

# Mobility Patterns of Lower Income First-Time Homebuyers in Philadelphia

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This article examines the geographic mobility of a set of White and minority, lower income, first-time homebuyers who purchased houses in Philadelphia in 1995.<sup>1</sup> In recent years, governments at the Federal, State, and local levels, as well as the housing finance industry, have offered an array of programs to facilitate lower income homeownership. Data on mobility patterns are critical to assessing the benefits that households ultimately derive from these programs and also have implications for the neighborhoods and jurisdictions in which these households live. However, lower income buyers have received little attention in the housing literature, and more research on this topic should be of keen interest to policymakers.

The article also represents an expansion in the range of fair housing research. In the past two decades, audit studies have provided convincing evidence of the persistence of a high level of discrimination in U.S. housing markets. This discrimination presumably feeds back to affect the decisions that minority housing seekers make and to reinforce overall segregation patterns. Unfortunately, the audit methodology, which prescribes a particular search process as part of its study design, is unsuited for examining this feedback. (See Yinger, 1995 for a discussion of audit methodology.) Rather, a fuller understanding of the feedback process depends on building and analyzing databases that examine the behavior of actual housing searchers, as is the case here.

The lower income buyers whose experiences form the basis for this study were identified through their participation in the Philadelphia 500 Program, an initiative of the city's Office of Housing and Community Development (OHCD), which provides \$1,000 grants to assist lower income, first-time buyers with settlement costs. When data for the study were collected in the summer and early fall of 1995, the structure of the program was such that it would not be expected to affect the location decisions made by program participants.<sup>2</sup>

Because Philadelphia housing prices are relatively low,<sup>3</sup> the locational options affordable to these households may have been relatively unconstrained in comparison with other cities. The remainder of this article explores the choices that they made. The next section describes the database and summarizes characteristics of the household sample. The section that follows provides statistics on the geography of search and mobility for Black, Latino, and White households. A key finding is that these three groups have strikingly different mobility patterns. The relationship between search and mobility patterns and patterns of segregation in Philadelphia is also considered. The last section discusses implications of the findings for research and policy.

## The Database

The database is structured around OHCD files for 548 households whose settlement grant requests were processed by OHCD between the first week of August and the end of the first week of November 1995. These files contain information on household characteristics, property price, and pre- and postpurchase addresses. Data from the 1990 Census of Population and Housing were linked to each pre- and postpurchase address in the City of Philadelphia, the distance between pre- and postpurchase address was computed, and each address was assigned to 1 of 14 Philadelphia regions,<sup>4</sup> census data are available for both pre- and postpurchase addresses in 505 cases. In addition, data on search activities collected by mail survey are available for 314 of the 547 households identified with city files. Unless otherwise noted, the reported analysis is based on data from the city files and from the linked census data. However, findings from the survey sample, which appears to be quite representative of the larger sample, are presented when they provide otherwise unavailable information on the geographic range of search and mobility. Exhibit 1 presents information on the characteristics of households in the sample; exhibit 2 breaks households into four income categories and gives the mean purchase price for each category.

Given information on Philadelphia home sales in the third quarter of 1995, which largely overlaps with the data collection period, the database probably contains a majority of the lower income first-time buyers who purchased during the study period.<sup>5</sup> The sample is

### Exhibit 1

#### Sample Characteristics of Movers

Movers	N	Percentage of Sample	Mean (Annual) Income	Percentage of Households:			Percentage of Households That Moved <sup>a</sup>
				With Children	Female-Headed with Children	Single Person	
Black <sup>b</sup>	258	47.3	\$19,390	81.8	63.5	15.1	93.1
Hispanic	147	26.9	\$14,490	74.2	42.9	15.0	94.1
Asian	30	5.5	\$16,708	80.0	25.9	10.0	96.6
White	111	20.3	\$20,715	67.6	31.5	25.2	90.5
Total <sup>c</sup>	548	100.0	\$18,214	76.7	49.6	16.9	93.0

Source: OHCD file data

<sup>a</sup>. Calculated as a percentage of the 517 households for which mover status can be determined.

<sup>b</sup>. In this and all other exhibits, this category includes only non-Hispanic Blacks. The category *Black* includes only non-Hispanic Blacks. The category *White* includes only non-Hispanic Whites.

<sup>c</sup>. Total includes two households whose race is not known.

### Exhibit 2

#### House Price by Income Group

Income	Total Cases	Cases by Racial or Ethnic Group:				Mean Purchase Price
		Black	Hispanic	Asian	White	
less than \$10,000	72	23	40	2	7	\$24,001
\$10,000–\$19,999	237	104	74	20	39	\$36,874
\$20,000–\$29,999	208	116	29	7	56	\$47,478
\$30,000 or more	24	14	1	9	0	\$49,250
All Households	541	257	144	38	102	\$39,793

Source: OHCD file data

likely to be more representative of buyers who moved than those who purchased a house in which they already lived, since the latter group would be less likely to hear about the grant program. The analysis is therefore confined to movers.

Concerns about sample representativeness are also alleviated by the nature of the analysis, which focuses on the ways that household characteristics and prepurchase location are related to mobility. Overall representativeness is thus of less concern than that the sample include a range of households along the dimensions of interest—a criterion that is met. Moreover, a finding from the survey (that is, that a very low percentage of households searched in the suburbs) suggests that lower income households that search and buy in the city and those that search in the suburbs are two fairly distinct groups. This reduces concerns about sample truncation problems when examining the relationship between household characteristics and mobility behavior for households that searched for housing in Philadelphia.

