

Flight from urban blight: Lead poisoning, crime and suburbanization

Federico Curci
CUNEF, Madrid

Federico Masera
University of New South Wales

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Assess the effect of violent crime on urban structure

1 New instrument for violent crime

2 Distribution inside the city:

- People and firms move from the city center towards suburban areas
- Sorting firms, people (race and income), transportation

Urbanization

- Percent world population in urban areas: 30 % (1950) to 54 % (2014). Forecast to increase to 66 % (2050)

Urbanization

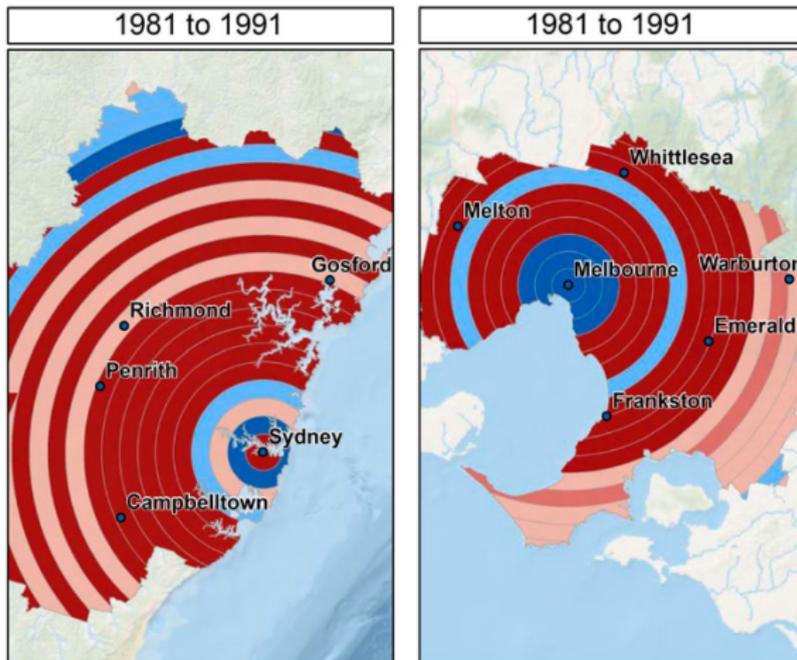
- Percent world population in urban areas: 30 % (1950) to 54 % (2014). Forecast to increase to 66 % (2050)

Suburbanization

- City centers are losing population while suburbs are growing.
- Example (Philadelphia from 1960 to 1990)
 - City Center: $2M \rightarrow 1.6M$
 - Rest (Suburbs): $2.4M \rightarrow 3.5M$
 - Percentage in CC: $45\% \rightarrow 31\%$
- Similar trends in other developed and developing countries
 - City Center London: peak in 1911
 - City of Milan: peak in 1971
 - City Center Density: Shanghai -20% (2000 - 2010)

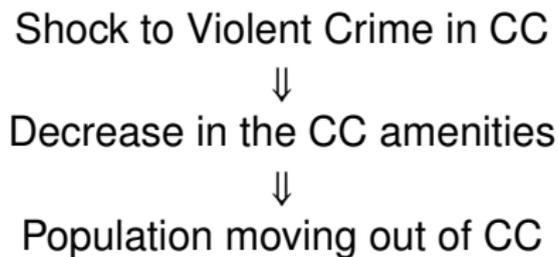
Sydney and Melbourne

Coffee, Lange, Baker (2016)



Population Density Change (%)





Empirical Analysis

The effect of Violent Crime on the Suburbanization of U.S. cities

Empirical model

$$sub_{m,t} = \frac{pop_{m,t}^{cc}}{pop_{m,t}^{cc} + pop_{m,t}^{ncc}} = \tau_m + \tau_t + \beta \text{Violent Crime}_{m,t}^{cc} + \tau_g \times \tau_t + \varepsilon_{m,t}$$

m: Metropolitan Statistical Area; t: Year; g: Census Division; cc: City Center [CC example](#)

Empirical model

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m: Metropolitan Statistical Area; t: Year; g: Census Division; cc: City Center CC example

Endogeneity problems:

- Reverse causality
- Omitted variables: local economic activity, public good provision, city racial composition

- **Time variation:** national past level of **lead** used in gasoline
- **Cross-sectional variation:** bio-availability lead in different **soils**

- Lead is a heavy metal, with symbol **Pb**.
- Medical literature has demonstrated that lead **alters the formation of the brain** especially affecting **aggression and impulsivity** (age of exposure 0-2 years old)
- Evidence in **economics**: Aizer et al. (2016), Aizer and Currie (2017), Billings and Schnepel (2016), Feigenbaum and Muller (2017), Clay et al. (2014), Troesken (2006), Ferrie et al. (2012), Gronqvist et al. (2016), Mielke and Zahran (2012), Wolpaw Reyes (2007), Nevin (2007)

Human exposure to lead

Since ancient roman times lead was used for his properties to build pipes and in paint.

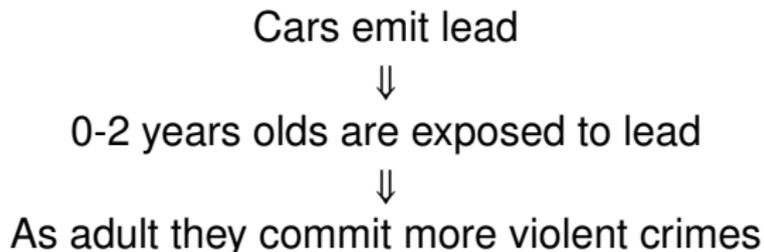
But the major use of lead is much more recent. Used as an **additive in gasoline** beginning in the 1920s, started to be regulated in the 70's, banned in 1996

Humans are exposed to lead in gasoline trough air, water, food. We use the exposure through **soil**

- Direct contact
- Resuspension
- House dust

History lead

Time series lead use



Time series variation instrument



Time series variation instrument



US cities where affected differently by this common trend depending on the **pH of the soil**

- Availability of lead depends on how tightly it is held by soil particles and on its solubility
- Near-neutral soil pH decreases the bioavailability of lead
- Chemical literature indicates pH higher than 6.5 or 7
- Water pH used as instrument for lead pipe poisoning (Feigenbaum and Muller, 2017; Clay et al., 2014; Troesken, 2006)

Citations

Baltimore, Mielke (1983)

Relevance

$$VC_{m,t}^{CC} = \mu_m + \mu_t + \beta Lead_{t-19} \times f(pH_m^{CC}) + \epsilon_{m,t}$$

$$VC_{m,t}^{CC} = \mu_m + \mu_t + \beta Lead_{t-19} \times f(pH_m^{CC}) + \epsilon_{m,t}$$

For ease of use we want the pH in the first stage as a **dummy**.
pH interval that maximizes the F-stat:

Result of this maximization in line with chemical literature:

$$6.8 \leq pH \leq 7.7 \quad \Rightarrow \quad \mathbf{Good\ soil}$$

Intervals

Continuous Function

$$\text{V.Crime}_{m,t}^{cc} = \mu_m + \mu_t + \beta \left[\underbrace{\text{Lead}_{US,t-19}}_{\text{National lagged car poisoning}} \times \underbrace{\mathbb{1}(6.8 \leq \text{pH}_m^{cc} \leq 7.7)}_{\text{Good Soil = Low lead bioavailability}} \right] + \mu_g \times \mu_t + \epsilon_{m,t}$$

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Pros instrument:

- Both time and geographically varying
- It can explain both the big rise and fall of U.S. crimes
- It can be used to estimate the effect of crime on many outcomes
- Used in other many countries because is based on easily available data
- Exploit specific timing of the effect of lead on crime, not capturing the effect that lead might have on other outcomes

Identification assumption - Exogeneity

Without lead poisoning places with good and bad soil should have similar trends in terms of suburbanization (soil pH is as good as randomly assigned)

- No-Geographical clustering State Division Continuous PH
- Balanced in terms of crime and population trends Balancing 1
- Balanced in terms of other characteristics Balancing 2
- When lead was phased-out cities return to have similar violent crime Deleading

Assumption

- Interaction between lagged national lead and soil quality is only affecting suburbanization through violent crime
- Bias if lead poisoning is affecting some other variable which:
 - affects suburbanization
 - has the same lag structure that violent crime has on suburbanization

Timing perfectly fits the relationship lead and crime: Timing

Possible threats

- Agricultural productivity ●
- Highways ●
- Education ●
- Other crimes ●
- Other controls ●

Results

VARIABLES	(1) Violent crime	(2) Sh. Pop CC	(3) ln(Pop CC)	(4) ln(Pop NCC)	(5) ln(Pop MSA)
Good soil x Lead	-3.294*** (0.239)				
Violent crime		-0.0136*** (0.00293)	-0.0433*** (0.0123)	0.0217** (0.00937)	0.00970 (0.00731)
Observations	10,058	10,055	10,058	10,055	10,055
MSA FE	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES
C. div x Year	YES	YES	YES	YES	YES
Year	60-91	60-91	60-91	60-91	60-91
s.e. cluster	C. div x Year	C. div x Year	C. div x Year	C. div x Year	C. div x Year
Estimation	OLS	IV	IV	IV	IV
F	.	51.81	51.74	51.81	51.81

Effect of an increase in violent crimes in the city center from their level in 1960 to their maximum level in 1991:

- Decrease of the percentage of people that living in the city center of **14 percentage points**
- Decline in city center population of 45% and an increase of suburbs of 22%
- Responsible for moving **25.8 million people** outside of city centers in the all U.S, that is 0.8 million people by year

Employment Decentralization

VARIABLES	(1) All	(2) Manuf	(3) Wholesale	(4) Retail	(5) Finance	(6) Other serv
Violent crime	-0.00184 (0.00191)	-0.00783*** (0.00276)	-0.00420* (0.00241)	-0.00657*** (0.00249)	0.000495 (0.00304)	-0.00485*** (0.00173)
Observations	5,387	5,387	5,387	5,387	5,387	5,387
MSA FE	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES
C. div x Year	YES	YES	YES	YES	YES	YES
Year	74-91	74-91	74-91	74-91	74-91	74-91
s.e. cluster	C. div x Year	C. div x Year	C. div x Year	C. div x Year	C. div x Year	C. div x Year
Estimation	IV	IV	IV	IV	IV	IV

Changes inside the city

VARIABLES	(1) % Blacks CC	(2) Income CC / MSA	(3) Gini	(4) Num. Hways	(5) ln(Expend. Hways)	(6) % Public Transp.
Violent crime	0.811*** (0.134)	-0.0162*** (0.00359)	0.00106** (0.000423)	0.0448* (0.0238)	0.0564* (0.0279)	-0.383** (0.162)
Observations	920	925	925	925	1,164	925
MSA FE	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES
C. reg x Year	YES	YES	YES	YES	YES	YES
Year	CY 60-90	CY 60-90	CY 60-90	CY 60-90	CY 60-90	CY 60-90
s.e. cluster	C. div x Year	C. div x Year	C. div x Year	C. div x Year	C. div x Year	C. div x Year
Estimation	IV	IV	IV	IV	IV	IV
F	12.80	13.32	13.32	13.32	13.32	13.32

Magnitude of the effect

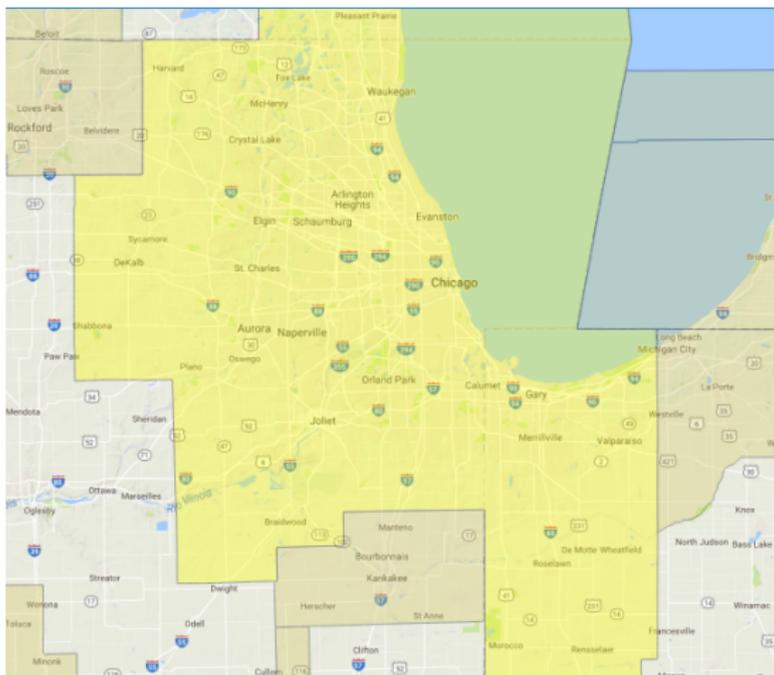
Effect of an increase in violent crimes in the city center from their level in 1960 to their maximum level in 1991:

- Increased the percentage of blacks living in the city center by 8.4%
- Generated a gap in income between the median family in CC Vs. Suburbs of 17%

In response of violent crime non-black citizens are 4.8 more likely to move to the suburbs with respect to blacks.

