

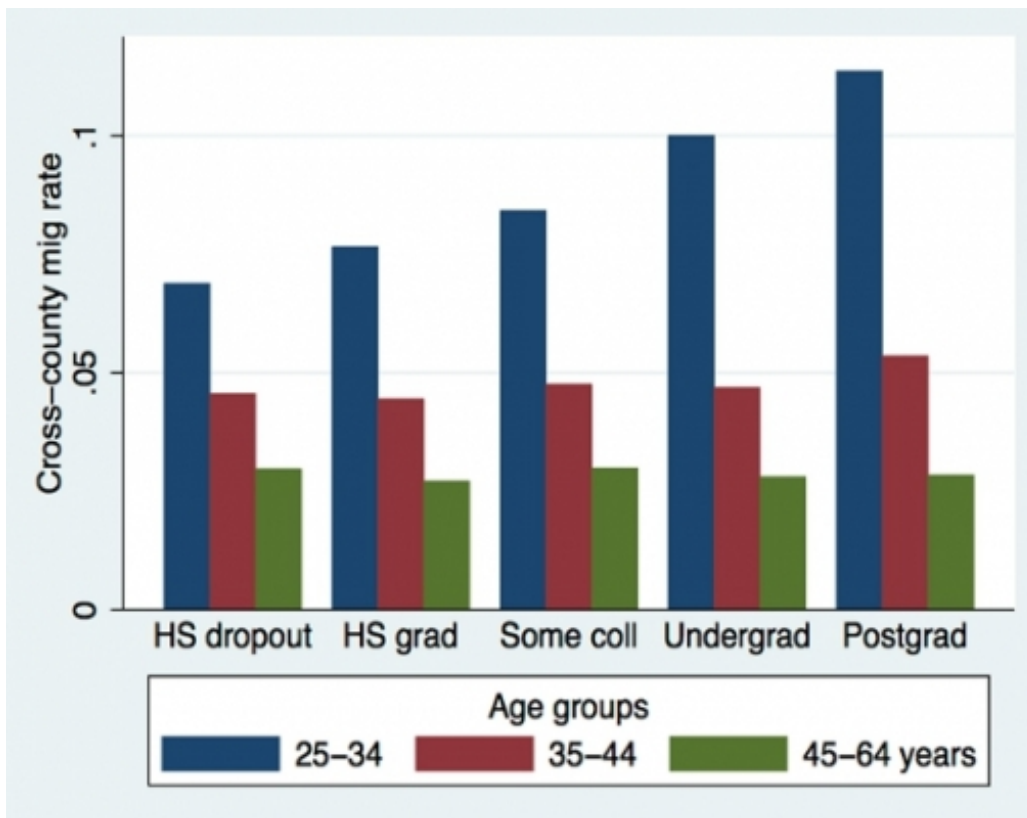
The low skilled are less mobile geographically because of the meagre value of work

Survey evidence has shown that those with low skill levels are less likely to move. Many in academic and policy circles believe this is caused by relatively high moving costs. In new research that examines people's motivations for moving, **Michael Amior** finds that the meagre value of low skilled jobs is the major factor restricting their geographical mobility. Workers have little incentive to search for jobs in other cities, and firms are reluctant to invest in long distance recruitment. As a result, he writes, low skilled workers in declining cities are often forced to move speculatively (at great cost), without a job in hand.



