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with John Carney

Myth of the Immobile American

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Americans supposedly cannot move to fill new job openings because they are stranded by the ongoing housing slump.

Its a story familiar to many. But it may not be true.

The myth the housing crash had created a sudden plunge in American mobility got started when the Census Bureau released statistics that appeared to show that the

number of people who changed residences declined dramatically from March 2007 to March 2008.

"Look at the economy, look at the banking industry, look at the credit industry. People cant move, what are they going to do? Their homes are now worth less than what they originally paid, and they don want to take a loss," Patrick Bonnema, sales manager for Anderson Brothers Moving and Storage in Chicago, **told the New York Times in 2009.**

A new study from the Minneapolis Fed, however, says that this sudden plunge is a statistical illusion.

Contrary to popular belief, interstate migration did not fall substantially during the Great Recession; in fact, interstate migration has probably been overestimated in the past, Fed economists Greg Kaplan and Sam Schulhofer-Wohl write in a paper titled **A sharp drop in interstate migration? Not really.**

What happened, Kaplan and Schulhofer-Wohl write, is that the Census Bureau changed the way it dealt with non-responses to its questions about moving. The assumptions used until 2006 apparently inflated the numbers. When new assumptions are used, they show a slow and steady decline in mobility—but

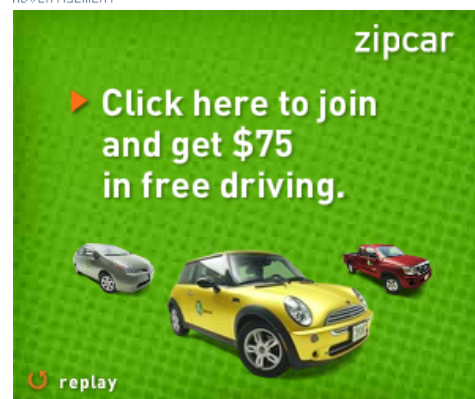
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not a dramatic slump.

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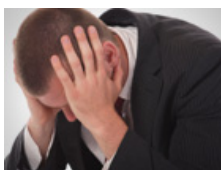
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