## Search and Mobility Patterns by Racial and Ethnic Group

Sufficient data are available for analyses of Black, Latino, and White homebuyers, and each of these groups shows a different mobility pattern. Black households, which have the most complex pattern, show a very broad geographic range in both search and mobility. Latino buyers move along a clear corridor of expansion. Whites are most tied to their neighborhoods of origin. The remainder of the section elaborates on these broad findings, focusing on the geographic range of search and mobility, changes in neighborhood sociodemographic characteristics, and spatial patterns of mobility in the context of Philadelphia's overall patterns of segregation.

Although all households in the sample met HUD's low- to moderate-income criterion, participants' incomes varied widely, and variation in mobility outcomes might be related to income variation. To explore this possibility, households are often divided into two groups in the analyses that follow, those with an income below \$15,000 (*lower income*) and those with incomes at or above \$15,000 (*higher income*).<sup>6</sup>

### Black Movers

**Range of search and mobility.** The data in exhibit 3 show the broad scope of the searches conducted by Black households. More than 50 percent of Black buyers either searched for housing in three or more contiguous neighborhoods or in a set of noncontiguous neighborhoods. Search in noncontiguous neighborhoods, in particular, suggests a willingness to consider housing possibilities in different parts of the city. While relatively few households in the sample searched in the suburbs, the percentage of Blacks that did so (9.4 percent) was about three times as high as that for each of the other two groups.

Blacks also tended to move farther from their prepurchase addresses than did members of the other two groups.<sup>7</sup> Average and median moves were 2.41 and 1.87 miles, with 29.5 percent of the sample moving more than 3 miles; the average move distance was about the same for the two income groups (see exhibit 4). In Philadelphia, a move of 2 miles would typically represent a move to a different neighborhood, and such a distance may span a number of distinct neighborhoods. Black movers appear to have been less tied to particular neighborhoods along another dimension as well. They were less likely than members of the other two groups to cite the presence of friends and relations as a reason for choosing a neighborhood. Conversely, they were considerably more likely to cite access to work (see exhibit 5).

**Changes in neighborhood characteristics.**<sup>8</sup> Black households tended to move to census tracts that were more affluent than their origin tracts (see exhibit 6). Median family income was higher, and poverty rates were on average 7.3 percent lower. Improvements in neighborhood affluence were experienced by households in both income groups.<sup>9</sup>

### Exhibit 3

#### Geographic Scope of Housing Search

Percentage of cases where search was conducted in:

Movers	Only One Neighborhood	Two Contiguous Neighborhoods	Three or more Contiguous Neighborhoods	Noncontiguous Neighborhoods	Suburbs
Black (N = 130)	30.7	15.8	16.5	36.7	9.4
Latino (N = 68)	27.1	30.0	15.7	27.1	2.9
White (N = 59)	38.3	18.6	27.1	15.3	3.4

Source: Mail survey responses

Moves also led to notable changes in tract racial composition (see exhibit 7). Mean percentage Black fell from 71.7 percent in the prepurchase tract to 46.1 percent in the postpurchase tract, and median percentage Black fell from 88.9 percent to 33.5 percent. Mean and median percentages minority fell by 21.9 and 32.9 points, respectively. While only 17.9 percent of the households lived in majority-White neighborhoods before purchase, 48.9 percent did so afterwards. The sizes of the change in neighborhood racial composition were about the same across income categories.<sup>10</sup>

The tendency to move to “Whiter” neighborhoods does not appear to be limited to households that left poorer, centralized neighborhoods for more affluent ones. Among households whose prepurchase tracts were at least 60 percent Black, those whose origin tract had a median family income below \$25,000 and those whose origin tract had a median family income between \$25,000 and \$35,000 (such tracts are in the middle third of Philadelphia tracts for this measure) lowered the percentage Black in their tracts by about the same average amount (see exhibit 8). Households in the former group tended to increase tract affluence considerably, while those in the latter group did not. The tendency to move to Whiter neighborhoods, which is observed even after taking account of the affluence of the origin neighborhood, may have implications for the long-term path of minority neighborhoods (see “Policy and Research Issues Raised by the Analysis,” below).<sup>11</sup>

**Spatial pattern of moves.** Exhibits 9 and 10 show pre- and postpurchase locations for all Black movers for whom both pieces of information are available. They indicate a clear pattern of movement away from more centralized neighborhoods. (Indeed, when one compares the maps showing pre- and postpurchase location, it appears that the middle has fallen out of the postpurchase map. In particular, 27 percent of Black households lived in the centrally located region of North Philadelphia before purchase but only 9 percent lived there afterward; see HR table 12.) Interestingly, postpurchase addresses are not only less centralized than prepurchase addresses, but are also more concentrated. More than one-sixth of the Black buyers moved into one of four census tracts.

