



Migration of the unemployed: a relocation assistance program

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Would the unemployed be more willing to relocate to jobs if provided with information, support from other people, and cash for moving expenses? Relocation rates were greater for unemployed persons enrolled in a Federal Job Search and Relocation Assistance program than they were for a comparable group of unemployed persons with "potential" for relocation, but who relied on friends and relatives for support. Further, the program's results indicate that among the unemployed, the young, black persons, men, and persons with lower educational levels are more willing than others to relocate in search for work.

The Job Search and Relocation Assistance program provides financial and other assistance to Employment Service registrants who are willing to relocate in order to find employment for which they are qualified by reason of training and experience. The program, administered by the Employment and Training Administration of the U.S. Department of Labor, began in April 1976, shortly after the 1973-75 recession. It is a mobility assistance program for the unemployed.¹

The Employment and Training Administration's network of local Employment Service offices provides the administrative framework for the program. Forty selected offices in Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee initially provided one of three different levels of assistance. Level 1 offices provided information on out-of-area jobs and long-distance telephone referral service. Level 2 offices provided level 1 services and job search grants (funds for reasonable travel expenses incurred in visits for interviews). Level 3 offices provided level 1 and level 2 services and relocation grants (funds for travel and moving to the location of the new job).

By 1980, 18 offices remained in operation, all providing level 3 services.

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Employment Service registrants were initially screened according to unemployment or underemployment status, regardless of the duration and reason for the status, and for their response to a question about "willingness to relocate" on the standard Employment Service registration form.² Those not indicating willingness to relocate were not informed of any of the Job Search and Relocation Assistance program services. Enrollments also partly depended on the judgments of the Employment Service staff who, intentionally or otherwise, try to maximize the number of relocatees for their effort. Thus, Employment Service registrants are likely to be further screened by local staff on whether they are "good prospects" for relocation.

An examination of the characteristics of Job Search and Relocation Assistance enrollees and relocatees suggests that there is screening by local staff. Further, the screening appears to have been counterproductive in that persons with the highest enrollment rates have the lowest relocation rates. This is most apparent when considering education and occupation. (See table 1.) The Job Search and Relocation ratio (a group's share in total relocatees relative to its share in total enrollees) is much higher for persons with 12 or fewer years of education, than for those with more. And the ratio is much lower for professionals and managers than for craftworkers and operatives. It seems that more relocations would have been made if more enrollees had not more than 12 years of education, or were operatives or craftworkers.

The program's ultimate success is yet to be determined, as data collection and program evaluation continue. No cost-benefit assessment is attempted here. Nonetheless, some rough judgments of its performance to date can be made. Although program enrollees and comparison group members (Employment Service registrants in selected offices where no relocation assistance was offered) have similar characteristics, mobility was much greater for enrollees, as table 1 indicates. This was especially the case for the young, black persons, men, and persons with lower levels of education.

The upgrading of services to level 3 led to greater increases in Job Search and Relocation Assistance activities than did upgrading services from level 1 to level 2. And, except for high-volume level 3 offices, the performance of level 2 and level 3 offices was similar in terms

of relocation rates and relocations per office-month. Further, the labor market results, employment and wages for the relocatees, tended to be superior to those for both nonmovers and other movers. Indeed, the average wage for relocatees was \$5.84 per hour, and the full-time employment rate was 82.6 percent, despite that 38 percent of the relocatees went to a single employer, Ingalls Shipyard in Pascagoula, Miss., where the average hourly wage was \$4.46 and the employment rate 73.4 percent.

Cost per relocation was lower in the program's second year of operation than in the first, although it in-

creased during the third year. Perhaps a more efficient handling of job search efforts by Employment Service staff was responsible for the second-year decrease. Lax monitoring of non-program staff activities that were remunerated by the program may have contributed to the third-year increase. As might be expected, the cost per enrollee was higher for level 3 offices (except for the high-volume ones) than for level 2 offices. The cost per relocatee was also higher for level 3 offices, by about 75 percent. Regardless, scale economies seemed to characterize level 3 services, in that the cost per relocatee was only half that for level 2 offices in the two high-volume level 3 offices.

