Urban Economics

Lecture 8: Neighborhood Effects

Spring 2021
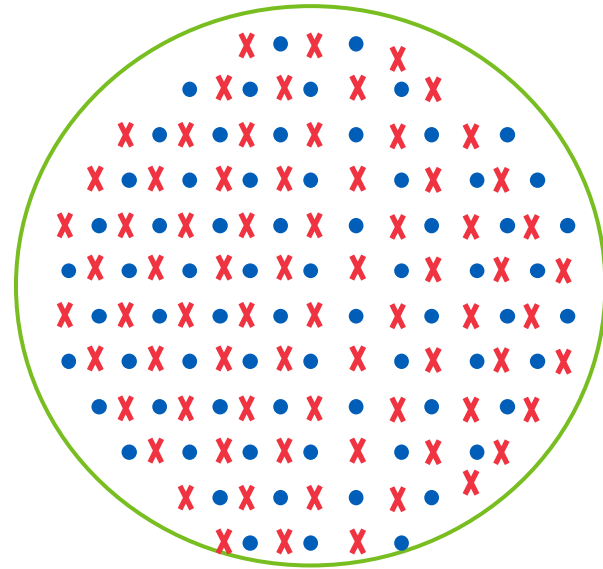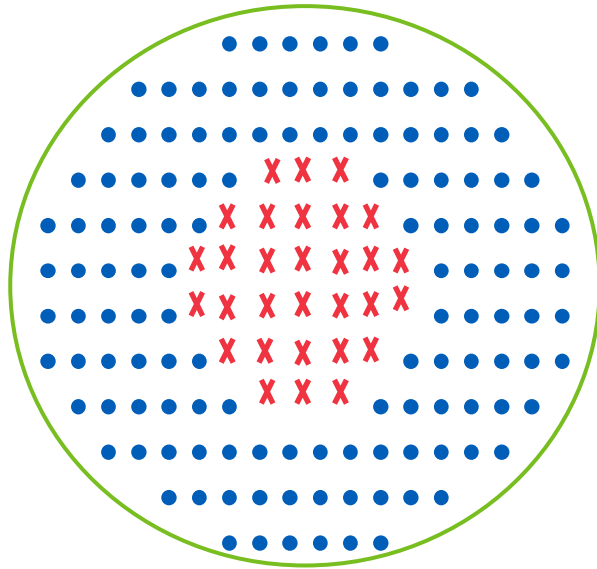*Tuukka Saarimaa*

Outline

- **In this lecture, we discuss neighborhood effects**

  - Does living in a deprived neighborhood make residents materially worse off than they would otherwise have been over the long run?

  - Why is it so difficult to study these effects?

- **The lecture does not follow the textbook**

Why does segregation matter?

- **Segregation is a consequence of differences in neighborhood quality and income differences in the city**
  - Segregation is the consequence of, not necessarily the cause of income inequality

- **The interesting policy question is:**
  - Given the income differences in the society, is the society (i.e. the people) better of if low-, middle- and high-income households live in the same neighborhoods as opposed being segregated?
  - If yes, social mixing policies might be a good idea
  - If not, the resources used in social mixing policies might be more effective in some other use

Which of these cities would be better for the citizens?

• Low-income

✗ High-income

One low-income family
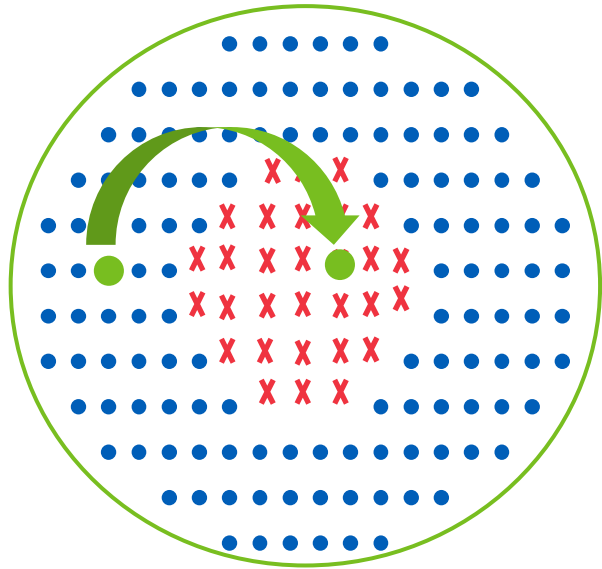
- What if we provided one low-income family the resources to move to the other residential area?

- Neighborhood quality would increase

- The children would have different role models and peers

- Question: Would the family or the children in the family benefit if the family moved next to high-income families?

Neighborhood effects

- **Does living in a deprived neighborhood make residents materially worse off than they would otherwise have been over the long run?**

  - By, e.g., restricting residents' capacity to develop their talents, networks and employability, and thus increasing the risks of them becoming, or staying, poor

- **Example:**

  - Does a child's peer group (neighbors or class-mates) affect the educational attainment and future labor market prospects of the child?

 - If so, what type of policy interventions should we undertake?