## Exhibit 4

### Distance From Prepurchase to Postpurchase Address

Percentage of cases where search was conducted in:

Movers	Mean Distance All Households	Mean Distance Households With Income <\$15,000	Mean Distance Households With Income ≥\$15,000	Median Distances All Neighborhoods	Percentage With Move Distance <1 mile	Percentage With Move Distance >3 miles
Black	2.41 <sup>a,b</sup> (N = 224)	2.45 <sup>a</sup> (N = 62)	2.39 <sup>c</sup> (N = 162)	1.87	31.3	29.5
Hispanic	1.66 (N = 123)	1.23 (N = 69)	2.22 <sup>d</sup> (N = 54)	1.16	44.7	17.1
White	1.54 (N = 94)	1.60 (N = 17)	1.52 (N = 77)	0.77	53.3	16.0

Source: Computations based on address data in OHCD files

<sup>a</sup> significantly different from corresponding White means at 0.001 level

<sup>b</sup> significantly different from corresponding Hispanic mean at 0.001 level

<sup>c</sup> significantly different from corresponding White mean at 0.01 level

<sup>d</sup> significantly different from corresponding White mean at 0.05 level

## Exhibit 5

### Percentage of Homebuyers Ranking a Particular Reason as the First or Second Most Important Factor in Choosing Their Neighborhood

Percentage of cases where search was conducted in:

Reason	Black (N = 101)	Hispanic (N = 46)	White (N = 43)
Price of house	55.5	50.0	51.2
Style of house	28.7	32.6	18.6
Already live there	23.7	13.0	39.6
Schools and other services	18.8	17.4	18.6
Access to work	17.9	4.4	7.0
Friends or relatives in neighborhood	2.9	19.6	25.6
Neighborhood safety	18.8	21.7	14.0
Other reason	7.0	4.3	2.1

Source: Mail Survey Responses

<sup>a</sup>Some buyers indicated that particular factors had affected their choices but did not rank these factors in order of importance. These buyers have not been included in calculations for this table.

Observed mobility is closely related to existing expansion corridors. Over time, the residential locations of Philadelphia’s Black population have expanded from centrally located neighborhoods in North and South Philadelphia along two broad corridors. One moves to the west and southwestern regions of the city, the other to the north and northwest. These corridors are clearly visible in exhibit 11, which shows the 1990 distribution of Black households in the city of Philadelphia.

With few exceptions, locations of origin are within existing expansion corridors. Moves made in conjunction with home purchase tend to represent a pushing out of the existing corridors, especially to the west and southwest, or a widening of these corridors, especially at the northeastern edge of the corridor that extends north and northwest. The four census tracts that together attracted more than one-sixth of Black movers are all at the periphery. (Three of the four are at the northeast edge of the northern corridor and the fourth is at the western edge of the city; three were predominantly White in 1990, although two of these appear to have been undergoing substantial racial change at that time. In addition, search by survey respondents was heaviest at the periphery of the expansion corridors (see HR figure 4). Though it is unsurprising that movements by sample buyers occurred along existing expansion corridors, it is perhaps surprising that so many of these lower-income households moved to the corridors’ edges.

Although the overall pattern of mobility is clearly related to existing expansion corridors, the underlying moves by individual households did not necessarily occur along the corridors in which their prepurchase homes were located. There appears to be a good deal of jumping across corridors. This can clearly be seen in exhibit 12, which shows the origin locations of households that moved to the three predominantly White tracts referred to in the previous paragraph.

**Exhibit 6**

## Impact of Move on Census Tract Affluence

	N	Percentage of Persons Occupancy		Median Annual Family Income		Median House Value		Percentage Owner in Poverty	
		Before	After	Before	After	Before	After	Before	After
<b>Black</b>									
All	223	28.5	21.2	\$24,157	\$26,984	\$36,068	\$38,574	52.2	61.7
Income < \$15,000	63	31.4	6.2	\$21,757	\$23,781	\$32,093	\$32,255	51.4	58.5
Income ≥ \$15,000	160	27.4	9.3	\$25,080	\$28,217	\$37,599	\$41,006	52.5	63.0
<b>Hispanic</b>									
All	126	42.1	25.8	\$17,087	\$23,963	\$23,082	\$31,767	52.9	64.5
Income < \$15,000	69	43.8	31.0	\$16,124	\$20,826	\$20,563	\$24,867	52.3	62.5
Income ≥ \$15,000	57	39.9	19.6	\$18,252	\$27,760	\$26,131	\$40,121	53.6	67.0
<b>White</b>									
All	91	16.7	12.5	\$29,936	\$31,640	\$48,209	\$49,958	66.9	72.0
Income < \$15,000	17	19.2	15.9	\$27,768	\$28,776	\$36,376	\$37,659	66.5	72.0
Income ≥ \$15,000	74	16.1	11.7	\$30,434	\$32,301	\$50,927	\$52,738	67.0	71.9

