Research on neighborhood dynamics suggests both that individuals are astute observers of their surroundings—possessing complete and accurate information that shapes decision making—and that people have limited and biased perspectives on neighborhoods. This apparent contradiction motivates the question, how reliable are we when it comes to judging local environments? In this talk, I draw on unique data from LA, Chicago, and DC to show the prevalence and pattern of residents’ distorted perceptions of their own neighborhood’s ethnoracial composition. Based on these findings, I discuss the importance of developing more realistic representations of how people make sense of neighborhoods and outline a research agenda that considers the consequences of misperception for processes of neighborhood change. Throughout, I argue that widespread misbelief about neighborhoods is an important mechanism that shapes residential processes and perpetuates place-based inequalities, but one that has often been overlooked by researchers and policymakers alike.

**Bio:** Lydia Wileden is a PhD Candidate in Public Policy and Sociology at the University of Michigan’s Gerald R. Ford School of Public Policy. Her research examines how and why neighborhoods change over time. In particular, she focuses on understanding how people make sense of and decisions about their local environments through the measurement of neighborhood reputations and the distorted nature of residents’ neighborhood knowledge. She also works as a Research Associate for the Detroit Metro Area Communities Survey where she studies the impacts of a variety of disasters – vacancy and blight, depopulation, and COVID-19 – on Detroit. Prior to her graduate studies, Lydia worked at NeighborWorks America on their Stable Communities initiative developing neighborhood investment and post-foreclosure strategies and as a congressional aid to Democratic Leader Nancy Pelosi. She holds a master’s in Sociology from the University of Michigan and a B.A. in Urban Studies from Barnard College, Columbia University.