NATIONAL AFFAIRS

Moving to Work

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BETWEEN 1776 AND 1890, when the U.S. Census Bureau famously declared the frontier closed, Americans who found themselves dissatisfied with their circumstances frequently loaded their worldly goods into wagons and started new lives as yeoman farmers in the ever-expanding West. These enterprising early Americans were driven by a frontier spirit, as Frederick Jackson Turner first described it, and this spirit has been a defining aspect of the nation and its character.

The American willingness to pull up stakes and seek out a better life did not end after the West was settled. In fact, mobility only accelerated: When crop failures and bigotry drove African-Americans from the South, many migrated, first to Northern industrial cities in the 1910s and 1920s, and later to the West, during and after World War II. Between 1950 and the 1980s, meanwhile, the Sunbelt's population grew at astounding rates, as Americans driven by opportunity and, thanks to air conditioning, no longer quite so turned off by the heat sought, and often found, new paths to prosperity.

In the last few decades, however, Americans' willingness to move to a new place in search of a better life has dramatically decreased, despite the fact that travel has never been easier and new technologies have made keeping in touch with friends and family who are far away cheap and simple. Americans — particularly the least affluent — have lost the will to move. The Census Bureau's yearly American Community Survey demonstrates that low-income people, especially those born into poverty, have a particularly difficult time moving. This is largely due to public policies designed to provide "place-based relief": programs that aim to help the poor where they already live. This decline in geographic mobility,

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however, has contributed to a decrease in income mobility, especially for those who benefit from such place-based anti-poverty programs.

Policymakers should see this decline in geographic mobility as a major problem and a key contributor to America's persistently high unemployment rates. In our woeful labor market, Americans in search of work should be encouraged to pursue it wherever it may be found, and to be willing to move in search of a better life. By understanding why that willingness has waned and what it has meant for our economy, we can perhaps see our way to some concrete policy steps that could encourage Americans once again to follow opportunity and promise where they lead.

DECLINING MOBILITY

Geographic mobility in the United States has bottomed out in the past three decades. In a comprehensive 2011 review of geographic-mobility data, the National Bureau of Economic Research concluded that "[i]nternal migration has fallen noticeably since the 1980s, reversing increases from earlier in the century." In 2012, the Census Bureau reported that, between 2005 and 2010, internal migration was the lowest since modern record-keeping began in 1940. Current data show that residents of Canada, comparable to the United States in culture and geographic size, are now more likely to have moved recently than their American counterparts.

This decline in Americans' geographic mobility has correlated with a well-documented 40-year trend of falling income mobility. While this correlation does not, by itself, prove a causal link, the evidence that geographic mobility can mitigate poverty is robust.

Take, for example, the program started as part of a consent decree following the Supreme Court's decision in the public housing desegregation case *Hills v. Gautreaux*. The Chicago Housing Authority's Gautreaux Project conducted a randomized trial in which some poor African-Americans received housing vouchers for private apartments in suburban communities, while others were placed in urban apartments. Those who moved to the suburbs and affluent areas of the city were significantly more likely to find employment and move off the welfare rolls, and their children had better academic records and lower drop-out rates than those who remained near where they started.

On the federal level, the Moving to Opportunity Program, a signature initiative of former Housing and Urban Development secretary Jack Kemp, helped to move families with children from areas with persistent crime and unemployment to more affluent neighborhoods. In 2000, the Brookings Institution found the program offered "striking" results. Those who moved earned more, saw their children do better in school, and enjoyed better quality of life.

More recent research from Raj Chetty and Nathaniel Hendren of Harvard University and Patrick Kline and Emmanuel Saez of the University of California at Berkeley demonstrates just how significant a neighborhood and city can be to income mobility. Examining 741 commuting zones constructed from census data, the researchers found that a child born in the bottom income quintile in Atlanta, a city with a high degree of income segregation, would likely climb no higher than the 35^{th} percentile of income distribution. In Salt Lake City, which has relatively little income segregation, a child born in the bottom quintile could look forward to reaching the 45^{th} income percentile, and even someone born in the bottom percentile in Salt Lake City could expect to reach the 40^{th} percentile.

