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OLDER AMERICANS ON THE GO: HOW OFTEN, WHERE, AND WHY?

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Introduction

The lore on whether older Americans move is mixed. On the one hand, the stereotype of retirement is that people flock to a warm climate such as Florida or Arizona. On the other hand, researchers have found that the home equity of older Americans changes very little over time, suggesting that they tend to stay put.[1] To date, researchers have seldom directly addressed the migration patterns of older Americans. Understanding such patterns can be useful in assessing the social and economic circumstances of the elderly. Therefore, this *brief* – the first in a two-part series – uses the *Health and Retirement Study* to examine how often older households move, where they move, and why they move.

The *brief* is organized as follows. The first section covers the prevalence of moving and the geographic locations of the moves. The second section analyzes the reasons that households give for moving and explores whether these reasons suggest different types of movers. The third section concludes by setting the stage for the next *brief*, which will explore the determinants and consequences of moving.

How Often and Where Do Older Americans Move?

The first step in exploring the migration trends of older people is to estimate the proportion of older households who move. This study uses the original cohort (individuals born 1931-1941) in the *Health and Retirement Study* (HRS), a nationally representative database of individuals 51 and older. Thus, the migration estimates calculated here are for households with members ages 51-61 in 1992 to ages 63-73 in 2004.[2]

Figure 1 on the next page shows the percentage of households who move between each wave from 1992 to 2004.[3] The average two-year moving rate is about 7 percent for homeowners and 23 percent for renters.[4] The total moving rate of 10 percent is heavily influenced by the homeowners, who make up the vast majority of households.[5] While the two-year move rate for homeowners is relatively modest, results from the full time period (1992-2004) show that a substantial 30 percent of homeowners moved at least once.[6]

In analyzing migration patterns, it is useful to look at homeowners separately for two reasons. First, homeowners and renters clearly differ in their pro-

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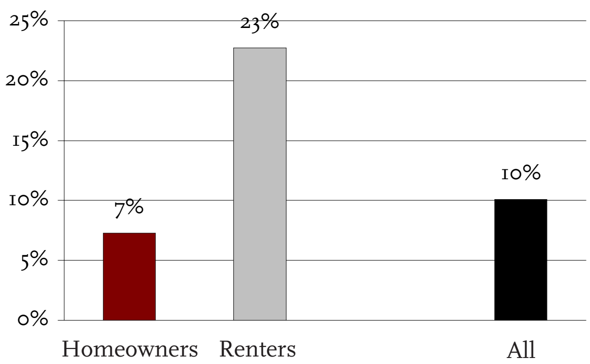
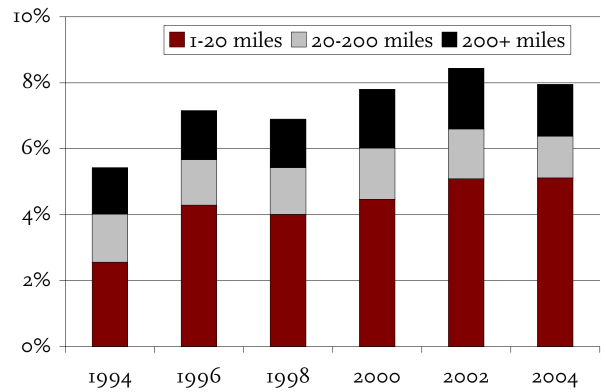
Figure 1. Average Two-Year Move Rate, 1992-2004



Source: Authors' calculations from the University of Michigan *Health and Retirement Study* (HRS), 1992-2004.

