



Place of birth and life outcomes. Why we need local geographic data over the lifecycle.

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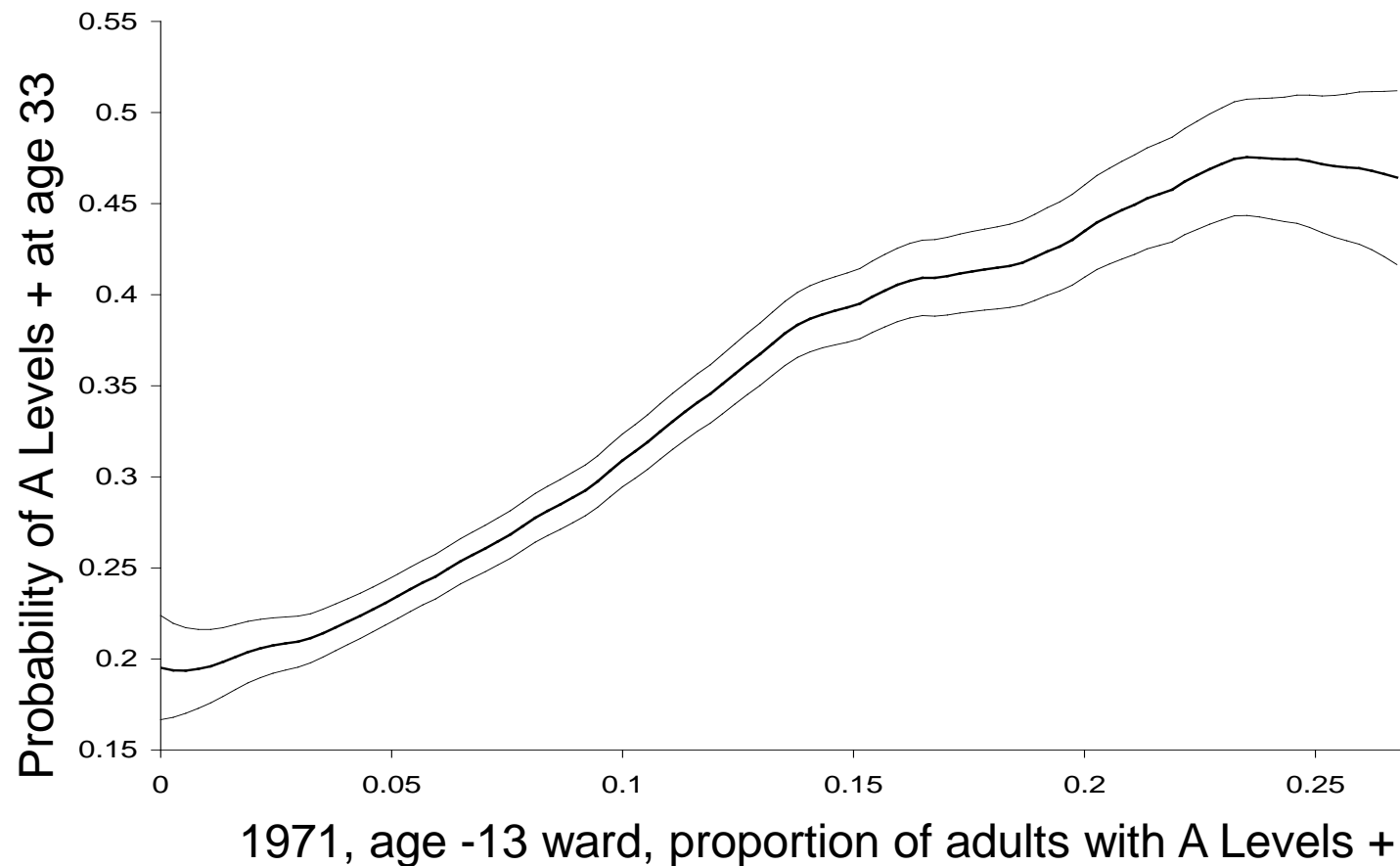
Outline

- Key geographical issues in lifetime education, opportunities and earnings
- Some examples ...
 - 1. 'Neighbourhood effects'
 - 2. Geography and intergenerational mobility.
 - 3. More general 'place of origin' issues. Big city v small city v rural.
 - 3. Lifetime geographical mobility patterns.