- Newly constructed **instrument** for violent crime based on lead poisoning
- Increase of **crime** important mechanism to explain U.S. **urban structure**
 - Affects location of people within-city and not between cities
 - Employment decentralization
 - Increases racial segregation and inequalities
- Highlights the indirect effects of crime

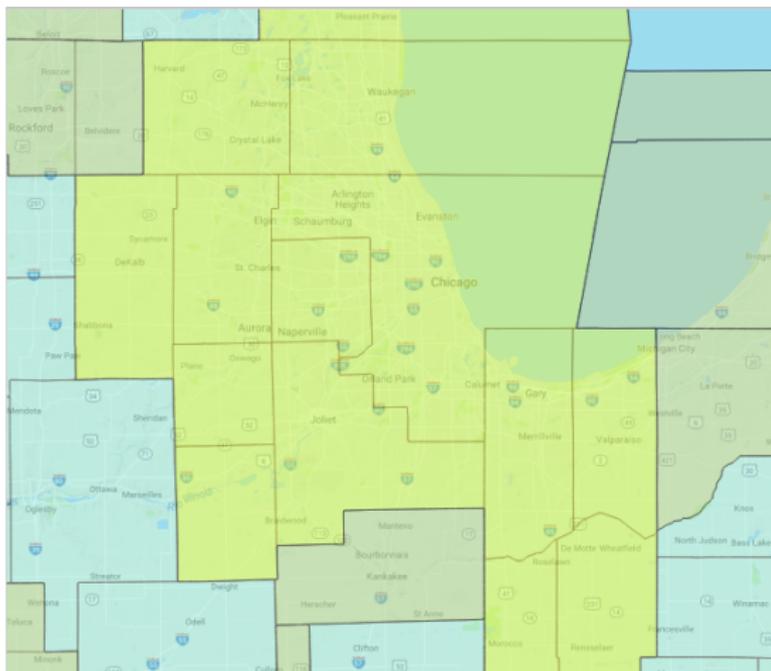
Chicago: geographical definitions



Chicago metropolitan area

Back to Empirical model

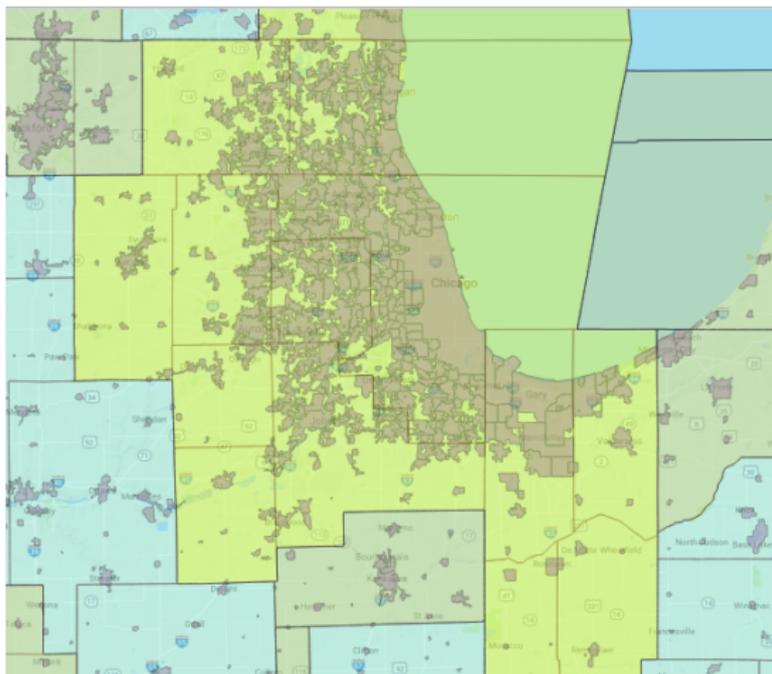
Chicago: geographical definitions



Composed of different counties

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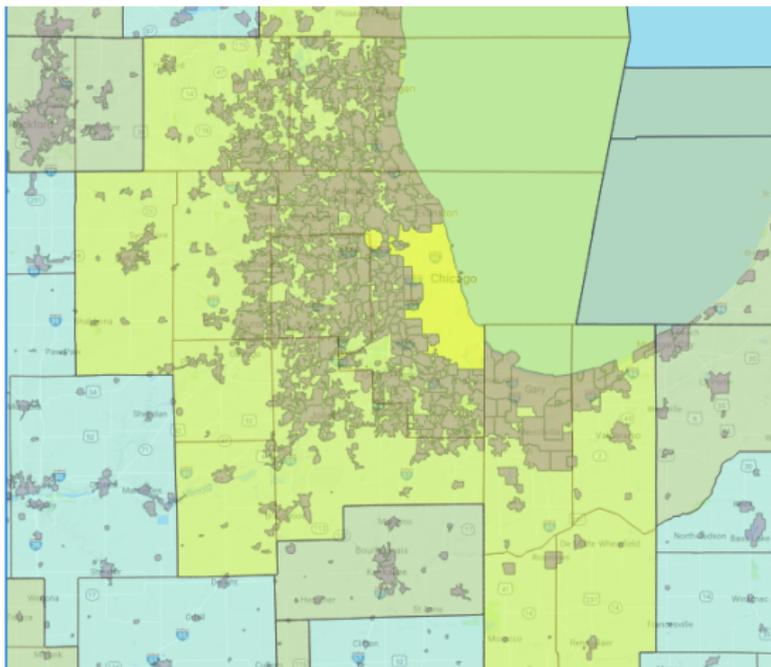
Chicago: geographical definitions



Composed of different places

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Chicago: geographical definitions



Chicago central city

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Lead poisoning can increase crime rate

- Lead is a heavy metal, with symbol **Pb**.
- "Lead is a very potent **neurotoxin**, it has a range of effects on the brain that have been demonstrated through hundreds of different biological studies. Lead **alters the formation of the brain**" (BBC, 2014)
- Lead is toxic because of its ability to inhibit or **mimic calcium**
- "Lead-induced **damage** occurs preferentially in the prefrontal cerebral cortex, hippocampus and cerebellum" (Finkelstein et al., 1998)
- "Lead impairs **brain development** and disrupts **neurotransmitter function** in ways that negatively affect **cognition, attention and short term memory**, and reduce **impulse control** (Aizer et al., 2017)"

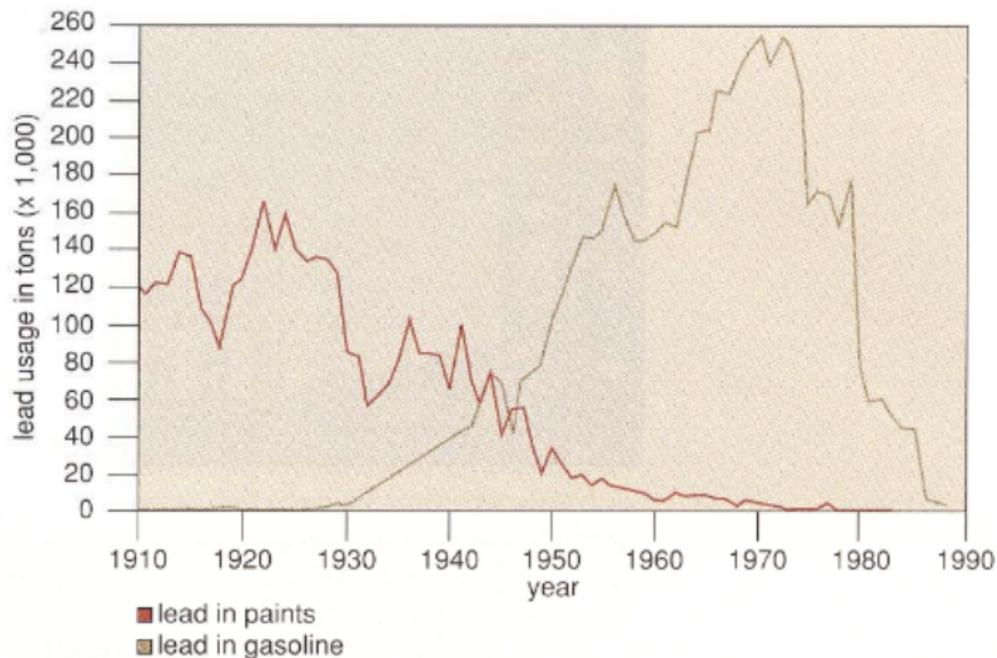
History lead

- White lead used as pigment since 300 BC
- Roman aqueducts use already lead pipes
- Lead production declined after the fall of Rome and come back at similar levels with the Industrial Revolution
- Installation of lead pipes in the U.S. on a major scale from the late 1800s, lasted longer and more malleable than iron
- Early 1900s began scientific awareness of dangers to health of lead pipes and paint
- By 1900, more than 70% of cities with populations greater than 30000 in U.S. used lead water lines
- By the 1920s, many cities and towns were prohibiting or restricting their use
- Tetraethyl lead mixed with gasoline from 1922, it raised the octane level of gasoline
- Use of lead paint peaked in 1920s, through the 1950s and 1960s the use of exterior lead-based paint declined significantly

- Lead Industries Association (LIA) was formed in 1928
- Geochemist Clair Patterson brought the airborne lead issue into American consciousness
- Lead-Based Paint Poisoning Prevention Act, which restricted the lead content in paint, signed in 1971
- Lead banned from paint from 1978
- EPA banned leaded solder and pipes in 1986 and mandated that lead additive be reduced by 91 percent
- From 1 January 1996, the U.S. Clean Air Act banned the sale of leaded fuel for use in on-road vehicles.

Back to [Lead exposure](#)

Time series lead use



Back to [Lead exposure](#)

- "Not all of the lead in soil is available to plants (or to the human body, should the soil be eaten). The **availability of soil lead depends on how tightly it is held by soil particles and on its solubility** (how much of it will dissolve in water).
At **low soil pH** ($\text{pH} < 5$, acidic conditions) lead is held less tightly and is more soluble.
At **near neutral or higher pH** ($\text{pH} > 6.5$, neutral to basic conditions) soil lead is held more strongly, and its solubility is very low.
Lead is held very tightly by soil organic matter, so as organic matter increases, lead availability decreases." (Penn State)
- Back to [Soil quality and lead poisoning](#)

Soil quality and lead poisoning

- **"The fate of lead in soil is affected by the specific or exchange adsorption at mineral interfaces**, the precipitation of sparingly soluble solid phases, and the **formation of relatively stable organo-metal complexes** or chelates with the organic matter in soil" (EPA, 1986; NSF, 1977, CDC)
- "Lead accumulates in the **top 1 to 2 inches of soil** [...]. You can decrease the bioavailability (toxicity) of lead in soil by several soil management practices: (1) **maintaining a near-neutral soil pH**, (2) adding phosphorus when soil tests indicate a need, and (3) adding organic matter." (Oregon State University)
- "It is most dangerous to **children under 6**, who have the highest risk of exposure (crawling on the ground and playing in the dirt) as well as the largest capacity for uptake in this period of rapid growth and development. Adults are at relatively low risk from lead in the soil." (EPA, Urban Homesteading)

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Soil quality and lead poisoning

- "Lead released from combustion of leaded gasoline, deterioration of lead-based paint, factory and smelter emissions, and other industrial sources can become airborne and eventually settle onto the surrounding soil." (Kappy, 2016)
- "Plant lead concentrations typically decrease with increasing soil pH. Plants tend to take up the least amount of soil arsenic at neutral soil pH. Amend acidic soils contaminated with lead but not arsenic with agricultural lime (calcium carbonate or dolomite) to **pH 7 or greater.**" (Washington State University)
- "Manage soil to reduce lead availability, and therefore, risk. A soil **pH of at least 6.5** reduces the availability of lead." (University of Delaware)
- "As soil pH decreased, the availability and mobility of metal ions increased due to the chemical form in which these metal ions are present in soil solutions" (Reddy et al., 1995)

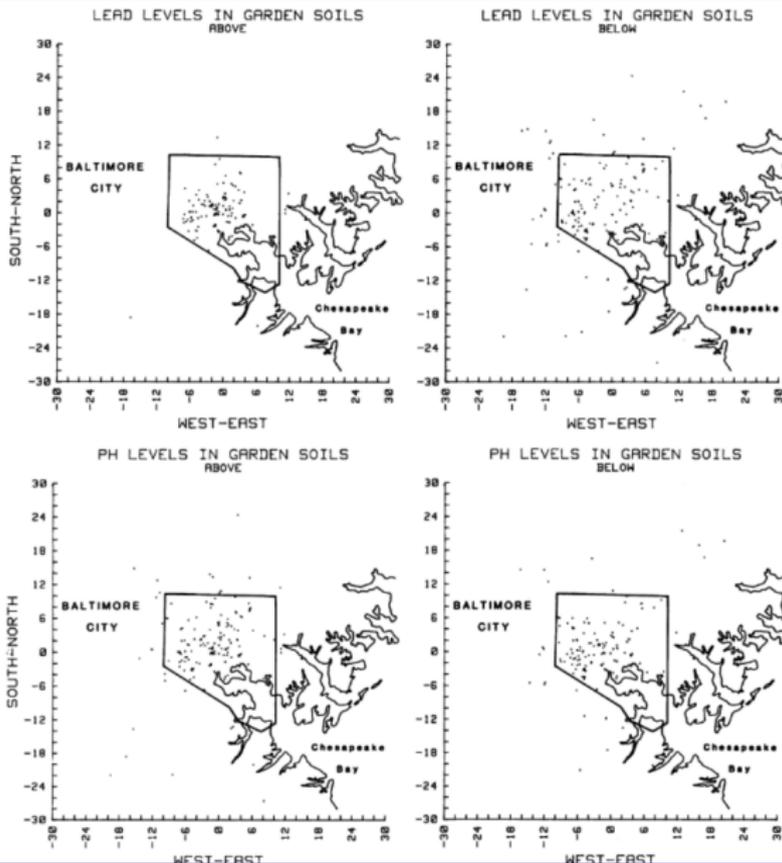
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- "The aqueous concentrations of heavy metals in soils, sediments, and aquatic environments frequently are controlled by the dissolution and precipitation of **discrete mineral phases**. [...] lead oxides, sulfates, and carbonates are all highly soluble in acidic to circumneutral environments, and soil Pb in these forms can pose a significant **environmental risk**.

