

Geographic Inequalities & Opportunity

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Economic
and Social
Research Council



- UK among the more spatially unequal countries in the OECD:
 - health & life expectancy
 - education & skills
 - pay & productivity
- Important feature - striking persistence in many of these inequalities:
 - places with low wages and employment 20 years ago are still struggling today
- Understanding this **persistence** is important for the design of policies to address spatial inequalities.

*Do inequalities between places persist because **some places have persistently worse local conditions** (e.g. weak local labour market) which affect everyone?*

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➡ Need policies that improve these conditions directly

*Or is persistence being driven by **stronger intergenerational transmission of disadvantage within families** in some places due to greater **inequalities in opportunities**?*

➡ Need policies that improve opportunities to overcome childhood disadvantage

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- **My talk:** documenting geographical differences in opportunities to overcome childhood disadvantage
- **The rest of the talks:** What are these opportunities?
 - Moving to places that are doing better (Xu and Levell)
 - Improving local economic conditions (McCann)



Geography of opportunity

Two measures

1. Differences across places in the degree to which childhood circumstances matter for adult outcomes.
2. Differences across places in how those who grow up in disadvantaged circumstances fare in adulthood

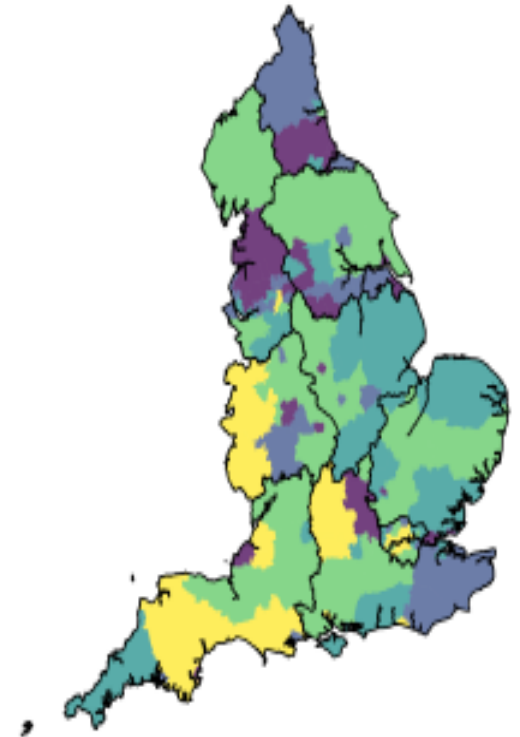
Child circumstances and adult outcomes



- Correlation btw childhood neighbourhood SES & adult earnings age 30
- At Upper Tier Local Authority level:
 - **Low:** opportunities in the LA do not depend strongly on childhood circumstances → more equality of opportunity
 - **High:** less equality of opportunity in the LA
- Analysis:
 - Govt admin data: everyone in state schools age 16
 - Focus on cohorts born second half of 1980's
 - Analysis by where one grew up not where one lives in adulthood

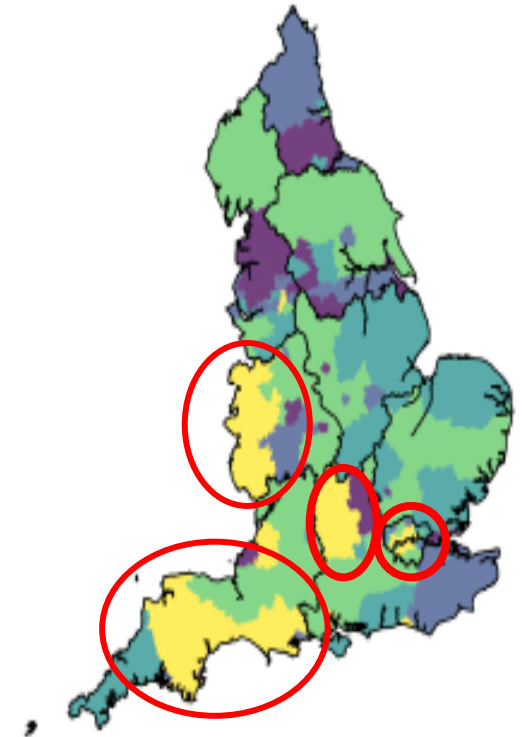
Men

- **Yellow:** 20% of LA's with lowest inequality of opportunity (low correlation)
- **Dark purple:** 20% LA's with highest inequality of opportunity