Overall, the program seemed to have an impact on mobility, and its performance apparently has improved during its operation. Nonetheless, its operation raised questions. Was the response to the "willingness to relocate" question on the Employment Service registration form an appropriate screening device? Should Employment Service staff, as a policy, have directed their enrollment efforts away from professionals and managers, toward craftworkers and operatives? What role did job search through friends and relatives have compared to other methods, such as consulting Employment Service listings of job openings?³ Did Job Search and Relocation Assistance merely assist moves that would otherwise successfully have occurred? To shed light on these and other questions on the mobility of job seekers, migratory experiences of the unemployed were analyzed, using data different from that of the Job Search and Relocation Assistance program.

Characteristics of migrants

The migratory behavior of unemployed persons was explored using data from the National Longitudinal Survey, a historical profile of four age-sex cohorts beginning in 1966. Because enrollees in Job Search and Relocation Assistance were predominantly young men, the study was of data from the National Longitudinal Survey cohort of men age 14 to 24 in 1966, numbering 5,225. Unemployed persons, those without a job but looking for work or with a job but on indefinite layoff in the 1970 survey week, were considered "potentials" for relocation.⁴ The following is a summary of the experiences of migrants.

Selectivity. Migrants tended to be on welfare rolls less than nonmigrants. None of the unemployed migrants and only 6 percent of all migrants received public assistance or welfare; 14 percent of the unemployed nonmigrants received some public assistance or welfare.

The migration rate of unemployed professionals was substantially greater than that for unemployed craftworkers and operatives.

Surprisingly, unemployed migrants whose economic situation had worsened were no more prone to migrate

Table 1. Characteristics of and relocation rates for Job Search and Relocation Assistance participants, and migration rates for comparison group members, September 1979

Characteristics	Enrollees	Relocatees	Relocation rate	Job Search and Relocation ratio ¹	Migration rate ²
Total	5068	1345	27	...	12
Percent					
Sex:					
Male	85	90	28	1.06	12
Female	15	10	18	.67	12
Years of education:					
Less than 12	15	27	48	1.80	12
12 years	26	34	35	1.31	10
More than 12	59	38	17	.64	14
Race:					
White	72	66	24	.92	17
Black	26	32	33	1.23	4
Other	1	1	19	1.00	22
Welfare:					
Yes	2	2	31	1.17	(²)
No	98	98	27	1.00	(²)
Previous migrant:					
Yes	2	*	20	.75	(²)
No	98	99	27	1.01	(²)
Marital status:					
Married	44	47	28	1.07	16
Not married	45	47	28	1.04	10
Age:					
17 to 24	33	39	31	1.18	11
25 to 34	38	39	27	1.03	15
35 to 40	10	8	20	.80	15
41 to 50	13	10	20	.77	12
Over 50	6	5	21	.83	9
Occupation:					
Professional	38	20	14	.53	
Managerial	12	5	11	.42	16
Clerical	5	3	18	.60	
Sales	2	2	19	1.00	7
Craftworkers	23	41	46	1.78	
Operatives	6	8	37	1.33	9
Farmers	(³)	(³)	27	1.03	
Farm labor	(³)	(³)	45	1.71	
Mining labor	(³)	(³)	75	2.83	8
Other labor	8	14	45	1.75	
Food	1	1	41	1.56	
Personal	1	(³)	16	.60	15
Protective	1	2	38	1.41	
Building	(³)	(³)	38	1.45	

¹ Job Search and Relocation ratio is the percent of relocatees relative to the percent of enrollees.

² Data were not available by welfare status and previous migrant status for comparison group members.

³ Less than .5 percent.

Source: JSRA Third Analytical Report, Washington, D.C., (U.S. Department of Labor, Employment and Training Administration, 1980), appendix and table 5-1.

than those experiencing an improvement. Nonetheless, migrants appeared to move from areas of poor economic opportunity. About half the migrants in both the unemployed group and the total group originated in labor market areas with low indexes of labor demand.