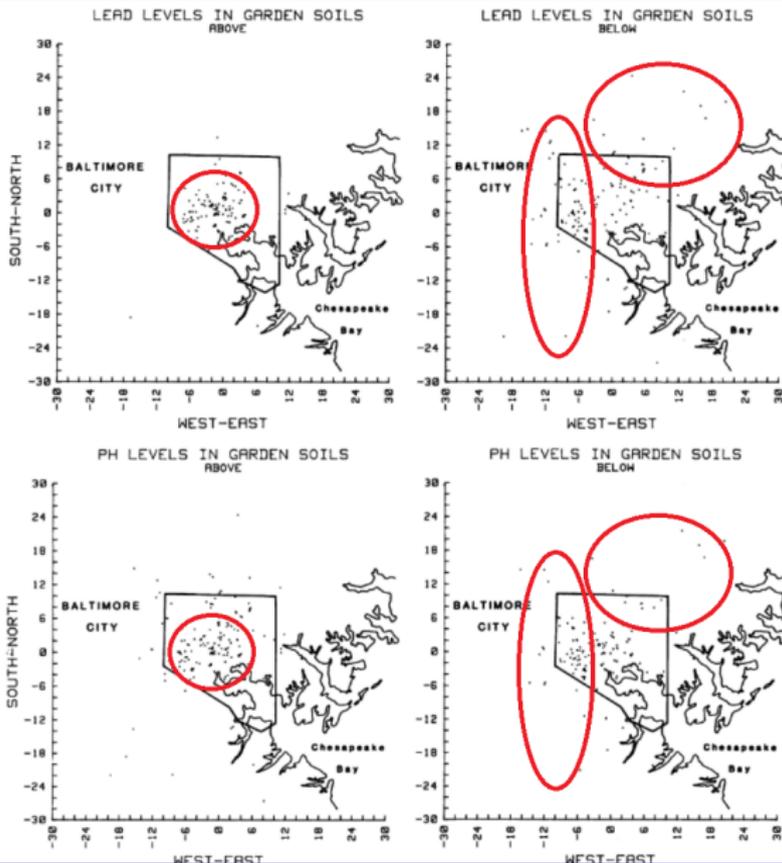
Application of soluble or solid-phase phosphates to contaminated soils and sediments induces the dissolution of the "native" Pb minerals, the **desorption of Pb** adsorbed by hydrous metal oxides, and the subsequent formation of pyromorphites in situ. This process results in decreases in the chemical lability and **bioavailability** of the Pb without its removal from the contaminated media. " (Traina and Laperche, 1999)

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Lead and pH in Baltimore



Lead and pH in Baltimore



Relevance instrument

Lead adsorption and paved cities

- 47 % of London is green space (Independent, 2014)
- **High density cities in 2014 12 % of city area is parkland.** NY: 20 %. SFO: 19 %. Houston: 14%. LA: 12 %. Chicago: 9 %. (The trust for public land, 2015)
- "Due to resuspension of the roadside soil, Pb originally deposited near the roadside has been transported **longer distances beyond the roadside fringe**" (Filippelli et al., 2005)
- Soil particles will become deflated when destabilizing forces such as **drag, lift, and aerodynamic forces** become greater than stabilizing forces such as particle weight and interparticle binding forces (Iverson et al., 1976)
- Sources of elevated Pb loadings inside homes originate from Pb contaminated dusts and soils outside the home transported inside via **soil resuspension** (Laidlaw et al., 2005) and via soil attached to **shoes** (Hunt et al., 2006) and on the feet of family pets"

Lead resuspension, gasoline and paint

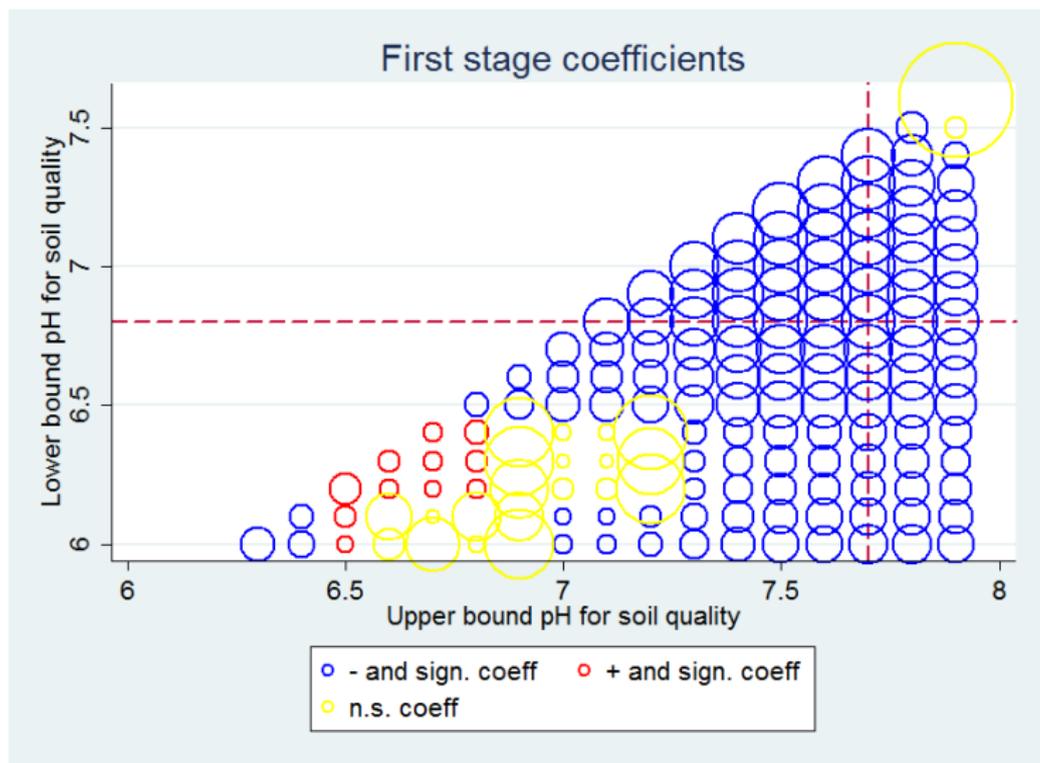
- **"Pb-based house paint could not account for the observed pattern of soil Pb.** [...] Soil around Baltimore's inner city buildings, predominantly unpainted brick, exhibited the highest amounts of Pb, and soils outside of the inner city, where buildings were commonly constructed with Pb-based paint on wood siding, contained comparatively low amounts of Pb" (Mielke et al., 1983; Mielke et al., 2007; Laidlaw and Filippelli, 2008)
- **"The source of the exterior Pb loading entering homes is likely a combination of Pb from past use of leaded gasoline with lesser amounts from Pb in paint.** [...] Source of the Pb in the fine fraction of soil originated from leaded gasoline, and the larger particles that do not penetrate cracks in homes (above) were composed of Pb paint particles. (Clark et al., 2006; Laidlaw and Filippelli, 2008)

Soil quality: $6.8 \leq pH \leq 7.7$

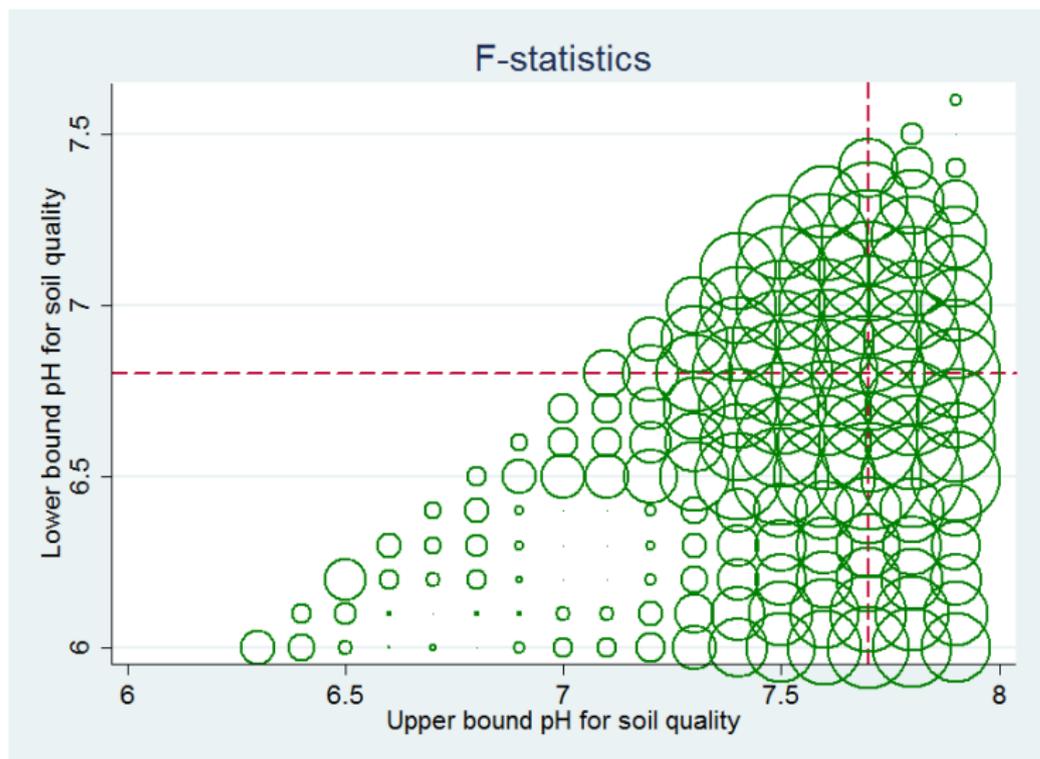
- Non-parametric estimation effect of lead on crime wrt pH Margins
- Use interval that maximizes F-statistics, obtain stronger coefficient, and have more robust coefficient to change in interval Intervals
- Different from regression tree methods: instead of minimizing the SSR directly, we maximize the F-statistics.
- Maximize the SSR difference between a model in which we predict violent crime using only the included instrument and a model in which we predict violent crime using the included and excluded instruments.

Back to Soil quality and lead poisoning

First stage coefficients for all possible pH intervals



F-statistics for all possible pH intervals



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Identification assumption

- In years in which lead poisoning increased, places with good and bad soil would have similar trends in terms of suburbanization
- Soil pH is as good as randomly assigned
- Treated and control places are similar in terms of crime and population trends [Pre-trends](#)
- Treated and control places are similar in terms of other characteristics [Pre-trends](#)

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Pre-treatment trends and level

Variable	Average	Levels		Trends	
		All US	Inside Division	All US	Inside Division
Area CC (50)	27.51	3.52	0.98	.	.
Area MSA (50)	2056.36	708.11	-424.82	.	.
Share Pop. CC (50 - 60)	0.47	0.09**	0.02	0.05**	0.01
Population CC (50 - 60)	2.0e+05	-7.7e+04	-1438.35	32129.34*	6486.92
Population MSA (50 - 60)	4.3e+05	-1.7e+05	1842.98	30009.88	40253.98
Pop. Density CC (50 - 60)	6109.20	-1535.46***	30.86	327.39	151.63
Pop. Density MSA (50 - 60)	197.35	-105.09***	-8.35	12.44	27.83
Violent Crime Rate CC (per 10000) (60 - 63)	13.82	-2.17	-0.34	-0.46	0.38
Murder Rate CC (per 10000) (60 - 63)	0.53	-0.11	0.01	-0.05	-0.04
Rape Rate CC (per 10000) (60 - 63)	0.70	0.06	-0.00	0.10	0.15
Robbery Rate CC (per 10000) (60 - 63)	4.71	0.43	-0.15	-0.27	0.19
Agg. Assault Rate CC (per 10000) (60 - 63)	7.89	-2.55**	-0.21	-0.29	0.08
Burglary Rate CC (per 10000) (60 - 63)	59.64	5.28	1.28	-0.54	-2.17
Larceny Rate CC (per 10000) (60 - 63)	169.71	78.02***	29.73	-10.26	-18.26*
Vehicle Theft Rate CC (per 10000) (60 - 63)	22.91	2.75	-1.78	0.24	-0.13
Total Crimes CC (per 10000) (60 - 63)	266.43	83.87***	28.82	-9.56	-17.52

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Pre-treatment trends and level