Source: Census of Population and Housing, 10 percent sample

## Exhibit 7

### Impact of Move on Census Tract Racial/Ethnic Composition

Black Movers	N	% Black Before Move		% Black After Move		% Minority Before Move		% Minority After Move	
		Mean	Median	Mean	Median	Mean	Median	Mean	Median
All movers	224	71.7	88.9	46.1	33.5	79.6	93.8	57.7	60.9
Income < \$15,000	63	70.1	88.1	42.7	33.5	77.8	91.6	56.2	46.6
Income ≥ \$15,000	161	72.3	90.1	47.4	33.5	80.4	94.4	58.3	62.2
Hispanic Movers	N	% Hispanic Before Move		% Hispanic After Move		% Minority Before Move		% Minority After Move	
		Mean	Median	Mean	Median	Mean	Median	Mean	Median
All movers	127	44.7	55.3	22.0	10.9	68.9	84.3	39.0	33.9
Income < \$15,000	69	47.0	56.8	28.1	12.0	70.3	84.3	44.2	34.8
Income ≥ \$15,000	58	41.9	53.9	14.9	10.9	67.3	74.4	32.7	33.9
White Movers	N	% White Before Move		% White After Move		% Minority Before Move		% Minority After Move	
		Mean	Median	Mean	Median	Mean	Median	Mean	Median
All movers	91	87.1	94.1	92.0	96.7	12.9	5.9	8.0	3.3
Income < \$15,000	17	87.1	93.8	90.2	97.3	12.9	6.2	9.8	2.7
Income ≥ \$15,000	74	87.0	94.1	92.4	96.6	12.9	5.9	7.6	3.4

Source: Census of Population and Housing, 100 percent sample



**Exhibit 8**

Move Characteristics for Black Movers Whose Neighborhood of Origin Was at Least 60 Percent Black

Change in : Median Family Income in Prepurchase Tract	Move Distance		Median Family Income in Tract		Poverty Rate		Percentage Black		Percentage Black in New Tract	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median	Mean	Median
<\$25,000; N = 106	2.43	1.98	\$7,224	\$6,515	-11.9	-12.3	-38.8	-41.9	51.6	46.2
\$25,000 ≤ income <\$35,000; N = 44	2.81	2.07	\$188	0	-1.9	-2.3	-41.9	-57.4	47.6	30.4
>\$ 35,000; N = 14	2.90	1.37	\$8,870	\$8,899	6.6	3.2	-10.2	-1.0	79.2	94.4

Source: Move distances computed from address information in OHCD files; tract statistics from Census of Population and Housing; median family income and poverty statistics from 10-percent sample; statistics on racial composition of tracts from 100-percent sample

## Exhibit 9

### African-American Mover Origins

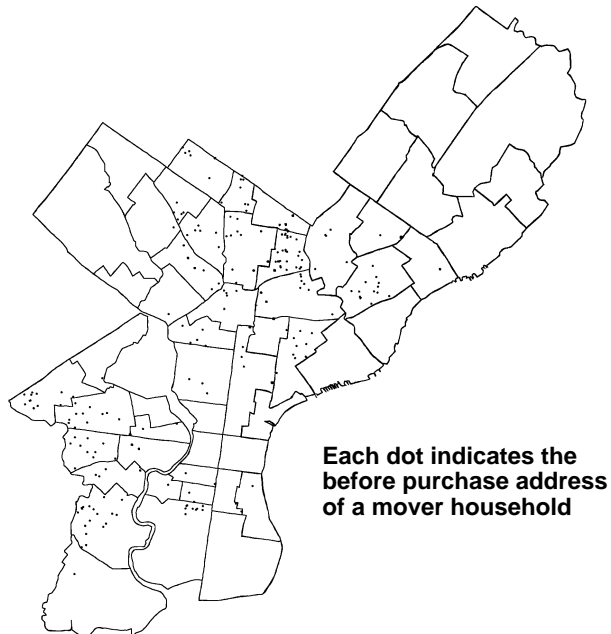
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## Exhibit 10

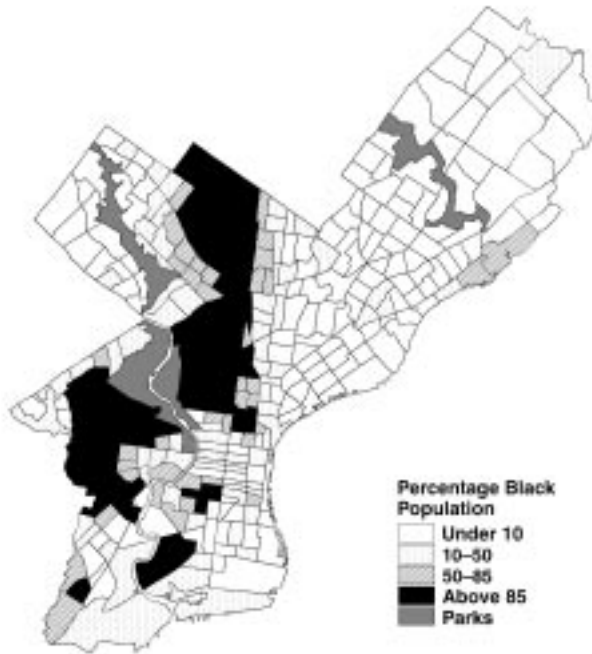
### African-American Mover Destinations

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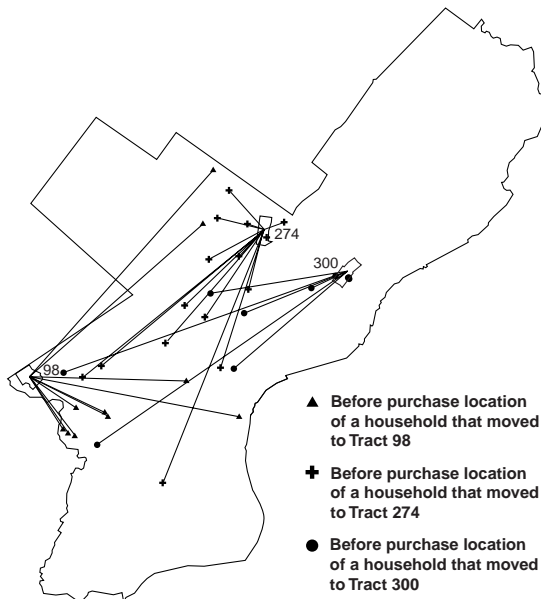
## Exhibit 11