Figure 2. Percentage of Homeowners Moving by Distance Moved, 1992-2004



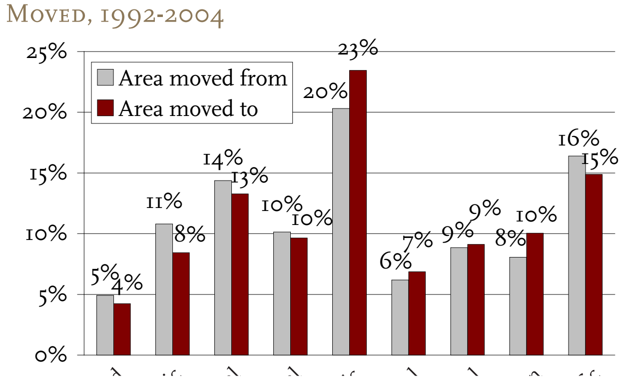
Source: Authors' calculations from the 1992-2004 HRS.

pensity to move. Homeowners generally have more ties to a particular area, which makes them more likely to stay put. Second, in considering the financial consequences of moving (a topic addressed in the second *brief*), homeowners are most relevant given that housing equity is the largest asset for elderly households outside of Social Security.[7] What they do with this equity – enhance it, maintain it, or draw it down – can have significant consequences for their retirement security. For these reasons, previous research has tended to focus solely on homeowners, a practice we will follow in the rest of this *brief*.

After determining how often homeowners move, the next step is to examine where they move. As shown in Figure 2, one striking finding is that the large majority of moves are short distance moves of less than 20 miles. Few moves are more than 200 miles, undermining the notion of a vast migration from the Frost Belt to the Sun Belt.

Beyond simple distances, the data allow us to estimate more precise geographic patterns in the moves. For households who move, where do they move from or to? Figure 3 displays the distribution of areas from which and to which older households are moving.[8] While the overwhelming majority of moves are within division, comparing the inflows and outflows of regions provides some information on the locations of out-of-division movers. A larger percentage of movers out of an area than into an area occur in the northern divisions (such as New England, Mid-Atlantic, and North Central) and the Pacific division. Net inflows occur in the southern regions, most notably in the South Atlantic (which includes Florida) and the Mountain (which includes Arizona and New Mexico) divisions. So movers do show some preference for the Sun Belt over the Frost Belt, although, again, no large scale migration is evident.

Figure 3. Distributions of Origin and Destination Divisions for Homeowners Who Moved, 1992-2004



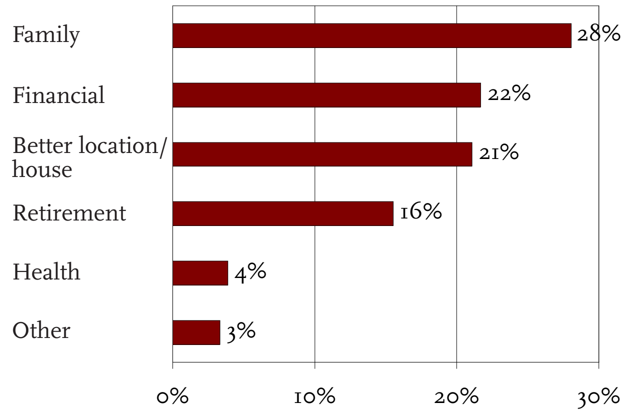
Source: Authors' calculations from the 1992-2004 HRS.

Why Are Older Americans Moving?

Moves may occur for a variety of reasons.[9] For respondents who moved since the previous wave, the HRS contains a question listing the reasons for the move.[10] Classifying these reasons into five categories, Figure 4 shows the frequency of reasons given for moving. Surprisingly, migration for traditional retirement reasons (e.g. "climate" or "leisure") is only fourth on the list. The most frequently cited type of reason – mentioned by 28 percent of households – was family-related (e.g. "a change in marital status," which would include death of a spouse). About one-fifth of households mentioned financial factors (e.g. "smaller or less expensive home"), while a comparable percentage cited a preference to upgrade (e.g. "larger home" or "nicer location"). Less than five percent of respondents listed a health problem as a reason for moving. This finding may be due to the relative youth of this cohort during the observed time period – the maximum possible age of a cohort member is 73 in 2004, the last wave of available data to measure moves.

In assessing the self-reported reasons for moving, two main types of movers seemed to emerge: "Planners" and "Reactors." As shown in Table 1, we define Planners as those who are more likely to move to a better home or for retirement or financial reasons, while Reactors tend to cite family or health issues.

Figure 4. Distribution of Reasons for Moving, 1994-2004



Note: Households are classified according to the first reason they mention. Numbers do not add to 100 percent because non-respondents are not included.
Source: Authors' calculations from the 1992-2004 HRS.

