**The Role of Space.** In his recent co-edited volume, *Spatial Foundations of Inequality*, Galster and Sharkey argue that space is crucial to understanding an individual’s socioeconomic status because it mediates and moderates the relationship between an individual’s attributes and their achieved outcome, while also creating a feedback loop that sets individuals on specific pathways which limit or expand their opportunities. Galster and Sharkey articulate space’s function in this way as a ***spatial opportunity structure***, which impacts an individual’s socioeconomic outcomes by structuring their access to opportunities and resources.

For them, the spatial opportunity structure is mechanism by which space affects individuals. For example, a neighborhood’s lack of well-resourced schools or job opportunities ***mediate*** the types of professional skills and education that neighborhood residents have. The exposure to street violence, pollution, or hunger ***moderates*** the emotional and physical abilities of children to perform in school or in the work place. Similarly, the educational attainment of a child or an individual’s neighborhood choice (or lack thereof) ***feeds*** into their chances to get into a better high school or college or their ability to get a loan (redlining). Finally, cumulative causation or ***path dependency*** of individual—i.e., a high school dropout or convict—further limit their options within an already under-resourced spatial context—i.e., make it more difficult to get a job or to rent an apartment. In other words, within a spatial context, the spatial opportunity structure serves to reinforce or exacerbate their access to opportunities and resources. In this way, space plays not only a role in the foundation of inequality, but also in perpetuating intergenerational inequality as children raised in different environments have access to different opportunities or the resources to develop attributes that will serve them later in life.

The neighborhood effects (NE) literature seeks to broadly address three questions about spatial inequality. First, ***what is the scale and the dimensions of spatial inequality in US?*** Across different research topics (education, teen fertility, mental and physical health, violence, labor force participation, and earnings) the literature suggests that spatial inequality is most intense when minority statuses intersect. For example, school choice intersects with residential segregation, meaning that poor black students have fewer options for good schools than poor white students. Increasingly, researchers use approaches that jointly analyze race and income across neighborhoods. A second key line of inquiry looks at ***the processes that reproduce and generate spatial inequality***. Researchers are increasingly trying to link individual trajectories with aggregate neighborhood patterns, looking specifically at individual residential and economic mobility. However, much of this new research seems to suggest that while individual mobility might prove successful for one individual, in the aggregate it does not disrupt racial and ethnic hierarchies. Furthermore, the limited research on mobility suggests that it is only beneficial for those worst off and in the poorest conditions.

Finally, a third general question looks at ***how space works as a mechanism to maintain, reinforce, and reproduce inequality***. Much of this body of research has focused on how residential segregation amplifies racial inequalities by reducing or enhancing exposure to neighborhoods with more opportunity or resources. Patrick Sharkey’s *Stuck in* Place and Douglass Massey’s work on the foreclosure crisis are two important examples of how high levels residential segregation serves as a mechanism to transfer poverty across generations and concentrate wealth loss in black and Latino neighborhoods. The work of Reardon and Bischoff suggest a relationship between spatial inequality and income segregation. Re-analyzing changes in income segregation using 2005-2009 and 2010-2014 ACS data from the top 117 metro areas across the country, they find that income segregation grew faster where income inequality was rising, specifically in the income segregation of the affluent as opposed to the poor.

**The Neighborhoods Effects Literature.** The NE literature conceptualizes of neighborhoods as ecological units nested within successively larger communities. This conceptualization firmly roots the NE literature in a neoclassical, Chicago School urban theory of the city. The NE literature rose to prominence with William Julius Wilson’s *The Truly Disadvantaged,* in which Wilson tries to account for the structural dimensions of neighborhood disadvantage that include poverty, segregation, and their effects on family life. Since the NE literature is predicated on the variation of neighborhood characteristics like rates of poverty, violence, educational attainment, racial composition across neighborhoods, this vein of research spawned myriad studies that focus on how spatial context influences individual’s lives, outcomes, and opportunities across a number of issues. The NE is the result of this spatial variation that impacts the individual.

While the peak of segregation, joblessness, and violence have continued to fall, there has been a rise in economic segregation over the last decade that suggests it will be the new fault line in the NE literature (Massey as well as Reardon and Bischoff have written about this, among others). However, this finding should not detract from the still high levels of spatial inequality that are frequently overlaid with racial and ethnic segregation of neighborhoods and schools along with the spatial inequality of exposure to violence, environmental hazards, and opportunities. Some other important findings include:

* concentrated disadvantage and exposure to violence affect children’s math and reading scores
* living in neighborhoods with lower prestige scores and higher crime rates can lead to higher teen fertility rates
* there is less evidence on NE on physical and mental health
* higher likelihood of employment and labor market outcomes when living in neighborhoods with stronger labor markets and higher employment rates
* strong impact of geographic location on crime and first-time offenders

