

The (Express) Way to Segregation: Evidence from Chicago

Abstract

How do man-made barriers shape racial segregation within cities? I exploit the construction of expressways in Chicago in the 1950s as a source of variation in neighborhoods' quality and connectivity. Central to the analysis is the consideration that these multilane roads (i) produce a local shock to residential amenities, and (ii) divide the areas they cross through, creating local barriers to the interaction of nearby communities. I find that expressways affect within-city racial segregation through two main channels. Through the first – the price channel – racial segregation increases because of income differences between Black and white residents, which on average lead the two groups to react differently to changes in house prices induced by proximity to expressways. Through the second – the physical barrier channel – racial sorting appears to be affected by expressway-induced changes in accessibility to different portions of the city and, in turn, to neighborhoods with different demographic compositions. Motivated by these findings, I build a structural urban model that studies the link between urban barriers and racial preferences in shaping the allocation of people across space. Next, the model will be used to estimate racial preference parameters and to undertake counterfactual experiments to inform current public policies targeting the social issues of transport infrastructures within US cities.

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