

Discussion of:  
Labor Mobility and Unemployment over the Business Cycle  
*by Foschi, House, Proebsting, and Tesar*

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## Puzzle around US Geographic Mobility Patterns

- Geographic mobility in the United States has been falling since 2000
- Great Recession employment declines were largest in areas with big housing price falls

*There is no evidence of wage adjustment, or of net labor emigration out of affected counties either.*

Mian and Sufi (2014)

- Chinese imports decimated employment in certain regions, but nobody moved

*We find no robust evidence, however, that shocks to local manufacturing employment lead to substantial changes in population.*

Autor, Dorn, and Hanson (2013)

# Analyzing people flows across space requires 3 key choices

## 1. Data source

- IRS, CPS, ACS, Decennial
- CPS drastically overstates decline in US mobility
- This paper: ACS and IRS data

## 2. Timeframe

- Lifetime, annual, 5-years...
- This paper: annual (to focus on business cycles)

## 3. Geographic unit of analysis

- County, MSA, commuting zones, states
- This paper: county, commuting zones, and states

## US mobility for economic factors declines after 2000 across datasets

- Economic migration is pro-cyclical and falls similarly across datasets (Hyatt et al., 2018)
  - Economic migration is 1/4 of mobility in LEHD and 1/3 in CPS
  - Job stayers have lower earnings changes that turn negative during Great Recession
  - Job changers experience earnings increases
  - Decline in economic mobility occurs primarily *within* groups
- Molloy et al. (2011) rule out demographics, income, homeownership, etc.
- Bilal and Rossi-Hansberg (2021) propose location as an asset
  - People don't move in response to negative local shocks
  - They save money by living in bad places!

# But Wikipedia tells me that Rust-belt cities are shrinking!

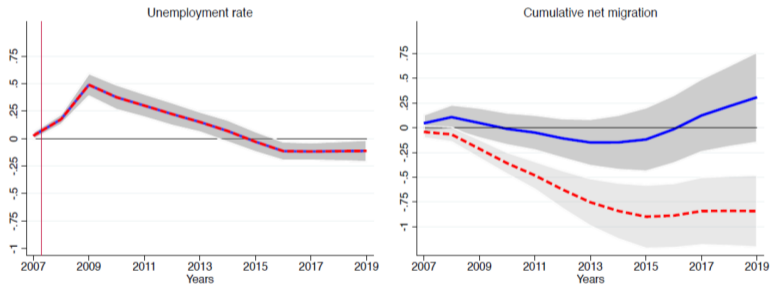
2000–2018 population change in Rust Belt cities [\[hide\]](#)

City <span>↕</span>	State <span>↕</span>	Population change <span>↕</span>	2018 population <sup>[41]</sup> <span>↕</span>	2000 population <span>↕</span>	Peak Population <span>↕</span>
Detroit, Michigan	Michigan	-29.3%	672,662	951,270	1,849,568 (1950)
Gary, Indiana	Indiana	-26.7%	75,282	102,746	178,320 (1960)
Flint, Michigan	Michigan	-23.2%	95,943	124,943	196,940 (1960)
Saginaw, Michigan	Michigan	-21.8%	48,323	61,799	98,265 (1960)
Youngstown, Ohio	Ohio	-20.8%	64,958	82,026	170,002 (1930)
Cleveland, Ohio	Ohio	-19.8%	383,793	478,403	914,808 (1950)
Dayton, Ohio	Ohio	-15.4%	140,640	166,179	262,332 (1960)
Niagara Falls, New York	New York	-13.4%	48,144	55,593	102,394 (1960)
St. Louis, Missouri	Missouri	-13.0%	302,838	348,189	856,796 (1950)
Decatur, Illinois	Illinois	-12.9%	71,290	81,860	94,081 (1980)
Canton, Ohio	Ohio	-12.8%	70,458	80,806	116,912 (1950)
Buffalo, New York	New York	-12.4%	256,304	292,648	580,132 (1950)
Toledo, Ohio	Ohio	-12.3%	274,975	313,619	383,818 (1970)
Lakewood, Ohio	Ohio	-11.6%	50,100	56,646	70,509 (1930)
Pittsburgh, Pennsylvania	Pennsylvania	-10.0%	301,048	334,563	676,806 (1950)
Pontiac, Michigan	Michigan	-9.9%	59,772	66,337	85,279 (1970)
Springfield, Ohio	Ohio	-9.3%	59,282	65,358	82,723 (1960)
Akron, Ohio	Ohio	-8.8%	198,006	217,074	290,351 (1960)
Hammond, Indiana	Indiana	-8.7%	75,795	83,048	111,698 (1960)
Cincinnati, Ohio	Ohio	-8.7%	302,605	331,285	503,998 (1950)
Parma, Ohio	Ohio	-8.1%	78,751	85,655	100,216 (1970)
Lorain, Ohio	Ohio	-6.7%	64,028	68,652	78,185 (1970)
Chicago, Illinois	Illinois	-6.6%	2,705,994	2,896,016	3,620,962 (1950)