Housing market mechanism and selection bias

Parents' resources

Location choice: neighborhood quality and peer group

Housing market mechanism and selection bias

Parents' resources

Location choice: neighborhood quality and peer group

Child's outcomes

Housing market mechanism and selection bias

Parents' resources

Location choice: neighborhood quality and peer group

?
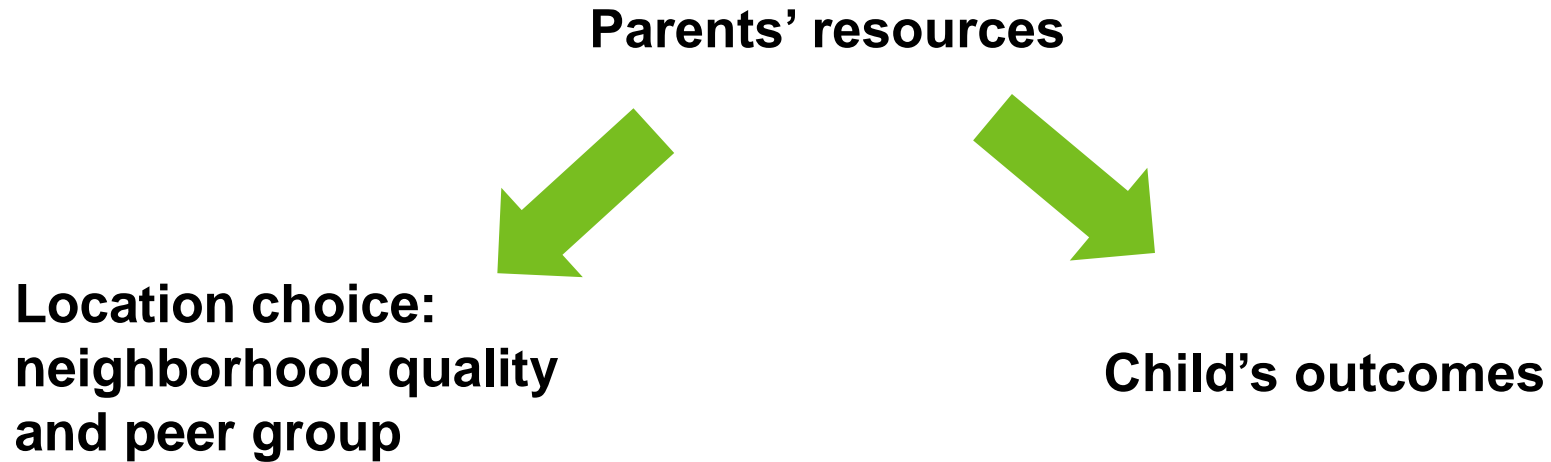
Child's outcomes
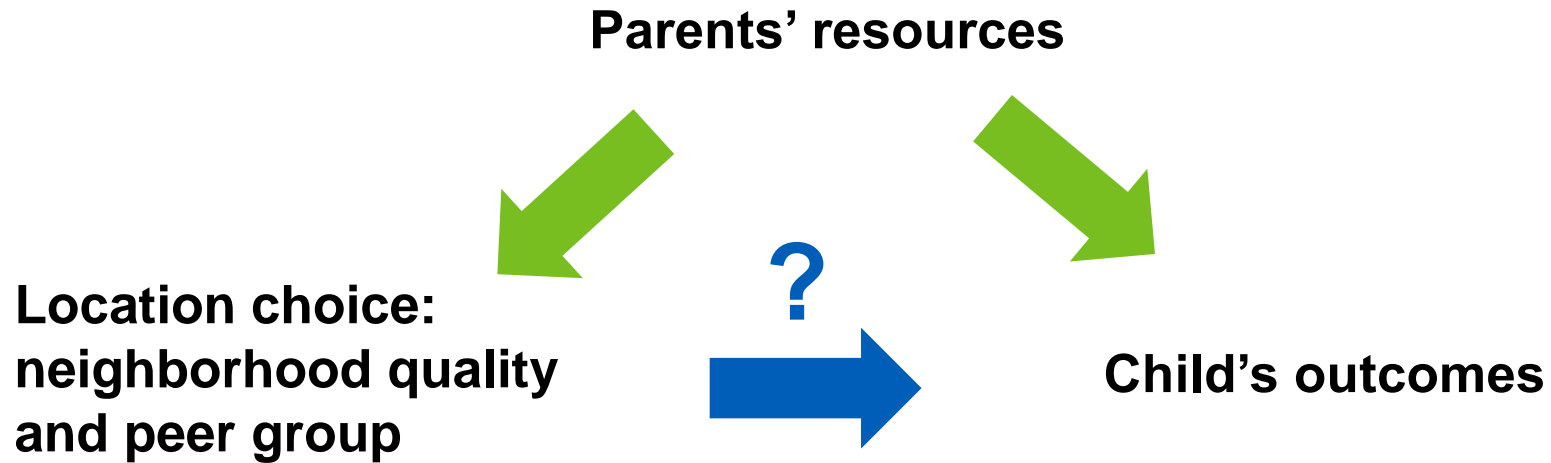
- Children who grow up in affluent neighborhoods do better later in life
- But is this correlation spurious due optimization behavior by parents or a causal effect?

Controlling for observable differences

- **One way would be to control for observable differences**
  - Compare people who are similar, have the same initial income, level of education etc., but live in different quality neighborhoods

- **However, if we compare similar families why did the families make different residential location choices?**
  - Low-income parents who make the effort to move to a higher quality n'hood than observably similar parents may also use more other resources in parenting

Experiments and quasi- or natural experiments

- **Randomized controlled trial (RCT) is often considered the gold standard for causal inference**

- **This is often done in medical trials**
  - The treatment group would get the drug and the control group would get a placebo
  - Randomization makes sure that the groups are similar on average before the treatment and any average difference between the groups after the treatment can be attributed to the drug
  - Last year's Nobel Prize in economics was rewarded to people studying poverty and development using RCT's

Randomizing location choice?

Parents' resources

Location choice: neighborhood quality and peer group

Child's outcomes
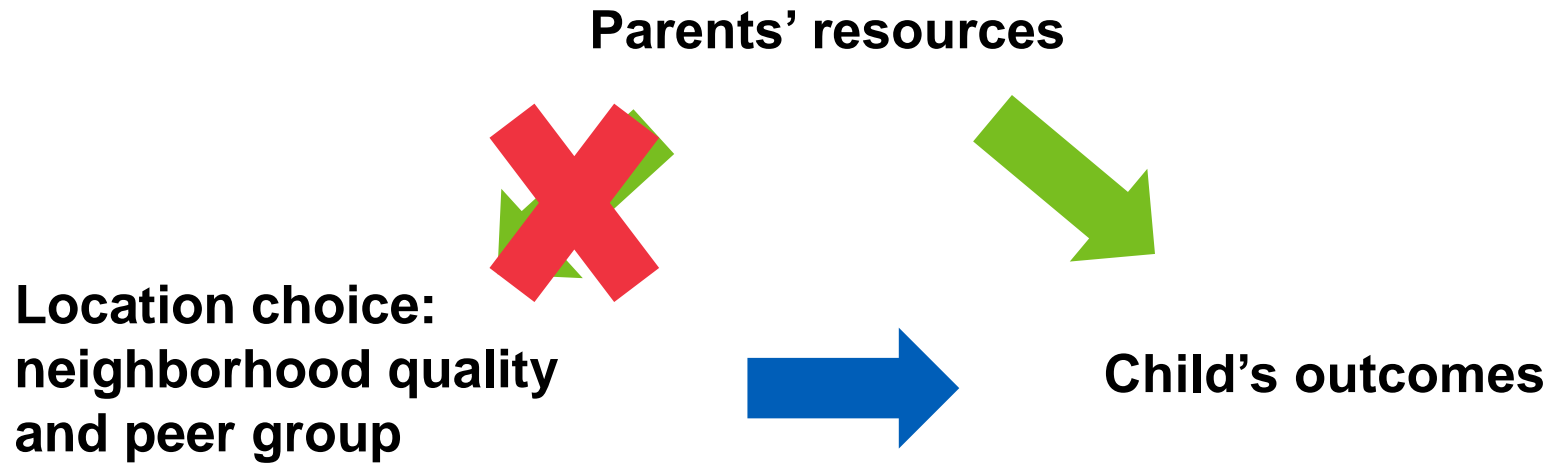
Experiments and quasi- or natural experiments

- **You may have heard that economics or social sciences more general are not experimental sciences**

- **But this is not quite true anymore**
  - There are more and more experimental studies being done
  - E.g. the Finnish basic income experiment

- **In addition, we can often rely on quasi- or natural experiments**

- **Let's look at these research designs more closely**

Moving to Opportunity

Chetty, Hendren and Katz (2016, AER)

The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment[†]

By Raj Chetty, Nathaniel Hendren, and Lawrence F. Katz*

The Moving to Opportunity (MTO) experiment offered randomly selected families housing vouchers to move from high-poverty housing projects to lower-poverty neighborhoods. We analyze MTO's impacts on children's long-term outcomes using tax data. We find that moving to a lower-poverty neighborhood when young (before age 13) increases college attendance and earnings and reduces single parenthood rates. Moving as an adolescent has slightly negative impacts, perhaps because of disruption effects. The decline in the gains from moving with the age when children move suggests that the duration of exposure to better environments during childhood is an important determinant of children's long-term outcomes. (JEL I31, I38, J13, R23, R38)

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Moving to opportunity (MTO)

- **One of the most famous social experiments of all time**

- **US Department of Housing and Urban Development (HUD) Moving to Opportunity Experiment implemented in 1994–1998**

- **The experiment offered families living in high-poverty housing projects (public housing) housing vouchers to move to lower-poverty neighborhoods**

  - 4,600 families at 5 sites: Baltimore, Boston, Chicago, LA, New York

  - Families signed-up for the experiment voluntarily (implications?)