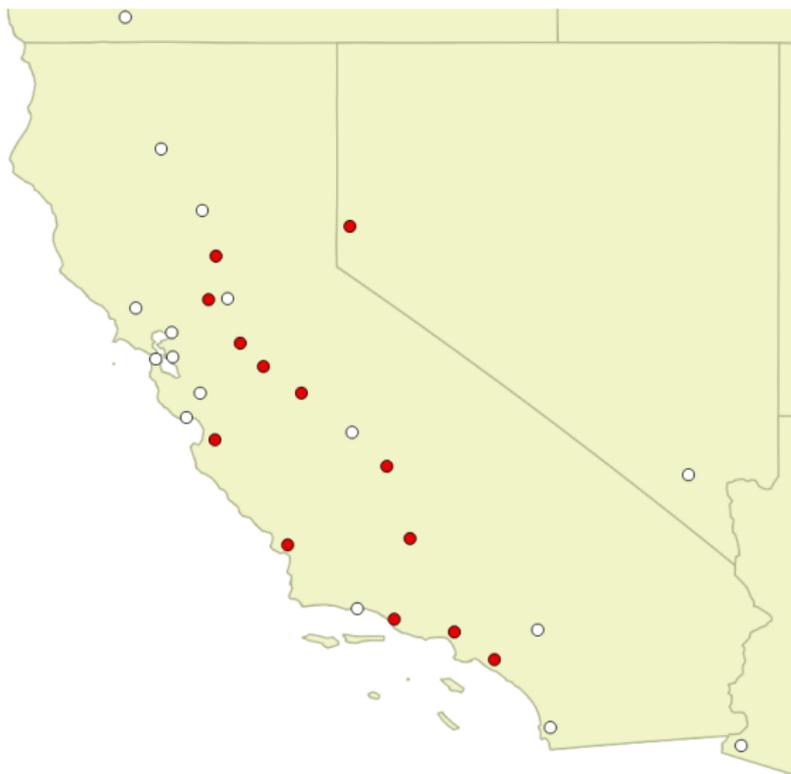
Variable	Average	Levels		Trends	
		All US	Inside Division	All US	Inside Division
Median Gross Rent (housing unit) MSA (60)	384.91	26.96**	22.12*	.	.
Median Single Family House Value MSA (60)	64628.31	4839.84*	2297.45	.	.
Median Family Income CC (50-60)	22811.72	1995.89***	1246.13*	87.89	-618.41
Median Family Income MSA (50-60)	21400.64	1837.63***	1236.50*	-319.70	-428.57
Annual Precipitation (77)	35.86	35.86	-19.38***	.	.
% Possible Sun (77)	59.93	7.91***	2.60	.	.
Average Jan Temp (77)	34.34	-1.49	-3.20	.	.
Average July Temp (77)	75.76	0.25	-0.12	.	.
% Blacks CC (60)	13.41	-7.81***	-1.21	.	.
% Blacks MSA (60)	9.45	-5.47***	-1.49	.	.
% Foreign CC (60)	16.40	-0.41	-0.70	.	.
% Foreign MSA (60)	14.47	0.70	-0.07	.	.
Distance Border or Coast	129.89	139.60***	35.60	.	.
Unemployment Rate MSA (60)	5.17	0.26	0.20	.	.
Labor Force Civilian MSA (50-60)	0.39	-0.01	0.00	0.00	-0.00
Emp. Rate MSA (50-60)	36.99	-1.18	0.26	0.21	-0.40
Emp. Rate Agriculture MSA (50-60)	3.44	0.57	0.54	-0.07	-0.01
Emp. Rate Business Services MSA (50)	2.29	0.50***	0.30**	.	.
Emp. Rate Construction MSA (50-60)	2.51	0.63***	0.19	-0.06	0.09
Emp. Rate Education MSA (60)	2.18	-0.02	-0.16	.	.
Emp. Rate Finance MSA (50-60)	1.17	0.15*	0.01	0.07*	0.03
Emp. Rate Government MSA (60)	1.82	0.29*	-0.03	.	.
Emp. Rate Manufacturing MSA (50-60)	9.18	-5.52***	-1.52**	0.82***	-0.04
Emp. Rate Mining MSA (50)	0.44	0.47	0.52	.	.
Emp. Rate Professional MSA (50)	3.53	0.10	-0.31	.	.
Median Age MSA (50-60)	29.49	-0.93*	-0.29	-1.01***	-0.39
% Over 65y MSA (50-60)	7.81	-0.94**	-0.64	-0.50*	-0.32
% Non-white MSA (50-60)	9.98	-5.17***	-1.77	0.50*	0.40
% Pub. Transportation to Work MSA (60)	6.82	-4.04***	-2.83***	.	.
Median Years of School MSA (50-60)	9.57	1.42***	0.69**	-0.13	-0.01

Pre-treatment trends and level

Variable	Average	Levels		Trends	
		All US	Inside Division	All US	Inside Division
CC interstate rays (50-60)	0.04	-0.05**	-0.08*	0.17	-0.03
CC total rays (50-60)	0.04	-0.05**	-0.08*	0.17	-0.03
2-digit CC rays (50-60)	0.03	-0.03**	-0.05	0.20	-0.08
All interstate CC rays (50-60)	0.03	-0.03**	-0.05	0.22	-0.02
Federally funded CC rays (50-60)	0.02	-0.02	-0.03	0.26	-0.00
All rays in MSA (50-60)	0.06	-0.07***	-0.06	-0.08	-0.20
2-digit ray in MSA (50-60)	0.06	-0.07***	-0.05	-0.06	-0.23
Federally funded rays in MSA (50-60)	0.03	-0.03*	-0.06	0.11	-0.19
Rays in plan running through MSA	2.10	-0.24	-0.46*	.	.
Rays in plan running through CC	1.90	-0.01	-0.32	.	.

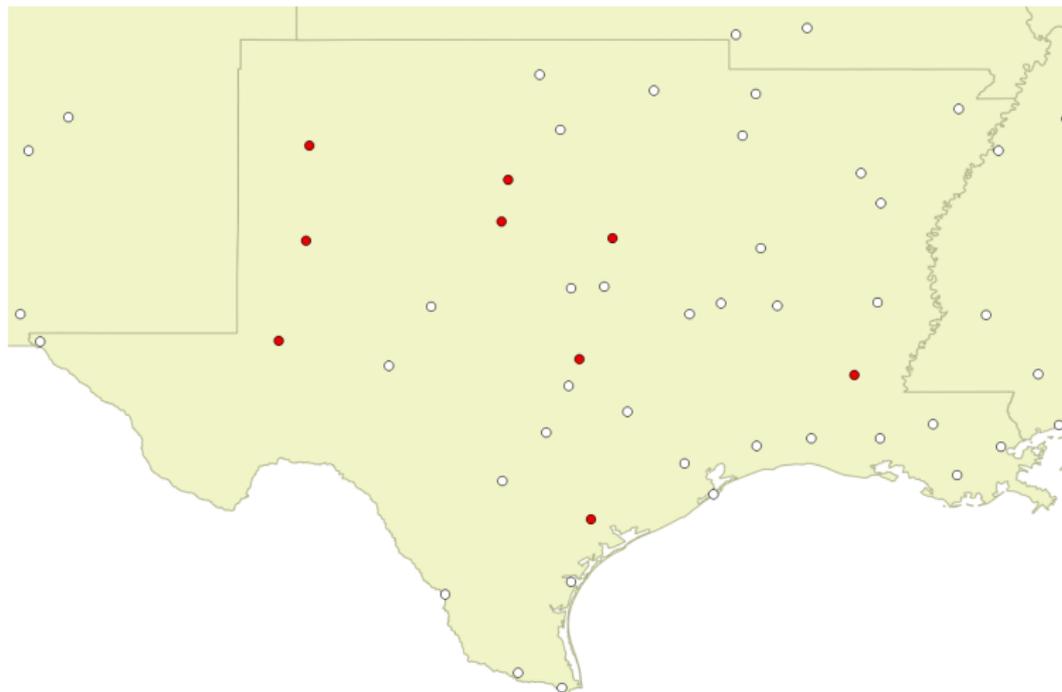
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State variation



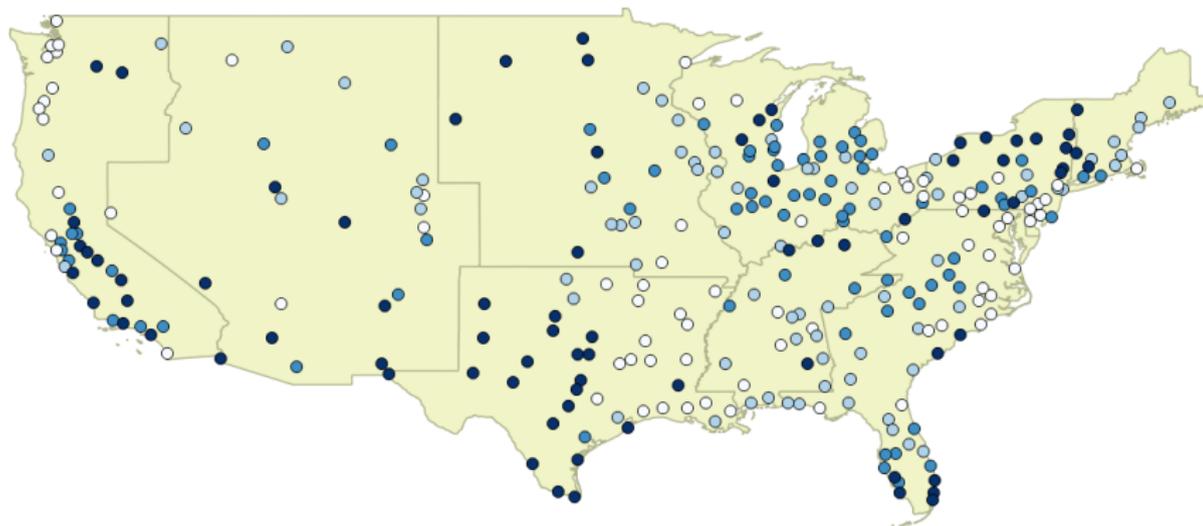
Census Division Variation

West South Central: Texas, Ohio, Arkansas, Louisiana



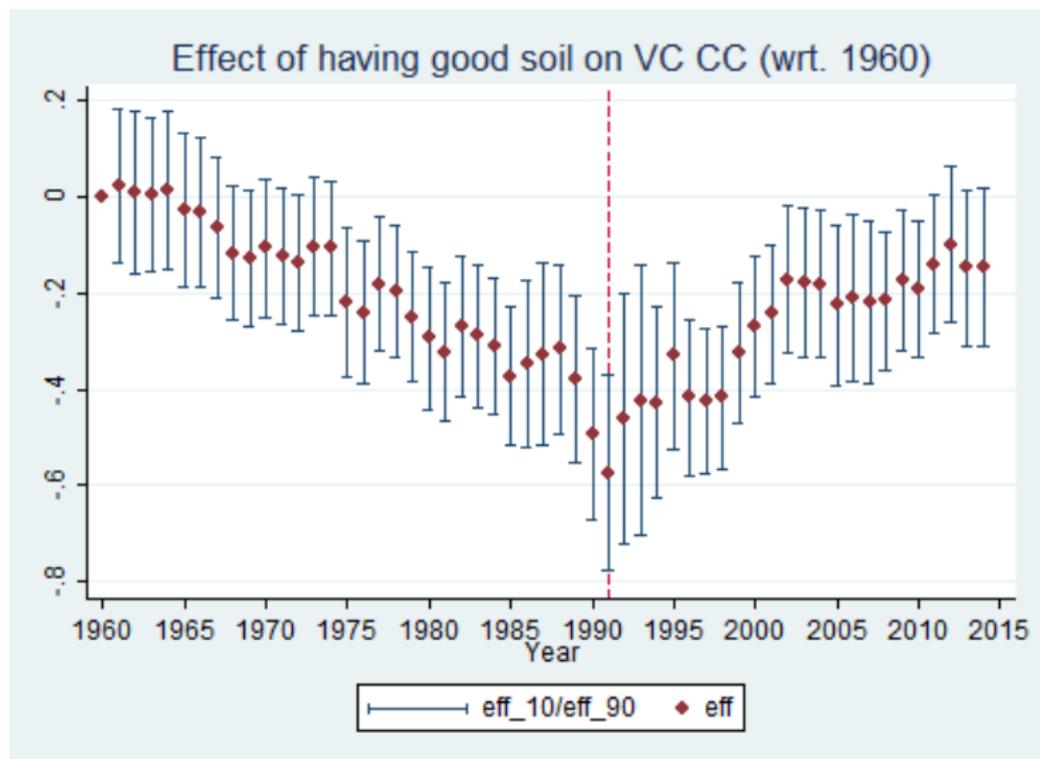
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Continuous Variable Variation



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Deleading and Timing



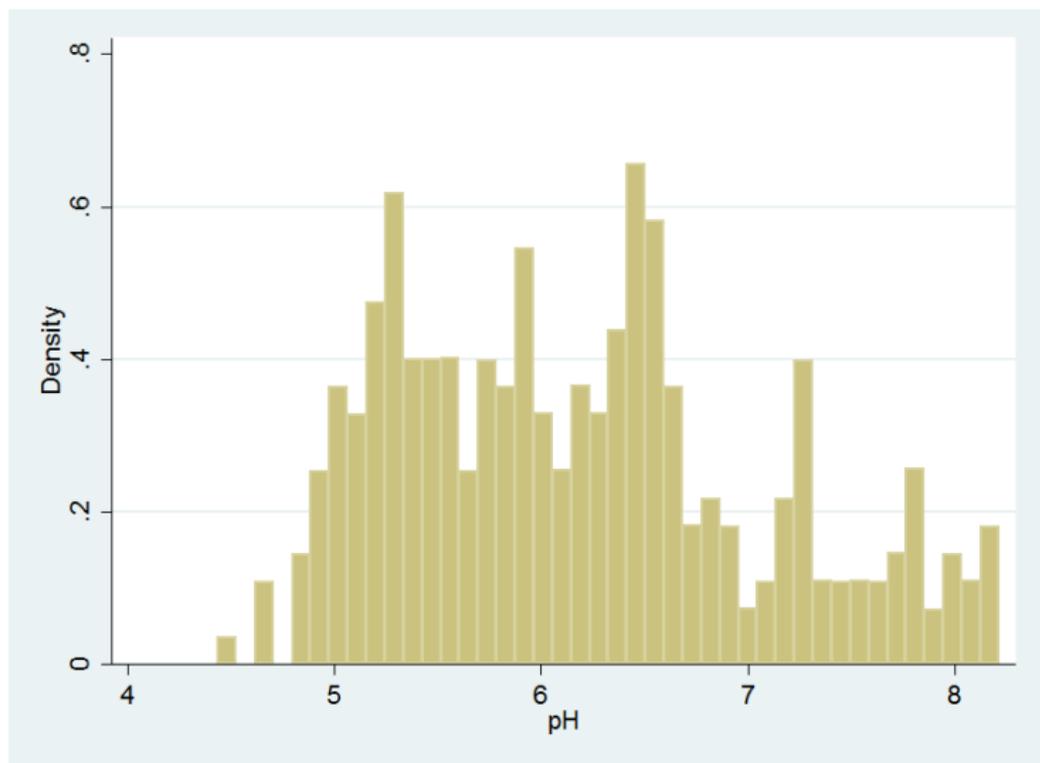
Back to

Exogeneity

Back to

Exclusion restriction

Histogram pH



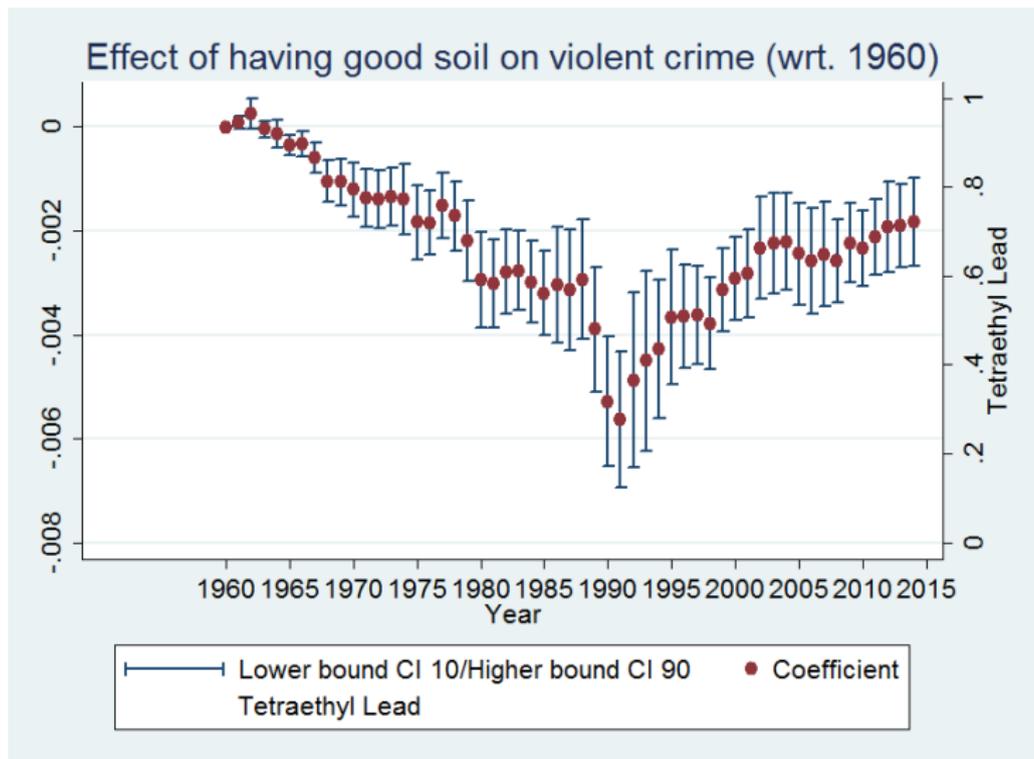
Back to [Cross-sectional variation](#)

