African Americans and Latinos encounter discriminatory treatment approximately 20 percent of the times they inquire about renting or purchasing a home according to the Urban Institute’s most recent nation-wide housing discrimination study (Turner et al., 2002). While this represents a lower level of discrimination than was found ten years earlier, it demonstrates that discrimination persists as a systematic reality in the nation’s housing markets. But discrimination is more subtle today than in previous decades. Rental and real estate agents no longer hang out the equivalent of “NINA” (No Irish Need Apply) signs. The explicitly racist language that permeated underwriting guidelines of financial service providers and codes of ethics of realtors has largely disappeared. But major metropolitan areas continue to experience hypersegregation and its associated costs, and discrimination is a major contributing factor (Massey and Denton, 1993; Lewis et al., 2004).

Several subtle practices have been uncovered among housing and related financial service providers. Minorities are shown fewer homes. Real estate agents provide minority homeseekers less information about financing and fewer services in the homeseeking process. Racial steering, whereby Whites are encouraged to look in predominantly White neighborhoods while minorities are directed to integrated and predominantly non-White areas, has actually increased in recent years. And it is White families who are likely to be subject to the more explicit forms of steering. Among the comments directed to White “shoppers” in the Urban Institute’s recent study were the following:
I would not recommend (area), it’s totally black. And I don’t like (area), it’s pretty mixed.

(Area) is very mixed. You probably wouldn’t like it because of the income you and your husband make. But I don’t want to sound prejudiced. (Galster and Godfrey, 2005: 259)

Linguistic profiling, where housing providers detect the race of a home-seeker on the phone and screen out minorities, has also been uncovered (Massey and Lundy, 2001; Fischer and Massey, 2004) and such evidence is used in fair housing litigation with greater frequency. Stanford University linguist John Baugh has found that listeners are able to accurately detect standard White, Black, and Chicano dialects and identify the race or ethnicity of the speaker more than 70 percent of the time just from hearing the word “hello”. Baugh, who can speak each dialect fluently, has personally noticed dramatic differences when he contacts housing providers. When he speaks in his White dialect, he is encouraged to visit available housing units. When he uses his Black or Chicano dialects, his calls do not get returned or he is told nothing is available. He now serves as an expert for plaintiffs in fair housing cases (Erard, 2002).

A question that arises, but has never been tested, is whether housing providers respond in a discriminatory manner on the basis of names. That is, do they offer different levels of service to homeseekers who have names that are traditionally associated with White, Black, or Latino individuals. Research of labor market practices has uncovered such outcomes. MIT and University of Chicago economists found that employers in Boston and Chicago distinguished among equally qualified job applicants and responded affirmatively to the question of their study, “Are Emily and Greg More Employable Than Lakisha and Jamal?” When resumes were mailed to employers in those two cities applicants with White sounding names were 50 percent more likely to be invited for interviews even though the Black sounding names were assigned slightly better employment records (Bertrand and Mullainathan, 2004).

We submitted 16 pairs of identical inquiries in response to announcements for rental housing units that were advertised through Craigslist, an electronic listing of housing vacancies, in Boston and Washington, DC. We used two names that are more common among Whites (Neil Kelly and Greg Baker) and two that are more common among Blacks (Tyrone Jackson and Jamal Jones). In six of the 16 cases the White applicant received favorable treatment. In three of these six cases the White applicant received email responses encouraging them to contact the housing provider and visit the unit while the Black applicant received no response. In two others the White applicant received more email responses than the Black applicant. In a sixth case the apartment had been rented but the White applicant was referred to another real estate agent while the Black applicant received no such recommendation. In two cases the Black applicant
received a response when the White applicant did not, but in one of those cases the response came eight days after the initial inquiry and the agent indicated he was having email problems. However, these are anecdotal incidents. We propose a more systematic study that will permit statistically valid generalizations about the Boston and Washington, DC housing markets.

Informal discussions with selected real estate agents indicate that electronic listings of rental housing have only recently become a major source of information for homeseekers, particularly in large metropolitan areas. And they anticipate this will become an even more important source in the near future. Craigslist is the predominant Internet site for rental unit availability. For one month in the fall of 2004, for example, we found approximately 4000 advertisements for rental units in Washington, DC and more than 30,000 in Boston on Craigslist. We plan to select a random sample of all rental housing units advertised for a given month in these two metropolitan areas and send out matched pairs of email inquiries about their availability. We will test an equal number of Black–White pairs and Latino–White pairs. This exploratory study will examine the initial responses from Craigslist advertisers. Consequently it will provide a conservative estimate of the extent of discrimination homeseekers using this service encounter since we will not be studying follow-up visits, responses to formal offers, or other phases of the rental process. We will direct this research with the assistance of the Metropolitan Milwaukee Fair Housing Council which has conducted paired testing and related fair housing enforcement and educational activities for over two decades.