Moving to opportunity (MTO)

- **Families randomly assigned to one of three groups:**
  1. Experimental: housing vouchers restricted to low-poverty (<10%) Census tracts
  2. Section 8: conventional housing vouchers, no restrictions
  3. Control: public housing in high-poverty (50% at baseline) areas

- **Of course, the families were not forced to move, they were just offered a voucher to do so**

- **Section 8 and control groups serve as the counterfactual**
  - I.e., what would have happened to the children in the experimental group had they not received the treatment (= the offer)

Moving to opportunity (MTO)

- **Large literature on MTO has found significant effects on, for example, adult mental health and subjective well-being**

- **But these studies have consistently found that the MTO had no impact on earnings or employment rates of adults and older youth**

- **Chetty et al. (2016) revisit the MTO experiment and focus on its impacts on children of different ages when their families moved to better neighborhoods**

Data

- **MTO data obtained from HUD**

  - 4,604 households and 15,892 individuals
  - Primary focus: 8,603 children born in or before 1991

- **Link MTO data to federal income tax returns from 1996–2012**

  - Approximately 85% of children matched
  - Match rates do not differ significantly across treatment groups

Analysis

- **In baseline analysis, estimate treatment effects for two groups:**

  - Young children: below age 13 at random assignment (RA)

  - Older children: age 13-18 at random assignment

- **Average age at move: 8.2 for young children vs. 15.1 for older children**

  - Younger children had 7 more years of exposure to low-poverty neighborhood

  - Note that MTO treatments naturally changed many other features of neighborhoods besides the poverty rate

The paper

1. **Check that groups really look like they are randomized**

   - Pre-treatment covariates must be balanced across groups (balance tests)

2. **What is the treatment exactly?**

   - Compliance: How many took up the treatment?
   - Here the treatment is a combination many things
   - See how much neighborhood poverty rate changes

3. **Main results:**

   - Intent-to-treat estimates (ITT) effect of being offered a voucher
   - Treatment on the treated estimates (TOT) effect of being offered a voucher and moving

TABLE 1—SUMMARY STATISTICS AND BALANCE TESTS FOR CHILDREN IN MTO-TAX DATA LINKED SAMPLE

	< Age 13 at random assignment			Age 13–18 at random assignment		
	Control group mean (1)	Exp. versus control (2)	Sec. 8 versus control (3)	Control group mean (4)	Exp. versus control (5)	Sec. 8 versus control (6)
Linked to tax data (%)	86.4	−0.8 (1.4)	−0.4 (1.5)	83.8	1.5 (2.0)	−0.1 (2.2)
Child's age at random assignment	8.2	−0.1 (0.1)	−0.0 (0.1)	15.1	0.1 (0.1)	−0.1 (0.1)
Household head completed high school (%)	34.3	4.2* (2.4)	0.4 (2.6)	29.5	5.0 (3.1)	0.7 (3.3)
Household head employed (%)	23.8	1.0 (2.1)	−2.2 (2.2)	25.3	3.0 (2.9)	−0.4 (3.0)
Household head gets AFDC/TANF (%)	79.5	0.6 (1.9)	1.8 (2.0)	75.0	−0.8 (2.9)	−1.0 (3.0)
Household head never married (%)	65.1	−4.3* (2.3)	−3.1 (2.6)	53.0	−3.1 (3.2)	−6.3* (3.4)
Household head had teenage birth (%)	28.6	−0.9 (2.2)	−0.3 (2.5)	29.1	−3.6 (2.9)	−2.5 (3.2)
Primary or secondary reason for move is to get away from gangs or drugs (%)	78.1	−1.8 (2.1)	−4.4* (2.4)	77.7	3.1 (2.6)	−0.9 (2.9)
Household victims of crime in past five years (%)	41.3	2.5 (2.4)	0.9 (2.7)	44.8	1.3 (3.3)	−3.3 (3.5)
Household head African American (%)	66.9	−0.4 (2.0)	−1.4 (2.1)	63.9	−1.9 (2.7)	−5.9** (2.8)
Household head Hispanic (%)	29.4	−0.3 (2.0)	−0.5 (2.1)		31.1 (2.7)	0.6 (2.7)
Child susp./expelled in past two years (%)	4.9	0.7 (0.8)	0.4 (0.9)	17.6	1.0 (2.0)	0.4 (2.2)
Children in linked MTO-tax data	1,613	1,969	1,427	686	959	686

TABLE 2—FIRST-STAGE IMPACTS OF MTO ON VOUCHER TAKE-UP
AND NEIGHBORHOOD POVERTY RATES (*Percentage Points*)