Perhaps the most interesting research coming from the NE literature is Patrick Sharkey’s work on the intergenerational transfer of inequality that he writes about in *Stuck in Place*. He finds that 70% of the families that were living in the ghetto in 1970s are still living there today; he concludes that the ghetto is inherited. By this he means the impact of a child’s neighborhood environment is not instantaneous, but rather the consequences of spatial inequality persist over the individual’s life course and across generations. He finds that children whose parents lived in concentrated poverty have worse outcomes across a range of issues (test scores, incomes, wealth, employment opportunities, etc.). Compared to children raised in similar environments, those whose families have been there the longest, do the worst. For Sharkey, this is evidence that the effects of spatial inequality are manifest over the life course and that exposure to disadvantage across different generations is a different experience than exposure at a single point in time or for only on generation.

**Methodological Concerns.** The biggest concern confronting the NE literature is selection bias: How do we know that neighborhood differences are due to neighborhood characteristics or the selection of residents into those neighborhoods? In a way, selection bias is a question of omitted variable bias since it leaves open the possibility that unmeasured factors could account for the difference in association of neighborhood outcomes. While this problem is common with cross-sectional and longitudinal data, experimental or quasi-experimental designs have become increasingly more common as researchers are interested in accounting for selection bias. While recent methodological developments have made more sophisticated regression models more readily available (i.e., sensitivity analysis, HLM, and spatial regression), a combination of experimental or quasi-experimental design is still strongly preferred. A good example of this is David Harding’s paper that uses propensity score matching to test if two groups of kids, identical on all observable factors at age 10 and that move to different neighborhoods thereafter, are more or less likely to drop out of school or have a teen pregnancy if they grow up in a neighborhood with higher or lower poverty rates. This paper takes advantage of a relatively new method (propensity score matching) and combines it with quasi-experimental techniques (neighborhoods are treatment groups) to better account for selection bias.

**Critiques of the Neighborhood Effects.** Three strong critiques of the neighborhood effects literature are worth mentioning. The first critique is about the strength of the influence of neighborhoods. In a memorable table in Patrick Sharkey’s *Stuck in Place* on page 106, Sharkey argues that controlling for neighborhood poverty (neighborhood context) reduces the percentage gap in black adult’s income relative to whites from 24% to 17%. The question raised by critics is that neighborhood context seems to account for a small percentage (~7%) of the difference in the gap between whites and blacks. Generally, this criticism seems to hold in that across the literature effect size tends to be quite small.

A second important criticism of the neighborhood effects literature deals with the implications and resulting policy suggestions of what Tom Slater calls the “dispersal consensus” (DC). He argues that a growing field of neighborhood effects scholars has developed a consensus that dispersion of the poor should be the primary policy solution to concentrated poverty. Essentially, Slater argues that the NE literature is asking the wrong question —where you live affects your life chances—should be inverted to—your life chances affect where you live. Slater argues that by “inverting the driving assumption of their research, one can more clearly see the injustices inherent in letting the market decide where people live.” This critique stems from a concern that the DC has chosen a specific point in time that is not representative of the life cycle of an individual, but rather asks how their lives would be improved if they were moved to another neighborhood rather than asking why there were there in the first. Slater suggests that applying a Marxist urban framework is the proper way for understanding how people came to live there in the first place, which seems to ignore the important research on segregation.

A third critique of the NE and the DC literature is that they collapse the myriad structural forces into a single outcome—concentrated poverty—which then becomes the central problem to correct for with policy solutions. In this way, NE proponents have moved from analyzing the causes of poverty (i.e., deindustrialization, job loss, segregation, poor schools, crime, etc.) toward analyzing the responses of the poor to concentrated poverty. This subtle epistemological sleight- -of-hand treats concentrated poverty as a self-sustaining and independent force, rather than an amalgamation of several larger structural forces. Policy then focuses on the mobility of the poor individual out of concentrated poverty (a la HOPE VI, housing vouchers, MTO) that is thought will solve the individual’s poverty problem.

A fourth, important critique of the NE literature comes from Sharkey himself. He is concerned with the binary framing that is assumed of most of the NE literature—does NE matter? Rather he assumes that NE does indeed matter and insists that researchers should be asking where, when, why, and for whom? This reorientation instead focuses on the different dimensions and contexts in which residential contexts become salient, how those contexts influence individual’s lives at different points in time, how individuals are affected by processes at different scales, and how those processes affect individuals differently. Instead of reducing NE to a binary about whether or not there is an effect, this approach takes NE as a given and focuses on the various situations in which they become manifest. From this perspective, Sharkey offers a strong rebuttal to the dispersal consensus literature while also suggesting that we develop durable urban policies that not only focus on place, but also are sustainable over time.

**Questions/Need for Clarity.**