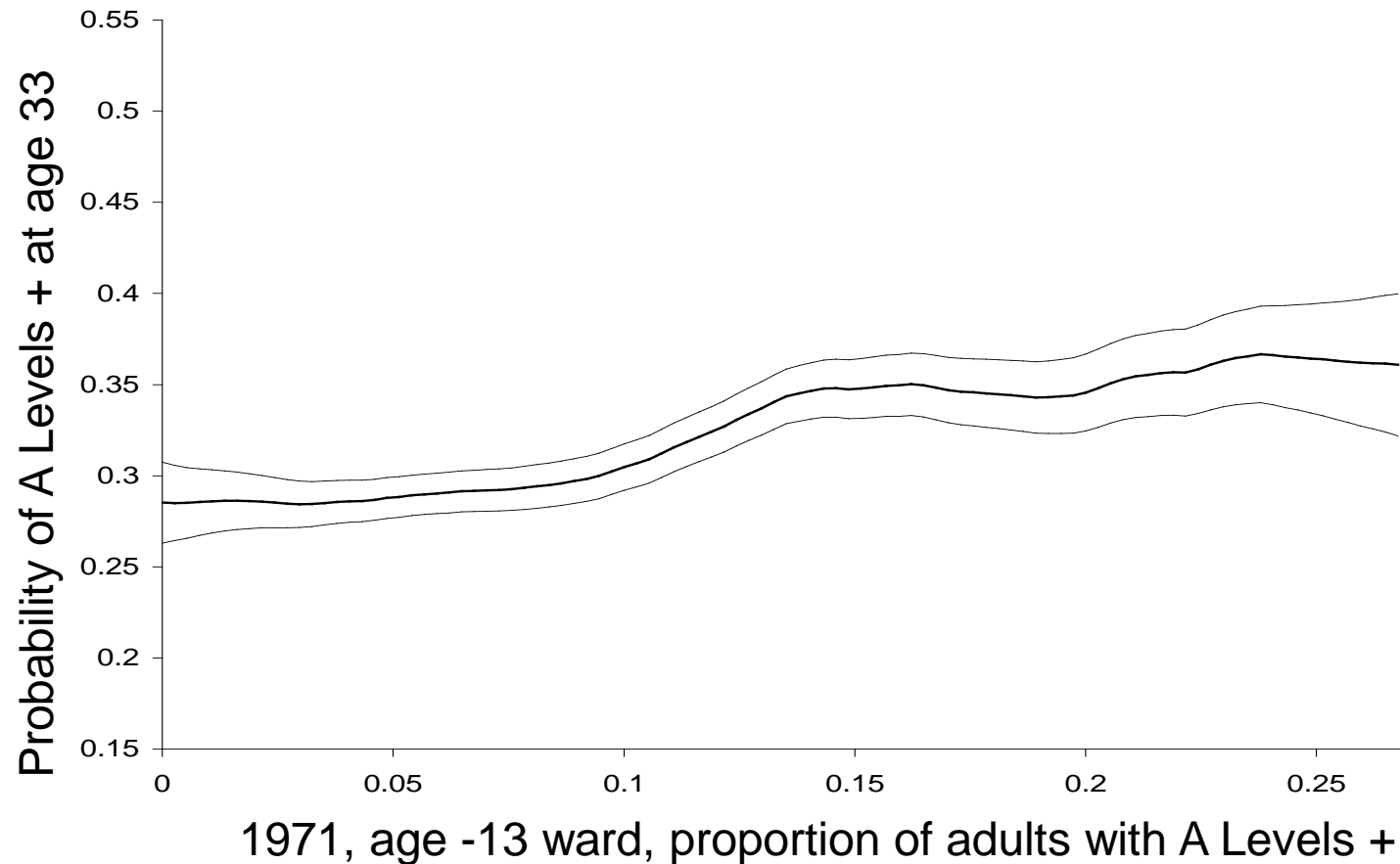
Neighbourhood effects

- Association between neighbourhood quals. (1970s) and child's adult attainment (1990s), Gibbons (2002)



