us to examine the persistence of impacts on earnings and study other important long-run outcomes such as the later-life neighborhood choices of children. Third, our analysis relies on the most complete records of Gautreaux participants linked to administrative and census data. Early studies of Gautreaux families relied on small-scale surveys with relatively high rates of non-response and focused on short-run impacts (Rosenbaum, 1991, 1995; Rosenbaum et al., 1991; Rubinowitz and Rosenbaum, 2000).<sup>3</sup> Finally, the research design for our analysis allows us to obtain more convincing evidence on the impacts of moves generated through the Gautreaux program. We isolate plausibly exogenous neighborhood placements with a research design that differs from earlier studies of Gautreaux. We provide evidence that our research design addresses concerns over selection bias and provide a range of sensitivity analysis that further support a causal interpretation to our findings. Overall, our analysis of Gautreaux provides the first comprehensive analysis of the long-run impacts of a residential racial desegregation program in

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<sup>3</sup>For example, the only study of Gautreaux impacts on children's post-secondary outcomes (Rosenbaum, 1995) relied on survey responses from just 55 children.

the U.S.

We also shed light into how the effects of reducing racial segregation compare to the impacts of decreasing income segregation alone. As noted above, the MTO experiment offers landmark evidence on the effects of reducing exposure to concentrated poverty, but MTO treated households typically relocated to majority minority neighborhoods. Consistent with the MTO results, we find that moving to White, low-poverty neighborhoods through Gautreaux generated large improvements in labor market outcomes. That said, we conduct supplementary analysis and find that moves through Gautreaux had relatively distinct impacts on neighborhood choices. We link the MTO sample to address records from MAF-ARF and show that Black children in MTO chose neighborhoods with notably lower poverty rates in adulthood but only small differences in racial composition. In contrast, moving to a predominately White neighborhood through Gautreaux lead children to select neighborhoods as adults that are significantly more White and less Black. We show that these effects are unlikely to be explained by the effects of moving to lower-poverty alone and are more consistent with increased childhood exposure to diversity changing preferences for racial diversity in adulthood. Moreover, we also demonstrate that Gautreaux relocations cause children to choose neighborhoods as adults which offered higher-levels of predicted upward mobility (based on [Chetty et al. \(2018\)](#)) relative to MTO. This suggests that moves through Gautreaux may have larger impacts on second-generation outcomes.

Finally, our work also contributes to our understanding of the effects of policies and programs that aim to reduce to U.S. racial segregation. Prior work has predominately focused on understanding the impact of school-based desegregation and found evidence of notable benefits for minority children. [Guryan \(2004\)](#) finds that court-ordered desegregation led to reductions in the dropout rate for Black students. [Johnson \(2011\)](#), [Johnson \(2019\)](#) and [Anstreicher et al. \(2022\)](#) find that Black children exposed to school desegregation have improved labor market outcomes and were less likely to be incarcerated. [Bergman \(2018\)](#) finds that a school integration increases college attendance, but also arrests for non-violent offenses. Relative to these studies, we provide the most comprehensive long-run evidence on the effects of a large-scale residential racial desegregation policy.

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