Of course, a relatively immobile workforce is not the sole cause of declining income mobility. Factors such as the globalization of many industries, growing automation of routine tasks, and growing returns to education and capital have all contributed. But these factors are major economic transformations that are beyond the control of individuals. Location, however, is a factor that people can control for themselves. So what is keeping the poor from moving their families to new places to take advantage of better opportunities?

The answer lies primarily in the structure of poverty-relief programs. For the last 70 years, the social-services agenda has been dominated by what might be called "place-based" poverty relief. The 1940s and 1950s saw bipartisan consensus around abundant construction of public housing projects, coupled with "slum clearance." The liberal New Frontier and Great Society eras of the 1960s saw "urban renewal" projects (a new name for slum clearance), along with "Model Cities" and a "War on Poverty" centered on community-action agencies, community-development block grants, and other programs intended to revitalize poor neighborhoods.

The conservative ascendency of the 1980s brought a bevy of new tools to try to fix the problems that continued to plague poor communities. These efforts included tax- and regulatory-relief policies implemented in "enterprise zones," as well as grants to private businesses under the guise of tax relief, to encourage economic growth in impoverished neighborhoods. These new schemes all promised that "free-market" tools and deregulation would succeed where liberal policies had failed. In the 1990s, after Bill Clinton assumed the presidency, the HOPE VI program accelerated efforts to tear down and rebuild the worst public housing projects, with major federal investments in housing for the first time in decades. The George W. Bush administration placed a renewed emphasis on turning the poor into home owners. Similar programs have continued under President Barack Obama.

But decades of bipartisan experience with place-based poverty relief have demonstrated that it simply has not worked. In 1965, the year after Lyndon Johnson declared a War on Poverty, the poverty rate was 17.3%, and since 1967 poverty rates have fluctuated between 11% and 15%. The poverty rate in 2012 was 15.0% for the third year in a row—just two percentage points lower than in 1965, the first full year of the War on Poverty.

While it has become conventional wisdom (best condensed in Charles Murray's 1984 *Losing Ground*) that liberal solutions to poverty have not worked, conservative efforts have fared little better. For instance, enterprise zones, championed by Ronald Reagan and Jack Kemp in the 1980s and early 1990s, flowered across the country. And they've had a long time to work: By 1995, there were more than 3,000 state-level special tax zones, with 87 participating in the federal enterprise-zone program as of 2000. But in 2010, a comprehensive review of California's enterprise-zone system—one of the nation's largest—by researchers at the Public Policy Institute of California and the University of California at Irvine bluntly concluded "that enterprise zones do not increase employment...the program is ineffective in achieving its primary goals."

Not every aspect of the anti-poverty agenda has failed. Poverty rates are lower than they were in the 1950s. Relative to the broken-down tenements that housed the urban poor prior to the Second World War, the material conditions and housing stock in inner cities have improved a great deal (although many public housing projects remain horrid places to live). Better policing, increased incarceration, and demographic trends since the early 1990s have made poor areas far safer than they were before. Enterprise zones, at their best, have brought commerce to neighborhoods where it was sorely lacking previously.

Despite these successes, poverty-relief programs, even those that don't focus relief on specific neighborhoods, still serve the function of tying the poor down to their city or region. For example, while Section 8 rental-housing vouchers (which give the poor cash to rent housing) *promote* mobility within metropolitan areas, the long waiting lists for Section 8 in most areas serve as a strong disincentive against relocating in search of employment. Differing state eligibility requirements for Medicaid and other subsidized health-insurance programs, likewise, mean that some poor individuals will lose health coverage when they move. Even the more-or-less nationally standardized Supplemental Nutrition Assistance Program or SNAP (previously known as "food stamps") has different eligibility requirements depending on the state one lives in. In any event, moving will always require a new application process and may entail a loss of benefits.

