

Who leaves and Where Do They Go? The Geography of Internal Migration in the United States

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This is a proposal for an ongoing project.

Abstract

Who leaves and where do they go? In this paper, we extend the recent trends on demographic compositions of internal migration in the U.S. We explore two simple but overlooked explanations: people like to live close to what they call home and where they attend college. Using data from CPS and PSEO, we motivate our study with three empirical facts: (i) most worker live in their birthplace, but when people migrate, college place influences workers' migration choice; (ii) labor flows are biased towards birthplace and collegeplace; (iii) workers choose locations via income trajectories. Workers make migration decisions based on the pull and push forces from their birthplace, collegeplace and other places. We propose to use NLSY79 Geodata to estimate a dynamic migration model in the style of [Kennan and Walker \(2011\)](#) and [Zerecero \(2021\)](#) to understand the migration decisions of college graduates with presence of home bias and college bias. We expect our findings to contribute to the understanding of determinants of migration decisions. This final aim could shed additional light on the long-run declining trends in aggregation migration and the welfare implications of migration on intergenerational earnings mobility.

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1 Motivation

Who leaves and Where Do They Go? The United States has been well-known for its free mobility. However, recent literature suggests a decline of internal migration across states for more than three decades ([Kaplan and Schulhofer-Wohl, 2012](#)). This decline raises questions about the underlying mechanism of lessomobile. Meanwhile, few decisions shape an individual's life more than the migration decision ([Bilal and Rossi-Hansberg, 2021](#)). In this paper, we extend the recent trends on demographic compositions of internal migration in the U.S. Specifically, we take on four key questions. First, why do people become less mobile and stay in economically distressed areas? Second, who is mostly likely to leave areas with weak labor markets? Third, do migrants from those areas tends to move to their birthplaces, collegeplace or other places? Finally, what are the longer-term welfare effects of migration, such as on intergenerational earnings mobility?

To answer these questions, we explore two simple but overlooked explanations: people like to live close to what they call home and where they attend college. Using Current Population Survey (CPS) and Post-Secondary Employment Outcomes (PSEO) data, we motivate our study with three empirical facts: (i) most worker live in their birthplace, but when people migrate, college place influences workers' migration choice; (ii) labor flows are biased towards birthplace and collegeplace; (iii) workers choose locations via income trajectories. Workers make migration decisions based on the pull and push forces from their birthplace, collegeplace and other places.

We propose to use NLSY79 Geodata to estimate a dynamic migration model in the style of [Kennan and Walker \(2011\)](#) and [Zerecero \(2021\)](#) to understand the migration decisions of college graduates with presence of home bias and college bias. We expect our findings to contribute to the understanding of determinants of migration decisions. This final aim could shed additional light on the long-run declining trends in aggregation migration and the welfare implications of migration on intergenerational earnings mobility.

2 Related literature

This paper extends several strands of literature. First, it adds to the literature on internal migration in United States. There is a wide decline in migration rates across states ([Molloy et al., 2011](#); [Kaplan and Schulhofer-Wohl, 2012](#); [Molloy et al., 2019](#); [Jia et al., forthcoming](#)).

Second, the paper is related to the fast-growing migration models in quantitative spatial literature. A canonical individual migration choice model developed by [Sjaastad \(1962\)](#) where individual

choose to migrate when the expected benefits of relocation exceed the costs. Despite individual choice models advance our understanding of the potential migration costs, they takes the disequilibrium perspective. Migration outcomes closely tie to a wide range of topics, such as local compositions effects, agglomeration effects and neighborhood characteristics. Increasing scholars apply dynamic equilibrium models to study the effects of migration (Roback, 1982).

Our research supplements two empirical evidence of home bias and college bias in migration decisions. The closest precedent to our paper are the works of Kennan and Walker (2011) and Zerecero (2021). Kennan and Walker (2011) shows that half of US people who move to their birthplace. Zerecero (2021) develops a dynamic migration model and finds the share of migrants who return to their birthplace is almost twice as large as the share of migrants who go to any other locations; on the other hand, a grow literature on the retaining effect of a local college (Groen, 2004; Bound et al., 2004; Kennan, 2015; Huang et al., 2019). Our study takes an integrated view of considering birthplace and collegeplace in the choice sets of migrants and quantify the relative importance.

Finally, there is scant literature on intergenerational effects of internal migration. To best of our knowledge, Derenoncourt (2022) provides reduced-form evidence on general equilibrium effects of Great Migration, where Black families experienced worse opportunities, increased crime and persistent segregation in the northern cities.

3 Research Design

We first provide a series of reduced-form evidence as motivation. We extend empirical evidence of demographic and time trends of internal migration in United States using CPS. Then, we quantify the existence of home bias and college bias using PSEO data. We employ gravity regression to quantify the pull and push factors across locations. Secondly, we use NLSY79 geodata to quantify the relative importance of the birthplace and collegeplace in migration decisions. We study the migration decisions during first ten years of graduation of college graduates. Third, we link mothers from NLSY79 to their kids to study the intergenerational effects of internal migration using event study design.

To understand the implications of these findings, we build a dynamic migration model based on Kennan and Walker (2011) and Zerecero (2021) to analyze the migration decisions of college graduates with home bias and college bias. In the spirit of Zerecero (2021), we introduce home bias as a utility cost of living away from one’s birthplace and college bias as a reduced one-time migration cost for college graduates. We need NLSY79 data to have enough variation of people who choose

to stay in their birthplace and collegeplace to disentangle these two channels.

Our plan for the research is as follows.

Data Work (Reduce-formed Evidence)	April 10, 2022
Write Model	April 17, 2022
Estimate Model	April 24, 2022
Write-up	April 29, 2022

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