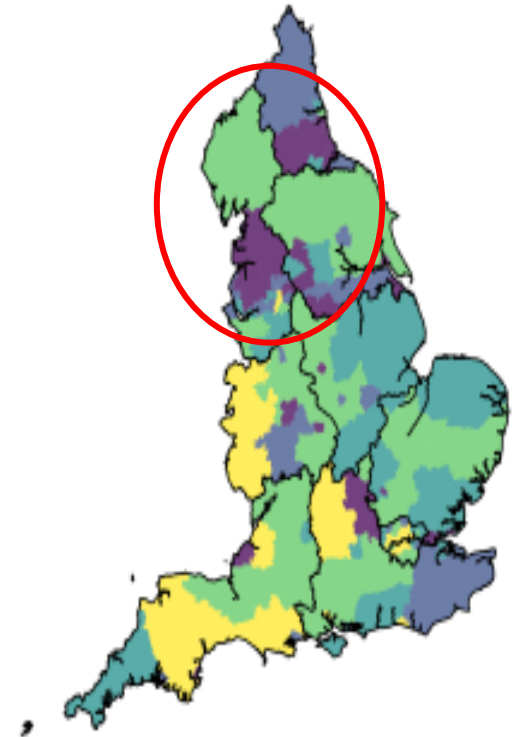
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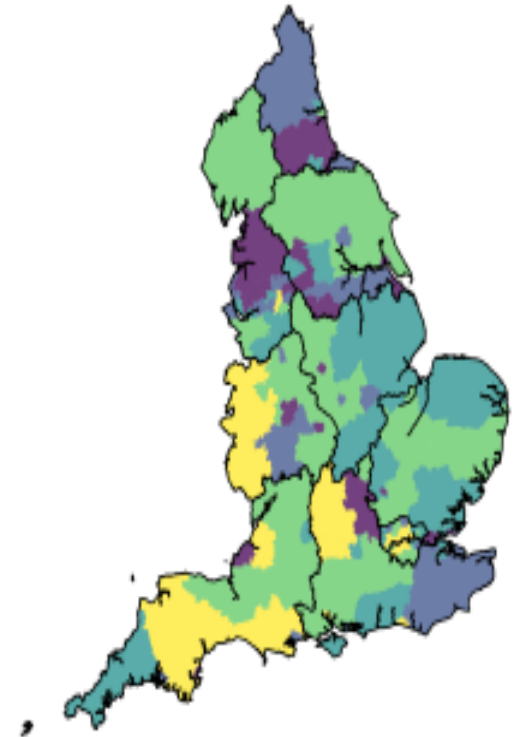
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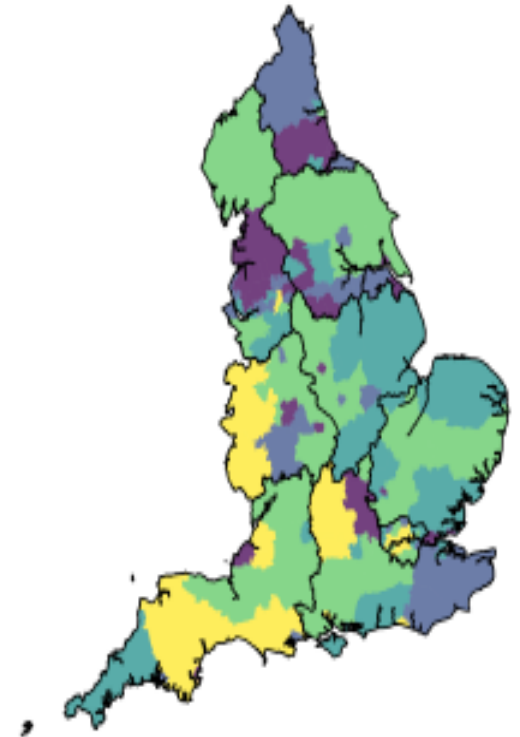
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- Gap in LA between those who grew up in poorest and richest neighbourhoods



