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MILLENNIALS ARE LESS MOBILE THAN YOUNG PEOPLE HAVE BEEN IN DECADES

The trend underscores a pattern across all demographic groups, which has ramifications for housing and job markets

By Laura Kusisto
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Most millennials are unmarried, childless and mortgageless, which should mean they have boundless freedom to pursue opportunities in different places.

It seems the opposite is the case.

Today's young Americans are less mobile than the previous four generations were at the same age, according to a new analysis by the Pew Research Center using recently released U.S. Census data.

In 2016, just 20% of 25 to 35 year olds said they changed addresses in the previous year. By contrast, in 2000, 26% of members of Generation X said they had moved in the previous year. In 1990 27% of late baby boomers said they had moved in the prior year.

The research provides a clue to what might be driving a puzzling trend in the eighth year of an economic expansion: The share of Americans of all ages who moved in the previous year fell to an all-time low of 11.2% in 2016, according to the U.S. Census Bureau.

The pattern concerns economists because moving has historically been a way for Americans to pursue job opportunities. As the economy improves, one would expect Americans to be moving in greater numbers.

That is especially true of millennials, because they are less likely to be married or have children than prior generations at the same age, both of which are significant constraints on mobility.

"When you look at their demographics, they should be fairly footloose, but they're not," said Richard Fry, a senior economist at Pew.

Many young people are stuck in place in part because of their inability to buy a home or their lack of interest in doing so. For previous generations, moving to the suburbs or to smaller towns often was a way to afford a mortgage. But today's young adults are less likely to do so, in part because many enjoy living in walkable – and more expensive – urban downtowns with shops and restaurants.

It is also more difficult for many to buy a home because of tight credit and rising rents and home prices that have made it difficult to save for a down payment.

In all, just 6% of millennials who moved last year said their primary reason was to own a home. In 2000, 14% of Gen X movers had that motivation.

The low homeownership rate among young adults has been one of the biggest dim spots in the housing-market recovery. The homeownership rate among households headed by someone 35 or younger fell to 34.7% in the fourth quarter of last year, down from 39.2% in the fourth quarter of 2010, according to U.S. Census data.

While recent data have shown an improvement in employment opportunities and wages for young adults, Mr. Fry said mobility could pose a long-term obstacle.

"I think this is an indicator that opportunities may still be limited for today's young adults," he said.