### Distribution of Black Population, 1990



## Exhibit 12

### Origin Locations for Black Households Moving to Three Predominantly White Tracts

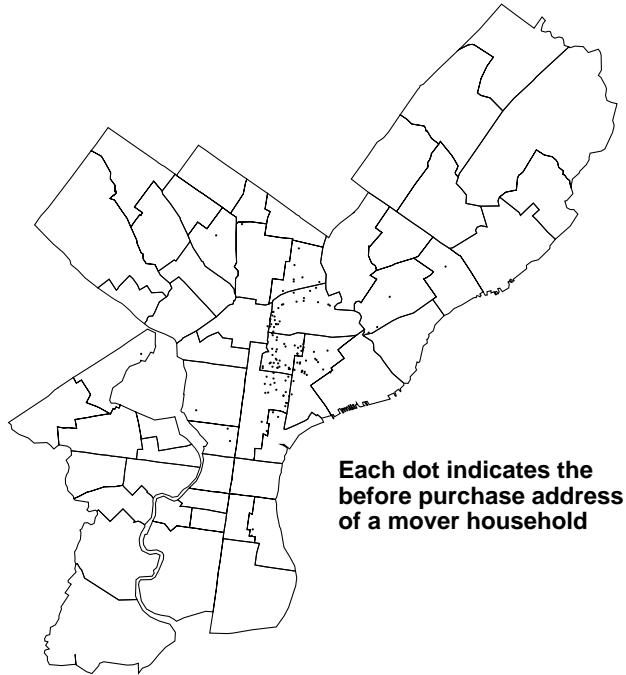


### Exhibit 13

#### Latino Mover Origins

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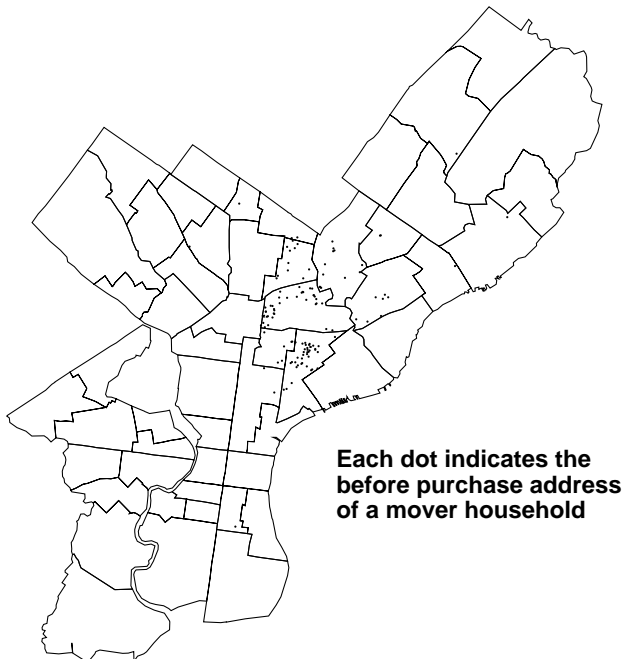
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### Exhibit 14

#### Latino Mover Destinations

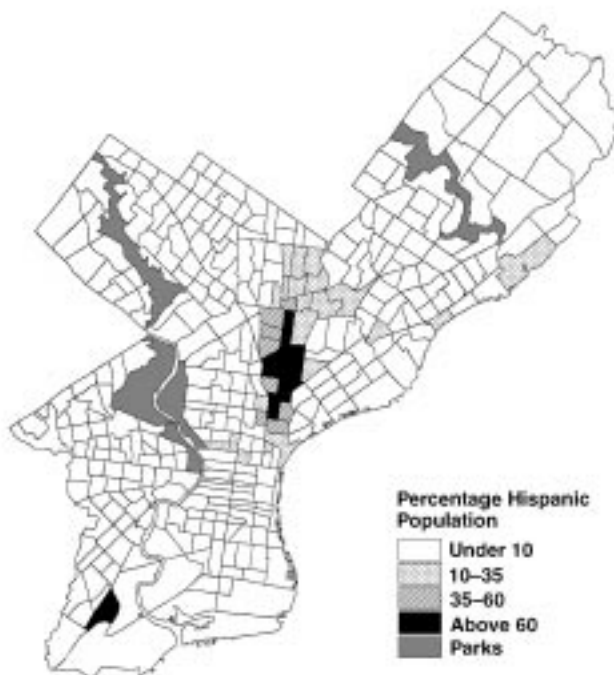
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## Exhibit 15

### Distribution of Hispanic Population



### Latino Movers

Latino buyers were initially concentrated in the eastern part of North Philadelphia, an area with some of the city's poorest neighborhoods, and moved out along a clear corridor of expansion to the north and northeast. (Before purchase, almost two-thirds of the Latino sample lived in eastern North Philadelphia; after purchase, only 22.8 percent did so (see HR table 12). This pattern is evident in exhibits 13, 14, and 15, which show the pre- and postpurchase locations of sample households and the overall distribution of Philadelphia's Latino population. Sample households in the higher income group tended to move farther than those in the lower income group. The rest of this section fills in the details of this story.