First stage with different fixed effects

VARIABLES	(1) Vc pc	(2) Vc pc	(3) Vc pc	(4) Vc pc	(5) Vc pc
Good soil x Lead	-0.00184*** (0.000190)	-0.00528*** (0.000326)	-0.00451*** (0.000362)	-0.00327*** (0.000378)	-0.00276*** (0.000399)
Observations	9,515	9,515	9,484	9,484	9,515
R-squared	0.005	0.527	0.538	0.553	0.678
Place FE	NO	YES	YES	YES	YES
Year FE	NO	YES	YES	YES	YES
C. region X Year FE	NO	NO	YES	NO	NO
C. division X Year FE	NO	NO	NO	YES	NO
State X Year FE	NO	NO	NO	NO	YES
Year	60-91	60-91	60-91	60-91	60-91
Estimation	OLS	OLS	OLS	OLS	OLS
F		262.16	154.51	74.87	47.98

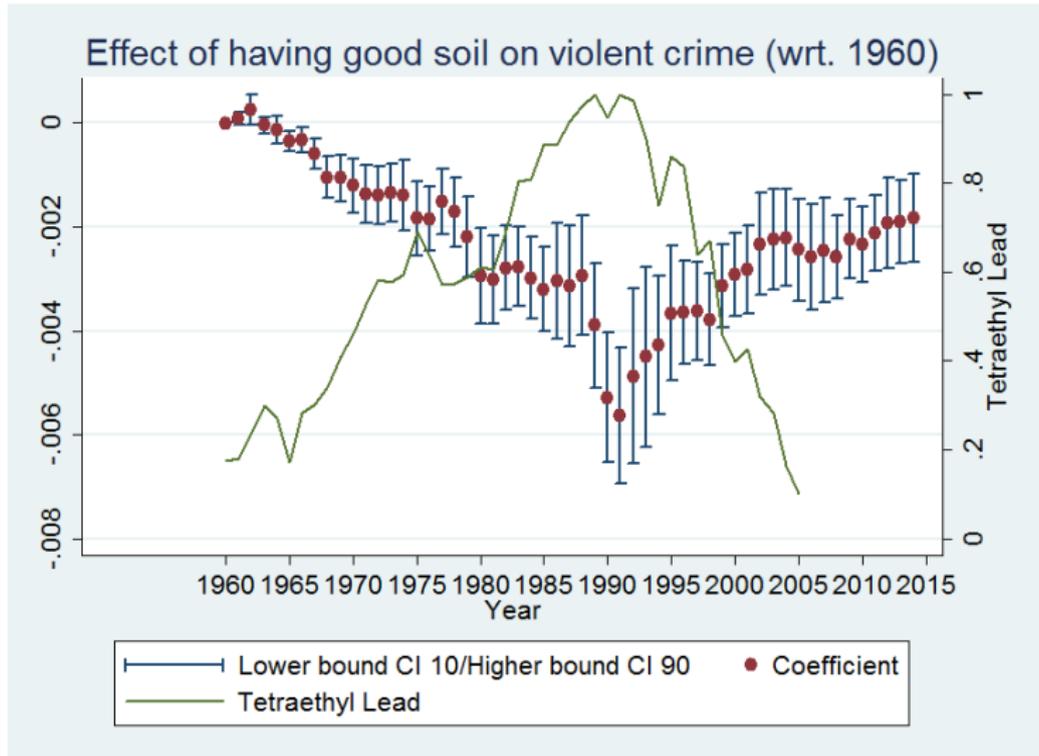
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Effect good soil on crime



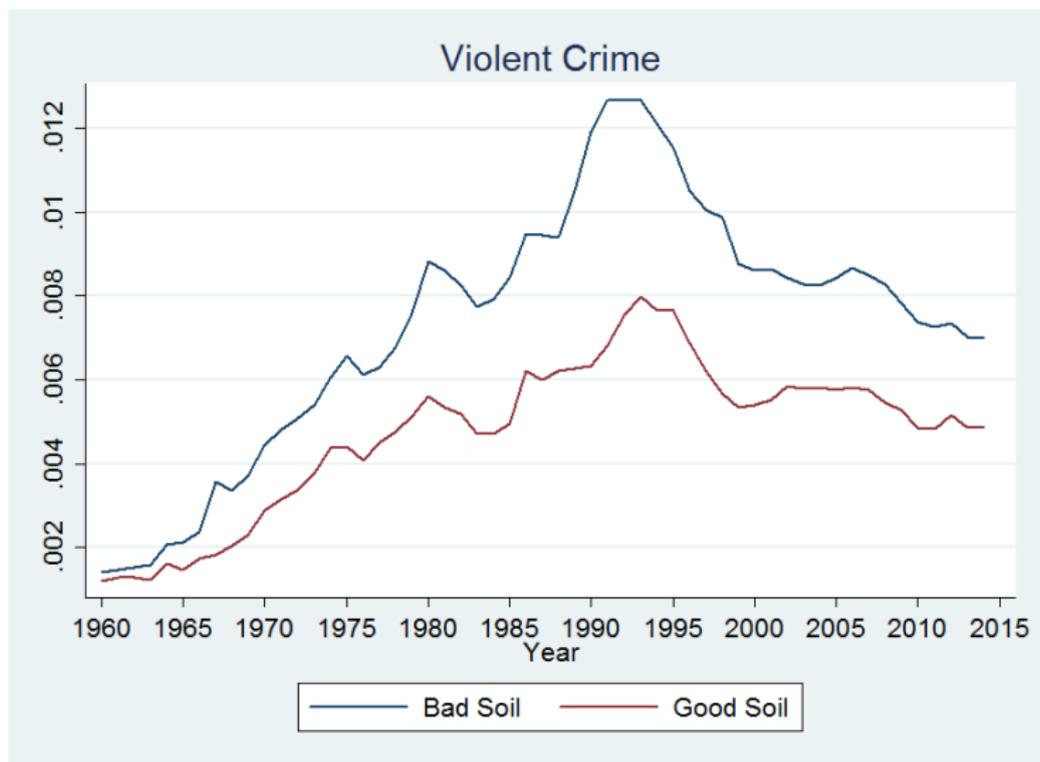
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Effect good soil on crime



Back to [Soil quality and lead poisoning](#)

Time series violent crime by soil



Back to [Effect of good soil on violent crime](#)

Data for 306 central cities (places) from 1960 to 1991 [Summary statistics](#)

FBI Uniform Crime Reports (1960-2014)

- For each local enforcement agency we know number of crimes monthly for each year for all different kind of crimes and population under agency
- Violent crime per capita: Murder and non-negligent manslaughter + total robberies + forcible rape + aggravated assaults [Definitions](#)

USGS U.S. General Soil Map

- For each map unit we can compute weighted level of pH between different components at soil surface

Bureau of Mines Minerals Yearbook PDFs (1941-1986)

- For each year we know tetraethyl lead used as gasoline additives

Baum Snow (2007) and County and City Data Books (1947-1994)

- Information of several characteristics of city centers and MSAs

Back to [Soil quality and lead poisoning](#)

FBI crime definitions

- Murder and nonnegligent manslaughter: Willful killing of one human being by another
- Robbery: Taking or attempting to take anything of value from the care, custody, or control of a person or persons by force or threat of force or violence and/or by putting the victim in fear
- Rape: Penetration, of the vagina or anus with any body part or object, or oral penetration by a sex organ of another person, without the consent of the victim. Attempts or assaults to commit rape included
- Aggravated assaults: Unlawful attack by one person upon another for the purpose of inflicting severe or aggravated bodily injury. Simple assaults excluded
- Burglary: Unlawful entry of a structure to commit a felony or a theft
- Larceny: Unlawful taking, carrying, leading, or riding away of property from the possession or constructive possession of another

Summary statistics

Variable	Mean	s.e.	Min	Max	Change 60-93
Pop. CC	1.9e+05	5.3e+05	1725.00	8.2e+06	23994.72
Pop. NCC	3.4e+05	5.9e+05	1867.00	5.6e+06	1.9e+05
Prop. Pop. CC	0.39	0.20	0.01	0.98	-0.05
Pop. MSA	5.3e+05	9.9e+05	15751.00	9.3e+06	2.2e+05
Area CC (sqkm)	182.23	334.89	8.62	4526.11	.
Area NCC (sqkm)	332.90	592.68	2.11	3859.25	.
Area MSA (sqkm)	503.56	727.31	20.06	4409.11	.
pH CC	6.18	0.88	4.44	8.22	.
pH NCC	6.15	0.87	4.62	8.27	.
Tetraethyl Lead (in tonnes)	1.7e+05	73810.31	47965.00	2.8e+05	2.0e+05
Violent Crime Rate CC (per 10000)	61.26	61.90	0.00	695.15	106.65
Murder Rate CC (per 10000)	0.99	0.96	0.00	8.58	0.90
Rape Rate CC (per 10000)	3.81	3.55	0.00	42.42	5.86
Robbery Rate CC (per 10000)	22.22	27.08	0.00	233.75	34.62
Agg. Assault Rate CC (per 10000)	33.98	38.00	0.00	557.90	65.24
Burglary Rate CC (per 10000)	159.53	98.09	0.00	2258.75	110.11
Larceny Rate CC (per 10000)	388.99	211.68	0.00	5436.55	331.24
Vehicle Theft Rate CC (per 10000)	50.59	47.62	0.00	774.13	55.78
Total crimes CC (per 10000)	717.46	413.40	0.00	9536.94	776.58

Back to [Data](#)

$$Sub = \xi_1 VC + \epsilon_1$$

$$VC = \xi_2 SUB + \epsilon_2$$

$$\text{OLS: } Sub = \frac{\xi_1 - 1}{1 - \xi_2} VC + \frac{1}{1 - \xi_2} (\epsilon_1 + \epsilon_2)$$

$$\text{Upward bias OLS: } \frac{\xi_1 - 1}{1 - \xi_2} > \xi_1 \rightarrow \xi_1 > \frac{1}{\xi_2}$$

Back to [Results](#)

- Exogeneity test with control function ●
- Crime spillovers ●
- Potential confounders
 - Highways ●
 - Education ●
 - Agricultural productivity ●
 - Other controls ●
- Instrument definition
 - Other good soil definitions ●
 - Non-parametric function of pH ●
 - Other lead lags ●
- Other crimes ●
- Other robustness
 - Within region and topology variation ●
 - Weight and subsample wrt city size ●
 - Standard errors ●