The Planners are more likely to be college graduates, married, in good health, and have both higher home values and financial assets. These characteristics suggest that they are better positioned to make an affirmative choice when they move, perhaps as part of a well-considered retirement strategy. In contrast, the Reactors' characteristics suggest that they are more likely to be forced to move out of necessity, such as the death of a spouse or their own ill health; these negative shocks may make it more difficult for them to maintain their current home.

Table 1. Characteristics of Movers by Reason Given for Moving, 1994-2004

Characteristics	Planners			Reactors	
	Better location/ house	Financial	Retirement	Family	Health
Percent college graduates	30	22	39	18	21
Percent married/partnered	70	63	80	56	60
Percent with good to excellent health status	83	78	87	76	59
Value of primary residence, past wave (median)	$122,429	$157,465	$154,187	$110,860	$90,159
Non-housing financial wealth, past wave (median)	$24,109	$12,849	$47,066	$8,980	$1,756
Number of observations	392	378	261	515	75

Note: Characteristics are not weighted as repeated observations are included.
Source: Authors' calculations from the 1992-2004 HRS.

Conclusion

About 7 percent of homeowners moved in a given two-year period, but a full 30 percent moved at least once over the 12-year period studied. Most moves are of a relatively short distance, with Frost Belt to Sun Belt migration reasonably modest.

Self-reported reasons for moving lead to a hypothesis that movers fall into two broad types: those who affirmatively plan to move and those who react to changing circumstances. The Planners tend to have higher socio-economic status and better health than the Reactors, suggesting greater time and flexibility to select a move destination. The Reactors may be more pressed into a decision to move by unexpected circumstances.

While the "Planner and Reactor" framework has an intuitive logic, the evidence presented here is suggestive only. It would be useful to further test this notion using an econometric analysis to explore which factors are most influential in the move decision and whether the financial and psychological consequences of moving vary depending on the type of mover. Thus, a second *brief* will address both of these issues.

Endnotes

1 See Venti and Wise (2002, 2004); Anderson, French, and Lam (2004); and Fisher et al. (2007).

2 At the time of the analysis, the data from the Cross-Wave Region and Mobility File (as described below) were available through 2004. Since these data are vital for determining a move, the analysis incorporated observations through 2004.

3 For any given wave, the sample consists of households that were in that wave and the previous wave. The move indicator variable is based on the distance variables that are available in the Cross-Wave Region and Mobility File, but with some modifications. This distance variable is constructed based on latitude and longitude. Prior to 1998, any move within a ZIP Code was coded as zero miles moved since latitude and longitude were based on ZIP Code centroids. Distances of moves after 1998 were calculated using miles between two street addresses. Additionally, all moves under a mile were coded as a distance of zero for all waves. A move was recorded if the distance moved was greater than zero or if the distance was zero but the year a respondent moved to his current home was consistent with a move since the previous wave. As a final consistency check, households were recorded as moving only if the respondent also reported that the household no longer lived at least part of the year in the same residence as the last wave. Thus, for the numbers reported in this *brief*, a move is defined by either the distance or year moved variable and whether the residence changed. Because of the coding of the distance variable plus our consistency check requirement to also have recorded a change in the residence, our migration rates are likely underestimates.

4 The homeowner move rates are consistent with other studies. For example, Shan (2008) estimates a 9 percent two-year mobility rate for homeowners over the age of 50 using all cohorts except the Early Baby Boomers in the HRS. Venti and Wise (2004) find a 7 percent moving rate for households who are homeowners in both waves.

5 These average two-year move rates include moves between 1992 and 2004. However, later analysis excludes wave 2 (moves that occur between 1992 and 1994) because there is no consistent question about whether the household is still living at the address from the previous wave in 1994. For the 1994-2004 period, the average two-year move rates are 8 percent, 24 percent, and 11 percent for homeowners, renters, and all, respectively.

6 This figure includes any move recorded between 1992 and 2004. Households are weighted using the 2004 household weights.

