Where We Live: Social Capital and Migration

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Tom Heintjes: Hello, and welcome back to another episode of the Economy Matters podcast. I'm Tom Heintjes, managing editor of the Atlanta Fed's Economy Matters magazine, and I'm sitting down today with Julie Hotchkiss, a research economist and senior adviser in the Atlanta Fed's research department. Welcome back to the podcast, Julie.

Julie Hotchkiss: Thanks, Tom—it's always fun to sit down and discuss my research with you.

Heintjes: Julie has written a research paper, along with her coauthor Anil Rupasingha, titled "Individual Social Capital and Migration," and that research is what we'll be discussing today. Julie, to set the parameters of our conversation here, we should probably discuss the word "migration" as it's used in your paper. It's in the news so much these days—migration, immigration—that it might affect how people think about this.

Hotchkiss: That's a good place to start. The migration that we're talking about in this research is like domestic migration. In the Current Population Survey, which is the data that we use for the research, people are asked whether or not they were living in their current house a year ago, and if they say "no," then we classify them as a migrant. It just basically means that they've moved during the past year.

Heintjes: Right, and while we're defining terms, I think we should go ahead and early on talk about the term "social capital." What exactly is "social capital"—or is it something that can even be easily defined in the first place?

Hotchkiss: That's a very good question. You'll probably get as many definitions of "social capital" as people you ask. But my favorite definition is one that's used by the survey from which we get the measures of social capital, and they say that social capital is the societal analogue of physical or economic capital. It's basically the value that's inherent in friendship networks and other associations, where individuals and groups can draw upon to achieve either private or collective objectives.

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Heintjes: Wow. So we'll get into measurements of that later.

Hotchkiss: And it can be seen in really many different forms as well. When you recommend a daughter of a neighbor for a job, or when you invite friends over for dinner, or just say "hi" across your back fence, even attending a PTA meeting, or going to a political rally—these are also demonstrations of social capital.
Heintjes: Right. A little background, Julie: what spurred your interest in this research on the relationship between social capital and migration?

Hotchkiss: My interest in social capital goes quite a ways back. In the early 1990s, I attended a lecture at Georgia State University. It was a lecture given by Robert Putnam—he's a public policy professor at Harvard—and during his presentation, he summarized the research that he'd been doing that eventually became his widely popular book that's called *Bowling Alone: The Collapse and Revival of American Community*.

In the book, he gives several examples of how social capital in the U.S. had declined since the 1970s—and it's quite striking, I think. For example, he finds that attending club meetings has declined by 58 percent, sitting down at the family dinner table together has declined by 43 percent, and even having friends over has declined by 35 percent. He also finds that social capital not only benefits the community, but it benefits individuals as well. He claims that joining or participating in just one group cuts in half your odds of dying next year—so I guess it has a very real payoff to cultivate personal social capital.

Heintjes: Yes, that's a really important concept, and I'll make sure we have a link to that site on our webpage.

Hotchkiss: Okay. You know, his presentation really made me curious about whether there were other outcomes that were related to social capital. So when I learned that a colleague of mine—Anil, that you mentioned, who is the coauthor on the project—had done some research in the area of social capital, I suggested that we collaborate to see what else we could learn about it.

Heintjes: Well, when I was preparing for this podcast I wanted to do some reading on social capital and migration, and I frankly couldn't find a whole lot. Were you filling a hole in the literature about this topic?

Hotchkiss: Actually, Tom, the notion of social capital goes way back—even further than the 1990s—to Alexis de Tocqueville.

Heintjes: Yes. He was a French diplomat, political scientist, and historian, and in 1840 he completed his treatise on American culture and society. He titled it *Democracy in America*. De Tocqueville expounded at great length on the remarkable tendency for Americans to form associations, and I brought a quote with me because it just made me chuckle.

Hotchkiss: Exactly.

