

The Great Millennial Migration... to the Midwest?

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Forced out by sanctuary cities on both coasts and in search of the American Dream, many career-minded millennials are finding new homes in an unexpected region: the Midwest.

According to the <u>Ellie Mae Millennial Tracker</u>, millennial homebuyers are favoring Midwestern states. They aren't relocating to major metropolitan hubs like Chicago, however. They are opting for much smaller cities like Mount Vernon, Illinois; Hutchinson, Kansas; Defiance, Ohio; Dickinson, North Dakota; and Owosso, Michigan, to name a few.

National job growth has been noticeably positive under the Trump administration, and the Midwest has been driving this trend. The <u>Midwest's Gallup Job Creation Index</u> was at +42 in April, six points above the national index for the same month. Meanwhile, in the East, South and West, the Job Creation Index dropped one point each from March, and the difference between the East and the Midwest is now a whopping 14 points.

The <u>manufacturing industry is leading the way</u> with companies like 3M, Graco and Polaris Industries showing extraordinary promise for the region's local economies. Likewise, the <u>makers of nondurable goods</u>, like processed foods, have reported notable hiring increases, with no slowdown in sight. Burdened with student debt and faced with a sluggish economy these past eight years, this abundance of new jobs might well be the answer to millennials' prayers.

While job opportunities have been key in attracting young people, affordable housing is what's keeping them there.

"I don't think it's so much about millennials moving to those cities," said <u>Jonathan Smoke, chief economist for Realtor.com</u>. "It's more about millennials deciding to stay and deciding that this is where they want to buy a home."

For those who want to settle down and raise a family, buying a house is a major step. The astronomically high cost of rent in major cities like Los Angeles, San Francisco, and New York is enough to crush any dream of homeownership for millennials who want to stick around. Combine that with higher taxes and jobs that barely pay the bills, higher crime rates and failing schools, and it's no surprise that millennials are packing their bags. The Midwest has allowed millennials to settle down and truly start their lives.

It may not be Santa Monica, but it's cheaper.

The migration of young, liberal-leaning millennials to this region might be a bit worrisome to Republicans in the area. Texas Republicans have been anxious for some time about what the migration of Californians could mean for their political landscape and some even predicted Texas was going to turn blue in the 2016 election.

Suburban areas become even more critical when you consider how they <u>determined the result of the 2016 election</u>. Trump won because he led by five percentage points in suburban areas, which particularly tilted the election in his favor in states like Michigan and Wisconsin.

However, Cato Institute research fellow Emily Ekins <u>notes</u> that as millennials start to earn more money, their views on taxes tend to shift to a more conservative perspective. As such, the shift could just be a drain on the Democratic Party.

It's tough to predict how the millennial migration from the big cities to middle America will change America's political landscape until the dust settles. Millennials are quickly losing hope in big city lifestyle, and finding their American Dream elsewhere. In the end, it could be a game changer for either party.