Both the left and right's versions of place-based relief have failed. In part, this is due to the folly of thinking that the unique combinations of economic, social, cultural, and human factors that go into successful neighborhoods can be gleaned and inculcated by central planners. And the daunting reality is that, even if the planners are truly successful, such neighborhood revivals often end up displacing the very poor they were intended to help.

If the answer to poverty isn't rebuilding the places where the poor already live, perhaps a better solution would be to help them to move to where such opportunities already exist. Three approaches in particular stand a chance of encouraging such mobility: implementing new tools like mobility grants and migration zones, eliminating impediments to low-cost housing, and replacing today's place-based poverty relief with more streamlined, portable welfare programs.

Mobility grants and migration zones

As part of a mobility-based approach to alleviating poverty, the most basic and straightforward type of support that government can offer is direct incentives to encourage the poor and unemployed to relocate. The United States has a long history of providing such incentives. The Homestead Act, signed into law by Abraham Lincoln in 1862, famously offered aspiring farmers the opportunity to receive the titles to lands they lived on and improved. Requirements that shippers of freight cross-subsidize railroad passenger tickets likewise made it affordable for Northern factory owners to transport former sharecroppers from the Mississippi Delta to the growing industrial North, from the time that the Interstate Commerce Commission's regulation of the railroads began in 1887 until long-distance trains were supplanted by airplanes after World War II.

As the current economic recovery slowly continues, some areas of the United States actually struggle with labor shortages that could be addressed by an influx of migrants, which could be spurred by a mobility program. North Dakota's energy boom has created a shortage of labor of virtually all kinds, Washington state's agricultural industry is facing a labor shortage, and employers in areas seeing significant manufacturing job growth in both the South and the West have great difficulty filling jobs. Even areas with just above-average job growth sometimes face labor shortages in certain fields. An April 2013 report from the Brookings Institution found that nearly a third of hospitality-industry jobs in Massachusetts — a state with a better-than-average but hardly copacetic employment situation — were filled by foreigners.

In short, even in an economy characterized by high unemployment, there are pockets of job growth. To maximize productive capacity, policymakers could advocate programs that create "mobility grants," paid for primarily through the unemployment system, and "migration zones," intended to attract migrants to the places that need them.

Mobility grants would allow a person who is unemployed and lacking significant assets to "cash out" future unemployment benefits to which he would otherwise be entitled in a single lump sum. The funds would then be used to pay for the job-search and relocation costs entailed in moving to another metropolitan area. The lump sum would be discounted to perhaps 70% or 80% of the benefits the grantee would otherwise receive over a year. Such a grant would provide a benefit both to individuals and to communities: It would provide a nest egg to move a household while simultaneously removing a worker from the original area's unemployment rolls.

In 1976, the Labor Department's Job Search and Relocation Assistance Program, a major experiment involving 40 different unemployment offices across the South, demonstrated that such grants can work. The experiment tracked the results from different offices offering different levels of relocation assistance. Offices that provided only information on out-of-area jobs and grants had little success, while those that provided full relocation grants helped significant numbers of people find new jobs. A 1981 analysis of the program by Charles Mueller for the *Monthly Labor Review* found individuals with less education tended to take advantage of relocation assistance more often than those with more education. This less educated subset of the population is the same group of people most likely to be displaced by globalization and lost factory jobs. In addition, young black males, who have the highest long-term unemployment rate among sizeable demographic groups, proved particularly mobile. Finally, wages for those who relocated through the program tended to be higher than those who chose not to relocate or who relocated through their own means.

Evidence also suggests the grants would be affordable, without overburdening the unemployment system or driving up its costs. Some of those who would qualify for mobility grants likely could have found jobs quickly in other areas even without the assistance. But any additional costs from such cases could be offset, in part, by reducing the time that individuals can spend on unemployment.