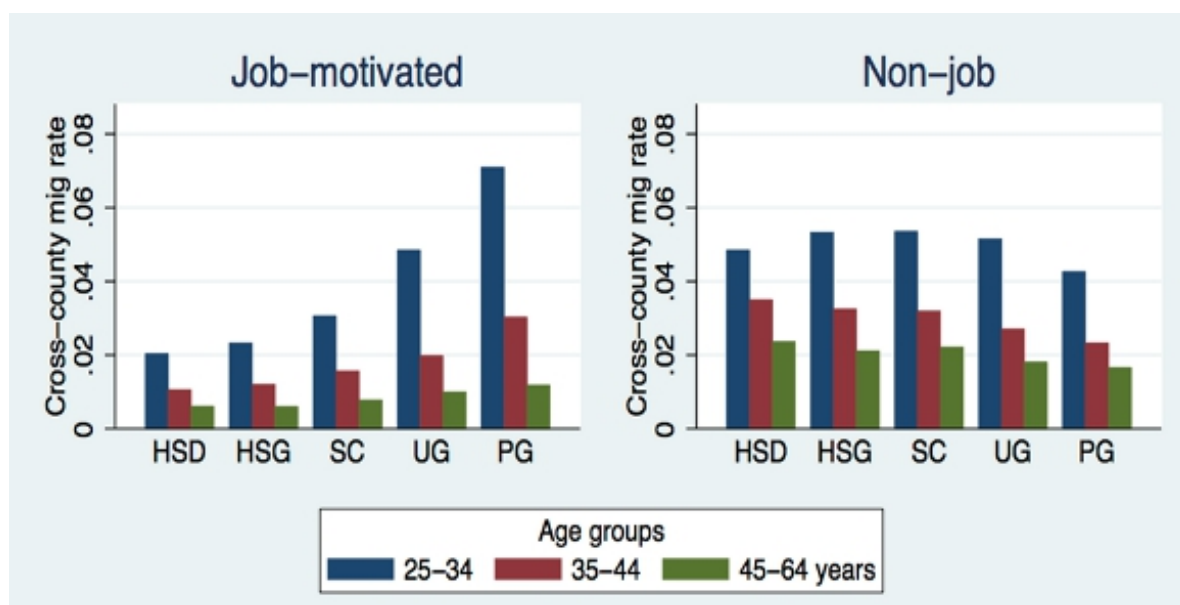
It is well known that workers with better education levels are more likely to move, while the low skilled are less mobile geographically. Figure 1 shows a modest effect of education on cross-county migration (based on survey data), though only for the under-35s. But, Figure 2 shows these skill differences are entirely driven by people who report moving for *job reasons*. Among the 25-34s, those with postgraduate qualifications make three times as many job-motivated moves as high school dropouts. And there is a clear education effect for older workers too.

Figure 1 – Annual cross-county migration rates (1999-2013)



Source: [Current Population Survey](#).

Figure 2 – Annual migration rates, by reported reason for moving (1999-2013)



Source: *Current Population Survey*.

But, this steep skill gradient is swamped by a large number of “non-job” moves (primarily family and housing-related), whose frequency (if anything) decreases by education level. This suggests the low skilled are no less capable of moving long distances. In light of this, the fact that so few of them move for job reasons is both surprising and concerning. Regional disparities in jobless rates have persisted over many decades, driven by long-term changes in the structure of industry. Low skilled labor has borne the brunt of this, notably in the traditional manufacturing heartlands of the Rust Belt. But despite this, research has consistently found that lower skilled workers are less likely to leave cities suffering declining employment.

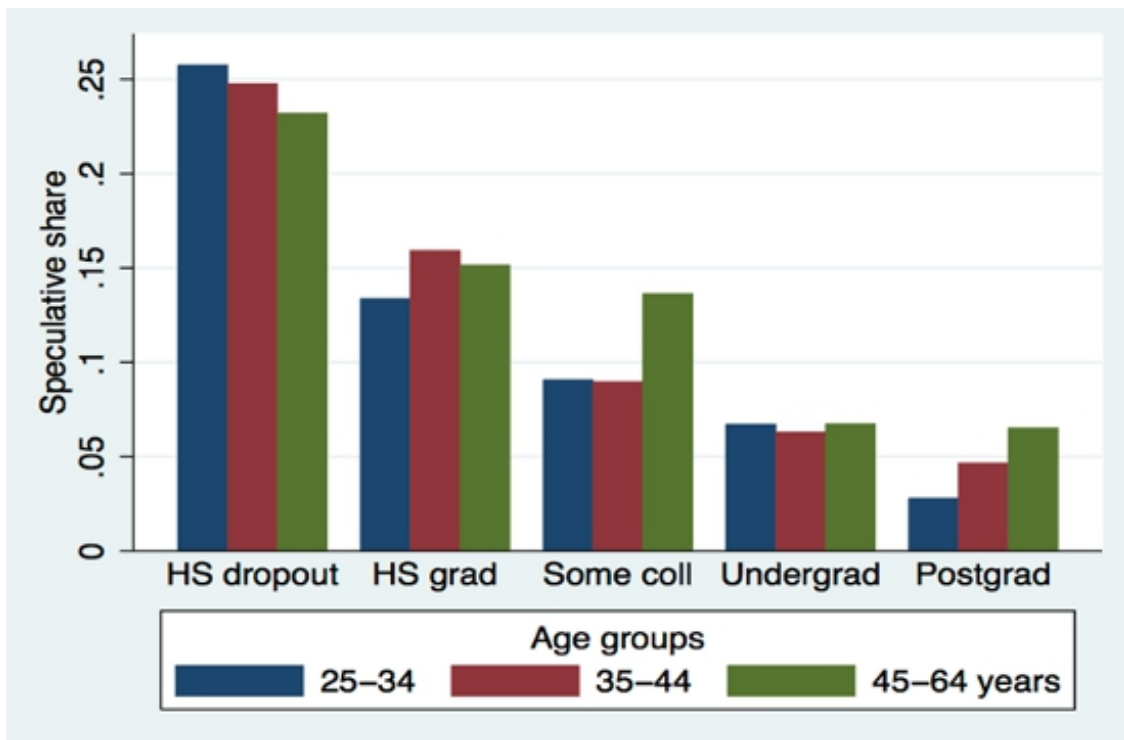
How can these facts be explained? In new research, I argue that the obstacles to low skilled mobility are exactly those which sustain high levels of low skilled joblessness: meagre returns to employment, for both workers and firms. These meagre returns have a particularly debilitating effect on long-distance job finding: job offers are usually insufficient to justify the cost of moving.