Adjust for family background

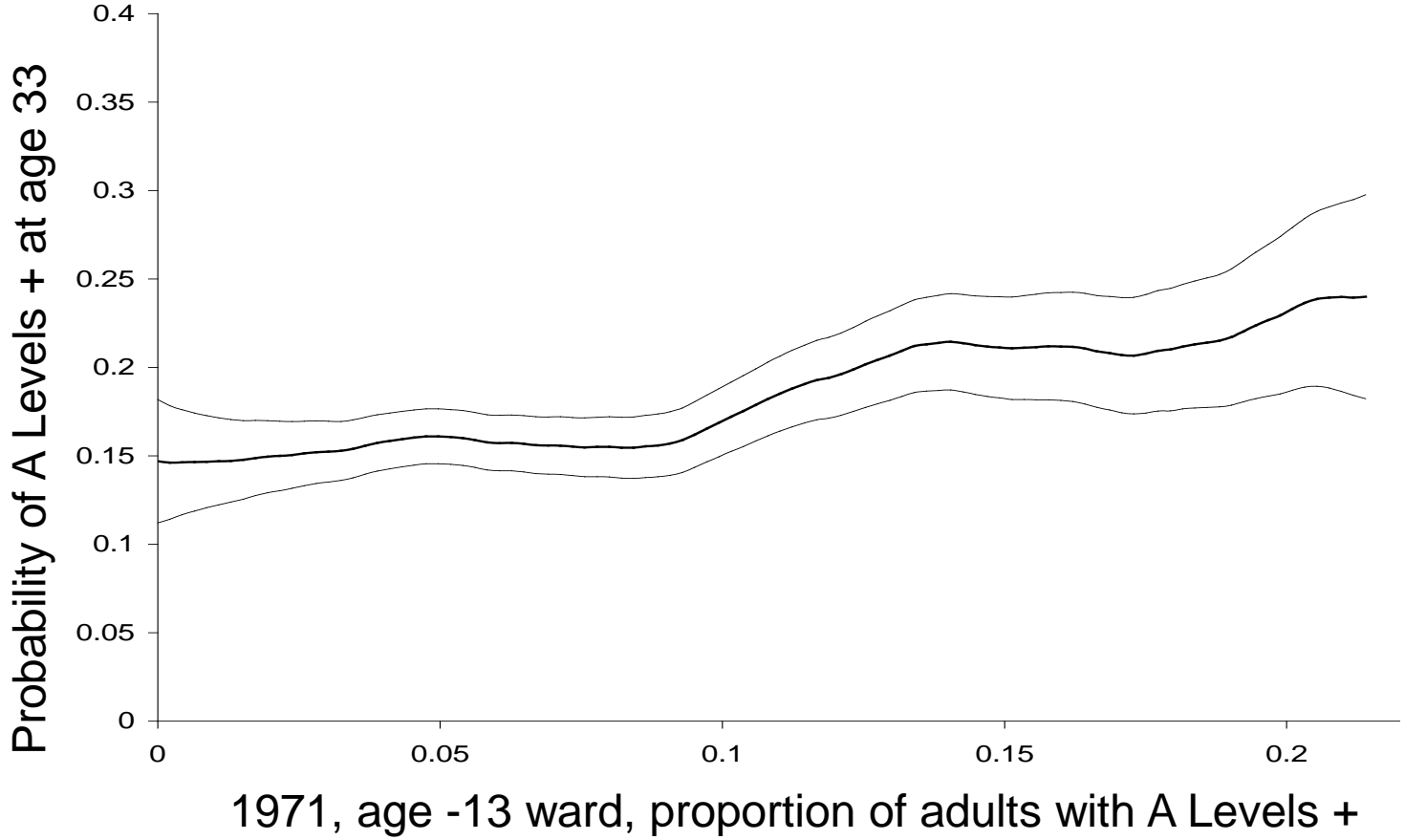
- Smaller effects: 'Sorting' matters - higher educated families choose higher educated neighbourhoods





Social tenants in the 1970s

- Arguably, social tenants had less choice over housing location: less 'sorting'



2nd generation effects

- Association between teenage neighbourhood (education) of parents and test scores (PIAT) of their children in 1991

	All		Social	
	Reading	Maths	Reading	Maths
Young adult neighbourhood (1981)	0.347 (0.129)	0.173 (0.105)	0.822 (0.320)	0.558 (0.235)
Teenage neighbourhood (1974)	0.605 (0.154)	0.310 (0.125)	0.116 (0.331)	0.187 (0.239)

