



Americans are Becoming More Mobile

Although being a home owner is usually viewed positively, a recent paper by Ringo (written in 2017; posted March 2018) concluded “...home ownership is a significant hindrance to mobility, and homeowners suffer longer unemployment spells and more frequent job losses because of it”. A recently released Brookings analysis of county and metropolitan areas, however, suggests that the double blow of the Global Financial Crisis and the mortgage meltdown has at least partially dissipated and that there is now a revival of suburbanization, movement to rural areas and Snow-Belt-to-Sun-Belt population shifts. As highlighted in the Brookings report, “if these shifts continue, they could call into question the sharp clustering of the nation’s population in large metropolitan areas and their cities – that characterized the first half of the 2010s”.

The improvement in mobility is a significant positive factor that reinforces our optimistic view that growth in the labor force will continue to surprise to the upside as it has usually been easier for persons to move to where the jobs are in contrast to jobs relocating to where the people are. Labor market potential is much greater than commonly perceived.

Selected highlights of the Brookings analysis are:

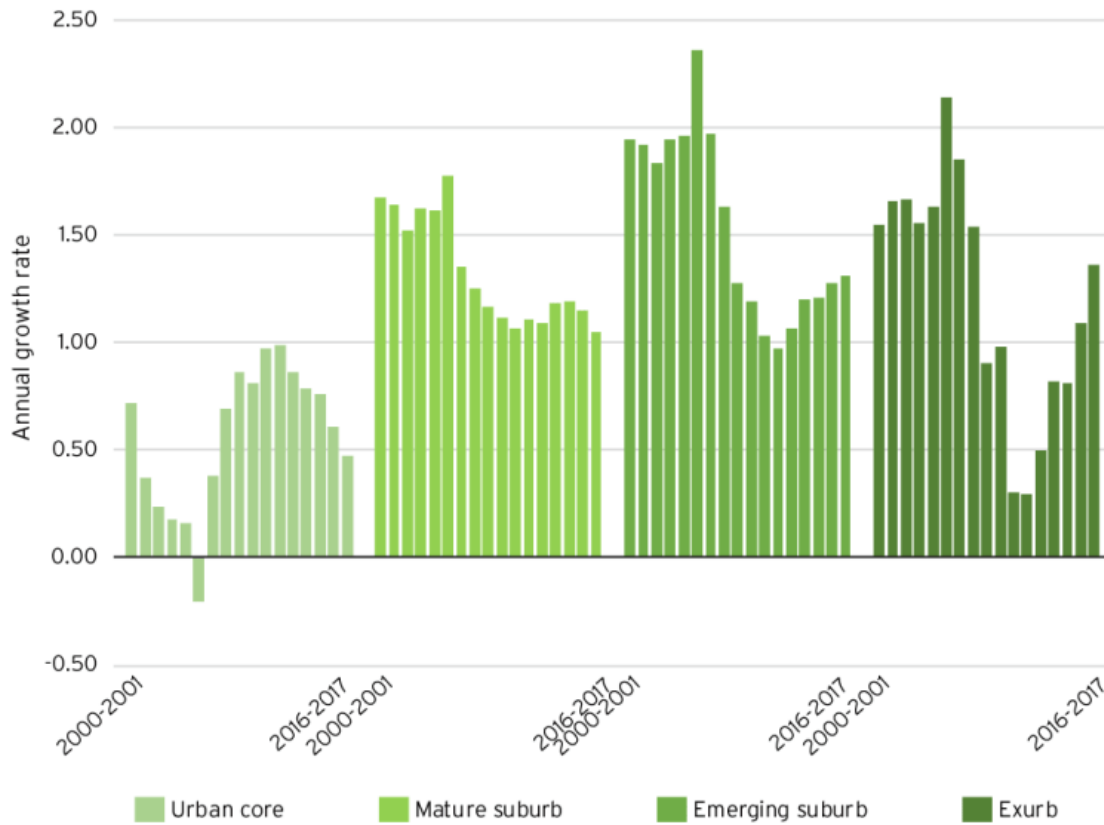
- Following a decided lull in the first part of this decade, suburbanization is on the rise. There is a continued increase at growth levels not seen since 2008 in both outer exurban areas and low-density emerging suburban counties (see Chart 1). Suburban growth had trended down through 2012 (the peak year of the “back to the city” movement) when outer suburbs grew more slowly than urban cores. Since then, the rate of increase in urban cores has fallen by 50 per cent while exurban county growth has quadrupled. This is undoubtedly associated with the reduction in the housing market constraints on relocation among potential movers.
- The reduction in mobility constraints is also reflected in the shift toward smaller metropolitan areas and counties outside metropolitan areas (see Chart 2). Non-metropolitan counties recorded positive population growth 2016-2017 for the first time since 2010. Small metropolitan areas (those metros below 500,000 population) increased their rate of growth for the third straight year. Large metropolitan areas, on the other hand, had reduced rates of growth for two years in a row. This points to a more normal pre-recession pattern of population shifts.
- Although metropolitan areas in the South and West continued to have the greatest population gains, there were also modest gains in “middle of the country” metropolitan areas, e.g. Detroit, Dayton, Ohio and Allentown, Pennsylvania. a

