



The Public Advocate for the City of New York

Letitia James – *Public Advocate*

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May 3, 2016

Joe Gebbia
Chief Product Officer
Airbnb
888 Brannan Street, 4th Floor
San Francisco, CA 94107

Dear Mr. Gebbia:

I am disturbed by the mounting evidence that the Airbnb platform enables widespread discrimination against hosts and guests based on their race. As the Public Advocate for the City of New York, I have a duty to protect my constituents from discriminatory practices. My office has reviewed studies conducted by faculty at the Harvard School of Business that clearly show patterns of discrimination against people of color by those using the Airbnb marketplace. This is unacceptable, and I believe that the onus is on you and the leadership at Airbnb to implement policies and designs that limit the ability for users to discriminate against guests and hosts based on their profile picture or name.

The two studies, led by Harvard Business School Assistant Professors Benjamin Edelman and Michael Luca, describe how people of color, whether they be hosts offering their homes up for rent or guests seeking accommodation, are discriminated against by other users of the Airbnb marketplace.¹ For instance, non-black hosts earned approximately 12 percent more than black hosts for an equivalent rental. The researchers also found that profiles featuring “names that are distinctively African-American” were less likely to receive a positive response from Airbnb hosts.

The researchers suggest that the discrimination observed on the part of Airbnb users is an unintended consequence of the design of the Airbnb website, which prominently features a user’s profile picture and name. The authors point out that many other online marketplaces do not feature this information as prominently and some do not feature it at all. They question the extent to which such information is necessary for users to continue to satisfactorily utilize Airbnb’s platform.

I write to you today to urge you and your company to take necessary action and change the policies that lead to this discrimination. Airbnb has gone to great lengths to portray its platform and marketplace as a means for communities of color to pursue new economic

¹ Benjamin Edelman, Michael Luca, and Dan Svirsky. “Digital Discrimination: The Case of Airbnb.com.” Harvard Business School Working Paper, No. 14-054, January 2014; and Benjamin Edelman, Michael Luca, and Dan Svirsky. “Racial Discrimination in the Sharing Economy: Evidence from a field experiment.” Harvard Business School Working Paper, No. 16-069, December 2015 (Revised January 2016).



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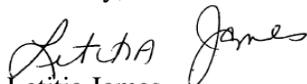
opportunities. Therefore, I trust that the leadership of Airbnb acknowledges that race-based discrimination is an issue of great concern.

First, I suggest that Airbnb conduct a review and disclose data on the response rates of non-white guests seeking accommodation and the revenue collected by non-white hosts compared with those of white users. I want to give Airbnb the opportunity to prove that this discrimination is not occurring by sharing information on these interactions. Second, the anti-discrimination policy described on the Airbnb website simply refers to the Fair Housing Act and the Americans with Disabilities Act. The policy should be revised to make it clear that Airbnb has a zero tolerance policy against any host that rejects a guest based on their race, national origin, religion, sex, familial status, or disability.

Finally, Airbnb should redesign the platform in a way that minimizes or eliminates the conditions that allow for discrimination. As suggested by the researchers from Harvard Business School, this would include concealing guest and host names until after the transaction has been completed and by eliminating the need for a profile picture before a booking is confirmed. Users would still have access to relevant information that would allow them to confidently make transactions within the marketplace.

I believe that it is within your power to make the changes necessary to prevent discrimination from occurring on the Airbnb platform. I look forward to hearing from you about the steps your company intends to take in order to address this important concern. Thank you.

Sincerely,


Letitia James

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