While the 99-week unemployment-benefit standard implemented during the recession may have been necessary as temporary relief, it is certainly not a healthy long-term standard. Workers' skills atrophy during a 99-week jobless stint, and many who take the maximum amount of time on unemployment will find themselves moved into the ranks of the long-term unemployed and unemployable. Now that the extended unemployment-benefit period is being reduced to a level closer to the pre-recession average of six months, many unemployed individuals find themselves dropping out of the labor force even sooner. But a "cash out" of normal unemployment benefits would be more than enough to cover moving costs, and it would reduce the likelihood that individuals would leave the labor force entirely. Well-structured lump-sum mobility grants should, on balance, save money in the unemployment-insurance program, while at the same time adding more individuals to the tax rolls.

Of course, an effective mobility program might need some additional resources that go beyond those available in the current unemployment system. For example, unemployment benefits are tied to individual wages. If grants followed this structure, they would be a windfall for some single people and insufficient for some families, as many workers would want to bring their dependents along when they moved in search of work. To account for this disparity, relocation grants might instead be based directly on family size, with additional benefits for each dependent. Since dependents of the poor often receive relatively expensive benefits, such as Medicaid, states that want to reduce their obligations for such benefits may be eager to contribute to funding relocation grants.

When thinking about the design of such a program, it is useful to look at the one existing federal program that provides significant relocation help: Trade Adjustment Assistance, which was designed to help workers displaced by trade agreements. TAA has not worked very well by any measure, and the program may soon be phased out. Given the causes of the failure of TAA, it is clear that careful attention to design issues is hugely important. TAA does contain a mobility component, for instance, but the thrust of the whole program is to provide augmented unemployment benefits and job retraining where affected workers live. Because of this design, it may have the net consequence of discouraging mobility. Furthermore, unlike the mobility grants we propose, TAA has very specific and complex eligibility requirements that lock out many people who would like to move.

Furthermore, an effective relocation program would need to offer more than just cash. Research published in the *Journal of Urban Economics* in 2013 affirmed the advice found in the bestselling job-hunter's bible *What Color is Your Parachute?*: Most people find jobs through "broader social networks" of casual acquaintances rather than immediate family, job websites, job centers, or other formal means. Individuals with weak social ties outside their immediate network will tend to struggle the most to discover new opportunities. Indeed, the 1976 Department of Labor experiments found the most successful moves, as judged by the migrants themselves, were those to areas where the individual had existing ties, such as extended family or friends.

This feeds a vicious circle. Lower-income people often live in close proximity to one another, and their broader social ties to the world of work suffer as a result. Public programs cannot replicate personal networks, of course, but an investment in helping individuals broaden those networks may be money well spent. An effective relocation program could encourage the employees of job-placement offices to work with unemployment-insurance recipients to determine who is willing and able to move, and then help them navigate the numerous resources available to find new opportunities.

Just as mobility grants would help push individuals to move, migration zones would attempt to pull them in. Unlike enterprise zones and similar tax-advantaged districts, migration zones would be established in areas facing labor shortages to encourage migrants to relocate by providing a raft of programs and policies to ease the way for newcomers. The administration of migration zones could take a variety of forms, but it generally should not be wholly governmental. Many important services these zones would need to provide are things government can't do—or can't do well. Instead, dedicated non-profits, existing business-improvement districts, and local chambers of commerce would administer them. Private firms located in migration zones also could and should work together—perhaps under an antitrust exemption, if necessary—to help migrants with everything from discounted rates on moving services to special leasing arrangements that allow short-term contracts.

From a public-policy standpoint, a migration zone should offer special federal or state tax credits (or both) to finance apprenticeship programs, wage subsidies, and other incentives intended to encourage firms to hire non-local people from areas that currently have high rates of unemployment. The benefits would persist only so long as the migration zone continues to face a labor shortage. Government support would also be conditioned on the migration zones' ensuring that new migrants had places to live. Areas that forbid long-term, pay-by-the-week accommodations or that prevent the construction of new low-cost housing would not be eligible. The program would also require a streamlined process to enroll migrants in any government benefits for which they are still eligible, including health coverage, the SNAP program, and Section 8 vouchers. Depriving individuals of benefits when they move places a huge marginal tax on migrants. While ending dependency on benefits is an appropriate long-term goal, it would in these cases be counter-productive to insist upon slashing such benefits up front.