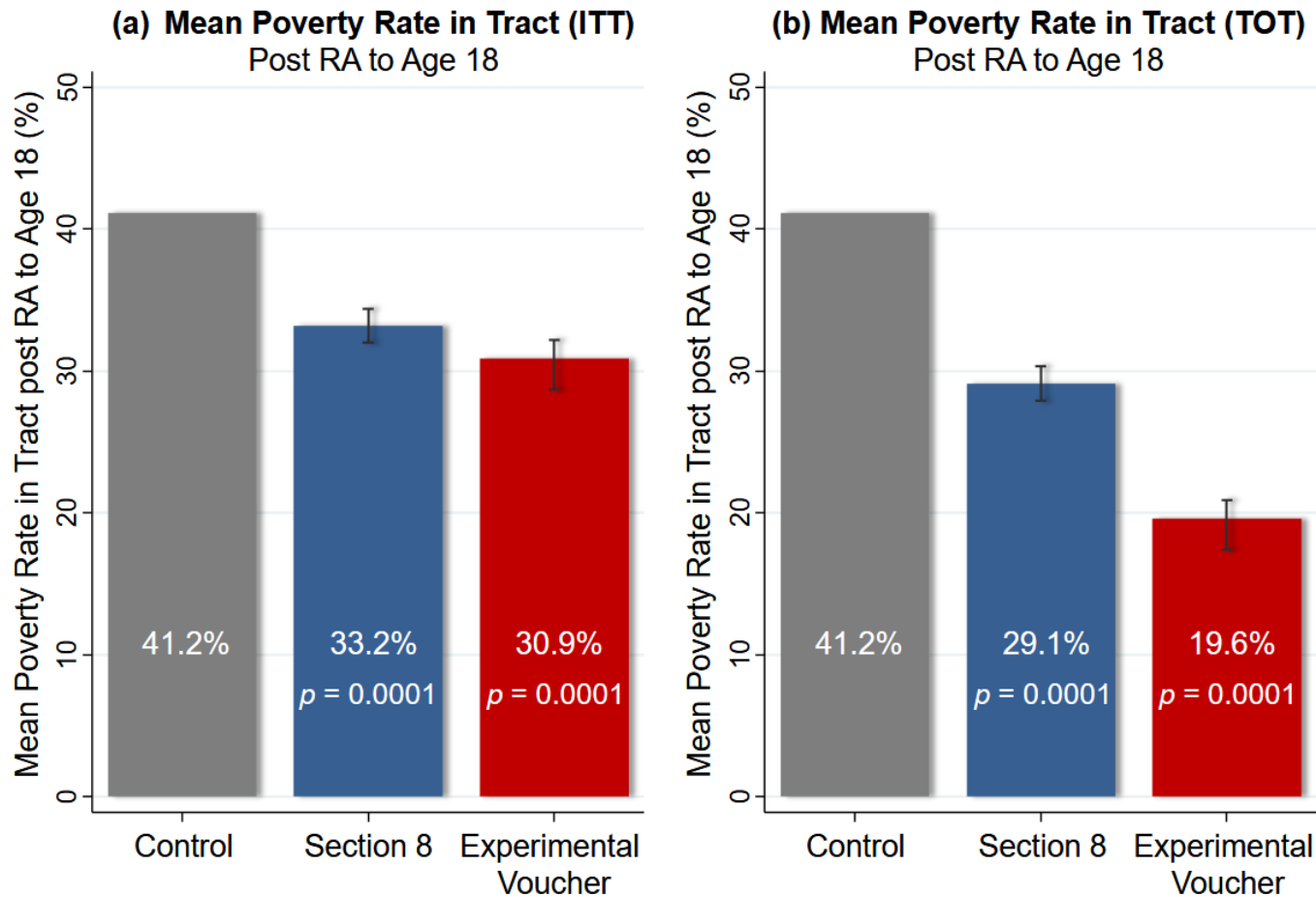|	Housing voucher take-up (1)	Poverty rate in tract one year post- RA		Mean poverty rate in tract post-RA to age 18		Mean poverty rate in zip post-RA to age 18	
		ITT (2)	TOT (3)	ITT (4)	TOT (5)	ITT (6)	TOT (7)
Panel A. Children < age 13 at random assignment							
Exp. versus control	47.66***						
	(1.653)						
Sec. 8 versus control	65.80***						
	(1.934)						
Observations	5,044						
Control group mean	0						
Panel B. Children age 13–18 at random assignment							
Exp. versus control	40.15***						
	(2.157)						
Sec. 8 versus control	55.04***						
	(2.537)						
Observations	2,358						
Control group mean	0						

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Panel A. Children < age 13 at random assignment							
Exp. versus control	47.66***	−17.05***	−35.96***				
	(1.653)	(0.853)	(1.392)				
Sec. 8 versus control	65.80***	−14.88***	−22.57***				
	(1.934)	(0.802)	(1.024)				
Observations	5,044	4,958	4,958				
Control group mean	0	50.23	50.23				
Panel B. Children age 13–18 at random assignment							
Exp. versus control	40.15***	−14.00***	−34.70***				
	(2.157)	(1.136)	(2.231)				
Sec. 8 versus control	55.04***	−12.21***	−22.03***				
	(2.537)	(1.078)	(1.738)				
Observations	2,358	2,302	2,302				
Control group mean	0	49.14	49.14				

Table 2—First-Stage Impacts of MTO on Voucher Take-Up and Neighborhood Poverty Rates (*Percentage Points*)

	Housing voucher take-up (1)	Poverty rate in tract one year post- RA		Mean poverty rate in tract post-RA to age 18		Mean poverty rate in zip post-RA to age 18	
		ITT (2)	TOT (3)	ITT (4)	TOT (5)	ITT (6)	TOT (7)
Panel A. Children < age 13 at random assignment							
Exp. versus control	47.66***	−17.05***	−35.96***	−10.27***	−21.56***	−5.84***	−12.23***
	(1.653)	(0.853)	(1.392)	(0.650)	(1.118)	(0.425)	(0.752)
Sec. 8 versus control	65.80***	−14.88***	−22.57***	−7.97***	−12.06***	−3.43***	−5.17***
	(1.934)	(0.802)	(1.024)	(0.615)	(0.872)	(0.423)	(0.622)
Observations	5,044	4,958	4,958	5,035	5,035	5,035	5,035
Control group mean	0	50.23	50.23	41.17	41.17	31.81	31.81
Panel B. Children age 13–18 at random assignment							
Exp. versus control	40.15***	−14.00***	−34.70***	−10.04***	−24.66***	−5.51***	−13.52***
	(2.157)	(1.136)	(2.231)	(0.948)	(1.967)	(0.541)	(1.113)
Sec. 8 versus control	55.04***	−12.21***	−22.03***	−8.60***	−15.40***	−3.95***	−7.07***
	(2.537)	(1.078)	(1.738)	(0.920)	(1.530)	(0.528)	(0.921)
Observations	2,358	2,302	2,302	2,293	2,293	2,292	2,292
Control group mean	0	49.14	49.14	47.90	47.90	35.17	35.17

Impacts of MTO on children <u>below age 13</u> at RA

(a) Mean Poverty Rate in Tract (ITT)
Post RA to Age 18

Control: 41.2%
Section 8: 33.2% — *p* = 0.0001
Experimental Voucher: 30.9% — *p* = 0.0001

(b) Mean Poverty Rate in Tract (TOT)
Post RA to Age 18

Control: 41.2%
Section 8: 29.1% — *p* = 0.0001
Experimental Voucher: 19.6% — *p* = 0.0001

Impacts of MTO on children age 13–18 at RA

(a) Mean Poverty Rate in Tract (ITT)
Post RA to Age 18

Control: 47.9%
Section 8: 39.3% (p = 0.0001)
Experimental Voucher: 37.9% (p = 0.0001)

(b) Mean Poverty Rate in Tract (TOT)
Post RA to Age 18

Control: 47.9%
Section 8: 32.5% (p = 0.0001)
Experimental Voucher: 23.2% (p = 0.0001)

