

Selective migration, wages, and occupational mobility in nineteenth century America



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Abstract

This paper explores the extent to which unskilled internal migrants in the United States were motivated by the possibility of upward occupational mobility. Drawing on the literature on contemporary migrant selection and sorting, I argue that workers with greater potential for occupational upgrading may have selected themselves out of counties with low skill premiums and sorted themselves into counties with high skill premiums. Using linked data from the U.S. Census and county-level wage data, I present results consistent with this argument, with a focus on shorter distance movers. Conditioning on migrant status, I find that unskilled migrants who moved to places with high skill premiums were most likely to upgrade. I offer some evidence that migrant sorting explains much of this result. My results imply that previous research focusing solely on wage gains provides an incomplete picture of the factors motivating east–west migration in nineteenth century America.

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1. Introduction

Americans during the second half of the nineteenth century were both economically and geographically mobile (Hall and Ruggles, 2004; Long and Ferrie, 2013; Rosenbloom and Sundstrom, 2004). While other work has examined the relationship between internal migration and opportunities for land ownership, there has been little analysis of the effect of opportunities for upward job mobility on migration decisions during this period. This paper undertakes such an analysis, focusing on unskilled migrants within relatively settled parts of the United States. Using samples of linked census microdata and county-level wage data, I document a

systematic relationship between occupational upgrading and the skill premium in unskilled migrants' home and destination counties. I argue that this is consistent with certain migrants choosing destinations with the prospect of upward job mobility in mind, and I offer supporting evidence for this interpretation. In addition to providing new information about internal migration during this period, these findings offer a degree of insight into existing puzzles in the literature; namely, the apparent weakness of the migration response to regional average wage differentials (Lebergott, 1964; Margo, 1999).

Previous work on the relationship between internal migration and opportunity has focused on the experiences of frontier migrants, with an emphasis on opportunities

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for land ownership and self employment in agriculture. As such, much of this literature discusses long distance moves and measures economic success by wealth acquisition. Galenson and Pope (1989) show that migration to the frontier was associated with growth in real estate holdings, focusing on the case of Appanoose county, Iowa. Ferrie (1997) further argues that, while frontier migrants experienced substantial wealth gains, they were also negatively selected, meaning that the potential gains from westward migration were larger for those who stayed in the east.

In this paper, I assess the relationship between internal migration and opportunities in the labor market.¹ In particular, I explore the extent to which unskilled workers based location decisions on opportunities for upward occupational mobility. The migratory behavior of unskilled workers is important to understanding migratory behavior in general, as unskilled workers comprised a large fraction of internal migrants during this period; this is particularly true of the short-distance movers that this paper focuses on. Moreover, upward job mobility is likely to be an especially significant motivation for workers at the bottom of the occupational ladder. Certainly, the iconic 19th century internal migrant is an aspiring owner–occupier farmer. However, migration would also have afforded labor market opportunities in the non-agricultural sector due to regional variation in the industrial and skill composition of the workforce. Kim (1998) shows that overall economic activity in the United States was more specialized by region in 1870 and 1880 than it was by the late 1980s, which implies that job prospects varied geographically. This may have been an important factor in the migration decisions of unskilled workers. In contrast to most literature in this area, I do not focus on migration to the frontier. Rather, I examine migration moves of any distance and direction, focusing largely on moves within the more settled regions of the northeast and southeast. This focus is mandated in part by data availability. Still, it offers a novel perspective on migration during the period: intrastate and intraregional migration have received little attention in the literature.

A challenge with measuring migration responses to labor market opportunities is that I do not observe these opportunities. However, highly local information on average wages allows me to observe the approximate wage signals migrants used when making location decisions. I argue that the relevant wage signal in this

case is the skill premium – the gap between average skilled and unskilled wages – which should be related to local labor market conditions as well as the characteristics of migrants. Specifically, upgrading should be more common among migrants to counties with large skill premiums and less common among migrants from counties with large skill premiums. There are two reasons for this relationship to hold: one is related to characteristics of counties with large skill premiums, and one is related to characteristics of migrants who choose to move to these counties.

Occupational upgrading may be more common in places with large skill premiums because of the local labor market characteristics they reflect. For instance, if a large skill premium indicates a relative shortage of skilled workers, it should signal opportunities for upward mobility. By and large, counties with large skill premiums were less urban,² which could mean that skilled labor was in short supply; moreover, relative demand for skilled labor may have been higher in these places if they lagged behind urban areas in the adoption of new production technologies that favored unskilled over skilled artisan labor (Atack et al., 2004). As such, occupational upgrading should be more common among migrants to counties with large skill premiums.

Heterogeneity in the characteristics of migrants should also cause upgrading to be more common in places with large skill premiums. In general, not every unskilled worker would have possessed the same capacity for upward mobility.³ Observable characteristics like age, nativity, and marital status affected mobility prospects considerably. Some unskilled workers may also have made human capital investments, or intended to make human capital investments that allowed them to be upwardly mobile, like an apprenticeship or another less formal type of training. Additionally, certain migrants may have possessed intrinsic qualities that enabled them to learn new trades in new environments. In fact, accounts of the settlement of the United States are littered with references such characteristics: resourcefulness, adaptability, or perseverance, for example. Lebergott (1964) quotes an 1818 description of the American work force, which lauds the “versatility of [the American laborer’s] talent (p. 8).” Goodrich and Davison (1936) quote an 1853 description of a new colony in Minnesota, which reports that “none but the persevering ones [are] staying (p.98).”

¹ Other papers look at occupational mobility among transatlantic migrants to the US. Abramitzky et al. (2012) track immigrants from Norway to the US; Ferrie (1996b) tracks entrants into the U.S. from passenger ship lists to the federal census.

² See Tables A2, A3, and A4, which contain descriptive statistics for county-level wages.

³ See Section 2.2 for a review of the literature on occupational mobility during this period.

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