

Public Goods, Private Solutions:

Essays on Private Governments and the Supplementation of Public Services

by

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**Dissertation Abstract**

There are approximately 40,000 local general purpose governments and 50,000 special districts in the United States. Over the past two decades the number of local governments has increased by only nine percent and special districts by 14 percent. During this same period of time, however, we have witnessed the emergence and rapid proliferation of another type of local governance and service provider: the private government. Estimates suggest that there were upwards of 300,000 private governments in the U.S. as of 2008, a number that has nearly doubled in the past two decades. The two most prevalent examples of private governments are Business Improvement Districts (BIDs) and homeowners associations (HOAs). The current analysis takes a much-needed in-depth look at these organizations and how they shape outcomes for individuals, neighborhoods and cities. In the first two essays, I look at the impact of private governments on two outcomes of interest: service provision and residential segregation. For the first essay I focus on BIDs in New York City, and specifically the interaction between BIDs and the local public sector in the neighborhood-level provision of sanitation and police services. I find that BIDs interact with the public sector in providing services, and the nature and

extent of the interaction depend on the type of service and the degree of BID presence. BIDs impact the distribution of police spending and both sanitation and police vehicles; however the magnitudes of these effects are substantively small. In the second essay, I look at HOAs in Florida and whether or not they affect racial and economic segregation within jurisdictions over time. HOAs have little or no effect on racial or economic segregation, a finding that is robust across numerous specifications of segregation and IV regression methods. In the third and final essay, I look at the formation of BIDs in New York City. I find that BIDs are more likely to form in predominantly commercial neighborhoods that have more valuable properties and denser and more affluent residential populations. In addition, my results highlight the importance of property homogeneity in overcoming collective action problems associated with BID formation.