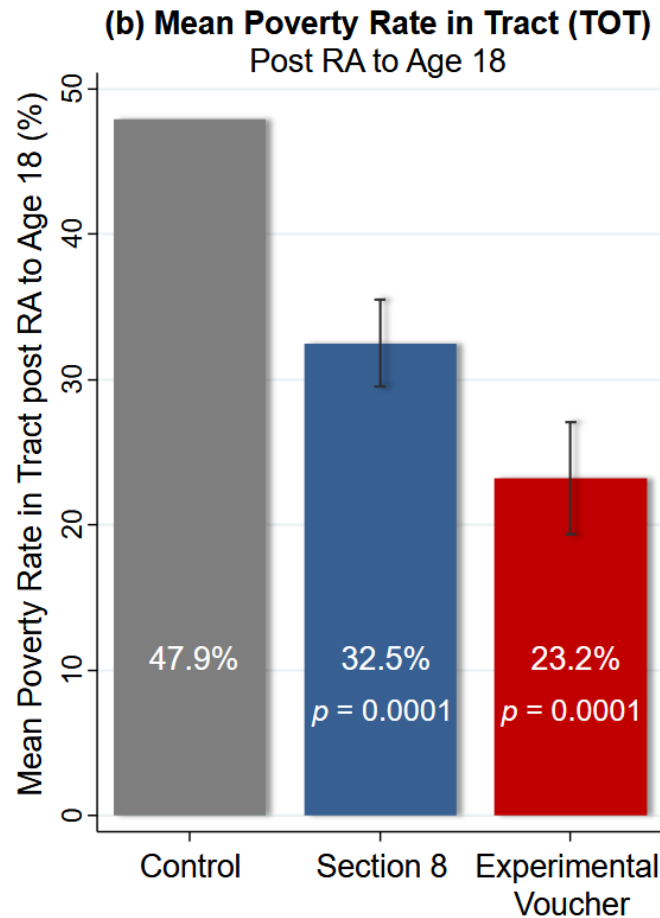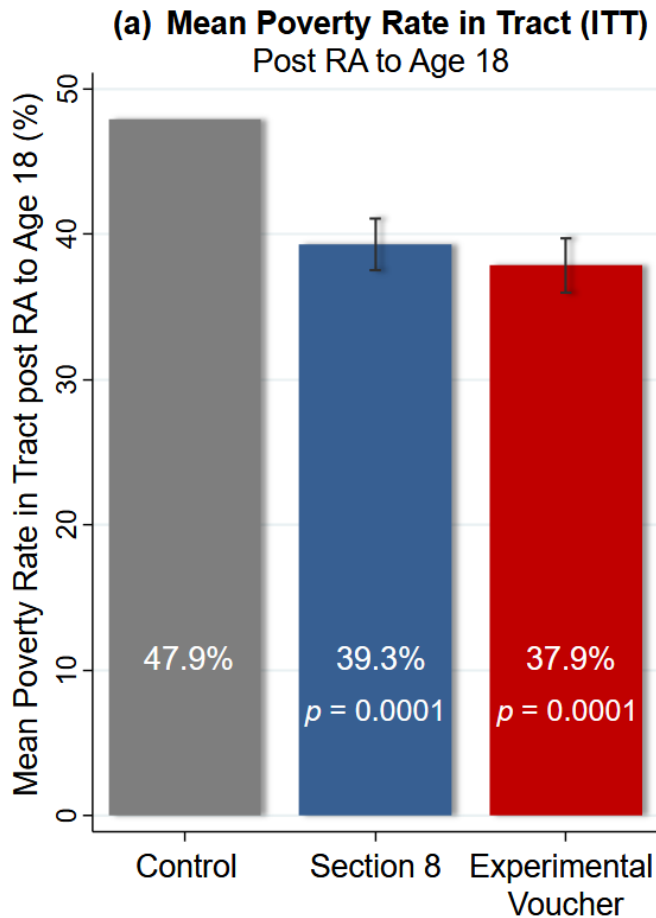# TABLE 3—IMPACTS OF MTO ON CHILDREN'S INCOME IN ADULTHOOD

	W-2 earnings ($) 2008–2012 ITT (1)	Individual earnings 2008–2012 ($)			Individual earnings ($)		Employed (%) 2008–2012 ITT (7)	Hhold. inc. ($) 2008–2012 ITT (8)	Inc. growth ($) 2008–2012 ITT (9)
		ITT (2)	ITT w/ controls (3)	TOT (4)	Age 26 ITT (5)	2012 ITT (6)			
Panel A. Children < age 13 at random assignment									
Exp. versus control	1,339.8** (671.3)	1,624.0** (662.4)	1,298.9** (636.9)	3,476.8** (1,418.2)	1,751.4* (917.4)	1,443.8** (665.8)	1.824 (2.083)	2,231.1*** (771.3)	1,309.4** (518.5)
Sec. 8 versus control	687.4 (698.7)	1,109.3 (676.1)	908.6 (655.8)	1,723.2 (1051.5)	551.5 (888.1)	1,157.7* (690.1)	1.352 (2.294)	1,452.4** (735.5)	800.2 (517.0)
Observations	8,420	8,420	8,420	8,420	1,625	2,922	8,420	8,420	8,420
Control group mean	9,548.6	11,270.3	11,270.3	11,270.3	11,398.3	11,302.9	61.8	12,702.4	4,002.2
Panel B. Children age 13–18 at random assignment									
Exp. versus control	−761.2 (870.6)	−966.9 (854.3)	−879.5 (817.3)	−2,426.7 (2,154.4)	−539.0 (795.4)	−969.2 (1,122.2)	−2.173 (2.140)	−1,519.8 (11,02.2)	−693.6 (571.6)
Sec. 8 versus control	−1,048.9 (932.5)	−1,132.8 (922.3)	−1,136.9 (866.6)	−2,051.1 (1,673.7)	−15.11 (845.9)	−869.0 (1213.3)	−1.329 (2.275)	−936.7 (11,85.9)	−885.3 (625.2)
Observations	11,623	11,623	11,623	11,623	2,331	2,331	11,623	11,623	11,623
Control group mean	13,897.1	15,881.5	15,881.5	15,881.5	13,968.9	16,602.0	63.6	19,169.1	4,128.1

TABLE 3—IMPACTS OF MTO ON CHILDREN'S INCOME IN ADULTHOOD

	W-2 earnings ($) 2008–2012 ITT (1)	Individual earnings 2008–2012 ($)			Individual earnings ($)		Employed (%) 2008–2012 ITT (7)	Hhold. inc. ($) 2008–2012 ITT (8)	Inc. growth ($) 2008–2012 ITT (9)
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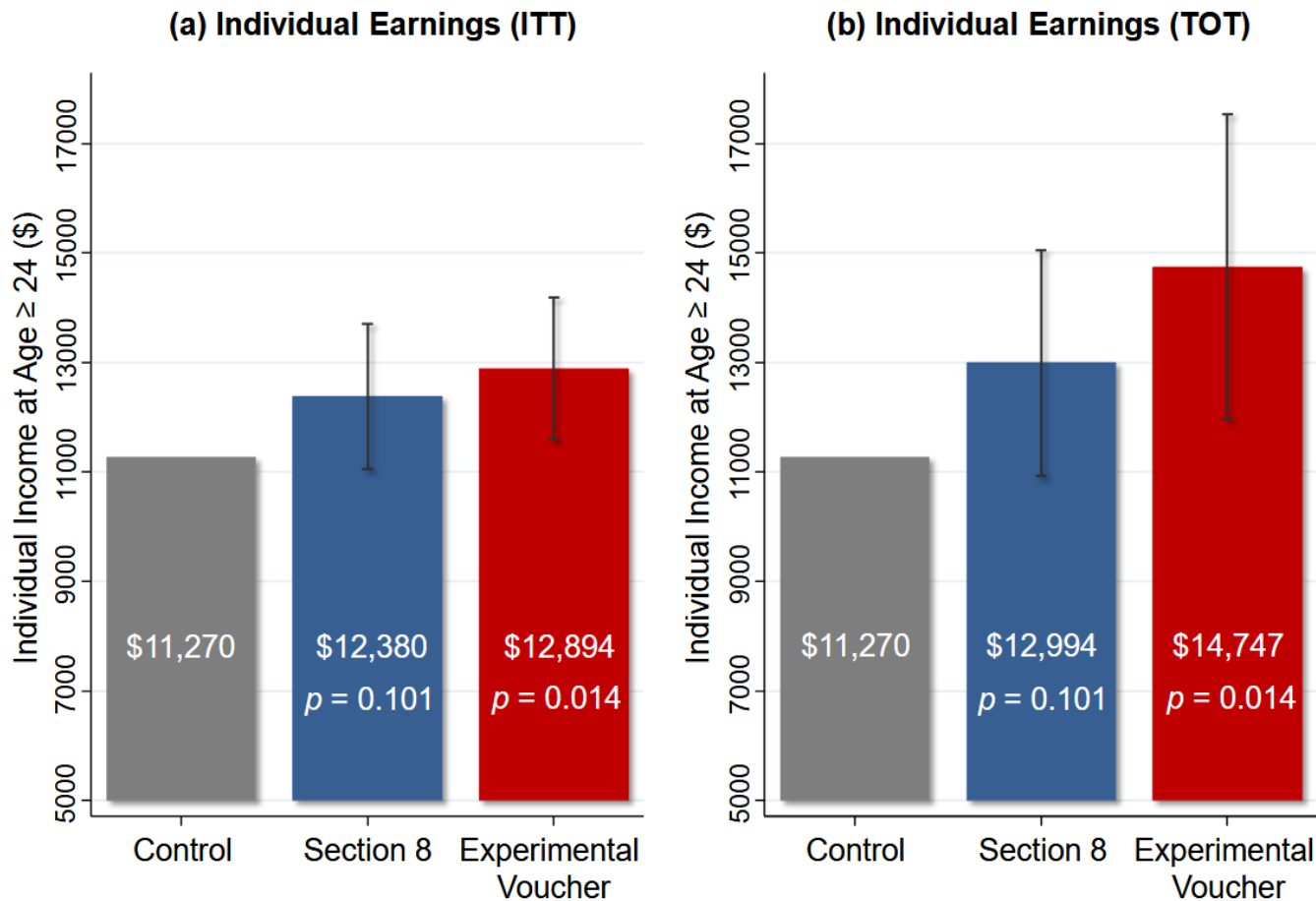# Impacts of MTO on children <u>below age 13</u> at RA