Latino search tended to be geographically focused on the expansion corridor. Fewer than 30 percent of survey respondents searched outside of the five regions that included neighborhoods in the expansion corridor (see HR figure 10 and HR text). They were considerably less likely than Blacks to search in noncontiguous neighborhoods and almost none searched in the suburbs (see exhibit 3).

Latinos were less likely to cite *already living in a neighborhood* as an important reason for neighborhood choice than Blacks or Whites (see exhibit 5), and they tended to move across regions. Nonetheless, many of the moves were short. Average and median moves were 1.66 and 1.16 miles. About 45 percent of moves were less than 1 mile (see exhibit 4). However, these overall statistics mask a difference in the moves by households with incomes below \$15,000, which moved 1.23 miles on average, and those with higher incomes, which moved 2.22 miles on average—almost as high as the average Black move.

Census data reinforce the picture presented by spatial data (see exhibit 6). Prepurchase poverty rates tended to be very high: 43.8 percent for the lower income group and 39.9 percent for the higher income group, on average. Tract affluence improved strikingly after purchase, particularly for the higher income group.

Moves were also associated with large changes in neighborhood racial and ethnic composition (see exhibit 7). In prepurchase tracts, the mean Hispanic was 44.7 and the median percentage was 55.3 percent. After purchase, the corresponding mean and median percentages were 22.0 percent and 10.9 percent. The average postpurchase percentage Hispanic is particularly low for households with incomes of at least \$15,000, at 14.9 percent. The percentage minority in the tract also fell dramatically.

### White Movers

Whites by far showed the narrowest pattern of search and mobility and were most tied to their neighborhoods of origin. They were much more likely than either Blacks or Latinos to cite previous residence in the neighborhood as an important reason for choosing a neighborhood. They were also more likely to cite the presence of friends and relatives as an important reason for neighborhood choice (see exhibit 5). They were the most likely to search in only one neighborhood and the least likely to search in noncontiguous neighborhoods. Like Latino buyers, they conducted very few suburban searches (see exhibit 3).

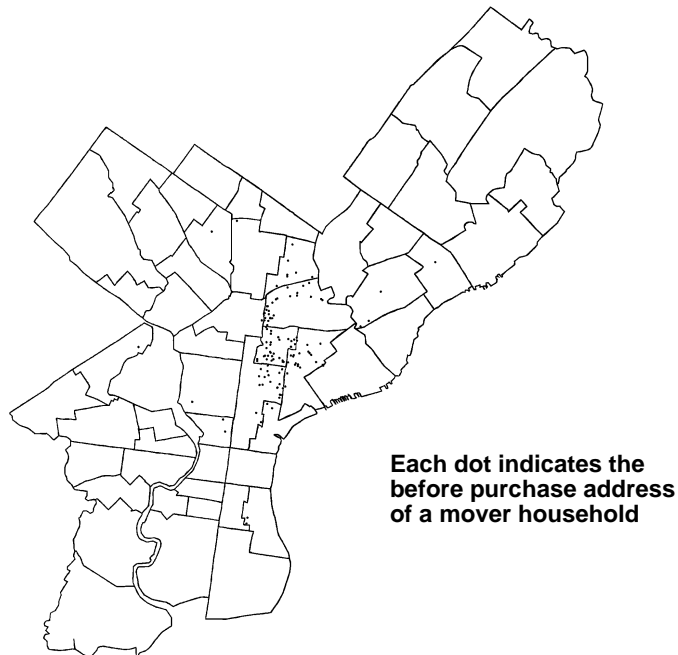
Whites, on average, had the shortest move distance. Their average and median moves were 1.54 miles and 0.67 mile, respectively, with little difference across income groups (see exhibit 4). About 69 percent of White moves occurred within the origin region, about 30 percentage points higher than comparable figures for Blacks and Latinos, (see HR table 12).

## Exhibit 16

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### White Mover Origins

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## Exhibit 17

### White Mover Destinations



An overall shift in location pattern is nonetheless discernible when exhibits 16 and 17 (pre- and postpurchase locations) are compared. It involves both a move toward the lower part of Philadelphia's Northeastern section and a consolidation in residential location positions. This consolidation appears to be associated both with moves away from tracts at the edges of White areas where minority population is growing and moves in from the extreme Northeast of the city, where households may have difficulty finding affordable "for sale" housing.

A move away from areas with growing minority population is also suggested by the data in exhibit 7. Origin tracts were very predominantly White (87.1 percent on average), but destination tracts were even whiter (94.1 percent on average). White moves also tended to lower census tract poverty rates and raise median family income. However, improvements were less pronounced than for Blacks and Latinos, presumably because White origin tracts tended to be more affluent (see exhibit 6).

