NEIGHBOURHOOD TURNOVER AND TEENAGE ATTAINMENT

Stephen Gibbons
Department of Geography and Environment and Centre for Economic Performance-Spatial Economics Research Centre, London School of Economics

Olmo Silva
Department of Geography and Environment and Centre for Economic Performance-Spatial Economics Research Centre, London School of Economics

Felix Weinhardt
Humboldt-University Berlin and Centre for Economic Performance-Spatial Economics Research Centre, London School of Economics

Abstract
Theories about neighbours’ influence on children’s education that are based on social capital, cohesion and disorganisation stress the importance of neighbourhood stability. This is because stability is regarded as necessary for building strong ties and friendships, which in turn affect educational outcomes. However, amongst the vast number of studies on the effect of neighbours on a child’s education, none has tested whether neighbourhood stability matters. We fill this gap by estimating the causal effect of residential turnover on student test score gains. Estimation is based on administrative data on four cohorts of secondary school students in England, allowing us to control for pupil-level, neighbourhood-level and school-by-cohort level unobservables and for changes in neighbourhood composition driven by students’ residential mobility. We show that a high turnover of same-school-grade students reduces value-added for teenagers who stay in their neighbourhood, although turnover of other age groups does not matter. These results coupled with auxiliary findings based on survey data suggest that neighbours’ turnover damages education through the disruption of local ties and friendships, highlighting a so-far undiscovered spillover of mobility. (JEL: C21, I20, R23)

The editor in charge of this paper was M. Daniele Paserman.

Acknowledgments: We would like to thank Tony Champions, Camille Hemet, Larry Katz, Daniele Paserman (the Editor), Steve Rivkin, four anonymous referees, and participants at the CEP Labour Market Workshop, NIESR Seminar (London), the SERC Annual Conference 2013, SOLE Annual Meetings 2014, the Tinbergen Institute (Amsterdam), the University of Alicante, the University of York and the III Workshop in Urban Economics (Barcelona) for helpful comments and suggestions. Weinhardt acknowledges ESRC funding (ES/J003867/1). We are responsible for any remaining errors or omissions. Gibbons, Silva and Weinhardt are Research Fellows at IZA.

E-mail: s.gibbons@lse.ac.uk (Gibbons); o.silva@lse.ac.uk (Silva); felix.weinhardt@hu-berlin.de (Weinhardt)

Journal of the European Economic Association
Preprint prepared on 30 May 2016 using jeea.cls v1.0.