Exogeneity test with control function

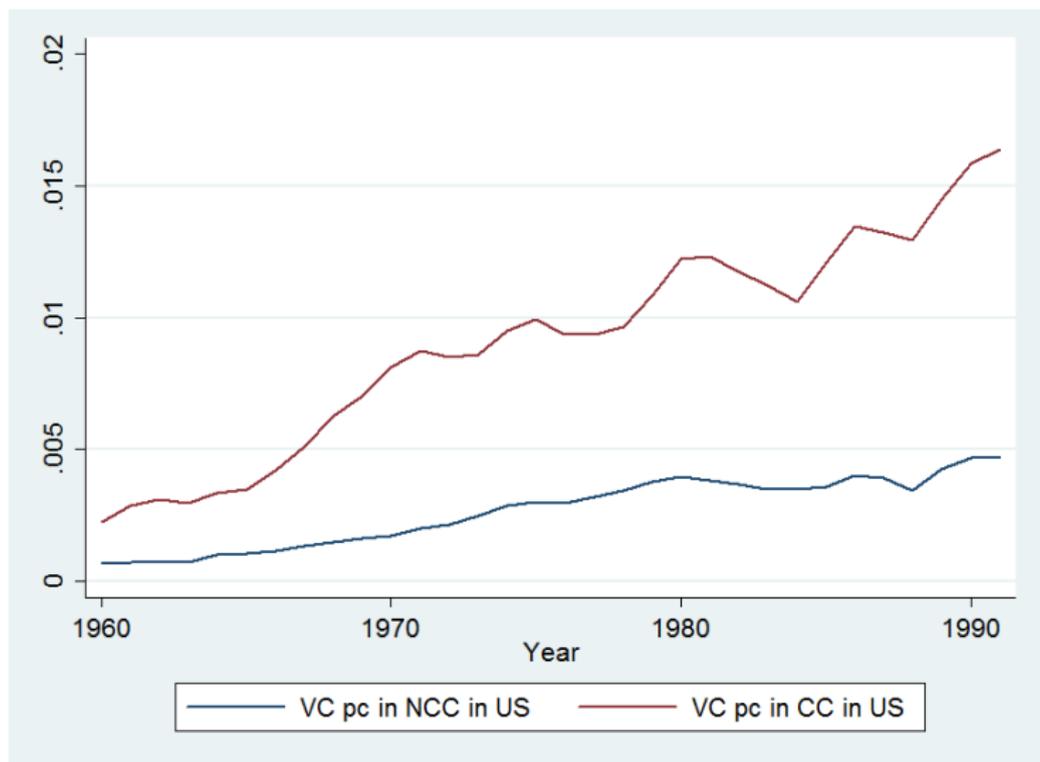
VARIABLES	(1) Pop NCC	(2) Pop NCC	(3) Pop NCC	(4) Pop CC
Good soil x Lead	-58,400*** (11,170)	-956.3 (10,795)		
Violent crime		59,748*** (1,981)	60,800*** (11,707)	-72,122*** (6,088)
Residuals first stage			-1,052 (11,875)	60,590*** (6,174)
Observations	9,716	9,481	9,481	9,515
R-squared	0.220	0.292	0.292	0.040
Place FE	YES	YES	YES	YES
Year FE	YES	YES	YES	YES
Year	60-91	60-91	60-91	60-91
Estimation	OLS	OLS	OLS	OLS

Back to [Robustness](#)

Resulting weighting and using subsample

VARIABLES	(1) Share pop CC	(2) Share pop CC	(3) Share pop CC
Violent crime	-0.0717*** (0.00594)	-0.123*** (0.0133)	-0.167*** (0.0177)
Observations	9,481	6,826	9,481
Place FE	YES	YES	YES
Year FE	YES	YES	YES
Year	60-91	60-91	60-91
Sample	All	More than 100000	All
Weight	NO	NO	Pop. MSA
Estimation	IV	IV	IV
s.e.	Robust	Robust	Robust
F	264.55	95.67	90.31
FS Beta	-0.909	-0.776	-0.663
FS s.e.	0.056	0.080	0.169

Time series violent crime: CC vs NCC



Results for spillover to violent crime in NCC

VARIABLES	(1) pH CC	(2) VC pc NCC	(3) VC pc NCC	(4) VC pc NCC	(5) VC pc NCC
pH NCC	0.946*** (0.0173)				
Good soil NCC x Lead		0.000491*** (0.000138)	0.000491 (0.000532)	0.000682*** (0.000193)	0.000682 (0.000868)
Good soil CC x Lead				-0.000276 (0.000195)	-0.000276 (0.000872)
Observations	294	9,518	9,518	9,518	9,518
Place FE	NO	YES	YES	YES	YES
Year FE	NO	YES	YES	YES	YES
Year	NO	60-91	60-91	60-91	60-91
Estimation	OLS	OLS	OLS	OLS	OLS
s.e. cluster	NO	NO	MSA	NO	MSA

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Results for spillover to violent crime in CC

VARIABLES	(1) VC pc CC	(2) VC pc CC	(3) VC pc CC	(4) VC pc CC	(5) VC pc
Good soil CC x Lead	-0.00528*** (0.000326)	-0.00528*** (0.000819)	-0.00636*** (0.000454)	-0.00636*** (0.00120)	
Good soil NCC x Lead			0.00155*** (0.000455)	0.00155 (0.00134)	
Dummy for CC					0.00363*** (0.000236)
Observations	9,515	9,515	9,515	9,515	19,033
Place FE	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES
Year	60-91	60-91	60-91	60-91	60-91
Estimation	OLS	OLS	OLS	OLS	OLS
s.e. cluster	NO	MSA	NO	MSA	NO

Back to [Robustness](#)

Heterogeneity effect in first stage wrt density

VARIABLES	(1) VC pc CC	(2) VC pc NCC
Good soil CC x Lead	-0.00494*** (0.000553)	0.000106 (0.000207)
Lead x Density CC 1960	1.83e-06*** (8.02e-08)	
Good soil CC x Lead x Density CC 1960	1.91e-06** (7.77e-07)	
Good soil NCC x Lead		0.000295* (0.000178)
Lead x Density NCC 1960		-7.42e-08** (2.89e-08)
Good soil NCC x Lead x Density NCC 1960		-6.18e-08 (8.60e-08)
Observations	9,515	9,198
Place FE	YES	YES
Year FE	YES	YES
Year	60-91	60-91
Estimation	OLS	OLS

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Results using different fixed effects

VARIABLES	(1) Share pop CC	(2) Share pop CC	(3) Share pop CC	(4) Share pop CC	(5) Share pop CC
Violent crime	-0.422*** (0.0471)	-0.223*** (0.0157)	-0.0717*** (0.00594)	-0.0573*** (0.00712)	-0.0843*** (0.0120)
Observations	9,481	9,481	9,481	9,481	9,481
Place FE	NO	NO	YES	YES	YES
Year FE	NO	YES	YES	YES	YES
C. region X Year FE	NO	NO	NO	YES	NO
C. division X Year FE	NO	NO	NO	NO	YES
Year	60-91	60-91	60-91	60-91	60-91
Estimation	IV	IV	IV	IV	IV
FS Beta	-0.317	-0.686	-0.909	-0.776	-0.563
FS s.e.	0.033	0.032	0.056	0.062	0.065
F		455.56	264.55	154.66	74.97

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Results using topographic fixed effects

VARIABLES	(1) Share pop CC	(2) Share pop CC	(3) Share pop CC	(4) Share pop CC
Violent crime	-0.0620*** (0.00489)	-0.0620*** (0.00489)	-0.0367*** (0.0102)	-0.0557*** (0.00694)
Observations	9,481	9,481	9,481	9,481
Place FE	YES	YES	YES	YES
Year FE	YES	YES	YES	YES
Slope pctl X Year FE	NO	YES	NO	NO
Precipitation pctl X Year FE	NO	NO	YES	NO
Distance water-border pctl X Year FE	NO	NO	NO	YES
Year	60-91	60-91	60-91	60-91
Estimation	IV	IV	IV	IV

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Second stage coefficients for all possible pH intervals



Results using non-parametric function of pH

VARIABLES	(1) Share pop CC	(2) Share pop CC	(3) Share pop CC	(4) Share pop CC	(5) Share pop CC	(6) Share pop CC
Violent crime	-0.0717*** (0.00594)	-0.0575*** (0.00506)	-0.0486*** (0.00644)	-0.0487*** (0.00644)	-0.0435*** (0.00543)	-0.0424*** (0.00540)
Observations	9,481	9,481	9,481	9,481	9,481	9,481
Place FE	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES
Year	60-91	60-91	60-91	60-91	60-91	60-91
Estimation	IV	IV	IV	IV	IV	IV
pH used	6.8-7.7	0.5 bounds	1st poly	2nd poly	3rd poly	4th poly

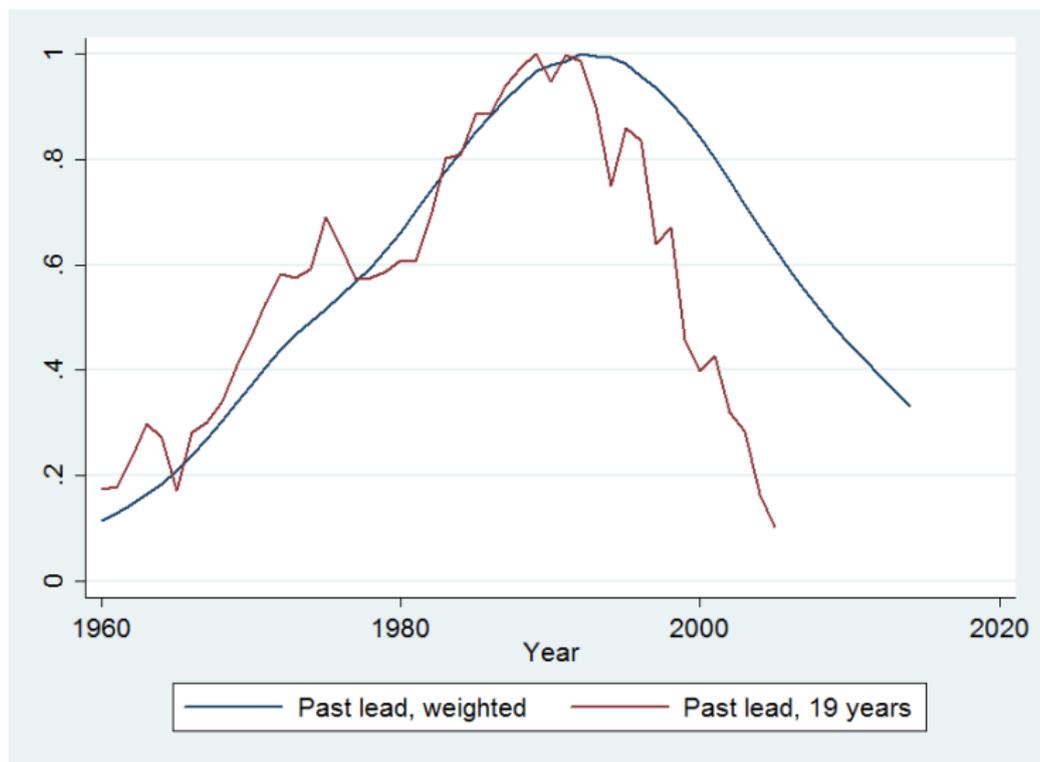
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Results using different lags of lead

VARIABLES	(1) Sh pop CC	(2) Sh pop CC	(3) Sh pop CC	(4) Sh pop CC	(5) Sh pop CC	(6) Sh pop CC	(7) Sh pop CC	(8) Sh pop CC	(9) Sh pop CC
Violent crime	-0.0836*** (0.00790)	-0.0821*** (0.00769)	-0.0779*** (0.00720)	-0.0747*** (0.00652)	-0.0717*** (0.00594)	-0.0677*** (0.00591)	-0.0651*** (0.00594)	-0.0626*** (0.00607)	-0.0575*** (0.00600)
Observations	8,329	8,602	8,861	9,158	9,481	9,149	8,854	8,594	8,296
Place FE	YES								
Year FE	YES								
Year	60-91	60-91	60-91	60-91	60-91	60-91	60-91	60-91	60-91
Estimation	IV								
Lag lead	15 years	16 years	17 years	18 years	19 years	20 years	21 years	22 years	23 years
F	192.30	197.18	209.77	235.96	264.55	250.90	236.26	216.00	204.64
FS Beta	-0.798	-0.799	-0.814	-0.861	-0.909	-0.925	-0.926	-0.927	-0.953
FS s.e.	0.058	0.057	0.056	0.056	0.056	0.059	0.061	0.064	0.067

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Time series lead poisoning



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Results weighting past lead poisoning by crime propensity over life-cycle

VARIABLES	(1) Share pop CC	(2) Violent crime	(3) Share pop CC	(4) Violent crime
Violent crime	-0.0717*** (0.00594)		-0.0711*** (0.00573)	
Good soil x Lead 19 years		-0.909*** (0.0561)		
Good soil x Lead weighted				-0.866*** (0.0517)
Observations	9,481	9,515	9,481	9,515
Place FE	YES	YES	YES	YES
Year FE	YES	YES	YES	YES
Year	60-91	60-91	60-91	60-91
Estimation	IV	OLS	IV	OLS
F	264.55	.	283.02	.

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Robustness controlling for highways

VARIABLES	(1) Sh pop CC	(2) Rays	(3) Sh pop CC	(4) St VC pc	(5) Sh pop CC	(6) Rays	(7) St VC pc
Number of rays in CC	-0.0490*** (0.0139)				0.0137 (0.0312)		
Rays in plan x Prop. State hgw		0.598*** (0.0466)				0.334*** (0.0529)	0.238*** (0.0599)
Violent crime			-0.0759*** (0.0198)		-0.0826** (0.0334)		
Good soil x Lead				-1.242*** (0.174)		-0.158 (0.258)	-1.082*** (0.240)
Observations	939	1,174	1,184	1,189	921	939	921
R-squared	0.947	0.842	0.920	0.744	0.919	0.908	0.756
Place FE	YES	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES	YES
Year	CY 60-90	CY 60-90	CY 60-90	CY 60-90	CY 60-90	CY 60-90	CY 60-90
Sample	Restricted	Restricted	Restricted	Restricted	Restricted	Restricted	Restricted
Estimation	IV	OLS	IV	OLS	IV	OLS	OLS
Cluster s.e.	MSA	MSA	MSA	MSA	MSA	MSA	MSA
F	140.25	.	49.12	.	7.02	.	.

