

# Housing Cools State-to-State Migration

But Carolinas remain a magnet

BY BETTY JOYCE NASH

People aren't moving much these days, but that has only slowed, not stopped, the tide of migrants, return migrants, and retirees to North and South Carolina. Those were among the top 10 fastest-growing states last year, continuing a longstanding trend broken only by recessionary dips.

Year-over-year U.S. Census Bureau estimates cover changes from July 1, 2007, to July 1, 2008. The numbers capture the effects of current events, according to demographer William Frey of the Brookings Institution. "A whole number of southeastern and inter-mountain western states showed lower growth last year, and even two years ago compared to the middle part of the decade due to the inability of people to get credit and mortgages," he says. Frey notes that past recessions were more job or industry related but the housing crisis has had a lot to do with it this time. "The fast-growing states are not attracting as many, and slow-growing states are retaining more population because people aren't moving," Frey notes. Collapsing home values have cut back on peoples' ability to sell homes in preparation for a move, and have impaired mobility.

Even states with more out-migration than in-migration, such as California and New York, have grown in population. This is due to new birth and international migration. But enough people did exit Rhode Island and Michigan that those states lost population over the period.

## Still Seeking South

North Carolina grew by 181,000 people overall, an increase of about 2 percent. Of those, more than half (98,000) moved in from another state; the rest of the increase stems from foreign immigrants and births. Still, the domestic migration numbers were off the 2006-2007 counts, by about 18,000 people. South Carolina grew overall by 1.7 percent year-over-year, and the bulk of those (75 percent, or 50,000 people) came from other states. But those numbers slipped, too, by almost 4,400 people.

Virginia and West Virginia netted only about 70,000 and 4,600 people, respectively. International migrants, almost 19,600, made up most of Virginia's increase; the rest was from births and domestic migrants. For West Virginia, 3,800, stemmed from state-to-state migrants. Virginia welcomed 2,670 people from other states. Maryland and Washington, D.C., got 14,700 and nearly 4,000 people, respectively, but most were international rather than domestic migrants.

Perhaps the biggest surprise in the numbers was Florida, the granddaddy of all Sunbelt destinations. Florida saw the first net out-migration in its history, attributed to the economic effects of its high mortgage foreclosure rate and

declining job opportunities. With 385,308 properties filing foreclosure papers in 2008, Florida had the second-highest rate in the nation. It's mostly the housing market slowdown, Frey says of Florida. People are moving to other parts of the country.

The Carolinas are accustomed to recessionary dips. They occurred in the early 1980s, 1990s, and the first part of the current decade. In 1980, for instance, North Carolina's net migrants declined from 31,148 people to 26,081 people in 1981, and fell further to 22,003 in 1982 before growing to 53,714 in 1983, coinciding with the end of the recession. (However, until 1990, the U.S. Census did not separate domestic migrants from international migrants.) North Carolina's net domestic migration fell from 46,295 in 2000-2001 to 43,785 the following year, a decline of about 1 percent.

Ditto for South Carolina, whose 24,500 in migrants in 1980 plummeted to 1,700 in 1981, and 631 in 1982, before climbing to 14,000 in 1983.

## Carolina Life

Patrick Mason, co-founder of the Center for Carolina Living in Columbia, S.C., has published a biannual guide, *Carolina Living*, for 23 years. With a print circulation of 170,000, he estimates it reaches about 425,000 people, distributed by the North and South Carolina tourism departments, welcome centers, and convention and visitors bureaus. Mason says the guide is also sold in newsstands and bookstores in markets "known to be origin zips for movers to the Carolinas." The magazine contains a 26-question survey, and "when you run the data all together over time, you get a nice snapshot of trends," he says. The idea is not only to collect demographic information but also what Mason calls "psycho-graphic" information such as whether the respondents hike or golf.

Newcomers are almost always from the Northeast and Midwest, he says, and they often have been tourists first. According to the Internal Revenue Service Statistics of Income Division, South Carolina between 1990 and 1999 netted more than 20,000 in-migrants from New Jersey; almost 44,000 from New York; 12,600 from Ohio; and 17,400 from Pennsylvania. Between 2000 and 2007, the state had virtually the same numbers from New Jersey, but about 32,000 from New York, nearly 15,000 from Ohio, and 13,294 from Pennsylvania.