In some cases, migration zones could go further to ensure new arrivals feel welcome and at home. Dayton, Ohio, for instance, has launched the Welcome Dayton initiative—profiled in the *New York Times* in 2013—which coordinates with local non-profits and businesses to effect simple changes intended to attract immigrants. These include adding interpreters to city offices, arranging English classes, and cutting bureaucracy for foreign doctors. Non-profit organizations offer everything from help starting a small business to social events for newcomers. The program has started attracting migrants from other American cities, and the strategy has delivered major dividends for Dayton, as incoming immigrant families clean up abandoned areas of town.

Other Midwestern cities—including Chicago, Columbus, St. Louis, and Lansing—are now pursuing similar strategies. In isolation, such initiatives probably won't increase mobility much, and, to date, they've been tried mostly in places with moribund job markets. But, combined with other policies intended to encourage employment, such migration zones could help solve local labor shortages while simultaneously increasing income mobility, as the unemployed and underemployed find better jobs. Exploring new policies like mobility grants and migration zones could restore mobility by encouraging and helping more Americans who want to move when they face hard times.

HOUSING WITHIN REACH

Before public policy can help people move, however, newcomers need places to live. Unsurprisingly, many areas with labor shortages also face housing shortages, and what housing there is tends to be very expensive. While local shortages in affordable housing are unlikely to be alleviated by federal or even state policy, there are steps that could be taken to encourage the creation of lower-cost rental housing. Such policies include equalizing the tax treatment of home ownership and home rental, improving the transportation networks of metropolitan areas to benefit those of modest means, and penalizing localities that work to destroy lower-cost housing.

To begin with, we need a national reassessment of policies that encourage home ownership over renting. While these programs have their merits, they tend to discourage geographic mobility. The link between home ownership and geographic *immobility* is obvious: Leaving an apartment typically requires little more than terminating a lease and perhaps paying a penalty of a month or two of rent. Selling a home in all but the most active housing markets, on the other hand, requires spending huge amounts of time and money to prepare a house for sale. This alone discourages mobility.

Furthermore, for those who are genuinely poor, the prevailing bias for home ownership offers little help. Buying a house requires saving a significant sum for a down payment, as well as consistent employment to make regular mortgage payments. The poor are poor precisely because they have neither assets nor high-wage jobs. As Marquette University economist Andrew Hanson has shown in ongoing research, current housing policies embedded in the tax code benefit primarily those who are already well off and encourage them to buy bigger houses. Those who rent, on the other hand, receive no tax benefits at all. As Hanson's work makes clear, this policy fails a simple smell test of public utility. Even if one believes the prosperous pay too much in taxes, it makes far more sense to reduce their marginal rates than to offer them implicit subsidies to buy bigger houses.

Policy preferences for home ownership need not be eliminated entirely, but a few changes to the tax code could make it easier for less affluent people to rent. One option would be to limit the reach of the mortgage-interest deduction, perhaps by limiting it to the interest on the first $400,000 (about twice the size of the average mortgage). The revenue gain from limiting the size of the mortgage-interest deduction could be used to make a certain portion of rents deductible without increasing budget deficits. As Hanson has shown, the biggest expected effect from this type of policy would be a tendency for the well off to buy smaller houses than they otherwise would.

Increasing the supply of housing — particularly rental housing — also requires paying attention to transportation networks. If more land is within ready reach of places where jobs are located, more lower-cost housing can be created. Much place-based research on fighting poverty, including William Julius Wilson's important book *When Work Disappears*, devotes attention to the ways that better transportation networks might help people from inner-city areas get to jobs that are not near their homes. Nearly all new rail transit systems and highway enhancements in urban areas have connected existing population and job centers. Although such continued enhancements make sense, planners should also pay attention to ways in which new transportation networks could also expand housing opportunities.