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Cognitive abilities as confounder

- Human capital of people in city center
 - Later lags of lead on education ●
 - Control for education ●
- My own cognitive abilities ●
 - Profile of suburbanized: 31 years old, highly educated, white
- Use the probabilities of being violent criminal to construct IV

Back to [exclusion restriction](#)

Robustness controlling for education

VARIABLES	(1) Sh pop CC	(2) St VC pc	(3) Sh pop CC	(4) H.s.	(5) St VC pc	(6) Sh pop CC	(7) H.s.	(8) St VC pc
Standardized vc p.c.	-0.0974** (0.0445)		-0.0691** (0.0266)			-0.0973** (0.0405)		
Good soil x Lead		-0.640*** (0.167)		-6.847*** (1.581)	-0.673*** (0.171)		-6.728*** (1.585)	-0.682*** (0.170)
Perc. people with h.s.			-0.00434 (0.00436)			-0.00181 (0.00497)		
H.s. U.S. x age school entry				0.0102** (0.00461)	-0.00310*** (0.000881)			
H.s. U.S. x age school leave							0.00564** (0.00239)	-0.00118** (0.000470)
Observations	1,184	1,186	917	935	1,182	917	935	1,182
R-squared	0.904	0.565	0.943	0.974	0.578	0.914	0.974	0.571
Place FE	YES	YES	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES	YES	YES
C. region X Year FE	YES	YES	YES	YES	YES	YES	YES	YES
Year	CY 60-90	CY 60-90	CY 60-90	CY 60-90	CY 60-90	CY 60-90	CY 60-90	CY 60-90
Estimation	IV	OLS	IV	OLS	OLS	IV	OLS	OLS
Cluster s.e.	MSA	MSA	MSA	MSA	MSA	MSA	MSA	MSA
F	10.87	.	16.09	.	.	9.67	.	.

Back to [cognitive abilities](#)

Lead Lags and Education

VARIABLES	(1) Violent Crime	(2) %High School
Good Soil X Lead(t-7)	0.0681 (0.0827)	3.157 (2.803)
Good Soil X Lead(t-14)	0.0473 (0.190)	-4.608 (3.789)
Good Soil X Lead(t-21)	-0.312** (0.146)	4.976 (5.425)
Good Soil X Lead(t-28)	-0.556** (0.236)	-9.978* (5.156)
Observations	9,484	1,174
MSA FE	YES	YES
Year FE	YES	YES
Year	60-91	CY60-90
Estimation	OLS	OLS
F	.	.

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Profile of recent suburbanized in 1980

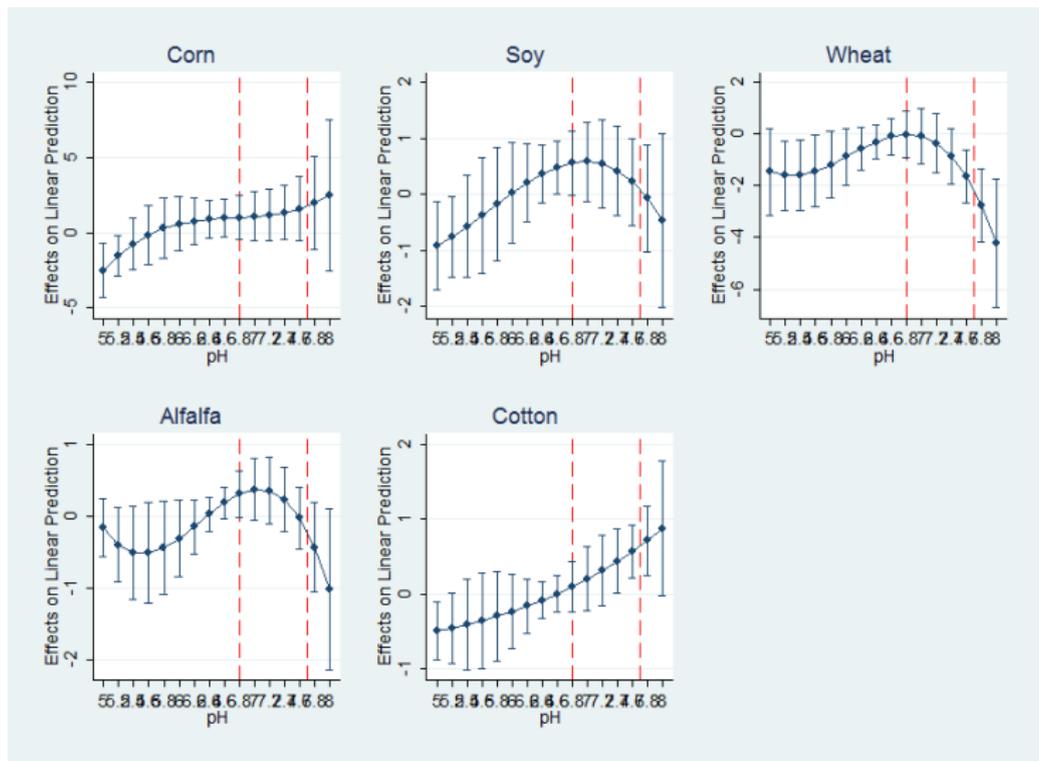
Variable	Recent suburbanized	Difference wrt people staying in CC
Mean age	31.03	-2.86***
Mean number children	0.67	0.10***
Prop. married	0.62	0.09***
Prop. white	0.85	0.16***
Prop. black	0.11	-0.15***
Prop. high school or higher	0.63	0.14***
Prop. high school or higher of whites	0.64	0.11***
Prop. employed	0.55	0.11***
Prop. unemployed	0.03	-0.00***
Prop. people not working in CC	0.24	0.21***
Mean occupational score	18.69	4.18***

Back to [cognitive abilities](#)

Relation between potential yield of crops and good soil

VARIABLES	(1) Corn	(2) Soy	(3) Wheat	(4) Alfalfa	(5) Cotton
pH 6.8-7.7	0.325 (0.641)	0.275 (0.216)	0.109 (0.344)	0.120 (0.0735)	-0.0316 (0.111)
Observations	305	305	305	305	305
R-squared	0.207	0.033	0.224	0.100	0.184
C. Region FE	YES	YES	YES	YES	YES
Estimation	OLS	OLS	OLS	OLS	OLS

Marginal effect of pH on potential yield of crops



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Robustness using different controls

VARIABLES	(1) Share pop CC	(2) Share pop CC	(3) Share pop CC	(4) Share pop CC	(5) Share pop CC
Standardized vc p.c.	-0.115** (0.0527)	-0.115** (0.0527)	-0.130** (0.0652)	-0.103* (0.0565)	-0.104* (0.0567)
% Blacks MSA		0.00556 (0.00446)	0.00688 (0.00546)	0.00349 (0.00376)	0.00356 (0.00378)
Median family income			4.72e-06* (2.77e-06)	2.57e-06 (1.84e-06)	3.18e-06 (1.95e-06)
% people over 25				0.0482 (0.124)	0.0328 (0.125)
% people over 65					0.00376 (0.00488)
Observations	922	922	922	691	691
Place FE	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES
C. region x Year FE	YES	YES	YES	YES	YES
Year	CY 60-90	CY 60-90	CY 60-90	CY 70-90	CY 70-90
Estimation	IV	IV	IV	IV	IV
s.e.	Robust	Robust	Robust	Robust	Robust
F	36.47	18.01	13.37	8.72	8.34
FS Beta	-0.543	-0.628	-0.561	-0.798	-0.799
FS s.e.	0.062	0.276	0.275	0.431	0.432

Robustness using different controls

VARIABLES	(1) Share pop CC	(2) Share pop CC	(3) Share pop CC	(4) Share pop CC
Standardized vc p.c.	-0.125** (0.0584)	-0.0937** (0.0446)	-0.0997* (0.0516)	-0.104* (0.0568)
% Blacks MSA		0.00437 (0.00373)	0.00335 (0.00356)	0.00339 (0.00382)
Median family income		-2.29e-06 (3.49e-06)	1.30e-06 (2.02e-06)	3.39e-06* (1.96e-06)
% people over 25		0.0528 (0.113)	0.00250 (0.126)	0.0375 (0.126)
% people over 65		0.00263 (0.00458)	0.00314 (0.00479)	0.00341 (0.00492)
Median gross rent		0.000382 (0.000271)		
Share pop. CC 1950 x Trend	-0.00902*** (0.00251)			
Median house value			3.72e-07 (3.39e-07)	
House rent / value				4.052 (7.227)
Observations	923	691	691	691
Place FE	YES	YES	YES	YES
Year FE	YES	YES	YES	YES
C. region x Year FE	YES	YES	YES	YES
Year	CY 60-90	CY 70-90	CY 70-90	CY 70-90
Estimation	IV	IV	IV	IV
s.e.	Robust	Robust	Robust	Robust
F	4.61	3.93	3.87	3.43
FS Beta	-0.596	-0.920	-0.845	-0.800
FS s.e.	0.278	0.421	0.430	0.432

First stage using different crimes

VARIABLES	(1) Violent	(2) Aggr. assaults	(3) Total	(4) Murder	(5) Rape (Tot)	(6) Robbery (Tot)	(7) Assaults (Tot)	(8) Burglary (Tot)	(9) Larceny (Tot)
Good soil x Lead	-0.00451*** (0.00107)	-0.00262*** (0.000816)	-0.0171** (0.00779)	-2.71e-05** (1.28e-05)	-0.000234*** (8.10e-05)	-0.00175*** (0.000346)	-0.00683** (0.00265)	-0.00306 (0.00217)	-0.00301 (0.00361)
Observations	9,484	8,338	9,484	9,484	9,428	9,484	9,484	9,484	9,484
R-squared	0.763	0.686	0.783	0.688	0.722	0.779	0.739	0.750	0.715
Place FE	YES	YES	YES	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES	YES	YES	YES
C. Region x Year	YES	YES	YES	YES	YES	YES	YES	YES	YES
Year	60-91	60-91	60-91	60-91	60-91	60-91	60-91	60-91	60-91
Estimation	OLS	OLS	OLS	OLS	OLS	OLS	OLS	OLS	OLS
Cluster s.e.	State	State	State	State	State	State	State	State	State
F	17.65	10.29	4.82	4.51	8.36	25.75	6.65	1.99	0.70

Back to [Exclusion Restriction](#)

Results using different standard errors

VARIABLES	(1) Share pop CC	(2) Share pop CC	(3) Share pop CC	(4) Share pop CC	(5) Share pop CC
Violent crime	-0.0717*** (0.00594)	-0.0717*** (0.0255)	-0.0717*** (0.00724)	-0.0717*** (0.00714)	-0.0717*** (0.0109)
Observations	9,481	9,481	9,481	9,481	9,481
R-squared	0.940	0.940	0.940	0.940	0.940
Place FE	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES
Year	60-91	60-91	60-91	60-91	60-91
Estimation	IV	IV	IV	IV	IV
s.e. cluster	NO	Place	Year	Place-year	State-year
F	264.55	273.37	264.55	264.55	264.55
FS Beta	-0.909	-0.909	-0.909	-0.909	-0.909
FS s.e.	0.056	0.141	0.085	0.046	0.068

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$$\lambda_A = (1 - \beta - \gamma) \hat{B}_N + (1 - \gamma) \hat{B}_w \lambda_\theta = \alpha \hat{B}_P - \hat{B}_w \lambda_L = \hat{B}_N + \hat{B}_w - \frac{\delta}{\delta - 1} \hat{B}_P$$

Back to [Reduced form equations](#)

- α : share of total consumption expenditure to housing
 - US BLS Consumption Expenditure Survey: $\alpha \approx 0.3$
- β and γ : share of labour and traded capital in production function
 - Glaeser (2009): $\beta \approx 0.6$ and $\gamma \approx 0.3$
- δ : convexity of construction cost with respect to height
 - Ahlfeldt and McMillen (2015): $\delta \approx 2.7$
 - Inverse of elasticity of building height wrt land price. 0.3 for residential and 0.45 for commercial

Back to [Reduced form equations](#)

Spatial equilibrium Model

- Spatial equilibrium

$$\log(\bar{v}) = (1 - \alpha) \log(1 - \alpha) + \alpha \log(\alpha) + \log(\theta) + \log(w) - \alpha \log(p_H)$$

- Labour demand

$$\log(w) = \log(\beta) + \frac{\gamma}{1 - \gamma} \log(\gamma) + \frac{1}{1 - \gamma} \log(A) + \frac{1 - \beta - \gamma}{1 - \gamma} [\log(\bar{Z}) - \log(\bar{N})]$$

- Height demand

$$\log(h) = \frac{1}{1 - \delta} [\log(c_0) + \log(\delta)] + \frac{1}{\delta - 1} \log(p_H)$$

- Housing market equilibrium

$$h\bar{L} = HN$$

$$\log(p_H) = \frac{1}{\delta} [\log(c_0) + \log(\delta)] + \frac{\delta - 1}{\delta} [\log(\alpha) + \log(w) + \log(N) - \log(\bar{L})]$$

Structural form equations

$$\log(p_H) = K_P + \frac{(\delta - 1) [\log(A) + \beta \log(\theta) - (1 - \beta - \gamma) \log(\bar{L})]}{\delta(1 - \beta - \gamma) + \alpha\beta(\delta - 1)}$$

$$\log(w) = K_W + \frac{\alpha(\delta - 1) \log(A) - \delta(1 - \beta - \gamma) \log(\theta) - \alpha(\delta - 1)(1 - \beta - \gamma) \log(\bar{L})}{\delta(1 - \beta - \gamma) + \alpha\beta(\delta - 1)}$$

$$\log(N) = K_N + \frac{[\delta - \alpha(\delta - 1)] \log(A) + \delta(1 - \gamma) \log(\theta) + \alpha(\delta - 1)(1 - \gamma) \log(\bar{L})}{\delta(1 - \beta - \gamma) + \alpha\beta(\delta - 1)}$$

Back to [Theoretical predictions](#)

Reduced form equations

$$\log(p_H) = K_P + B_P \log(\widehat{VC}_{cc}) + \mu_P$$

$$B_P = \frac{(\delta - 1)\lambda_A + \beta(\delta - 1)\lambda_\theta + (\delta - 1)(1 - \beta - \gamma)\lambda_L}{\alpha\beta(\delta - 1) + \delta(1 - \beta - \gamma)}$$

$$\log(N) = K_N + B_N \log(\widehat{VC}_{cc}) + \mu_N$$

$$B_N = \frac{[\delta(1 - \alpha) + \alpha]\lambda_A + \delta(1 - \gamma)\lambda_\theta + \alpha(\delta - 1)\lambda_L}{\alpha\beta(\delta - 1) + \delta(1 - \beta - \gamma)}$$

$$\log(w) = K_w + B_w \log(\widehat{VC}_{cc}) + \mu_w$$

$$B_w = \frac{(\delta - 1)\alpha\lambda_A + \delta(1 - \beta - \gamma)\lambda_\theta + \alpha(\delta - 1)(1 - \beta - \gamma)\lambda_L}{\alpha\beta(\delta - 1) + \delta(1 - \beta - \gamma)}$$