# This paper: migration elasticity in response to business cycles is constant

- Authors show that it is crucial to control for location trends

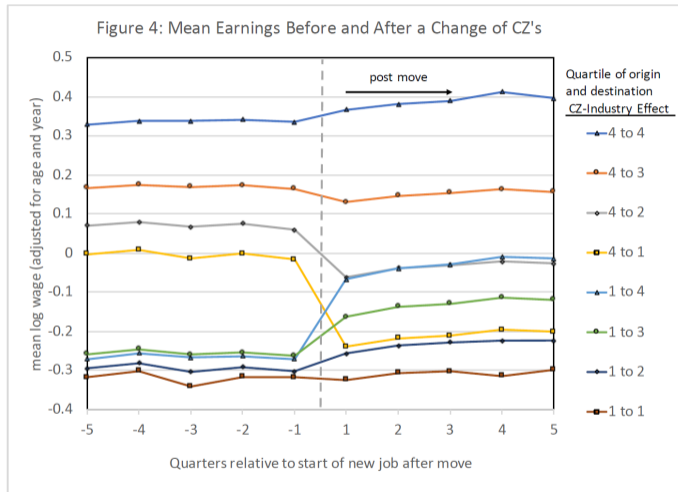
Figure 4: Local Projections of Cumulative Population Change During the Great Recession



Notes: Blue: not demeaned, Red: demeaned

- My reading: some places are declining while others are growing

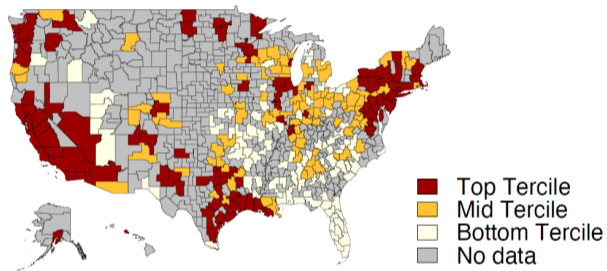
# Evidence from movers shows that earnings differ by location



Source: Card, Rothstein, and Yi (2022)

## Commuting zones differ in their earnings premia

### b. CZ Effects (LEHD)



Source: Card, Rothstein, and Yi (2022)

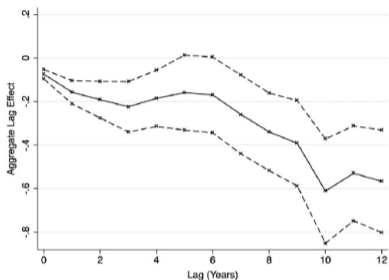


## Importance of de-trending is a cool result that raises new questions

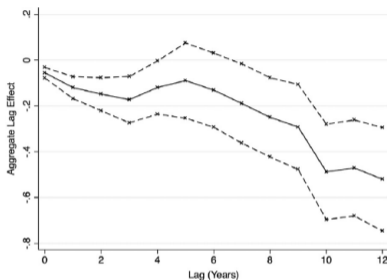
1. Are estimates smaller for shorter moves because those labor markets face similar shocks?
2. Should we expect mobility from an aggregate shock?
  - Is moving from an area with 10% unemp to one with 7% going to help?
  - How much does (illegal) immigration mediate domestic changes? (Cadena and Kovak 2016)
3. Are there asymmetric effects for expansions versus contractions?
  - CZ movers have larger person fixed-effects (Card, Rothstein, and Yi 2022)
  - Attaining a new income level takes about 1 year after moving (Card, Rothstein, and Yi 2022)
4. What is the right timeframe to evaluate moves?
  - Are the secular declines in some locations due to slow adjustments?