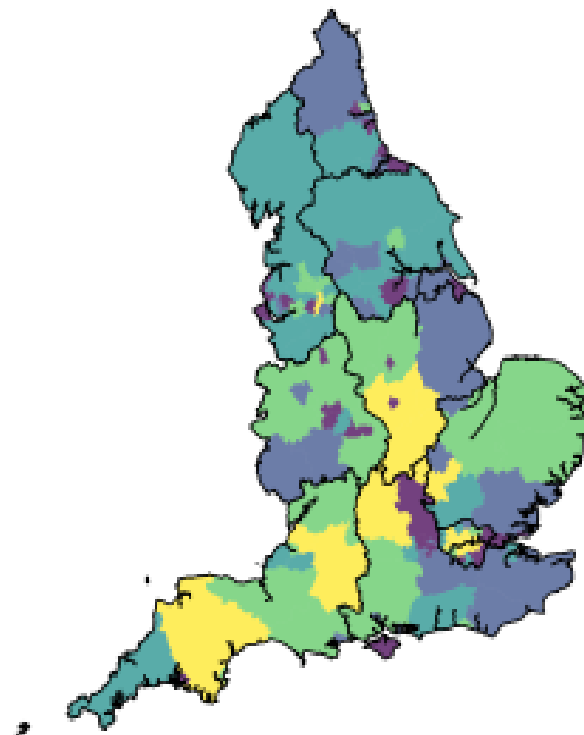
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- Gap between those who grew up in poorest and richest neighbourhoods:
 - Almost 5 times bigger in Blackpool than in Camden
 - Equivalent to 64% of mean earnings of men *prank* 50



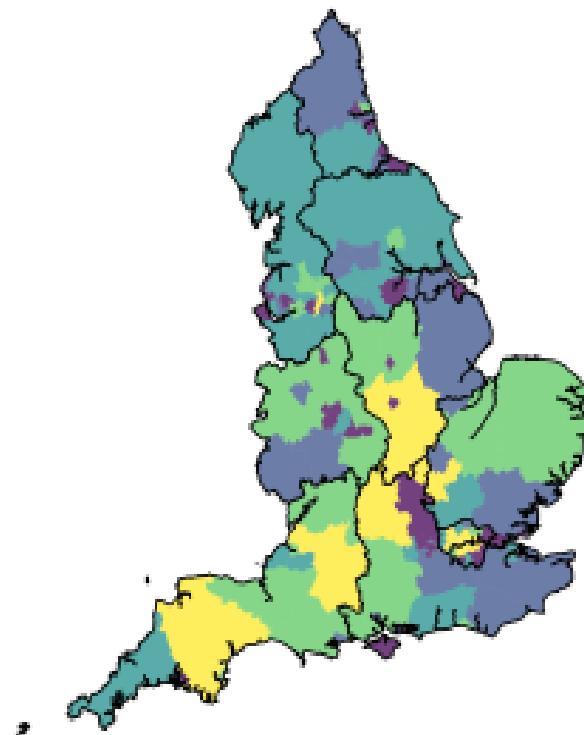
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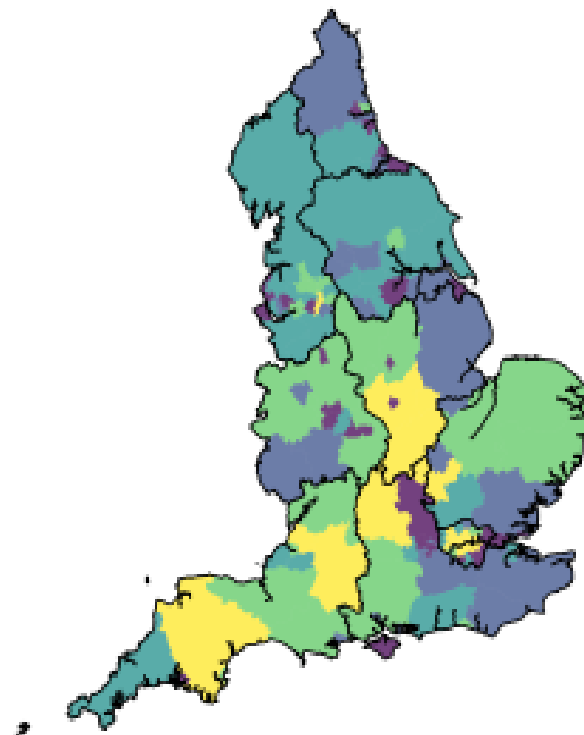
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- Bottom 20%: more spread out: Isle of Wight, Buckinghamshire, Greater London, West Midlands, North West



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- Gap between women who grew up in poorest and richest neighbourhoods:
 - 4 times bigger in Sandwell (West Midlands) than Camden & Hackney



Two measures

1. Differences across places in the degree to which childhood circumstances matter for adult outcomes.
 - Significant geographical variation in the degree to which childhood circumstances impact adult earnings.