Willingness to relocate. The attitudinal variable of whether a person was willing to relocate did not seem to be a bellwether of migration. More than half of all movers indicated unwillingness to relocate. Even those whose financial position had worsened were unwilling. Migrant craftworkers and operatives, who had lower migration rates than professionals and managers, were much more likely to indicate willingness than migrant professionals and managers.

Having a job lined up. The risks of moving were certainly tied to whether a migrant had both a job lined up before moving and friends and relatives at the destination. Unemployed migrants seemingly took greater risks than other migrants—half of the unemployed did not have a job lined up before they moved, compared with 38 percent of all migrants. About half the migrants moved to areas where there were friends or relatives. And migrants without job prospects tended to move to areas where there were friends or relatives.

Migrants without job prospects seemed to move to satisfactory destinations. About half of both unemployed and other migrants found work in less than 2 weeks. An additional 20 percent found work in 2 to 4 weeks, and approximately 90 percent were working within 3 months. Unemployed migrants without job prospects tended to find work in less time after the move than they spent looking for work before the move. Overall, migrants without job prospects tended to move further than those with a job lined up.

Motive. Economic incentives played a large role in the migration of the unemployed, 56 percent compared with 38 percent of all migrants. Perhaps because unemployed migrants tended, more so than other migrants, to tie moving to expectations of landing a job rather than to

more certain concerns such as the presence of family, their evaluations of the moves were less favorable. Only 6 percent of all migrants felt that the move was a bad idea, but about one-third of the unemployed migrants felt as such.

Implications for program's future

Based on the information on the willingness of unemployed persons to migrate, it seems that Job Search and Relocation Assistance policy of restricting enrollment to persons willing to relocate may be overly exclusionary. More than half of the migrants who responded to an attitudinal question on mobility indicated unwillingness. Additionally, it seems prudent not to encourage the enrollment of craftworkers at the expense of enrolling professionals and managers. Although the relocation rates of craftworkers and operatives were higher, their migration rate was less than that of professionals. Also, because friends and relatives at the destination are an important factor in the migration of those unemployed and without a job lined up, the program should continue to encourage the use of such contacts in placing relocatees.

The above observations suggest that unemployed migrants relocate more than other migrants in response to their economic circumstances, and that they take risks when doing so. And the risks associated with long-distance movement and not having a job waiting are greater for unemployed migrants than for others. To allay these risks, unemployed migrants rely upon the support mechanisms provided by friends and relatives. However, as might be expected when decisions are more risky and outcomes more variant, unemployed migrants, more than others, view their moves as disappointments.

Overall, the disappointing moves made by unemployed migrants point to the potential usefulness of a national program like Job Search and Relocation Assistance, which could reduce the risks of moving for the unemployed by providing the certainty of having a job already waiting. The result would likely be more informed choices and fewer disappointments than at present. □

— FOOTNOTES —

¹ Job Search and Relocation Assistance is only the most recent of several mobility demonstration projects. For example, the Mississippi Labor Mobility Project moved nearly 2,500 individuals and their families during the late 1960's. See, Cilla J. Reesman and David R. Zimmerman, "Worker Relocation 1965-72: A Review of the Research and Operations Findings of MDTA Experimental and Demonstration Projects," (Springfield, Va. National Technical Information Service, 1975.)

² Initially, the registrant needed to have been laid-off and not working for at least 30 days. These conditions were deemed to be too restrictive by project staff and were relaxed.

³ Two employment service listings, Job Bank Openings Summary

(JBOS) and Job Bank Frequently Listed Openings (JOB-FLO), were available to Job Search and Relocation Assistance enrollees. They appeared to be used less successfully in relocation, than other techniques such as enrollees' contacts. Because JBOS and JOB-FLO were not successful resources, an on-line Data Retrieval System (DRS) was established for Job Search and Relocation Assistance purposes. Though DRS has improved the quality of job listings, its usefulness in providing job openings to relocatees is yet to be assessed.

⁴ Using our characterization of unemployed-employed, the unemployment rate in the sample was 3 percent during 1970; whereas the national average was 4.9 percent. Alternative characterizations of unemployment were explored and yielded roughly the same sample rate.