Parental ‘investments’ in child

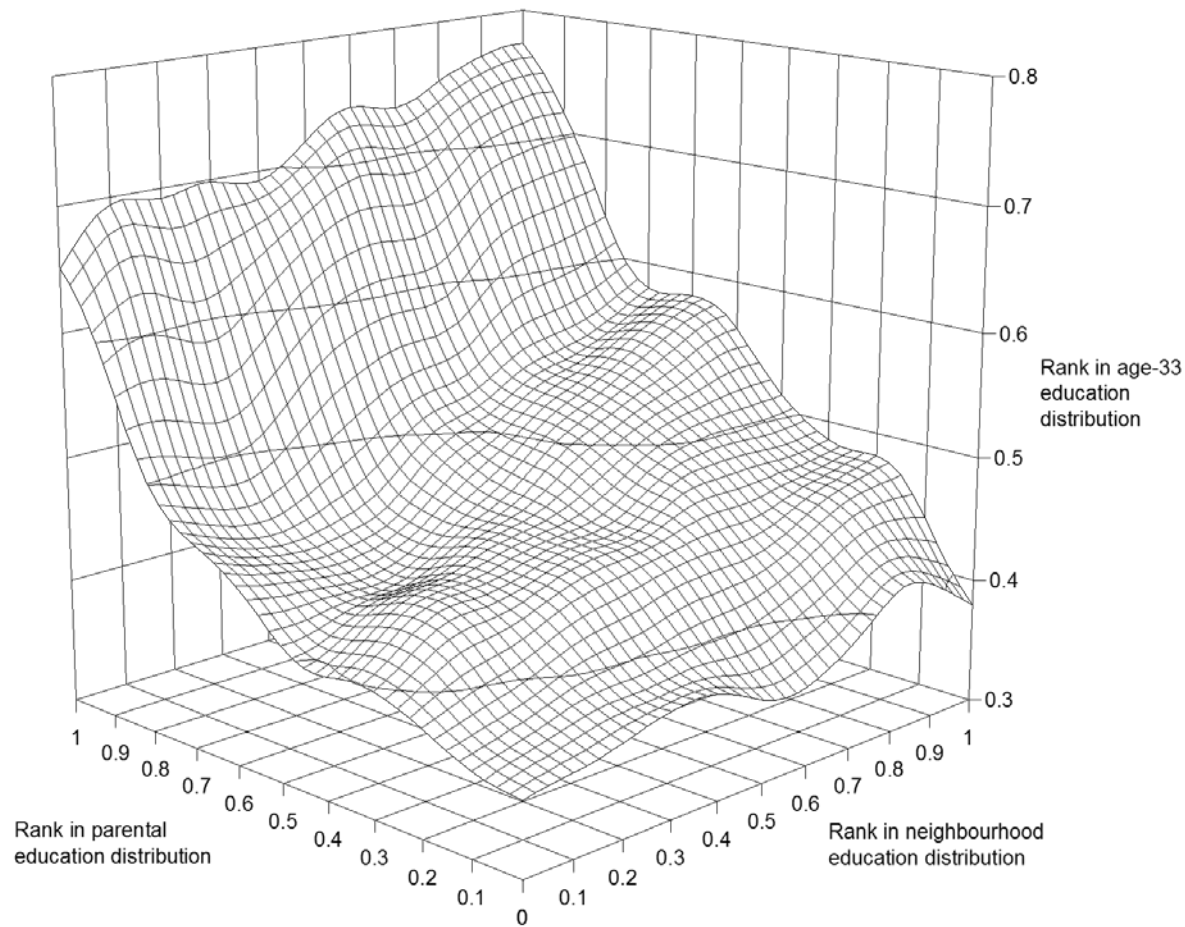
- From Patacchini and Zenou (2011)