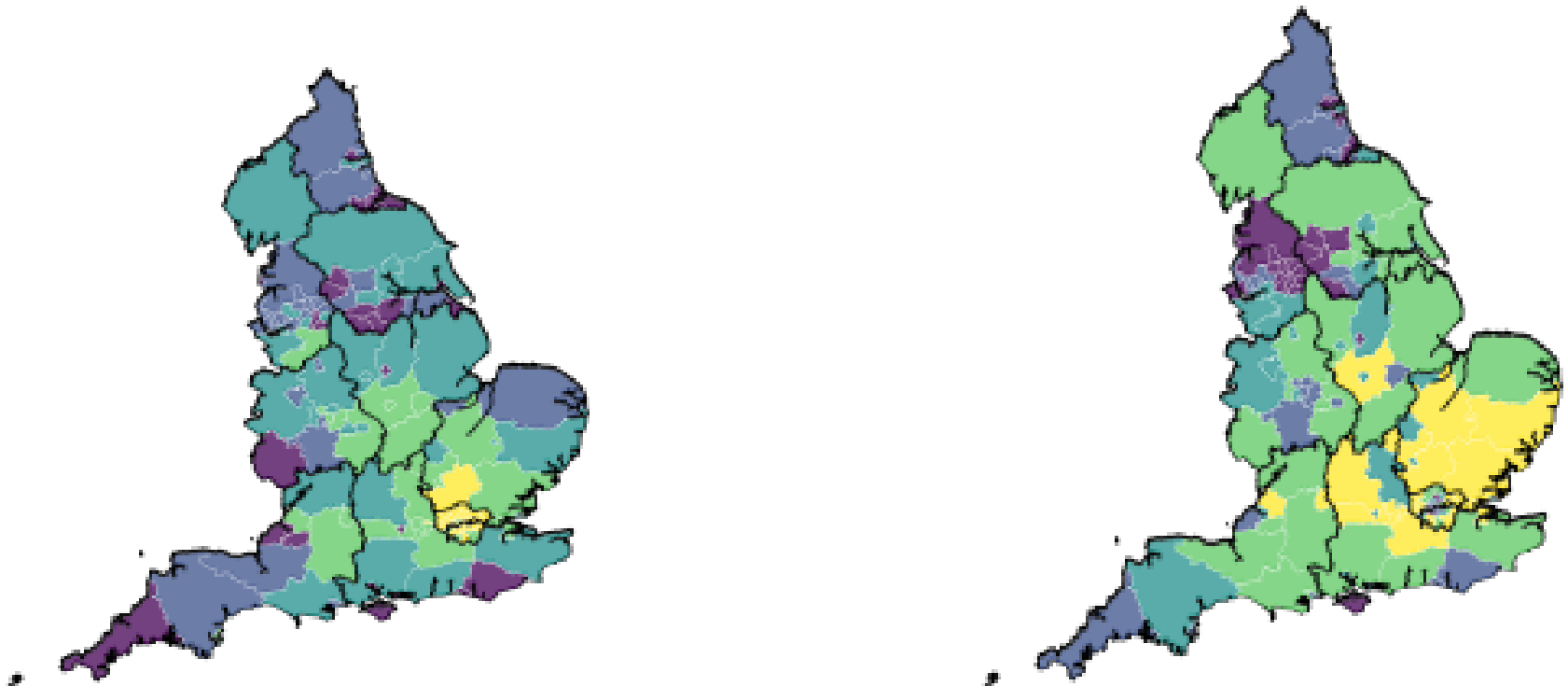
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2. Differences across places in how those who grow up in disadvantaged circumstances fare in adulthood
 - Expected mean earnings at LA-level of those who grew up in low SES neighbourhoods in that LA
 - Equally disadvantaged childhood neighbourhoods (25th percentile rank), different parts of the country
 - How this varies across LA's

Growing up in low SES neighbourhoods



Women

Men

Gap btw top and bottom LAs: 55% (25%) of median earnings for women (men)



What do we learn?