In the 1990s, South Carolina netted about 9,700 from Florida, and 9,500 from that state between 2000 and 2007, possibly quantifying the "halfback" phenomenon. That's when people migrate to Florida and then move halfway back up the coast. Of Mason's survey respondents, however, only

### Estimates of the Components of Resident Population Change

July 1, 2007 to July 1, 2008 (Net Migration)

	Total Population Change	Total	International	Domestic
SC	74,886	54,849	5,113	49,736
NC	180,820	120,576	22,502	98,074
VA	70,314	22,243	19,565	2,648
WV	4,632	4,238	450	3,788
MD	14,698	-17,069	15,092	-32,161
DC	3,965	1,210	2,832	-1,622

SOURCE: U.S. Census Bureau

about 37 percent are older than 50, and few are younger than 30. That leaves people in the phase of life he calls “pre-retirement,” those searching for a place to retire.

But at the end of 2008, Mason’s survey response rate was about 20 percent off. “That’s the first indication we’re seeing that people are saying, ‘I don’t have time — we’ve got other priorities.’”

#### Primary and Return Migrants

James Johnson knows the literature of migration as a professor at the Kenan-Flagler Business School at the University of North Carolina at Chapel Hill and as a return migrant.

Johnson grew up in Falkland, N.C. (population 114) and he’s not the only African American from that community to leave for opportunity elsewhere, make his mark on the world, and return. Falkland has produced a brigadier general, a top official in the Government Accountability Office, and at least one dentist and doctor, among other successes. Like many blacks between 1900 and the 1980s, Johnson left the South. He graduated from North Carolina Central University in Durham, and migrated north where he earned graduate degrees at the University of Wisconsin (master’s) and Michigan State University (doctorate).

“When I left North Carolina near the tail end of this massive out-migration in 1975, I bought a one-way ticket, vowing never to return to the South,” he wrote recently in an op-ed piece for *The Washington Post*.

He landed in 1980 at the University of California at Los Angeles, where he lived until 1992, when UNC successfully recruited him back home. And Johnson reports other relatives and Falkland natives, including his brother, who have also returned to North Carolina.

“The structure of opportunity changed dramatically in the South, with good jobs available for talented people,” he says. In fact, there’s an “unofficial” recruiting strategy that state governments and private firms employ to lure former residents back to their home states, he says. “This notion that you have talented people who have gone away and done

### Southern House-pitality

Southern states have long exerted a pull on people living in other regions, a trend that gathered steam as the South’s economy diversified and became less reliant on agriculture during the years following World War II. Since 1950, the South’s share of the population has grown from 24 percent to about 30 percent, and many of those states have boomed.

It’s the housing, among other factors. Harvard University economist Edward Glaeser has pointed out that the number of people in an area is “intimately tied (almost perfectly) to the number of homes. For instance, if states (like California) restrict housing supply through land-use regulations, then growth will decline, and that growth will move elsewhere.” California has had multiyear periods in which more people moved out of the state than into the state, both in the 1990s and the current decade.

“We found little evidence to support the view that the growth of the Sunbelt had much to do with sun-related amenities,” he writes in a paper on the subject. “However, our results do not mean that amenity improvements in the South such as air-conditioning or clean water were irrelevant.”

When people leave other states, it boosts the population growth elsewhere, including the South. (In fact, about 11,000 people moved to South Carolina from California between 1990 and 1999, and 9,000 between 2000 and 2007.)

Glaeser wrote the paper, “The Rise of the Sunbelt,” with co-author Kristina Tobio, published in the *Southern*

*Economic Journal* in 2008. Defining the South as the 11 former Confederate states, Glaeser and Tobio examined increased productivity, rising demand for sun-related amenities like warm winters, and flexible housing supply. The South’s productivity grew faster than the North through much of the postwar period, Glaeser says. That not only reflects “catch-up” with the already-industrialized North — the idea that poorer economies grow at faster rates than richer ones for a time — but the pro-growth southern business climate. That includes the right-to-work philosophy that dominates the South.

The paper found that population growth in the Sunbelt was driven primarily by productivity increases between 1950 and 1980. After 1980, though, the fast-growing and flexible housing supply has contributed mightily to Sunbelt growth, which reflects the influence of a pro-growth regulatory environment. Glaeser and Tobio conclude that “faster housing supply growth in the South has been at the very least almost an equally important factor as economic productivity in driving the rise of Sunbelt population.”

The authors also found little evidence that people are willing to pay for southern amenities such as warm weather. Incomes are going up more quickly than prices, which leads one to reject the view that somehow people are valuing sunshine more, he says.

—BETTY JOYCE NASH

well — can you entice them back? They have what is called location-specific capital,” he says. “If you tie economic opportunity with capital, then home places become a more attractive place to move.”

