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ROOM FOR DEBATE A Running Commentary on the News

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A Nation of Hunkered-Down Homebodies

By THE EDITORS

The nation's mobility rate fell last year to its lowest level since World War II, according to the latest census data. Growth is slowing in Sun Belt states and Northeastern states are holding on to more people. The current recession and lack of jobs are big factors, but the trend has been gaining force since the 1950s, when nearly one-fifth of all Americans moved every year.

Why are Americans becoming less nomadic? Greater labor mobility helps the economy, but are there other kinds of effects — negative or positive — related to a more rooted population? Is there an upside to more Americans staying closer to their hometowns?

- Katherine S. Newman, sociologist, Princeton University
- Richard Florida, urban theorist, University of Toronto
- William H. Frey, Brookings Institution
- Peter Francese, demographer
- Bill Bishop, author, "The Big Sort"
- Lawrence F. Katz, economist, Harvard University
- Andrew Gelman, statistician and political scientist

- Andrew Sum, labor economist, Northeastern University

The New ‘Means’ Migration

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The mobility slowdown clearly hurts both individuals by limiting their ability to pursue economic opportunities and the economy as a whole by limiting its flexibility in matching workers to jobs. It has geographic implications as well, hitting hard at the once booming Sunbelt, especially states like Florida (which actually lost population), Nevada and Arizona, whose economies were largely fueled by the housing boom. And it overlays geography with socio-economic class.

The class divide has meant a divergence of human capital across America’s cities and regions.

Young, highly-educated, and highly-skilled people have the highest rates of mobility, according to the U.S. census. The mobility slowdown has accentuated what I have elsewhere dubbed the “means migration” — as these individuals have migrated to and become more concentrated in a relatively small number of city-regions like New York, Boston, Washington, D.C., Chicago, San Francisco, L.A., Chicago, Minneapolis, Atlanta, Denver, and Seattle among others. Harvard economist Edward Glaeser has documented the growing divergence of human capital across America’s cities and regions.

One consequence of this is a new kind of class divide in America between the “mobile” who have the resources and flexibility to pursue economic opportunity and the “stuck” who are tied to places with weaker economies or where their personal economic prospects are more limited.

There is also a group I term the “rooted” — more advantaged individuals and families who choose to forgo economic mobility and reap the benefits of remaining close to family, friends, and community. Research by the economist Nattavudh Powdthavee estimates that living in a community where one regularly interacts with family members and close friends is “worth” more than six figures a year in life satisfaction.

The housing crisis is a big factor in the mobility slowdown. The popping of the housing bubble has left millions of Americans unable to sell their houses, underwater on their mortgages and stuck in their homes. It’s bitterly ironic that housing, for so many Americans, has gone from being a cornerstone of their American Dream to being a burden. Communities with higher homeownership rates also suffer from higher unemployment rates, according to an important study by economist Andrew Oswald.

Could it be that the two main tenets of the American Dream have come into conflict – the dream of boundless economic opportunity and the dream of owning a single family home? Instead of continuing to prop up homeownership, public policy can help those who are stuck with homes they can no longer afford shift to rental housing.

That would reduce the financial burdens faced by these households, make it easier for them to relocate if necessary to pursue new economic opportunity, and restore the flexibility that can help spur economic recovery.