Heintjes: “Americans of all ages, all conditions, and all dispositions constantly form associations. ... The Americans make associations to give entertainments, to found establishments for education, to build inns, to construct churches, to diffuse books,... If it be proposed to advance some truth, or to foster some feeling by the encouragement of a great example, they form a society...I met with several kinds of associations in America, of which I confess I had no previous notion; and I had often to admire the extreme skill with which the inhabitants of the United States succeed in proposing a common object to the exertions of a great many men, and in getting them voluntarily to pursue it.”

Heintjes: Well, that is still really relevant.

Hotchkiss: It really is. And he also remarked, based on these observations, that the social condition that provides for the formation of these associations is really necessary to democratic nations. It's a notion that's been taken up by others who have found that high levels of social capital within a community are associated with all sorts of really good things like lower crime, better schools, and more effective government.

Heintjes: In your work here that we're talking about today you've also taken a look at another aspect of this whole dynamic, and that is migration—which I guess we could also call "where people move and choose to live."

Hotchkiss: Exactly.

Heintjes: So let's start with the big picture, and move on from there. What exactly is the relationship between social capital and migration?

Hotchkiss: Well, we confirm what others have found, in that individuals with high levels of social capital are less likely to have moved in the previous year. Now, this makes sense if you think about moving as—well, Putnam calls it a disruption in the root system of a potted plant. So someone with more social contacts, family, and networks will suffer a greater cost to moving away from that network, and therefore—all else equal, which we like to say in economics—will be less likely to move.

Heintjes: Well, depending on how you measure or define social capital, which I know has some inherent challenges, would your answer to the question be different? In other words, how variable are the factors at work here?

Hotchkiss: That's one thing that all definitions of social capital have in common: whatever type of social capital you're interested in or able to measure, it is usually found to be positively related to the strength of a person's network. And so we find that for all of the different dimensions of social capital that we investigate, the higher a person's level of that type of social capital, the less likely they are to have moved.

Heintjes: So when you say "type of social capital," it's not just one thing. It's not monolithic.

Hotchkiss: Right, exactly. We try and capture actually six different types of social capital—and it may not be "type," but just the way it might be defined based on different types of activities, if you will. And these are identified by responses to questions about various activities. The six types that we identify are community involvement, sociability, religiosity, trust, and then political activism and political engagement. And the individuals with higher levels of any of these types of social capital are, on average, less likely to have moved in the previous year.

Heintjes: Interesting. In your paper you write that people are attracted to places with high levels of social capital. What's the difference between the social capital of a place versus that of an individual?

Hotchkiss: If you think about community social capital as the average level of individual social capital of those people living in the community—or you can think about it as the sum of all of the individual social capital. So the higher that everyone's individual social capital is, the higher the community social capital is. And the more socially or civically active my neighbors are, for example, the more I benefit from things like lower crime and better schools. Because of this, we can think of community social capital as an amenity, something that attracts us to a particular community—much the same
way that you might think of a park, or having access to the symphony.

**Heintjes:** Right. So collectively, do all forms of social capital function as amenities and attract people to a community?

**Hotchkiss:** Most of them do, like community involvement, sociability, and political activism, but we find that political engagement does not.

**Heintjes:** Interesting.

**Hotchkiss:** Well, it may have something to do with the way that we measure political engagement. We measure it through more passive activities, such as whether or not people vote or read a newspaper. And these things can probably be identified more as solitary activities, and so they don’t involve a lot of interaction with other people—which might make sense that they don’t then necessarily improve the community in a way that attracts people.

**Heintjes:** Right. Julie, let’s switch gears just for a minute—I want to talk a bit about your methodology. You mentioned the Current Population Survey. How did you go about acquiring all the data you used in determining the role of social capital in people’s migration decisions?

**Hotchkiss:** It was a bit of a challenge because social capital really isn’t something you observe or you can ask somebody, “What’s your level of social capital?” We know that it involves some sort of interaction with people around you, so we wanted to be able to identify the smallest community possible in order to quantify the environment in which a person is exposed to a certain level of social capital. For example, I’m much more affected by the behavior of people who live on my street than by the behavior of everyone who lives in Atlanta, right? So in order to identify where people live, we needed access to nonpublic data.