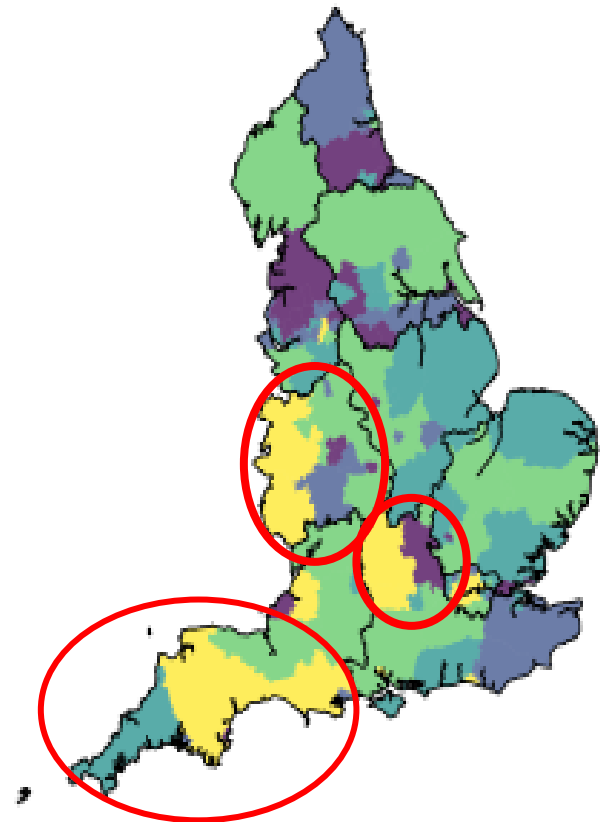
Some take-aways: not just North v South



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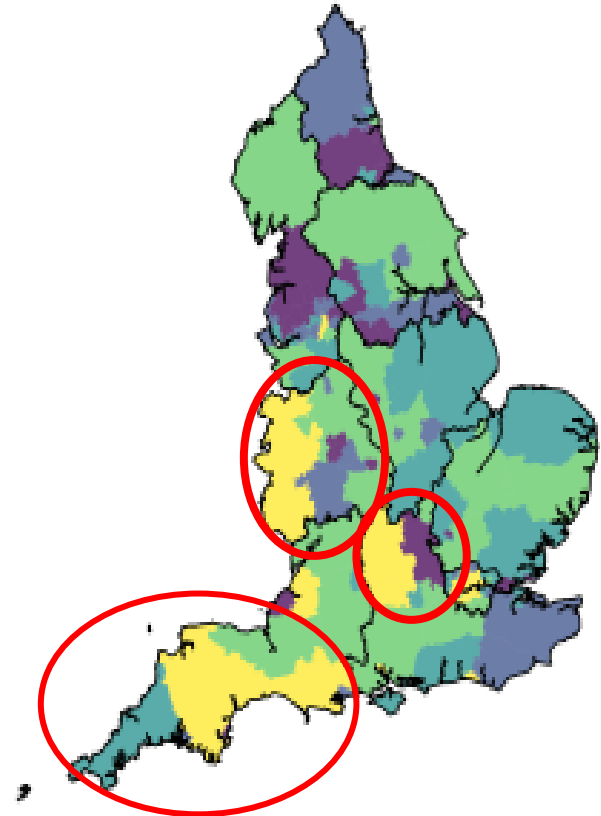
- Significant within region variation
 - Buckinghamshire – Oxfordshire
 - Herefordshire/Shropshire –
Worcestershire / West Midlands
 - Cornwall - Devon



Men – ineq. of opp.

Some take-aways: not just North v South

- Significant within region variation
 - Buckinghamshire – Oxfordshire
 - Herefordshire/Shropshire – Worcestershire / West Midlands
 - Cornwall - Devon
- What drives it?
 - learning more about key local drivers
 - space for localized approaches to policy intervention



Men – ineq. of opp.

Some take-aways: poor results in big regional cities



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Some take-aways: poor results in big regional cities



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 - **Women:** Bradford, Newcastle, Sheffield, Nottingham, Portsmouth, Bristol
 - **Men:** Bradford, Newcastle, Sheffield, Nottingham, Leeds, Liverpool, Manchester
- Even compared to areas *in the same regions*.
- Education part of the story? Also had worse GCSE outcomes

Bringing the two measures together



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Tackling geographic inequalities likely requires addressing geographic differences in inequalities in opportunity – improving local opportunities to overcome childhood family disadvantage

A complex picture

Correlation is moderate – there are notable exceptions:

1. **Regional cities:** Poor outcomes for the disadvantaged reflect broadly poor economic conditions rather than inequality of opportunity (which is not high)
 - Improving outcomes requires broad-based improvements in economic conditions

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1. **Regional cities:** Poor outcomes for the disadvantaged reflect broadly poor economic conditions rather than inequality of opportunity (which is not high)
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2. **Several areas in Greater London and South-East:** High inequality of opportunity is accompanied by relatively good outcomes among those from disadvantaged neighbourhoods
 - Inequality of opportunity may be less of a concern here

A complex picture



Tackling geographical differences in inequality of opportunity will require unpacking what specific local opportunities are important

A complex picture

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➤ Next 3 presentations

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What drives variation in equality of opportunity?