(a) Individual Earnings (ITT)

Individual Income at Age ≥ 24 ($)

- Control: $11,270
- Section 8: $12,380, $p = 0.101$
- Experimental Voucher: $12,894, $p = 0.014$

(b) Individual Earnings (TOT)

Individual Income at Age ≥ 24 ($)

- Control: $11,270
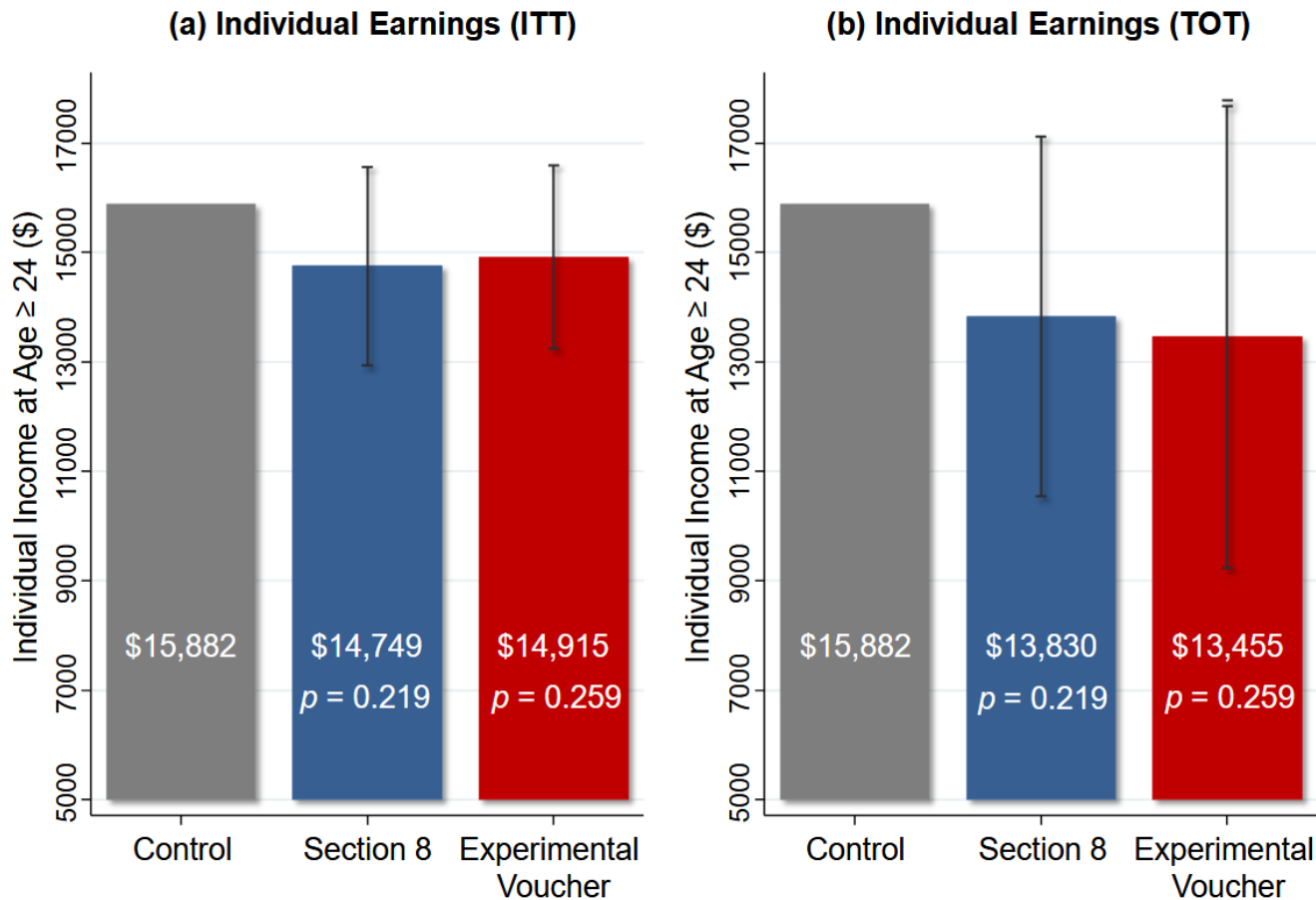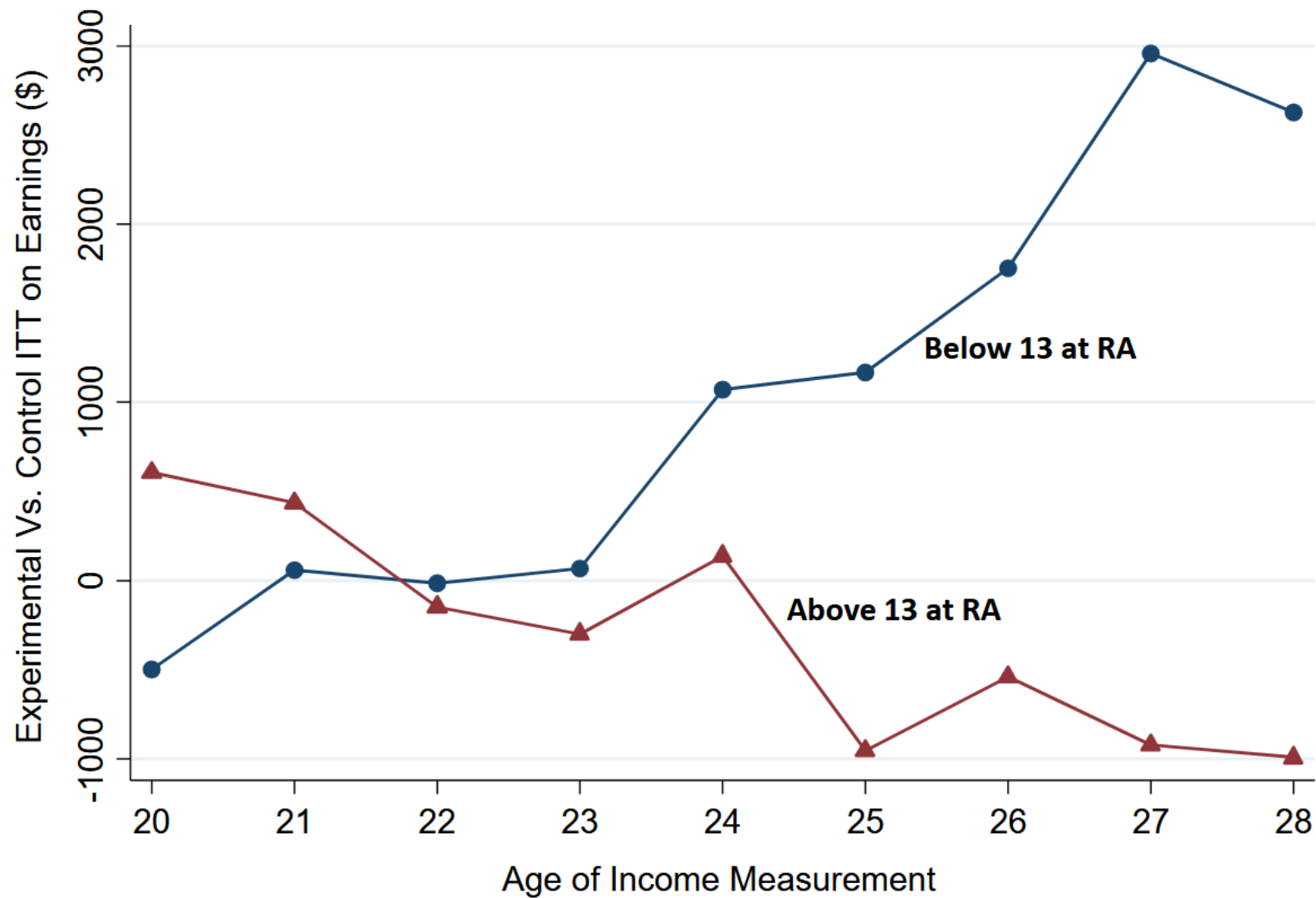- Section 8: $12,994, $p = 0.101$
- Experimental Voucher: $14,747, $p = 0.014$