## The China shock *did* lead to sizable migration outflows

- Estimates using IRS data on tax returns (i.e., households) and exemptions (i.e., people)



(c) Cumulative Effect on CZ Returns



(d) Cumulative Effect on CZ Exemptions

Source: Greenland, Lopresti, and McHenry (2019)

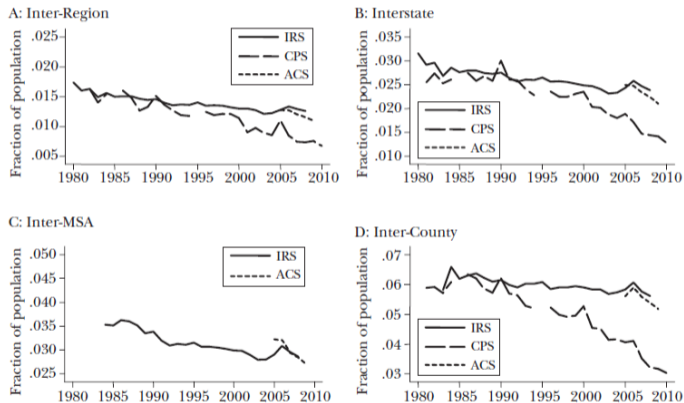
- Crucially the authors find that
  - Adjustments took about 7 - 10 years
  - No results without controlling for pre-trends

## Questions for the authors

- Why isn't your panel balanced? Shouldn't all regions be present in all time periods?
- It would be interesting to see the region fixed effects and their correlates

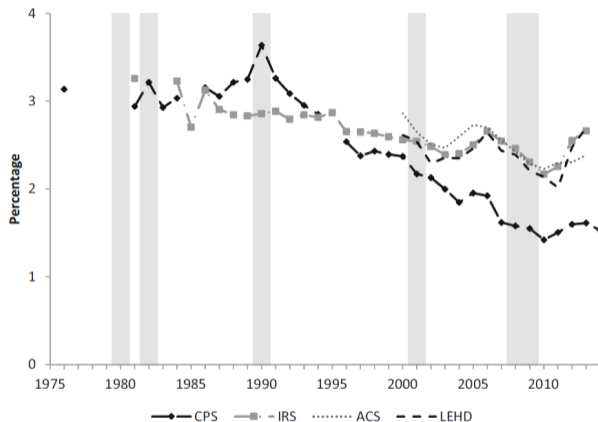
# Decline in mobility varies across data sources

Figure 2  
Annual Internal Migration Rates



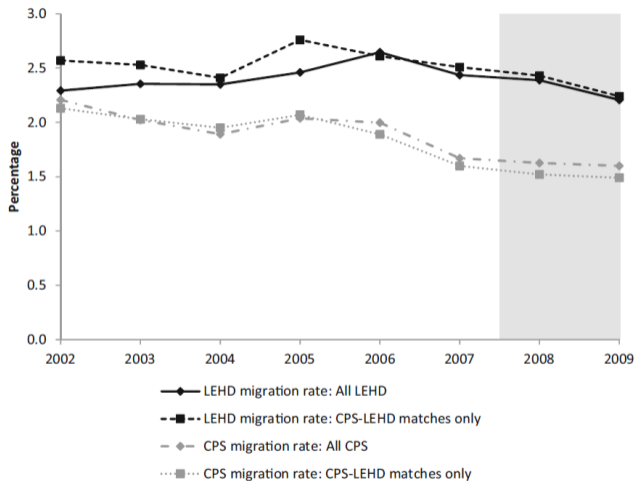
Source: Author's calculations based on Internal Revenue Service (IRS), Current Population Survey (CPS), and American Community Survey (ACS) data.

## Decline in mobility is largest in the CPS



Source: Hyatt, McEntarfer, Ueda, and Zhang (2018)

## Comparison of CPS to LEHD shows CPS overstates decline



Source: Hyatt, McEntarfer, Ueda, and Zhang (2018)