TABLE 3: Neighborhood Education Effect on Parental Effort

	Dep. Var.: Parents Read to Child					
	(1)		(2)		(3)	
	HEP	LEP	HEP	LEP	HEP	LEP
High-skilled population	0.1012*** (0.0350)	0.0761** (0.0309)	0.0910*** (0.0301)	0.0655** (0.0272)	0.0487*** (0.0176)	0.0195** (0.0093)
Young population	0.1543 (0.1967)	0.1012 (0.1715)	0.1233 (0.2213)	0.0905 (0.1805)	0.1208 (0.2125)	0.0907 (0.1805)
Total population	0.0002 (0.0003)	0.0003 (0.0005)	0.0002 (0.0002)	0.0003 (0.0005)	0.0002 (0.0002)	0.0003 (0.0005)
Unemployment rate	-0.2915*** (0.0987)	-0.2017*** (0.0656)	-0.2565** (0.1098)	-0.1920** (0.0766)	-0.2467** (0.1010)	-0.1865** (0.0786)
Activity rate	0.0671 (0.0569)	0.0888 (0.0787)	0.0673 (0.0601)	0.0890 (0.0790)	0.0673 (0.0609)	0.0891 (0.0789)
Professional employment	0.1015 (0.1116)	0.0564 (0.1011)	0.0881 (0.1066)	0.0470 (0.1015)	0.0771 (0.0799)	0.0379 (0.0819)
Unskilled employment	-0.0876 (0.1231)	-0.1012 (0.1034)	-0.0639 (0.1021)	-0.0909 (0.0899)	-0.0600 (0.0987)	-0.0914 (0.0853)
Amenities	-0.0999** (0.0421)	-0.0875*** (0.0293)	-0.0797** (0.0379)	-0.0708*** (0.0252)	-0.0808** (0.0369)	-0.0712*** (0.0245)

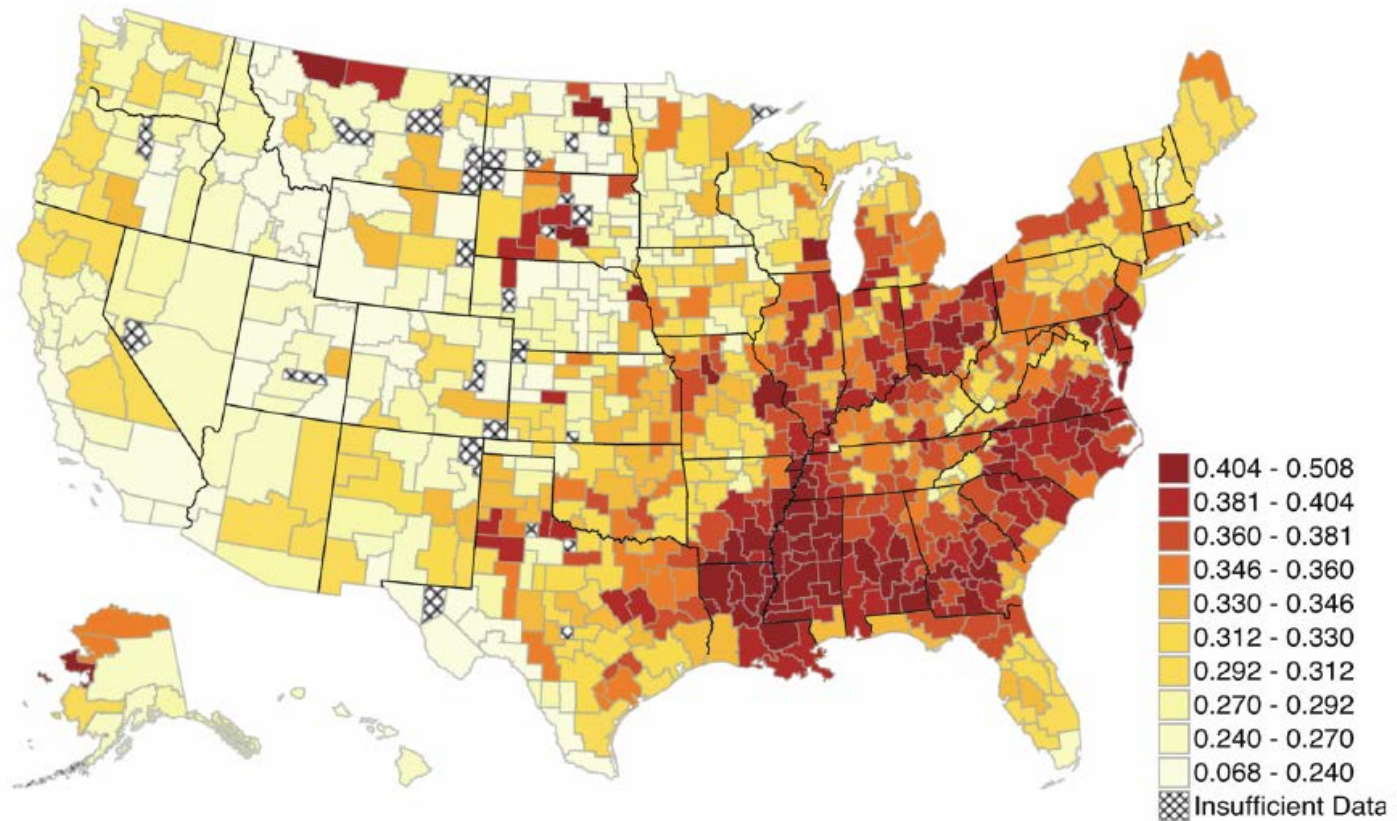
Intergenerational mobility, UK

- Neighbours v parents in the 1970s; Gibbons (2002)