Chart 1

FIGURE 1

Annual growth rates for urban and suburban counties

2000-2017*



* Counties in metropolitan areas over 500,000 using Brookings classification system

Source: William H Frey analysis of US Census Population Estimates, released March 22, 2018

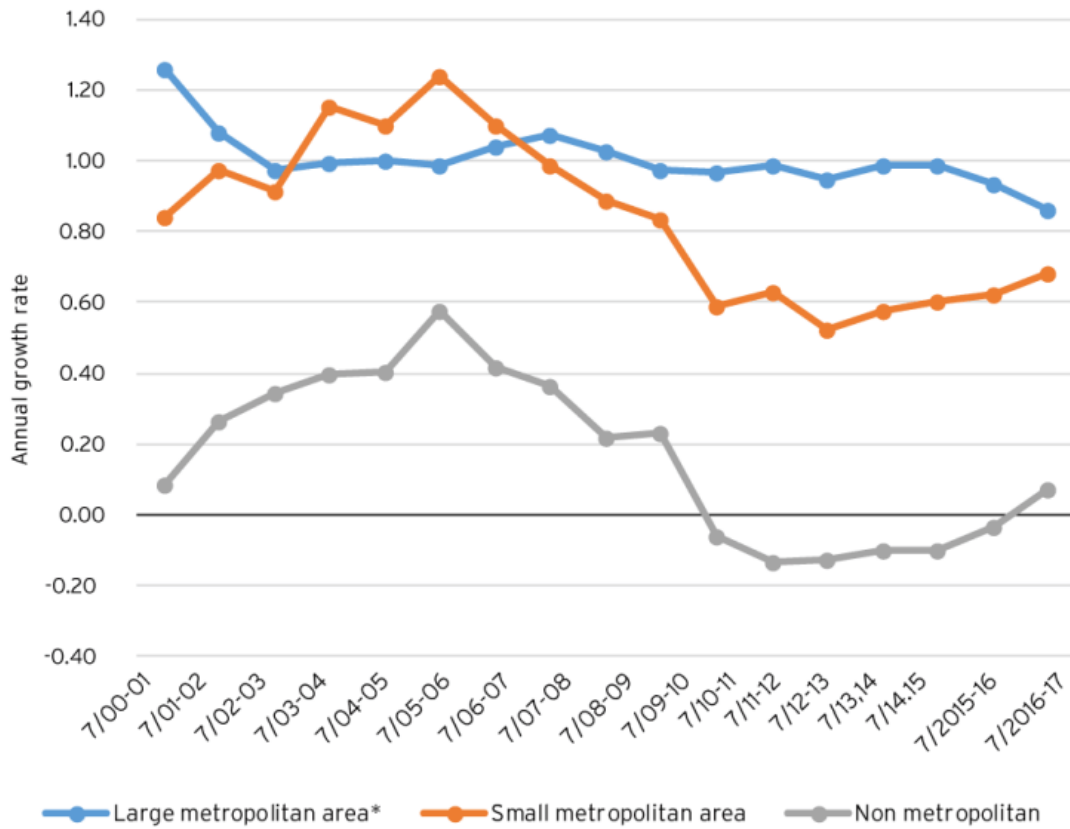


Chart 2

FIGURE 2

Annual growth rates for metropolitan and non-metropolitan areas

2000-2017



* Large metropolitan areas have populations greater than 500,000

Source: William H Frey analysis of US Census Population Estimates, released March 22, 2018

B Metropolitan Policy Program
at BROOKINGS

References

Frey, William H., "US population disperses to suburbs, exurbs, rural areas, and 'middle of the country' metros", (March 26, 2018). (<https://www.brookings.edu/blog/the-avenue/2018/03/26/us-population-disperses-to-suburbs-exurbs-rural-areas-and-middle-of-the-country-metros/>)

Ringo, Daniel, Home Ownership as a Labor Market Friction (written March 17, 2017, posted March 24, 2018). Available at SSRN: <https://ssrn.com/abstract=3144673>