How much of the spatial distribution of economic activity today is determined by history rather than by geographic fundamentals? And if history matters for the distribution, does it also matter for the total amount? This paper develops an empirically tractable theoretical framework that aims to provide answers to these questions. We derive parameter conditions, for arbitrary geographic scenarios, under which equilibrium transition paths are unique and yet steady states may nevertheless be non-unique — that is, where initial conditions (“history”) may determine long-run steady-state outcomes (“path dependence”). We also derive analytical expressions, functions of the particular geography in question, that provide upper and lower bounds on the aggregate welfare level that can be sustained in any steady-state. We then estimate the model's parameters (which govern the strength of agglomeration externalities and trade and migration frictions), by focusing on moment conditions that are robust to potential equilibrium multiplicity, using spatial variation across US counties from 1800 to the present. Our simulations imply that the location of economic activity in the US today is highly sensitive to variations geographically local historical shocks, and the analytical bounds suggest the possibility of larger historical shocks mattering in the long-run.