This effect is reinforced by the search behavior of both firms and workers. Since low skilled employees bring little value to firms, firms have less of an incentive to create such jobs. And they also spend comparatively less on job advertising – particularly at longer distances. And for similar reasons, lower skilled workers apply for fewer jobs, and especially in other towns.

Returns to employment are limited in low skilled markets for three reasons. First, average labor productivity is lower relative to out-of-work income. Second, skills are less specialized, so there is less incentive to search hard for the ideal job match. For example, there is little advantage to stacking shelves in a San Francisco shop compared to one in Detroit. And third, job tenures tend to be shorter (presumably linked to low productivity), which makes it harder to justify leaving home for the sake of a particular job.

In this sense, low skilled labor markets are poorly integrated geographically. This can be appreciated from patterns in speculative migration: that is, moving without a job in hand. This is clearly a risky strategy, which explains why it is rare. But, Figure 3 shows it is more common among the low skilled. Among high school dropouts, a quarter of job-motivated cross-county moves are speculative, compared to just 5 percent for those with postgraduate qualifications. Low skilled engagement in this strategy is testament to the slim investment of firms in long-distance recruitment.

Figure 3 – Proportion of job-motivated moves which are speculative (1999-2013)



Source: [Current Population Survey](#).

There is a popular view in academic and policy circles that low skilled immobility is driven by relatively high moving costs. For example, financial constraints might be tighter and local family or social ties might be stronger. But, it turns out this view is inconsistent with US survey evidence. When questioned about their future plans, low skilled workers are perfectly realistic about their limited prospects of moving away for work. But despite this, there is no difference across education groups in self-reported willingness to move (these subjective measures are good predictors of individuals' future migration decisions). The evidence instead points to differences in the availability of attractive jobs and information on those jobs. This is backed up by other survey responses and wage dynamics at the individual level.

In recent years, many have advocated relocation assistance for the unemployed to improve access to distant employment opportunities. But, my findings suggest that policy interventions which address migration costs exclusively may only have a limited impact on employment. Low skilled immobility is less a *cause* of joblessness and more a *symptom* of the meagre returns to work associated with low levels of education. These problems can be better addressed by investing in education and skills directly. Of course, this is easier said than done.

This article is based on the LSE CEP Discussion Paper '[Why are Higher Skilled Workers More Mobile Geographically? The Role of the Job Surplus](#)'.

Featured image credit: [photologue_np](#) (Flickr, [CC-BY-2.0](#))

[Please read our comments policy before commenting.](#)

Note: This article gives the views of the author, and not the position of USApp– American Politics and Policy, nor of the London School of Economics.

Shortened URL for this post: <http://bit.ly/1NiMduh>

About the author

Michael Amior –*LSE Centre for Economic Performance*

Michael Amior is a Research Officer at the Centre for Economic Performance at LSE. His research interests include Labour, Migration, Education, Housing, and Urban Economics.

- CC BY-NC-ND 3.0 2014 LSE USAPP

