**IMPLICIT BIAS IN HOUSING & LENDING**

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**IMPLICIT BIAS IN HOUSING & LENDING**

**KIRWAN’S WORLDVIEW**

- Race & Cognition
  - Unconscious attitudes/associations that influence decisions/actions

- Civic Environment
  - Interpersonal dynamics
  - Power differentials

- Structural RacIALIZATION
  - History/Systems/Institutions/Policies

Sustained racial disparities

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**RELEVANT KIRWAN WORK**

**FEEDBACK LOOPS IN SYSTEMS OF SOCIAL STRATIFICATION**

**STRUCTURAL DISCRIMINATION**

**IMPLICIT BIAS**

INTERACTION

- STRUCTURAL DISCRIMINATION INFORMS WHAT BIAS PEOPLE INTERNALIZE
- IMPLICIT BIAS PERPETUATES DISCRIMINATION

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**HOUSING, CREDIT, AND THE OPPORTUNITY DIVIDE**

**NEIGHBORHOOD STRATIFICATION BY RACE:**

*Our neighborhoods did not just “end up” like this....*
IMPLICIT BIAS & HOUSING RESEARCH AGENDA

- Understanding lending discrimination
- Historic policies & structural aspects: race = risk
- Rational discrimination, predictive analytics & Big Data
- Persistence of NIMBYism despite growing need for affordable housing
- Housing Opportunity lessons applied: the MTO intervention

WHEN AFFIRMATIVE ACTION WAS WHITE:

HOUSING, CREDIT & THE MYTH OF RACE: RISK

"If a neighborhood is to retain stability, it is necessary that properties shall continue to be occupied by the same social and racial classes. A change in social or racial occupancy generally contributes to instability and a decline in values."

RACE: RISK

PREDATORY LENDING (AKA REVERSE REDLINING)

LENDING DISCRIMINATION CONT'D.
HOUSING INSECURITY = WEALTH INSECURITY

Economic Policy Institute

Median HH Income

Med. HH Wealth

HomeOwn. Rate

Unempl. Rate

CEO-Worker Pay ratio

1968 2016

28k 40k 48k 65k 48k 171k 2k 17k 66 71 41 41 6.7 7.5 3.2 3.8 24 times 272 times

Gray Lines = White
Red Lines = African American

RACE: RISK
LENDING DISCRIMINATION

STRUCTURAL DISCRIMINATION
IMPLICIT BIAS

IB IMPLICATIONS OF RACE: RISK

CLASSICAL (PAVLOVIAN) CONDITIONING
BEFORE

CS
US

AFTER

Segregationist Housing Policies

Neighborhoods of Color (esp. Black, Lantinx, and other immigrant communities) are associated with
• Less market value
• Higher crime
• More risk

IB IMPLICATIONS OF RACE: Research Study

How does the racial composition of a neighborhood impact how individuals perceive it?

IB IMPLICATIONS OF RACE: Research Study

Housing Costs

Safety

School Quality

Property Upkeep

Future Property Values

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For White participants, simply seeing Black residents in a neighborhood elicited more negative evaluations of the neighborhood conditions—even when all aspects except race were comparable between neighborhoods.

People unconsciously use race as a proxy for evaluating neighborhood risk.”

"People unconsciously use race as a proxy for evaluating neighborhood risk.”

–Krysan et al

Predictive Analytics is considered a way to “predict the future using data from the past” (Davenport, 2014, p. 1)

Traditional Credit Reports
Consumer-level characteristics that are relevant to their ability to pay, and/or risk of defaulting, such as bill payment history and whether a customer has filed for bankruptcy.

Credit Reports that rely on Predictive Modeling.
Population-level characteristics that are relevant to socio-economic standing, such as zip code, shopping history, and social media patterns.

Your risk is determined by:
Consumers with similar characteristics (identities/behavior patterns)
Even if someone made all the “right choices”, they may not be given a fair opportunity if they experience other systemic barriers to success, such as living in an impoverished neighborhood.
The need for affordable housing is Acute!

Yet opposition to affordable housing remains firm....

"Two societies, separate & unequal"
IB IMPLICATIONS OF NIMBYISM

Race influences perceptions of 1) neighborhood safety and 2) neighborhood disorder. People rely more on residents’ race for these decisions than logical sources (such as actual crime rates).

IB IMPLICATIONS OF NIMBYISM

One study has demonstrated that public housing is viewed synonymously with many racial stereotypes and racially coded language: “crime, laziness, and danger.”

IB IMPLICATIONS OF NIMBYISM

Another study revealed that whites assumed that the housing stock in neighborhoods with Black residents was less likely to appreciate in value.

IF NOT IN MY BACKYARD, THEN WHERE?

Biased, NIMBY attitudes influence individuals and communities to act against their best interest. Research indicates that NIMBYism creates a barrier for positive housing outcomes, even for those who hold these attitudes against others.

BIASES IN CENTRAL OHIO

• “So I see explicit bias out there in the rental field when landlords say things like, ‘well I really prefer not to have single women with children because they complain more and single women with children, but I know underlying that is, that’s also a cue for African American women with children… They don’t hardly ever say the race thing, but they feel they can get away with saying the gender thing....’”
• “Getting landlords in nice areas to take on housing choice vouchers was really, really difficult. We did some testing on that here at the fair housing center last year and we could not get anyone to accept that, that were not in the inner city or first ring suburbs...We would hear things like, I don’t want those welfare mothers.”

INTERRUPTING IMPLICIT BIASES
**Step #1: Know Your Biases**

The Ohio State University

**Step #2: Change Unwanted Biases**

The Ohio State University

**Neuroplasticity**

- Cells that fire together, wire together!

**Use Mindfulness to Change Your Brain**

- "Mindfulness means paying attention in a particular way; on purpose, in the present, and non-judgmentally." -- Jon Kabat-Zinn

**Intergroup Contact**

**The Neighborhood!...**

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...AND “3RD PLACES”

3RD PLACES CONTD.

QUESTION YOUR OBJECTIVITY

STEP #3: INTERRUPT BIAS IN OUR ENVIRONMENTS

“Would you mind taking notes for the group?...you probably have much better handwriting than me”

INTERRUPTING CONTD.

“We’ve been trying to increase our gender diversity, but we can’t find any qualified women... No, it has nothing to do with bias.”

INTERRUPTING CONTD.

“It would be great if you could organize coffee and breakfast for the next meeting...”
BE AN ACTIVE BYSTANDER

IDENTIFY the emergence of bias
DETERMINE to address the situation
SPEAK OUT
FOLLOW UP

UTILIZE DATA

Logging data may be the first way to establish that bias may be an issue and can help inform next steps.

Set clear goals, track progress, & analyze trends.

IN SUM....

“If you always think what you always thought, you will always do what you’ve always done.
If you always do what you’ve always done, you will always get what you’ve always got.
If you always get what you’ve always got, you will always think what you’ve always thought.”

THINK Different | DO Different | GET Different