7 Using the 2007 *Survey of Consumer Finances*, Munnell, Golub-Sass, and Muldoon (2009) report that housing equity for the typical household aged 55-64 is about $140,000.

8 These are the U.S. Census Bureau's regional divisions. See Appendix Table A1 for the states included in each of the regions and divisions.

9 For previous research on why older people may move, see Shan (2008); Farnham and Sevak (2006); and Gallin (2004). Other research (Longino and Bradley 2006) points out drawbacks of relocating, such as moving costs and the loss of community ties.

10 The reason for moving is asked only beginning in the 1996 wave. Respondents may select more than one reason; this analysis classifies households according to the first reason they mention. For a full list of reasons, see Appendix Table A2.

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APPENDIX

Table a1. Definition of U.S. Census Regional Divisions

Region 1 (Northeast)	Division 1 (New England)	Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut
	Division 2 (Mid-Atlantic)	New Jersey, New York, Pennsylvania
Region 2 (Midwest)	Division 3 (East North Central)	Illinois, Indiana, Michigan, Ohio, Wisconsin
	Division 4 (West North Central)	Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota
Region 3 (South)	Division 5 (South Atlantic)	Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia
	Division 6 (East South Central)	Alabama, Kentucky, Mississippi, Tennessee
	Division 7 (West South Central)	Arkansas, Louisiana, Oklahoma, Texas
Region 4 (West)	Division 8 (Mountain)	Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming
	Division 9 (Pacific)	Alaska, California, Hawaii, Oregon, Washington

Source: U.S. Census Bureau (2004).

Table a2. Categories of Reasons for Moving

Category	Includes reasons
Better location/house	Larger home
	New house/apartment has specific desirable features not size related
	New neighborhood; location better; better area; nicer location etc.
	Bought own/new home; had new one built; wanted a house
	Positive change in economic status (e.g., received inheritance)
	Old neighborhood/location bad; run down area; crime; bad schools; earthquakes; other undesirable characteristics
	Not happy in last location
	Respondent or partner/spouse changed job
	Work or retirement related (not classified as retirement reason); business opportunities
	Closer to work
	Public transportation
	Shopping, other consumption services
	Moved into an area previously lived in
	Moved into previously owned property or vacation home
	Moved into house where grew up or that family had previously owned

Table A2. Categories of Reasons for Moving (Continued)

Category	Includes reasons
Financial	Dispossessed/forced to move (e.g. old house sold by owner; property condemned; house/property not well maintained, falling apart; conflict with owner)
	Natural disaster
	Desperation; nowhere else to go
	Sold old home; in order to sell home
	Smaller or less expensive home
	Simpler house to take care of; less upkeep; old property too much upkeep
	Cheaper area
	Negative change in economic status of respondent or spouse/partner (e.g., respondent or spouse/partner laid off or unemployed)
	Financial reasons
	Old home too expensive (taxes, mortgage, rent)
Retirement	Climate or weather
	Leisure activities
	Respondent retired
	Spouse retired
	Retirement or semi-retirement area; we're out in the country now; peaceful, quiet area
	Moved to retirement housing or complex
	Work or retirement related (if not working/say retired)
Family	Near or with children
	Near or with other relatives/friends
	To care for relative/family member
	To move in with non-family member (e.g. "Moved in with my girlfriend")
	To get away from family members (e.g. "My husband is abusive")
	To get away from non-family members
	Family problems
	Change in marital status
Health	Health problem or services
Other	In temporary housing/transition while home is fixed or remodeled
	Could not or did not want to live alone
	Wanted to live alone
	Personal reasons or no reason
	Other

Source: Authors' classification from the 1996-2004 HRS.

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The Center for Retirement Research at Boston College was established in 1998 through a grant from the Social Security Administration. The Center's mission is to produce first-class research and forge a strong link between the academic community and decision makers in the public and private sectors around an issue of critical importance to the nation's future. To achieve this mission, the Center sponsors a wide variety of research projects, transmits new findings to a broad audience, trains new scholars, and broadens access to valuable data sources. Since its inception, the Center has established a reputation as an authoritative source of information on all major aspects of the retirement income debate.

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