### Long-Term Maintenance of Segregation Patterns

While minority households tended to have lower minority concentration in their neighborhoods after moving, moves were closely related to existing expansion corridors. In turn, the integration that individual households experience may be transitory, and the moves of the sample households probably do not herald a fundamental change in the pattern of racial and ethnic segregation in Philadelphia. Nor does a comparison of Black, Latino, and White destinations in exhibits 10, 14, and 17 suggest a break in the pattern.

As noted above, Latino search was heavily concentrated in the Latino expansion corridor, and Black households concentrated their searches at expansion corridor peripheries. (White searches were very concentrated in White areas that were not experiencing racial change.)<sup>12</sup> These results suggest that minority search behavior may be part of the process that maintains segregation. They cannot, of course, address the underlying reasons for the behavior, which might include direct discrimination in the form of steering by real estate agents, avoidance of particular neighborhoods to avoid discrimination, or preference for integrated neighborhoods. However, in the case of Black buyers, the behavior cannot be attributed to a desire to remain close to prepurchase neighborhoods in light of the generally broad range of search and mobility.

## Policy and Research Issues Raised by the Analysis

### Lower Income Homeownership

It is the author's impression that, in the absence of firm data, it has often been assumed that lower income homebuyers tend to remain fairly close to prepurchase neighborhoods, buying a property from an acquaintance when the opportunity arises. On the surface, the behavior of White buyers conforms most neatly to this model. Arguably, it might also hold for Latino buyers, who tended to change neighborhood, but whose actual move distances tended to be fairly small. Even for White and Latino households, however, a model in which a home is located almost casually is too simple to capture search behavior. A companion piece to this report documents a more structured search by Whites and Latinos (and Blacks), which is almost always assisted by real estate agents.<sup>13</sup> For Black households, empirical evidence simply does not support a model where search and purchase are narrowly focused on the prepurchase area.

The somewhat unexpected finding that the scope of mobility is quite broad for many lower income households clearly indicates the need for further research on the lower end of the market and may also have implications for program design. Households that move far from their prepurchase address may be unfamiliar with the distribution of housing prices and conditions in the neighborhoods where they search; policymakers want to develop programs that provide such information.<sup>14</sup>

### Expanding Fair Housing Research

**Comparing search and mobility of Blacks and Whites.** Given the persistence of housing discrimination, it is initially surprising that lower income Black households had a broader geographic range of mobility than Whites. This finding suggests that old models of White and minority residential location may need adjustment as cities move toward majority-minority status.<sup>15</sup> While mobility still seems to take an expansion corridor pattern (and while the continued existence of this pattern presumably reflects ongoing discrimination, at least to some extent), the corridors themselves are now large enough to allow minorities more neighborhood choices *within the central city* than in the past. At the same time, Whites who choose to stay in the central city because of personal ties or financial considerations may perceive their options as being fairly narrow.<sup>16</sup> Adjusted models of residential mobility would assist in understanding how these developments affect the well-being of minority and White households. Such models would, of course, need to take account of the degree of access that lower income households in general, and minority households in particular, have to the suburbs.



**Studying how discrimination affects minority behavior.** Study findings on search provide suggestive—though in no way conclusive—evidence that minorities may respond to discrimination by imposing geographical limits on their searches. (Indeed, the analysis might be thought of as an early step in using actual search data to study feedback effects of discrimination on individuals and on patterns of segregation). The extremely tentative nature of the findings highlights the need for additional research that identifies relatively large samples of movers, documents their search and mobility behavior, and efficiently explores the underlying reasons for behavior patterns.

## Study Implications for Philadelphia Neighborhoods

**Lower income homeownership and neighborhood stabilization.** The author suspects that implicit in the promotion of lower income homeownership by policymakers has been the hope that such ownership would provide a means to maintain viable housing markets in working-class minority neighborhoods. Given the patterns of mobility seen here, particularly for Black households—whose moves showed a tendency to move fairly far from the center, with apparent jumps over some established Black neighborhoods and concentrated moves into White neighborhoods—it is important to ask whether that assumption is valid, especially in cities where housing prices are low.

**Middle-income Black neighborhoods.** The finding that Black households that originated in predominantly Black middle-income neighborhoods tended to move to neighborhoods with substantially lower minority concentrations may raise questions with regard to the long-term viability of these middle-income minority neighborhoods. It is therefore important to see if it is replicated in a larger sample of movers and if a similar pattern holds in other cities. If so, it is important to understand the reasons. For example, depressed housing prices associated with White flight at the edge of expansion corridors may make housing a better bargain there than in established middle-income Black neighborhoods. Alternatively, differences in amenities (such as quality of city services), which are not captured by census statistics, may exist between minority neighborhoods and those that have traditionally been White.

**Concentrated moves.** Mover destinations tended to be geographically concentrated for each of the three groups of buyers that were analyzed. If purchases are focused in particular areas, there may be potential for a relatively large number of defaults in these areas in the future.<sup>17</sup> While default counseling is available for individual lower income buyers, policymakers may also want to carefully monitor geographic patterns of default within jurisdictions.

