

The (Express)Way to Segregation: Evidence from Chicago

I investigate how 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 multi-lane roads (i) produce a local shock to residential amenities, and (ii) divide the areas they cross through, by creating local barriers to the interaction of nearby communities. I document the effect of proximity to expressways on racial sorting, running difference-in-differences specifications with multiple time periods. I find that proximity to expressways is associated, on average, with an increase in the share of Black residents and, at the same time, with a decrease in the valuation of affected neighborhoods. The results are consistent with a resorting of people in response to changes in relative amenity values. Then, I estimate the barrier effect of expressways on opposite sides of the lanes. By increasing the physical separation between different portions of the city, I find that expressways also create a discontinuity along the racial dimension. A higher exposure to Black areas in the city increases the likelihood of a neighborhood to become more Black over time, with milder effects on its valuation. The results suggest that this feature of expressways provides a second channel of racial sorting which depends on individual preferences towards more or less integrated places to live in.