Geographical differences in IM in the US

- Intergenerational mobility in different US CZs. Chetty et al (2014)



Role of cities on life chances

- City size at birth and adult earnings (BHPS). Bosquet and Overman (2016)

Table 4: Second-stage regressions for gross total wage; individual fixed effects on birthplace and controls (full time workers only)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(log) Birthplace size	0.046*** (0.004)	0.040*** (0.004)	0.039*** (0.004)	0.038*** (0.004)	0.028*** (0.004)	0.024*** (0.005)	0.009* (0.005)
1st-step controls							
Time FE	X	X	X	X	X	X	X
Occupation				X	X	X	X
(log) City size					X	X	X
Learning							X
2nd-step controls							
Gender, Age	X	X	X	X	X	X	X
HPSC		X	X	X	X	X	X
Education			X	X	X	X	X
Observations	7,500	7,500	7,500	7,500	7,500	4,393	3,839
R-squared	0.140	0.193	0.325	0.308	0.305	0.297	0.300

Lifetime mobility patterns

- Always working in the same place (BHPS data)

Table 7: Lifetime mobility: Share of individuals who have always worked in the same area where they were born, by skills (all workers)

% always worked where born	Total	No quals.	GCSE eq.	A-level eq.	Degree
Total	43.7	51.8	48.7	45.8	30.5
Born in					
Rural	33.2	40.7	37.9	32.9	21.5
Small city	46.5	52.0	53.5	51.7	29.2
Medium city	45.1	57.1	49.4	48.6	28.9
Large city	48.8	57.2	53.8	50.3	37.2
% born same place as (all individuals):					
Mother born	53.8	63.1	56.2	50.5	49.9
Father born	52.8	56.7	56.7	50.1	48.8

Source: Authors own calculation based on BHPS. Notes: Areas correspond to Local Labour Market

Lifetime mobility patterns

- Always living in the same place (BHPS data)

Table 8: Lifetime mobility across the UK: Share of (all) individuals who live in the same area where they were born, by skills, by age

% live in area where born	Total	No quals.	GCSE eq.	A-level eq.	Degree
At age:					
16	60.8	59.3	60.4	65.3	70.6
18	55.6	59.5	59.1	50.5	62.1
21	46.0	59.3	53.2	41.5	37.1
65	44.4	53.4	40.8	41.6	28.1

Source: Authors own calculation based on BHPS. Notes: See Table 7.

Role of early age abilities on moving to cities

- NLSY data. De La Roca et al (2014)

Table 1: Logit estimation of the determinants of location in big and small cities

	Probability of living in big city upon completing education	For individuals living in small city upon completing education, probability of having moved to big city 10 years later	For individuals living in big city upon completing education, probability of having moved to small city 10 years later
	(1)	(2)	(3)
Self-confidence percentile	1.004 (0.002)***	1.002 (0.002)	0.997 (0.002)
Cognitive ability percentile	1.000 (0.002)	1.007 (0.003)**	0.999 (0.003)

Concluding comments

- Renewed interest in role of place in life outcomes despite limits to understanding causality
- More work needed on understanding who are the geographically left behind (Brexit-Trump etc.)
- Cohort studies (NCDS, BCS, US etc.) provide the ONLY opportunity for doing this in the UK – only data sets that link place of upbringing, parental background, education and later life outcomes

Works cited

- Gibbons, S. (2002) Neighbourhood Effects on Educational Achievement: Evidence from the Census and National Child Development Study, Centre for Economics of Education DP18
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- Chetty, R. N. Hendren, P. Kline and E. Saez (2014) Where is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States, *Quarterly Journal of Economics* 129(4): 1553-1623, 2014
- Bosquet, C. and H.G. Overman (2016) Why Does Birthplace Matter So Much? Sorting, Learning and Geography, SERC Discussion Paper 190
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