As Jonathan Last points out in *What to Expect When No One's Expecting*, decent transportation networks are necessary to allow people to build families in the types of neighborhoods where they want to live. While Last focuses mostly on building roads to help the middle class, evidence suggests that efforts to help the poor should focus largely on enhancing bus service. While buses are inferior in many respects to the new rail systems that have sprouted up all over the country in recent years (almost all with federal funding) and will rarely attract riders who have cars available for a trip, they are a near-perfect form of transportation for helping the poor get around. Smart route planning can make them nearly as speedy as trains (and faster, actually, than some new light-rail systems), and, unlike trains, routes can easily be changed based on population shifts. Combined with continued investments in road and rail lines, greatly expanded bus service would make it easier for poor individuals to live farther from their work locations in housing that could cost less. Housing does not need to sit right next to workplaces (although that may be ideal), but the working poor should have a way to get from where they live to where they work. Better transportation networks would mean that there would be more land on which housing could be available and affordable.

As Harvard University's Ed Glaeser has shown, local policies dictate many factors that determine housing prices, suggesting that federal aid to local governments should partly be tied to local regulations. While penalties should not always be arduous, localities that implement policies that are less than optimal — such as Washington, D.C.'s height limitation, "anti-monotony" ordinances (which forbid low-cost construction of identical homes), or San Francisco's now largely repealed Proposition M (which placed severe limits on the city's authority to permit new building) — should result in a reduction in overall federal housing assistance. Likewise, areas that reduce other options for housing — by banning "granny flats" (small detached apartments, often above garages) or single-room occupancy hotels, for instance — should also face reductions in federal aid for housing. Finally, areas that engage in practices that are sure to destroy lower-cost housing options — such as rent controls (which make it economically impossible to build new housing) and very large minimum lot sizes (which can make it impossible to build anything other than mansions) — should be made ineligible for participation in federal programs intended to provide lower-cost housing.

But not all damaging policies are so obviously harmful. There are policies that discourage housing construction without rising to the level of actual governing malpractice, and the federal government cannot be expected to eliminate such policies. Moreover, many of the factors that affect housing most directly relate to brute facts of geography (nobody can create more land) or to local policies the federal government cannot address. A housing policy focused on mobility will, among other things, require cultural and political shifts at the local level. For decades, federal policy has nudged localities toward promoting a specific kind of home ownership; it should now move in the opposite direction to promote more rental and lower-cost housing.

WELFARE RECONCEIVED

Housing is not the only barrier confronting the unemployed who seek to relocate. For many, means-tested welfare programs are an important source of support. The federal government currently funds roughly 80 means-tested welfare programs that provide food aid, housing assistance, medical assistance, childcare assistance, and other services for low-income individuals and families. In 2012, government at all levels spent $916 billion on these programs.

For an individual or family faced with the stressful prospect of uprooting a household and leaving behind established community support systems, even a temporary loss of welfare benefits can be daunting. Every program requires its own enrollment and qualification process, so every new program created, even if it is effective on its own terms, presents an additional barrier to geographic mobility. The nation's uneven implementation of Obamacare and the decision of some states not to participate in the Medicaid expansion have added additional layers of complexity that may make relocation increasingly unattractive. America's decentralized welfare state, in short, presents a major barrier to mobility itself.

Some examples illustrate how this works and how it harms the poor. The federal government, for instance, maintains at least 15 different nutrition programs, from the very broad SNAP program that provides grocery money, to narrowly targeted efforts that do everything from provide at-school breakfasts to distribute surplus milk on Indian reservations. The programs assure that almost no one goes hungry in the long term — death by starvation is virtually unknown in our country — but they are also duplicative, inefficient, and complex. Similar situations exist in programs for housing (there are at least two dozen programs), job training (literally hundreds of federal and state programs), childcare (seven major programs at the federal level and thousands of state and local efforts), and nearly every other area in which federal support exists. And each program for which a person becomes eligible gives that person another reason to stay where he already is.