The [Roper Center](http://ropercenter.uvm.edu) undertook a national survey in 2000 asking people all sorts of questions about their activities, such as voting, and protesting, and having friends over, going to church. They made a restricted version of the data set available that includes the census tract in which each respondent lives. Now, usually—like in the public version of the Current Population Survey—someone only has available the county identifier, and a census tract is a much smaller level of geography, and there are usually several census tracts inside a county designation.

**Heintjes:** So that might be even as small as a block?

**Hotchkiss:** Well, a block is even smaller than a census tract, but that level of geography is not available even in the nonpublic data—that we’re using, anyway...certainly in the ones that identify the social capital majors. The data that we used to identify the social capital majors was called the [Social Capital Community Benchmark Survey](http://www.ropercenter.uvm.edu/research/cbs)—this is the survey that was done by the Roper Center—and we needed to access census tract identifiers in the Current Population Survey, which is where we obtained information about the migration behavior of individuals. So in order to access the census tract in the Current Population Survey, we had to submit and get approved a proposal to use the data in the Atlanta Research Data Center.

**Heintjes:** And I know from one of your earlier podcast episodes how complex that is, to get access to that. We’ll have a couple of links on the website to some of the sites that you’re mentioning now, so people can take a look at those. But I wanted to ask you, is one implication of your research that communities should consider their own levels of social capital and how it might affect people’s migration choices—either to come there, or to, conversely, leave the community?

**Hotchkiss:** Well, I expect that if local officials are interested in attracting people to their community, then our research suggests that they should think about social capital as what might be called a “pull amenity”—and again, this is something that will attract residents the same way that other amenities, like even jobs or parks, might do.

**Heintjes:** Right. Julie, I wanted to ask you, since the Atlanta Fed is a policymaking institution, what are the policymaking implications of your findings?

**Hotchkiss:** One of the results that I found to be the most interesting is also probably the most policy-relevant: we found that individuals who have lower social capital—lower individual social capital than their community average—were much more likely to have moved there in the past year, but individuals with higher levels of social capital are much less likely to have moved. So in other words, low levels of community social capital act as a pretty strong deterrent. If I have a high level, I’m not likely to move somewhere that has a lower level of community social capital than what I have. So if a community is interested in improving its level of social capital, they will have a hard time importing it, getting people to move there. In other words, they should focus their efforts on improving the social capital of the people who already live there rather than try to get folks with high levels to come in order to increase their community average.

**Heintjes:** You know, as I read your paper it kept occurring to me: I was thinking about how it often seems like populations and groups are increasingly finding like-minded people and cluster together in communities—sort of a self-selecting population mechanism. Did this sort of observation occur to you in the course of your research, or am I imputing that with no real basis? [laughter]

**Hotchkiss:** I think perhaps the results that I was just talking about in terms of the relative social capital might be suggesting something a bit different. The finding that individuals with low levels of social capital are more likely to have moved when we see them in communities with high levels of social capital suggests that people view community social capital as a form of substitute for their own low level. In other words, since perhaps I don’t have a very high level of social capital, I’m going to move somewhere that has enough social capital for me to benefit from it without really having to contribute much.

**Heintjes:** Gotcha. Well, Julie, I want to wrap up and say that this has been a really great, and a very timely, conversation, and I want to thank you for spending some time with us today.

**Hotchkiss:** You’re welcome, Tom. Once again, it’s been a pleasure talking with you.

**Heintjes:** Well, we’re at the end of another episode of the [Economy Matters](http://www.economymatters.co) podcast, and I want to note that we will have a link to Julie’s paper on our website at [fitbatlanta.org](http://fitbatlanta.org), so I encourage you to check it out—it’s quite thought provoking. Again, I’m Tom Heintjes, managing editor of the Atlanta Fed’s [Economy Matters](http://www.economymatters.co) magazine. I hope you’ll be back next month for the next episode, when we will talk with the Atlanta Fed's Brian Bailey about trends in commercial real estate in the Southeast. See you then, and thanks for spending time with us today.

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