TABLE 3—IMPACTS OF MTO ON CHILDREN'S INCOME IN ADULTHOOD

| | W-2 earnings ($) 2008–2012 ITT (1) | Individual earnings 2008–2012 ($) | | | Individual earnings ($) | | Employed (%) 2008–2012 ITT (7) | Hhold. inc. ($) 2008–2012 ITT (8) | Inc. growth ($) 2008–2012 ITT (9) |
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Panel B. Children age 13–18 at random assignment									
Exp. versus control	−761.2 (870.6)	−966.9 (854.3)	−879.5 (817.3)	−2,426.7 (2,154.4)	−539.0 (795.4)	−969.2 (1,122.2)	−2.173 (2.140)	−1,519.8 (11,02.2)	−693.6 (571.6)
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Observations	11,623	11,623	11,623	11,623	2,331	2,331	11,623	11,623	11,623
Control group mean	13,897.1	15,881.5	15,881.5	15,881.5	13,968.9	16,602.0	63.6	19,169.1	4,128.1

Impacts of MTO on children <u>age 13–18</u> at RA

(a) Individual Earnings (ITT)

Control: $15,882
Section 8: $14,749, *p* = 0.219
Experimental Voucher: $14,915, *p* = 0.259

(b) Individual Earnings (TOT)

Control: $15,882
Section 8: $13,830, *p* = 0.219
Experimental Voucher: $13,455, *p* = 0.259

Impacts of Experimental Voucher by Age of Earnings Measurement

Below 13 at RA

Above 13 at RA

Experimental Vs. Control ITT on Earnings ($)

Age of Income Measurement

Other results

- **Children below age 13 at RA in the experimental group**
  - E.g. more likely to attend college, live in better n'hoods as adults
- **Children age 13–18 at RA in the experimental group**
  - No effects on these outcomes
- **Adults in experimental group**
  - No effects on income
- **No gender differences**
- **The paper reports other results as well**
  - Opportunity Insights is a wonderful resource if you are interested in these issues: https://opportunityinsights.org/

Explanation from the paper

- **Results are consistent with a simple model that combines positive exposure effects from moving to lower-poverty neighborhoods with a negative disruption cost of moving to such a neighborhood**

  - The exposure effects outweigh the disruption cost for children who move when young, but not for children who move at older ages

- **Note that because families in both the control and treatment groups moved frequently, the disruption cost must reflect the cost of moving to a different type of neighborhood rather than a fixed cost of moving houses within the same neighborhood or a similar nearby neighborhood**

ITT vs. TOT

- **Sometimes ITT is the most interesting estimate**
  - In the context of the MTO, it is the impact of offering housing vouchers
  - This is could the most relevant effect given that offering vouchers is likely to be the relevant policy (rather than forcing everyone to move)

- **Sometimes TOT is more relevant**
  - In MTO, it is the impact of living in better neighborhoods
  - Potentially informative for policy discussion on whether we should invest in improving existing neighborhoods ("place-making policies")
  - Although moving may complicate the interpretation a bit

Public housing demolition as a quasi-experiment

Natural or quasi-experiments

- **Most often an experimental research design is not available**

- **Sometimes the researcher is "lucky", and a government policy affects households in a way that resembles an experiment**

- **These instances are referred to as "natural" or "quasi-experiments"**

  - Historical episodes that provide observable, quasi- or "as if" random variation in treatment

  - These might be law changes that affect some people, but not others

Chyn (2018, AER)

Moved to Opportunity: The Long-Run Effects of Public Housing Demolition on Children[†]

By Eric Chyn*

This paper provides new evidence on the effects of moving out of disadvantaged neighborhoods on the long-run outcomes of children. I study public housing demolitions in Chicago, which forced low-income households to relocate to less disadvantaged neighborhoods using housing vouchers. Specifically, I compare young adult outcomes of displaced children to their peers who lived in nearby public housing that was not demolished. Displaced children are more likely to be employed and earn more in young adulthood. I also find that displaced children have fewer violent crime arrests. Children displaced at young ages have lower high school dropout rates. (JEL H75, I38, J13, R23, R38)

Chyn (2018, AER)

- **Studies the case of Chicago where the housing authority began reducing its stock of public housing during the 1990s**
  - The authority targeted some buildings with poor maintenance for demolition while leaving nearby buildings untouched
  - Residents of buildings selected for demolition received Section 8 housing vouchers and were forced to relocate

- **This policy created a treatment and a control group "naturally" or by accident**
  - The housing authority was not planning to divide the residents into control and treatment groups for research purposes
  - The researcher was not involved in creating these groups

Research design

- **The research design compares the young adult outcomes of displaced and non-displaced children from the same public housing project**

  - If these two groups of children and their households were similar before the demolition, differences in later-life outcomes can be attributed to neighborhood relocation

- **The key assumption**

  - The demolition decisions of the buildings were unrelated to the characteristics of the tenants

  - Within a given housing project, the households were (as-good-as) randomly assigned to buildings

  - This should be valid if the tenant selection mechanism did not allow households to sort into buildings (waiting lists)

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Example: Robert Taylor Homes project

Research design

- **In this type of research design, you need to carefully show that the households and children were similar in the control and treatment group prior to treatment (demolition)**

  - If they are similar in terms of characteristics that the researcher can observe, it is plausible that they are similar also in terms of the characteristics the researcher does not observe

  - Balance test!

