

Spatial Inequality in Long-Run Educational and Economic Outcomes: Evidence from England

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Abstract: Residential socioeconomic status matters for long-run developmental outcomes of children. Despite such long-standing belief, identifying the causal effects of residential context is challenging because individuals often self-select into particular neighborhoods. To address this selection bias, researchers recently turned to utilize policy experiments (e.g., Moving to Opportunity) and quasi-experiments (e.g., relocation due to public housing demolition) that relocate households. These studies have provided evidence that exposure to higher-opportunity neighborhoods with lower poverty rates, better primary schools, and greater social capital persistently benefits children's educational attainment and earnings in their adulthood. However, most of the evidence draws on the USA. It remains little known if the UK showcases similar place effects, as one of the countries with the most salient spatial inequality. This project, therefore, aims to draw on administrative data that link educational and labor market outcomes to English pupils of cohorts, to causally examine the effects of place on children's long-run educational and economic outcomes across various Local Authority districts in England, and to investigate the locations associated with the places of higher opportunity that benefit children's long-run outcomes, as well as the local characteristics that give rise to these benefits. This analysis has implications for policymakers who plan to develop place-based policies to revitalize local economies, and households who are going to make relocation decisions.