

Agglomeration, Clusters, and Cities

Agglomeration

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Outline for Today

1. Economic reasons why clustering
2. Practice question on economies of scale
3. Benefits of Agglomeration
4. Tech clusters





Next Week

1. Greenstone, Hornbeck, & Moretti (2010)
2. Introduction to Difference-in-Differences
3. Reading results tables

Readings A small black icon of an open book.

- Greenstone, Hornbeck, & Moretti (2010)
- Difference-in-Differences in *Mastering Metrics Difference in Differences*



Urban Economics and Data



The Importance of Data

- To understand the economics of urban population, we will need data on them
- The data is based on the Census Bureau geographical unit

Census block

- Area bounded on all sides by visible features--streets, roads, streams, and railroad tracks--and by invisible boundaries--property lines and political boundaries. A block has between a few dozen to a few hundred people.

Block group

- Group of contiguous census blocks.
- These data are based on three *Census* geographical units:

Census Blocks