## Author

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## Notes

1. This article is condensed from "Geographic Mobility Patterns of First-Time, Lower Income Philadelphia Homebuyers," a report prepared for and available from the Office of Policy Development and Research. Most cited statistics are from exhibits included in the article. In a few cases, statistics come from tables or figures in the HUD report that have been omitted here due to space limitations. In these cases, the relevant table or figure is cited with the prefix "HR." Most information on buyer origin, destination, and search regions is handled this way. The HUD report also gives more detail on sample representativeness.
2. At the time of the study, there were three key program requirements besides first-time buyer status. First, household income could not exceed HUD's Section 8 moderate-income limits. Second, the household had to receive pre-purchase counseling from one of a number of designated housing counseling agencies. Third, purchased homes had to be in Philadelphia. (Participants could live elsewhere before purchase.) At the time of the study, there were no other restrictions on the units that could be chosen. The lack of restriction on acceptable units was a key factor limiting program impact on mobility decisions.

Despite its small size, the grant in effect frees up money for additional downpayment, and one might thus expect that it would allow buyers to purchase more expensive homes. I spoke with a real estate agent and a loan officer, who each have a large number of grantees in their clientele, about this possibility. They both believe that the grant has minimal impact on the price of the house chosen (and thus, on locational options) because of constraints on monthly payments due to low-income and/or nonhousing debt. (However, they did believe that the program enabled some households that would not otherwise have had sufficient cash to go to settlement to become buyers.)

In the case of counseling, its timing was often so late in the housing search that it would be unlikely to affect housing choice. Even when counseling came early in the search process, it often focused on credit repair rather than search behavior. About one-half of the study's survey respondents first learned about the program from real estate agents (see next section for discussion of survey). In the case of the key mobility indicator distance moved, these households tended to move at least as far as those that first learned about the program from a counseling agency.

3. Median sale price of a single-family home in third quarter 1995 was \$59,000. (Heavens, 1995).
4. Philadelphia is made up of a large number of generally recognized neighborhoods; these in turn form generally recognized clusters that are here called *regions*. Household origin and destination regions were determined by mapping pre- and postpurchase addresses onto a region map. Search neighborhoods and regions were self-reported by households

that responded to a mail survey; the city's regions and neighborhoods are widely enough recognized that their reporting is probably fairly accurate.

5. There were approximately 1,700 sales in the third quarter, with a median price of \$59,000. (Heavens, Philadelphia Inquirer, November 17, 1995, p. C1.) Thus the ratio of *number of data base households to number of sales at or below \$59,000* is quite high.
6. The classification provides a reasonable number of minority households for analysis in each income group, though the number of White households with income below \$15,000 is very small.
7. Distribution by household type varies across the three groups (see exhibit 1), a factor that hypothetically might account for differences in move distances across groups. However, these differences remain when controlled for household type (see HR appendix table 1).
8. Statistics on changes in neighborhood characteristics presented here use the census tract as geographic unit. Analyses conducted using block data confirm the tract analyses for all three racial/ethnic groups. In turn, buyers do not appear to have purchased on atypical blocks (for example, poorer or with greater minority concentration) within their postpurchase tracts. However, caution in interpreting data on neighborhood change is required due to the 5-year gap between the census and the study date, during which some tracts may have experienced considerable socio-demographic change. As a result, tables comparing pre- and postmove characteristics may overstate changes, particularly in neighborhood racial and ethnic composition.
9. Increases in neighborhood affluence would not necessarily be expected for lower income buyers, who may be able to rent in more affluent neighborhoods than those in which they can afford to buy. Apparent gains in neighborhood affluence might capture the experience of a minority of buyers whose economic status was higher than that in their origin tracts and who used home purchase to adjust neighborhood affluence accordingly. Analysis indicates that households in this "higher" status group did tend to have particularly large increases in affluence indicators. However, households whose income was below the median of their origin *tract* and whose origin tract had a median family income below \$35,000 also experienced moderate gains in neighborhood affluence on average. These results held for Latinos and Whites as well as for Blacks. Not surprisingly, the relatively small number of households whose origin tract had a median income above \$35,000 tended to move to less affluent neighborhoods. (See HR table 14.)
10. Not surprisingly, these changes tended to be particularly large for households whose origin tract was at least 60 percent Black. (See HR table 11 for details.)
11. Given the small number of households whose origin tracts were more than 60 percent Black and had a median family income above \$35,000, any attempt to explain the tracts' relatively small decrease in percentage Black would be speculative.
12. Search patterns in Northeast Philadelphia, a predominantly White area that also includes some neighborhoods in the Latino expansion corridor (but not the Black corridor), provide a striking illustration of the relationship between search and expansion corridors (see HR figures 4, 10, and 13, and HR text).
13. "Search Activity and Mobility Patterns of Lower-income Homebuyers in Philadelphia: Preliminary Findings." (Newberger, 1996.) This piece was prepared for a

HUD/Freddie Mac conference on barriers to homeownership for lower-income households.

14. While the searches of lower income buyers tended to be structured, the amount of information that they used in choosing a house tended to be very limited. The companion piece and the report on which this article is based discuss this point in detail.
15. Philadelphia (52 percent White in 1990) is currently very close to, or at, such status (Bureau of the Census, 1990).
16. In this light, it is also interesting that Blacks were more likely than Whites to cite access to work as one of the two most important reasons for choosing a neighborhood (see exhibit 5). Existing theory suggests that Blacks would be less able than Whites to choose a neighborhood for that reason.
17. The default rate would not necessarily be higher than in other parts of the city, but with more purchases, there are more opportunities for default. Don Bradley at Freddie Mac provided this insight.

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