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STRUGGLING AMERICANS ONCE SOUGHT GREENER PASTURES – NOW THEY'RE STUCK

The country is the least mobile since after World War II, even in economically depressed rural locales

By Janet Adamy and Paul Overberg August 2, 2017

WEST BRANCH, Mich. – When she graduated from high school, Taylor Tibbetts was a bright star in this small Northern Michigan town. She won an \$18,000-a-year swimming scholarship to Converse College in Spartanburg, S.C., and departed for her freshman year with high hopes.

Once on campus, however, she felt overwhelmed by her courses and scared and isolated among students from all over the country with different values. After just a week, her mother reluctantly agreed to bring her home.

Three years later, sitting on a vinyl booth at her family's pizzeria in West Branch where she now works, Ms. Tibbetts, 21, says she longs to live in a thriving city like Denver or Nashville, and regrets her inability to leave here.

"I can't be the kid that just stays here forever," she says.

Like a lot of small towns in sparsely populated American counties, West Branch, population 2,067, is in an economic funk brought on by the decline of manufacturing and farm consolidation. In recent years, a handful of retailers, a flour mill and a carpet shop have all closed their doors.

What is troubling about this rural town and many places like it is that while lots of struggling residents see leaving as the best way to improve their lives, a surprising share remain stuck in place. For a number of reasons – both economic and cultural – they no longer believe they can leave.

When opportunity dwindles, a natural response – the traditional American instinct – is to strike out for greener pastures. Migrations of the young, ambitious and able-bodied prompted the Dust Bowl exodus to California in the 1930s and the reverse migration of blacks from Northern cities to the South starting in the 1980s.

Yet the overall mobility of the U.S. population is at its lowest level since measurements were first taken at the end of World War II, falling by almost half since its most recent peak in 1985.

In rural America, which is coping with the onset of socioeconomic problems that were once reserved for inner cities, the rate of people who moved across a county line in 2015 was just 4.1 percent, according to a Wall Street Journal analysis. That's down from 7.7 percent in the late 1970s. It has fallen faster than the mobility rate in metropolitan areas, which the rural rate is now slightly below.

This drop in mobility is not only keeping rural residents from climbing a ladder to better livelihoods, it is choking off the labor supply for employers in areas where jobs are plentiful. This limits the economic growth that naturally occurs when people and capital cluster together, says David Schleicher, a professor at Yale Law School who has studied the issue.

It has also contributed to the nation's deepening political divide. Small-town residents fed a populist revolt that helped put Donald Trump in the White House last year, reinforcing the administration's plan to focus on issues such as curbing immigration and creating jobs through infrastructure spending.

For small towns, mobility has always been something of a problem: When the brightest youngsters leave and don't return, "brain drain" can be a drag on the community, even if it is a boon for the other cities they settle in. Now, the lack of mobility has become a drag on the entire U.S. economy.

"We're locking people out from the most productive cities," says Peter Ganong, an assistant professor of public policy at the University of Chicago who studies migration. "This is a force that widens the urban-rural divide."

A decade ago, Ogemaw County hit an economic peak thanks to a stable of manufacturing jobs that accounted for more than one-fifth of payrolls in the county, plus work on dairy, soybean and corn farms. Automotive industry workers from Detroit, 175 miles to the south, for decades snapped up waterfront cottages, creating a flow of people between town and country.

Longtime residents say they love the rhythms of the place; schools close for the first day of deer-hunting season and Friday summer festivals bring lots of residents downtown.

Today, manufacturers employ only a third the number of workers that they did 10 years ago, according to census data. Their payrolls have plummeted by 74 percent adjusted for inflation, or by \$30 million. Unemployment has averaged 7.7 percent over the past year, compared with 4.7 percent nationally. In one of many ominous signs, census figures show that more residents are using wood to heat their homes.

Driving through town, Denise Lawrence, the mayor of West Branch, offered a bleak assessment. "The county is the closest thing to bankrupt that you could be," she says.

Nevertheless, the inflow and outflow of people in Ogemaw County is so small that among its 21,000 residents, it only loses a net of one person a year for every 1,000 residents. Even some young people, who yearn to move to thriving nearby cities like Grand Rapids, find they can't.

Julie Madsen, the assistant manager at the St. Vincent de Paul thrift store in West Branch, says as many as 80 percent of queries for financial help come from people under age 35.

Economists say there are several practical reasons for the declining rural mobility – the first being the cost of housing. While small-town home prices have only modestly recovered from the housing market meltdown, years of restrictive land-use regulations have driven up prices in metropolitan areas to the point where it is difficult for all but the most highly educated professionals to move.

A lawyer who leaves Alabama, Mississippi or South Carolina for a job in New York, New Jersey or Connecticut would spend just 21 percent of his income on housing after moving,

Prof. Ganong has found. But a janitor making such a move would have his higher salary gobbled up by housing costs equal to 52 percent of income.

Shiloh Maier, 38, is desperate to leave West Branch and move to Grand Rapids so she can be closer to her 8-year-old daughter, who lives near there with her ex-husband. The graphic designer has applied for about 70 jobs this year. She is a college grad but finds that employers are bypassing her in favor of younger graduates, which are cheap and abundant in the state's second-largest city.

She continues to work in West Branch as a customer service manager for a manufacturer earning \$20 an hour. Every other weekend, she makes the nearly three-hour trip to bring her daughter back for a visit – two loops that result in 12 hours of weekend driving.