Promoting geographic mobility would involve streamlining these programs. Although difficult to achieve in practice, policymakers at the federal and state level should strive to have no more than one program for addressing any major need. Doing this would likely offer some modest administrative savings, but the effort should not be seen primarily as a way to reduce the total amount of resources devoted to the poor. Instead, any administrative savings should be reinvested in additional poverty assistance.

Eliminating duplicative programs would also allow resources to be redirected into what is already the largest program to help the poor: the Earned Income Tax Credit. The EITC rebates employer and employee payroll taxes to supplement the incomes of those who work many hours for relatively low wages. Because it benefits only those who work, it is a program with near perfect incentives, and, because it is administered through the federal tax code, it is portable throughout the country.

Despite these advantages, however, the EITC remains decidedly modest. For a typical single worker without children living at home, the EITC refunds less than $490 per year — hardly enough to boost a person into self-sufficiency. Introducing and expanding similar wage supplements, like the short-lived "Making Work Pay" tax credit included in the misbegotten 2009 stimulus package, could have a tremendous impact.

In fact, the structure of the EITC is so good for mobility and its incentives are so positive that a long-term plan to promote mobility could involve trying to expand it even further into a full-fledged "negative income tax" or "basic guaranteed income." A long-term strategy along these lines would involve replacing all or almost all existing welfare programs with a single grant or income support. The design problems confronting such a program would be significant, of course, as it would be all too easy to provide strong disincentives to work. Test programs, like the basic-income experiment conducted in the Canadian province of Manitoba in the 1970s, have been poorly structured, so it is difficult to deduce a great deal from their designs.

Years of social-science research, however, appear to have yielded solutions to most of these design problems. The most workable proposals might simply provide a support grant, set at the minimum level necessary to maintain a standard of living just above poverty, to every individual above a certain age regardless of location or work status. Part of the funding for this grant could be "recaptured" with a surtax imposed on people whose incomes exceed a certain level. Such a policy could replace nearly all existing support payments — Social Security, Medicare, unemployment insurance, and everything else — and encourage individuals to relocate in search of job opportunities without worrying about losing public benefits where they live.

REVIVING AMERICAN MOBILITY

Restoring the American instinct to pick up and move in pursuit of a better life should be a priority for policymakers across the political spectrum. Unlike other causes of income stagnation, the trend against geographic mobility has resulted from specific public policies and can be reversed by changing those policies.

The arguments against a mobility-oriented agenda are relatively easy to answer. Moving is a serious stressor on a family or individual, but then so is financial distress, which almost inevitably follows long-term unemployment. Relocation may fray some social networks, but being stuck in a failing community rarely helps one find new opportunities or get ahead in life. In any case, there's little evidence that increased geographic mobility by itself will damage the nation's level of social capital overall. Indeed, the decline in social cohesion documented by authors such as Robert Putnam and Charles Murray has coincided with the decline in geographic mobility.

There is no strong reason to believe that more mobility does net social harm, even in the areas people abandon to find work elsewhere. Population might fall in some already-depressed areas, but, for those left behind, schools and public services will be less crowded, and less competition will exist for job openings. Whatever the negative psychological effects of moving—and there is no doubt they are significant, particularly for children—encouraging mobility is almost certainly better than the alternative of allowing persistent long-term unemployment to continue. In short, while there are real and important reasons to think that moving is difficult, there's no reason to think that it will prove any more psychologically difficult than the status quo.

The ability and will to move to a different place and re-invent one's life has long ranked among the most distinctive aspects of the American character. Furthermore, a strong body of evidence supports the idea that moving can increase economic mobility. Public policies in recent decades, however, have tended to encourage people to stay in one place, which has contributed greatly to income stagnation. While improving struggling neighborhoods may be desirable, it has not served to cure or even to mitigate poverty. Therefore, policymakers should embrace new tools like mobility grants and migration zones, work to increase the supply of rental housing, and streamline welfare programs.

While certainly not a cure-all for America's current economic malaise, increased geographic mobility could well help many Americans facing economic struggles. Efforts to increase geographic mobility should play a key role in any economic agenda devoted to restoring income mobility and reviving the American dream.