We will employ a simple random sampling design using the following standard formula to calculate the sample size:

\[
\frac{Npq}{[(N - 1) (B^2/1.96^2)] + (pq)} * DE
\]

where \(n\) = sample size; \(N\) = the approximate number of advertisements in Craigslist from the selected month; \(p\) = an estimate of the actual proportion of discrimination in the population; \(q\) = \((1 - p)\); \(B\) = the bound on the error of estimation (.05); \(DE\) = the design effect of 1; and 1.96 is the value from the \(t\)-distribution at the 95th confidence interval.

We do not know the level of name discrimination that exists in the population (i.e. \(p\)), so we have done simulations using three different estimates from the Housing Discrimination Study (i.e. .216 [national proportion of adverse treatment against Black renters]; .257 [national proportion of adverse treatment against Hispanic renters]; .162 [Washington, DC proportion of adverse treatment against Black renters]). With respect to figures for
the population size, we use the counts we obtained from Craigslist for Boston (30,000) and Washington, DC (4000). Due to duplication in ads that appear in Craigslist we also conducted a simulation for a population of 15,000.

Simulations for the sample size $n$:

<table>
<thead>
<tr>
<th>$p$</th>
<th>$N$</th>
<th>$n$</th>
</tr>
</thead>
<tbody>
<tr>
<td>.162</td>
<td>4000</td>
<td>198.315142</td>
</tr>
<tr>
<td>.162</td>
<td>15,000</td>
<td>205.760267</td>
</tr>
<tr>
<td>.162</td>
<td>30,000</td>
<td>207.174397</td>
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<td>273.433395</td>
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<td>.257</td>
<td>15,000</td>
<td>287.812087</td>
</tr>
<tr>
<td>.257</td>
<td>30,000</td>
<td>290.590434</td>
</tr>
</tbody>
</table>

This exploratory research will be the first to examine whether or not housing providers discriminate on the basis of racially or ethnically sounding names, as has been demonstrated in labor markets. Specific outcomes (dependent variables) we will explore include whether or not a response was received to an email inquiry, whether a response indicated the unit was or was not available, whether additional vacancies were offered, the number of follow-up messages received, and level of encouragement contained in responses (including rent incentives and invitations to inspect units). The predictor variable of interest, of course, is the race or ethnicity of the applicant. Other independent variables to be included in the analysis are the type of advertiser (rental company or individual landlord), type of housing unit (apartment, condominium, house), location of housing unit (city or suburb and census tract from which we will examine the impact, if any, of neighborhood racial composition, income, and other socio-economic characteristics), time ad was placed (day of week and week of month), order of submission (whether White or non-White submitted their email request first).

In addition to determining the frequency, if any, with which any race or ethnic group is favored, we will examine the types of conditions under which such disparate treatment occurs. This research will substantially enhance our understanding of discrimination in current rental housing markets and the types of enforcement and educational activities that can reasonably be expected to ameliorate such behavior and outcomes.
As the structure of housing markets evolves, it is reasonable to hypothesize that the nature of discrimination changes as well. Homeseekers and housing providers are increasingly utilizing electronic tools. Researchers and policymakers need to begin investigating these components of the housing market in order to understand the nature and extent of discrimination. Failure to do so may well miss where much of the “action” could be occurring, thus perpetuating the many social costs of housing discrimination.

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References


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Samantha Friedman is an assistant professor of Sociology at Northeastern University. Her research focuses on understanding the causes and consequences of residential segregation for both foreign-born and native-born minorities and on documenting successes that minorities have in overcoming constraints in the housing market. Currently, she is exploring the access that minority homeowners have to racially-integrated and predominantly White neighborhoods and how that affects the stability of such neighborhoods over time. She is also examining the neighborhood quality of middle-class Blacks relative to their White and Hispanic counterparts. She has published articles in *Social Problems, Demography, Urban Affairs Review, Housing Policy Debate, Social Science Quarterly, International Migration Review, Cityscape* and *Population Research and Policy Review.*


Jan Chadwick is a doctoral candidate in Public Policy at George Washington University and teaches Public Policy as an associate faculty member at Eastern University. She has substantial experience in the field of civil rights with 12 years working for the Fair Housing Council of Suburban Philadelphia. In this capacity she worked on dozens of testing studies including projects with the US Department of Housing and Urban Development, the National Fair Housing Alliance and the US Department of Justice. She has written several publications for consumers and housing providers about individual’s rights and responsibilities under the Fair Housing Act.