"I'm stuck," she says.

For many rural residents across the country with low incomes, government aid programs such as Medicaid, which has benefits that vary by state, can provide a disincentive to leave. One in 10 West Branch residents lives in low-income housing, which was virtually nonexistent a generation ago. Civic leaders here say extended networks of friends and family and a tradition of church groups that will cover heating bills, car repairs and septic services – often with no questions asked – also dissuade the jobless and underemployed from leaving.

Tom Quinn, president of the local Kirtland Community College, says the rationale boils down to: "I've got good social services. I'm stuck in one big rut. If you ask me to go to Indianapolis, I can't – even if there's a job there."

"People can't move," says Mandi Chasey, county economic development director.

Another obstacle to mobility is the growth of state-level job-licensing requirements, which now cover a range of professions from bartenders and florists to turtle farmers and scrapmetal recyclers. A 2015 White House report found that more than one-quarter of U.S. workers now require a license to do their jobs, with the share licensed at the state level rising fivefold since the 1950s.

Janna E. Johnson and Morris M. Kleiner of the University of Minnesota found in a nationwide study that barbers and cosmetologists – occupations that tend to require people to obtain new state licenses when they relocate – are 22 percent less likely to move between states than workers whose blue-collar occupations don't require them.

Beyond the practical difficulties, rural residents and experts say there is another impediment to mobility that is often more difficult to overcome – the growing cultural divide.

Tom W. Smith, who runs the University of Chicago's General Social Survey, says that cities' welcoming attitudes toward immigrants from abroad, same-sex marriage and secularism heighten distrust among small-town residents with different values. That widens the cultural gulf.

Economists have tried to measure whether Americans' eroding trust in one another is damping mobility – such confidence helps ease the transition to a new town – and found signs that this sliding trust may be keeping people from uprooting.

According to the GSS, the share of Americans who agree with the statement "Most people can be trusted" has fallen over the past four decades to 31 percent in 2016 from 46 percent in 1972. Raven Molloy, an economist with the Federal Reserve Board of Governors, found in research that states with large declines in overall trust were also places where job-switching had decreased markedly.

Cody Zimmer, 29, of Ogemaw County toyed with moving to work for an uncle in New Jersey or closer to Detroit after a decadelong career in skilled manufacturing periodically left him unemployed. But student debt and a divorce damaged his finances, and he says his best option ended up being renting his mom's house outside West Branch. "If anything happened there, I'd be right back out on my own," Mr. Zimmer says of these other places.

Bad experiences in cities also turned him off. In one job, he traveled the country cleaning Home Depot locations and recalls feeling uneasy when a black worker at a Kansas City McDonald's told him to leave because white boys didn't belong in that part of town, he says. He took his children to Detroit for a motocross event at Ford Field and panhandlers hit him up for money.

"Mainstream news media – not to degrade your position – they say Detroit is getting better, but I don't trust it," Mr. Zimmer says.

Many West Branch residents say that the town's economic woes aren't enough to make them leave. They point to the safety net the community provides – a helping hand to pay bills, or the way people come together when a neighbor is diagnosed with cancer. "One of the big cultural divides when people move from small towns to cities is this feeling that you can't be involved in your community," says David J. Peters, associate professor of sociology at Iowa State University. "You feel powerless to change large cities."

Christopher Palazzolo grew up just north of Detroit, but after living in West Branch for 26 years, he can't imagine going back. The 49-year-old father of three has watched his income slide to \$11.63 an hour as a retirement home cook, down from the \$15 per hour he paid himself when he co-owned a nearby restaurant until 2009. He calls the skinnier wage "rough."

The bank foreclosed on his family's home, and for the past eight years they have lived in a low-income housing development, where black rubber tires are strewn around the sand-filled playground, and early-model Pontiac Grand Am cars fill the parking lot. About 70 applicants are on a waiting list for units there.

"I don't need a fancy car or a bigger house," Mr. Palazzolo says. "I have no interest whatsoever in dealing with the city, the congestion. I like my little corner of the world."

After leaving Converse College, Ms. Tibbetts enrolled the next year at Lincoln College in Lincoln, Ill., joined the swim team and felt more confident in the classroom. But she returned home after a semester because she clashed with her swim coach. As a conservative Christian, she also found the cultural divide on campus difficult to bridge. Students smoked pot, engaged in casual sex and had parties at their parents' homes behind their backs. "Our world now is godless," she says. "I don't know if the places where I've been are places where I could discover God better."

Determined to try again, she started at Olivet College in south central Michigan in 2016. But she struggled to fit in there, too. She felt uncomfortable when a professor asked students to write about why Donald Trump would make a bad president. Ms. Tibbetts began racing back

to work at the pizzeria on weekends to avoid roommates who threw up in the shower after excessive drinking. She eventually moved home.

On a recent evening inside the pizzeria, where Tiffany-style lamps dot the ceiling, Ms. Tibbetts said she isn't content with her decision. She looked around at the familiar faces and confessed she gets embarrassed when customers rib her about abandoning college.

After a brief stint teaching skiing in Colorado, she is still eyeing other paths out of town, such as a traveling job pitching Red Bull energy drinks at entertainment events.

"I was ready to go from the minute I graduated," she says. "It was just so hard."