



UNIVERSITY OF MINNESOTA

Department of
**APPLIED
ECONOMICS**

Agricultural and Applied Economics Seminar

The Impact of Disadvantaged Peers: Evidence from Resettlement after Public Housing Demolition

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Wednesday, November 9, 2016

12:00 – 1:30 pm

119 Ruttan Hall

During the mid-1990s, Chicago began to demolish its public housing stock, forcing thousands of disadvantaged households to relocate across the city. There has been widespread concern about the potential impact on residents living in areas where former public housing households relocated. Using novel administrative data from Illinois, this paper estimates how the presence of these displaced households affected children living in resettlement neighborhoods. My empirical strategy compares criminal behavior of children who lived on city blocks that received displaced public housing residents with that of children who lived on similar, nearby blocks with no displaced households. I find evidence that children who grew up near former public housing residents have more arrests for property crimes. Importantly, the analysis suggests that there is little, if any, impact of resettlement on arrests for violent or drug crimes.