Research design

- **The second key assumption is that demolition has no effects on the children whose building was not demolished (control group)**

- **Prior research on the same demolitions shows that crime fell in the projects**
  - If crime in a neighborhood has a negative effect on children, Chyn's results might be biased toward zero
  - Both the treatment and the control group might benefit from the demolition!

The paper

1. **Check that groups really look like they are randomized**

   - Pre-treatment covariates must be balanced across groups (balance tests)

2. **What is the treatment exactly?**

   - Everyone complies

   - Treatment is a combination many things

   - See how much the neighborhood poverty rate changes

3. **Main results**

   - Heterogeneity w.r.t gender and age etc.

TABLE 1—COMPARISON OF DISPLACED AND NON-DISPLACED CHILDREN AND ADULTS AT BASELINE
(*Prior to Demolition*)

	All children		Male children		Female children		Adults	
	Control mean (1)	Difference: treated–control, within estimate (2)	Control mean (3)	Difference: treated–control, within estimate (4)	Control mean (5)	Difference: treated–control, within estimate (6)	Control mean (7)	Difference: treated–control, within estimate (8)
Demographics								
Age	11.714	0.035 (0.159)	11.548	0.145 (0.196)	11.873	−0.070 (0.186)	28.851	0.810 (0.312)
Male (= 1)	0.489	−0.008 (0.017)					0.128	−0.001 (0.011)
Teen mom (= 1)[†]							0.371	−0.018 (0.024)
Past arrests (#)								
Violent	0.015	0.005 (0.007)	0.028	0.011 (0.014)	0.004	−0.003 (0.009)	0.185	−0.017 (0.032)
Property	0.011	0.010 (0.009)	0.018	0.015 (0.014)	0.004	0.004 (0.010)	0.156	0.016 (0.020)
Drugs	0.025	0.000 (0.013)	0.054	0.017 (0.023)	0.000	−0.018 (0.012)	0.166	0.031 (0.022)
School outcomes								
Enrolled (= 1)	0.948	0.003 (0.015)	0.946	−0.009 (0.017)	0.949	0.014 (0.016)		
Reading score (SD)	−0.443	0.024 (0.074)	−0.477	−0.045 (0.087)	−0.410	0.074 (0.074)		
Math score (SD)	−0.449	0.048 (0.061)	−0.509	0.007 (0.077)	−0.393	0.073 (0.065)		
Economic activity								
Employed (= 1)							0.173	0.006 (0.016)
Earnings[‡]							$1,493.75	−$45.91 (193.358)
Observations (individuals)		5,250		2,547		2,703		4,331

TABLE 2—IMPACT OF DEMOLITION ON HOUSEHOLD NEIGHBORHOOD CHARACTERISTICS

	3 years after demolition		8 years after demolition	
	Control mean (1)	Difference: treated–control, within estimate (2)	Control mean (3)	Difference: treated–control, within estimate (4)
HH has address (= 1)	0.777	0.014 (0.021)	0.656	0.011 (0.020)
Only HHs with address Tract characteristics:				
Black (percent)	94.897	−2.801 (1.125)	90.042	−1.055 (1.257)
Below poverty (percent)	64.208	−14.264 (2.729)	40.858	−2.771 (2.353)
Violent crime rate	68.855	−29.522 (5.807)	30.801	−2.371 (4.714)
Observations (HHs)		2,767		2,767
Observations (HHs with address)		2,162		1,824

TABLE 3—IMPACT OF DEMOLITION ON ADULT LABOR MARKET OUTCOMES OF CHILDREN

	Control mean (1)	Difference: treated–control, within estimate (2)
Employed (= 1)	0.419	0.040
		(0.014)
Employed full-time (= 1)	0.099	0.013
		(0.006)
Earnings	$3,713.00	$602.27
		(153.915)
Earnings (> 0)	$8,856.91	$587.56
		(222.595)
Observations		35,382
Individuals		5,246

Discussion

- **Internal validity**

  - Are the statistical inferences about causal effects valid for the population being studied?

- **External validity**

  - Can the statistical inferences be generalized from the population and setting studied to other populations and settings, where the "setting" refers to the legal, policy, and physical environment and related salient features?

  - For example, can we learn something concerning Helsinki or other cities from the Chicago experience (or the MTO)?

Asuinalueiden segregaatio ja naapurustovaikutukset

Essi Eerola ja Tuukka Saarimaa

Kirjoituksessa esitellään segregaation syntymekanismeja. Jos asuinalueet ovat laadultaan ja saavutettavuudeltaan erilaisia, ne eriytyvät asukkaiden tulotason mukaan. Tämä tarkoittaa, että satunnaisesti poimitun kotitalouden ja tämän naapureiden tulotasolla voidaan odottaa olevan positiivinen korrelaatio. Kirjoituksessa tarkastellaan myös sitä, millä tavoin naapurusto voi vaikuttaa asukkaisiin ja miten naapurustovaikutuksia on pystytty uskottavasti tutkimaan. Luotettavat kokeellisia ja kvasikokeellisia asetelmia hyödyntävät tutkimukset viittaavat siihen, että tietyissä ympäristöissä naapurustovaikutukset voivat olla merkittäviä. Vaikutukset ovat kuitenkin kontekstisidonnaisia, eikä vaikutusmekanismeja vielä tunneta kovinkaan hyvin. Nykyisen tutkimustiedon valossa ei esimerkiksi voida yksiselitteisesti sanoa, johtuvatko naapurustovaikutukset paikallisista palveluista vai nimenomaan naapureista tai millä maantieteellisellä tasolla naapurustovaikutukset toimivat. Kysymys on oleellinen pohdittaessa sitä, kannattaako resursseja suunnata sosiaaliseen sekoittamiseen asuntopolitiikan keinoin vai suoraan huono-osaisille perheille osoitettuina tulonsiirtoina ja palveluina.

Recap

- **Segregation is a consequence of differences in neighborhood quality and income differences in the city**

- **This type of residential sorting makes it very difficult to analyze neighborhood effects**
  - Sorting leads to correlation between outcomes of individuals and their neighbors, but these correlations do not imply causal effects

- **Empirical evidence from the US using experimental or quasi-experimental research designs shows that in the context of these studies there are (causal) neighborhood effects**
  - However, results from the larger literature show that effects are context specific (UK, Canada, Sweden etc.)
  - Also, the mechanisms still a black box