Back to [Reduced forms](#)

Reduced form estimation

VARIABLES	(1) Log h. rent MSA	(2) Log income MSA	(3) Log Pop. MSA
Log VC p.c. in CC	0.0832 (0.0682)	0.0908* (0.0531)	0.148 (0.139)
Observations	918	918	918
R-squared	0.917	0.912	0.990
Place FE	YES	YES	YES
Year FE	YES	YES	YES
C. division x Year	YES	YES	YES
Year	CY 60-90	CY 60-90	CY 60-90
Estimation	IV	IV	IV
Cluster s.e.	MSA	MSA	MSA
F	17.64	17.64	17.64

Back to [Externality parameters](#)

Model reduced form estimation robustness

VARIABLES	(1) Log h. value MSA	(2) Sh. Pop. CC
Log VC p.c. in CC	0.0577 (0.108)	-0.109** (0.0541)
Observations	917	918
R-squared	0.924	0.925
Place FE	YES	YES
Year FE	YES	YES
C. division x Year	YES	YES
Year	CY 60-90	CY 60-90
Estimation	IV	IV
Cluster s.e.	MSA	MSA
F	18.04	17.64

Example model identification

Increase in violent crime, keeping constant land spread

Example model identification

Increase in violent crime, keeping constant land spread

Effect on w $\hat{B}_w > 0$

Example model identification

Increase in violent crime, keeping constant land spread

Effect on w $\hat{B}_w > 0$ then and/or $\left\{ \begin{array}{l} \uparrow VC \rightarrow \downarrow \text{amenities} \rightarrow \uparrow w \\ \end{array} \right.$

Example model identification

Increase in violent crime, keeping constant land spread

Effect on w $\hat{B}_w > 0$ then and/or $\left\{ \begin{array}{l} \uparrow VC \rightarrow \downarrow \text{amenities} \rightarrow \uparrow w \\ \uparrow VC \rightarrow \uparrow \text{productivity} \rightarrow \uparrow w \end{array} \right.$

Example model identification

Increase in violent crime, keeping constant land spread

Effect on w $\hat{B}_w > 0$ then and/or $\left\{ \begin{array}{l} \uparrow VC \rightarrow \downarrow \text{amenities} \rightarrow \uparrow w \\ \uparrow VC \rightarrow \uparrow \text{productivity} \rightarrow \uparrow w \end{array} \right.$

Effect on p_H $\hat{B}_P = 0$

Example model identification

Increase in violent crime, keeping constant land spread

Effect on w $\hat{B}_w > 0$ then and/or $\left\{ \begin{array}{l} \uparrow VC \rightarrow \downarrow \text{amenities} \rightarrow \uparrow w \\ \uparrow VC \rightarrow \uparrow \text{productivity} \rightarrow \uparrow w \end{array} \right.$

Effect on p_H $\hat{B}_P = 0 \left\{ \begin{array}{l} \uparrow VC \rightarrow \downarrow \text{amenities} \rightarrow \downarrow p_H \end{array} \right.$

Example model identification

Increase in violent crime, keeping constant land spread

Effect on w $\hat{B}_w > 0$ then and/or $\left\{ \begin{array}{l} \uparrow VC \rightarrow \downarrow \text{amenities} \rightarrow \uparrow w \\ \uparrow VC \rightarrow \uparrow \text{productivity} \rightarrow \uparrow w \end{array} \right.$

Effect on p_H $\hat{B}_P = 0 \left\{ \begin{array}{l} \uparrow VC \rightarrow \downarrow \text{amenities} \rightarrow \downarrow p_H \\ \uparrow VC \rightarrow \uparrow \text{productivity} \rightarrow \uparrow p_H \end{array} \right.$

Example model identification

Increase in violent crime, keeping constant land spread

Effect on w $\hat{B}_w > 0$ then and/or $\begin{cases} \uparrow VC \rightarrow \downarrow \text{amenities} \rightarrow \uparrow w \\ \uparrow VC \rightarrow \uparrow \text{productivity} \rightarrow \uparrow w \end{cases}$

Effect on p_H $\hat{B}_P = 0$ $\begin{cases} \uparrow VC \rightarrow \downarrow \text{amenities} \rightarrow \downarrow p_H \\ \uparrow VC \rightarrow \uparrow \text{productivity} \rightarrow \uparrow p_H \end{cases}$

Effect on N $\hat{B}_N = 0$

Example model identification

Increase in violent crime, keeping constant land spread

$$\text{Effect on } w \quad \hat{B}_w > 0 \text{ then and/or } \begin{cases} \uparrow VC \rightarrow \downarrow \text{amenities} \rightarrow \uparrow w \\ \uparrow VC \rightarrow \uparrow \text{productivity} \rightarrow \uparrow w \end{cases}$$

$$\text{Effect on } p_H \quad \hat{B}_P = 0 \begin{cases} \uparrow VC \rightarrow \downarrow \text{amenities} \rightarrow \downarrow p_H \\ \uparrow VC \rightarrow \uparrow \text{productivity} \rightarrow \uparrow p_H \end{cases}$$

$$\text{Effect on } N \quad \hat{B}_N = 0 \begin{cases} \uparrow VC \rightarrow \downarrow \text{amenities} \rightarrow \downarrow N \end{cases}$$

Example model identification

Increase in violent crime, keeping constant land spread

$$\text{Effect on } w \quad \hat{B}_w > 0 \text{ then and/or } \begin{cases} \uparrow VC \rightarrow \downarrow \text{amenities} \rightarrow \uparrow w \\ \uparrow VC \rightarrow \uparrow \text{productivity} \rightarrow \uparrow w \end{cases}$$

$$\text{Effect on } p_H \quad \hat{B}_P = 0 \begin{cases} \uparrow VC \rightarrow \downarrow \text{amenities} \rightarrow \downarrow p_H \\ \uparrow VC \rightarrow \uparrow \text{productivity} \rightarrow \uparrow p_H \end{cases}$$

$$\text{Effect on } N \quad \hat{B}_N = 0 \begin{cases} \uparrow VC \rightarrow \downarrow \text{amenities} \rightarrow \downarrow N \\ \uparrow VC \rightarrow \uparrow \text{productivity} \rightarrow \uparrow N \end{cases}$$

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Results on employment decentralization

The effect of crime on proportion of MSA employment in central city county

VARIABLES	(1) All	(2) Industry	(3) Service	(4) Ind/serv	(5) Manufacturing	(6) Finance
Violent crime	-0.0112** (0.00463)	-0.0197*** (0.00736)	-0.0240*** (0.00481)	0.0137 (0.0105)	-0.0241*** (0.00863)	-0.0110 (0.00969)
Observations	5,352	5,352	5,352	5,352	5,352	5,352
Place FE	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES
Year	74-91	74-91	74-91	74-91	74-91	74-91
Estimation	IV	IV	IV	IV	IV	IV

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Results on employment decentralization

The effect of crime on proportion of MSA employment in central city county

VARIABLES	(1) All	(2) Industry	(3) Service	(4) Ind/serv	(5) Manufacturing	(6) Finance
Violent crime	-0.0112** (0.00463)	-0.0197*** (0.00736)	-0.0240*** (0.00481)	0.0137 (0.0105)	-0.0241*** (0.00863)	-0.0110 (0.00969)
Observations	5,352	5,352	5,352	5,352	5,352	5,352
Place FE	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES
Year	74-91	74-91	74-91	74-91	74-91	74-91
Estimation	IV	IV	IV	IV	IV	IV

Overall decrease in proportion of employment in the central county

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Results on employment decentralization

The effect of crime on proportion of MSA employment in central city county

VARIABLES	(1) All	(2) Industry	(3) Service	(4) Ind/serv	(5) Manufacturing	(6) Finance
Violent crime	-0.0112** (0.00463)	-0.0197*** (0.00736)	-0.0240*** (0.00481)	0.0137 (0.0105)	-0.0241*** (0.00863)	-0.0110 (0.00969)
Observations	5,352	5,352	5,352	5,352	5,352	5,352
Place FE	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES
Year	74-91	74-91	74-91	74-91	74-91	74-91
Estimation	IV	IV	IV	IV	IV	IV

Decentralization for both industry and service

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Results on employment decentralization

The effect of crime on proportion of MSA employment in central city county

VARIABLES	(1) All	(2) Industry	(3) Service	(4) Ind/serv	(5) Manufacturing	(6) Finance
Violent crime	-0.0112** (0.00463)	-0.0197*** (0.00736)	-0.0240*** (0.00481)	0.0137 (0.0105)	-0.0241*** (0.00863)	-0.0110 (0.00969)
Observations	5,352	5,352	5,352	5,352	5,352	5,352
Place FE	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES
Year	74-91	74-91	74-91	74-91	74-91	74-91
Estimation	IV	IV	IV	IV	IV	IV

Manufacturing decentralizes

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Results on employment decentralization

The effect of crime on proportion of MSA employment in central city county

VARIABLES	(1) All	(2) Industry	(3) Service	(4) Ind/serv	(5) Manufacturing	(6) Finance
Violent crime	-0.0112** (0.00463)	-0.0197*** (0.00736)	-0.0240*** (0.00481)	0.0137 (0.0105)	-0.0241*** (0.00863)	-0.0110 (0.00969)
Observations	5,352	5,352	5,352	5,352	5,352	5,352
Place FE	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES
Year	74-91	74-91	74-91	74-91	74-91	74-91
Estimation	IV	IV	IV	IV	IV	IV

Finance is the only sector to not decentralize

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Results on amenity

VARIABLES	(1) Pub transp MSA	(2) Highway MSA	(3) H. price MSA	(4) Pop. MSA
Violent crime	-3.670*** (0.819)	0.509* (0.295)	31.75 (21.14)	-12,013 (20,958)
Observations	921	921	921	9,481
Place FE	YES	YES	YES	YES
Year FE	YES	YES	YES	YES
Year	60-91	60-91	60-91	60-91
Estimation	IV	IV	IV	IV
s.e. cluster	MSA-year	MSA-year	MSA-year	MSA-year

Congestions might have increased: lower amount of people taking public transport and more highways built

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Results on amenity

VARIABLES	(1) Pub transp MSA	(2) Highway MSA	(3) H. price MSA	(4) Pop. MSA
Violent crime	-3.670*** (0.819)	0.509* (0.295)	31.75 (21.14)	-12,013 (20,958)
Observations	921	921	921	9,481
Place FE	YES	YES	YES	YES
Year FE	YES	YES	YES	YES
Year	60-91	60-91	60-91	60-91
Estimation	IV	IV	IV	IV
s.e. cluster	MSA-year	MSA-year	MSA-year	MSA-year

House prices and population do not react

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Model reduced form estimation controlling for highway

VARIABLES	(1) Log h. rent MSA	(2) Log income MSA	(3) Log Pop. MSA
Log violent crime	0.0766 (0.0644)	0.0893* (0.0508)	0.137 (0.133)
Highways in MSA	0.0197* (0.0107)	0.00444 (0.00841)	0.0314 (0.0209)
Observations	918	918	918
R-squared	0.917	0.913	0.990
Place FE	YES	YES	YES
Year FE	YES	YES	YES
C. division x Year	YES	YES	YES
Year	CY 60-90	CY 60-90	CY 60-90
Estimation	CF	CF	CF
Cluster s.e.	MSA	MSA	MSA

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Model reduced form estimation controlling for employment decentralization

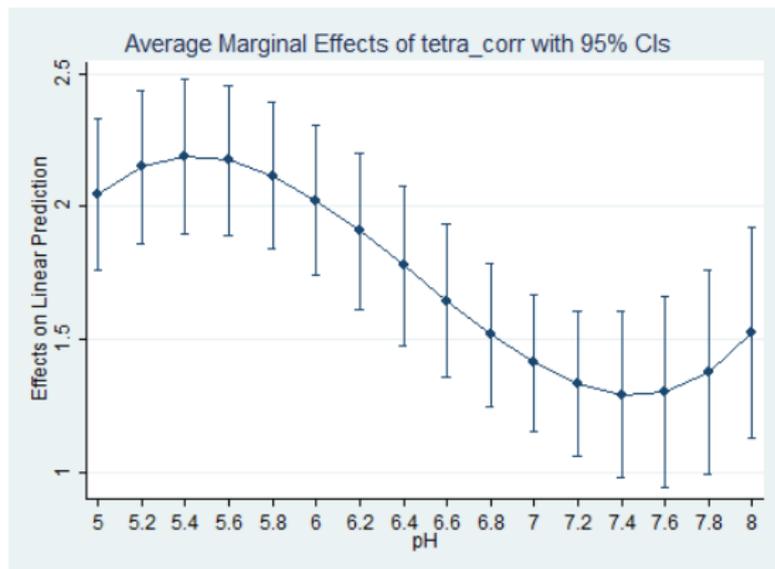
VARIABLES	(1) Log h. rent MSA	(2) Log income MSA	(3) Log Pop. MSA
Log violent crime	-0.0511 (0.119)	-0.0384 (0.0848)	0.00567 (0.102)
Empl centralization	-0.318 (0.309)	-0.187 (0.218)	0.147 (0.208)
Observations	444	444	444
R-squared	0.905	0.922	0.998
Place FE	YES	YES	YES
Year FE	YES	YES	YES
C. division x Year	YES	YES	YES
Year	CY 60-90	CY 60-90	CY 60-90
Estimation	CF	CF	CF
Cluster s.e.	MSA	MSA	MSA

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Soil quality

We explore this estimating the following equation:

$$VC_{m,t}^{CC} = \mu_m + \mu_t + \beta Lead_{t-19} \times f(pH_m^{CC}) + \epsilon_{m,t}$$



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