The issue of return migration has been studied extensively by demographers. In the years following the Great Depression, whites and blacks exited the South to find work. Blacks also wanted relief from Jim Crow laws and the deference customs in the South.

Whites show the highest rates of return migration (as well as constituting the numerical majority of such migrants) to the South over the past several decades, according to William Falk and Larry Hunt of the University of Maryland, and Matthew Hunt of Northeastern University. The authors published “Who is Headed South? U.S. Migration Trends in Black and White, 1970-2000” in the journal *Social Forces* in 2008. For blacks, they point out, the South may be more attractive than ever. More blacks hold elected political office in the South than elsewhere in the United States and selected areas — especially metropolitan Washington, D.C., and Atlanta — have experienced pronounced concentrations of black wealth.

Results of the paper show that the proportion of blacks, both primary and return migrants to the South, increased from 1970 to 2000. “The percentage of blacks who are recent primary (first-time) migrants increased threefold from 1970 (0.4 percent) to 2000 (1.2 percent), while the percentage of those who are return migrants increased by slightly more than a third (from 0.8 percent in 1970 to 1.1 percent in 2000).”

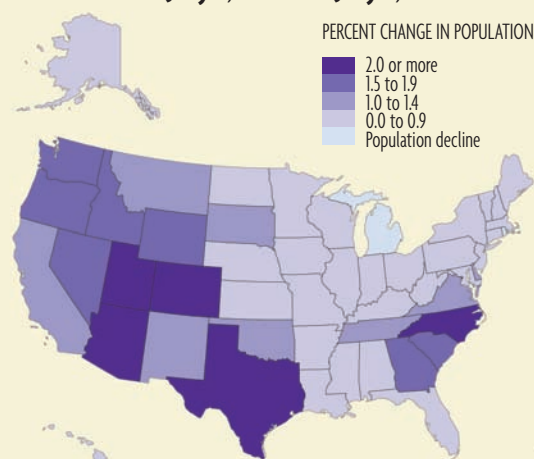
The authors also found that southern migration, while stable for whites, is increasing for blacks: The percentage of black non-southern residents who migrated south went from 2.2 percent to 6.5 percent during the decades between 1970 and 2000. The paper also showed a decline among whites and blacks leaving the South. For black people, the decline went from 4.3 percent to 2.0 percent compared with 5.2 percent to 4.1 percent among whites. “In short, more blacks are both ‘going home’ and ‘staying home,’ relative to whites,” according to the authors.

Because fewer blacks have left the South in recent years, there will be fewer migrants returning, so that stream seems to be drying up. Family connections, though, still reign when it comes to shaping migration choices.

### Family Ties

While the South will no doubt continue to swell as the population ages and some seek the amenities of abundant and affordable housing, fewer people are moving. And that’s a continuing trend, according to the Pew Research Center’s

### Percent Change in Population for States and Puerto Rico: July 1, 2007 to July 1, 2008



SOURCE: U.S. Census Bureau, Population Division, 2008

2008 American Mobility Survey. The survey of 2,260 adults was conducted in October 2008.

The survey found that almost 12 percent of Americans moved between 2007 and 2008, the lowest share since the government began tracking the trend in the late 1940s. The rate was at about 20 percent from 1946 through the mid-1960s before it started to fall.

Despite the bad weather rap, Midwesterners are the most rooted — 46 percent of adults say they’ve spent their whole lives in one community, compared to the West, where 30 percent have stayed in their hometown. In the South, that number is 36 percent and in the East, it’s 38 percent. Education and family ties make the difference. Seventy-seven percent of college grads have moved at least once and have lived in multiple states, compared to 56 percent with a high school or lesser education. People who’ve never left their hometowns have more family members — eight — within an hour’s drive than do others who have moved — three. Reasons to move include a better job; to stay, raising children and family proximity.

The survey divides states into “sticky” and “magnet” states,” with the Carolinas, of course, among the attractive magnet states, along with every state in the Fifth District except West Virginia. The share of residents in the District of Columbia who were born elsewhere and moved into D.C. is 63 percent; Maryland, 52 percent; Virginia, 49 percent; South Carolina, 41 percent; and North Carolina, 40 percent.

Among those who cite retirement as a reason for moving, half say the cost of living was a primary factor in choosing a locale. Perhaps that’s further evidence that housing supply and price drives the migration to the South that apparently, even during recession, remains strong. **RF**

### READINGS

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