



Residency Requirements in Welfare Policy: Implications for Migration and Economic Mobility

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1. MOTIVATION

Restrictions in welfare policy can decrease welfare expenditures by deterring low-income migration (Borjas, 1999; Saavedra, 2000)

However, migration is linked to greater economic mobility (Chetty et al., 2016; Ward, 2022) and barriers that limit spatial mobility may also affect economic outcomes, especially for low-income populations (Bergman et al., 2024)

2. RESEARCH QUESTION

How did **residency restrictions** in welfare policy affect **interstate migration** and **economic mobility** in the historical U.S.?

3. POLICY CONTEXT

Durational residency requirements: specified the length of state and/or local residency required to be eligible for government support

- ➔ **Goal:** reduce state welfare expenditures
- ➔ **Mechanism:** discourage low-income migration by making welfare benefits less accessible upon arrival

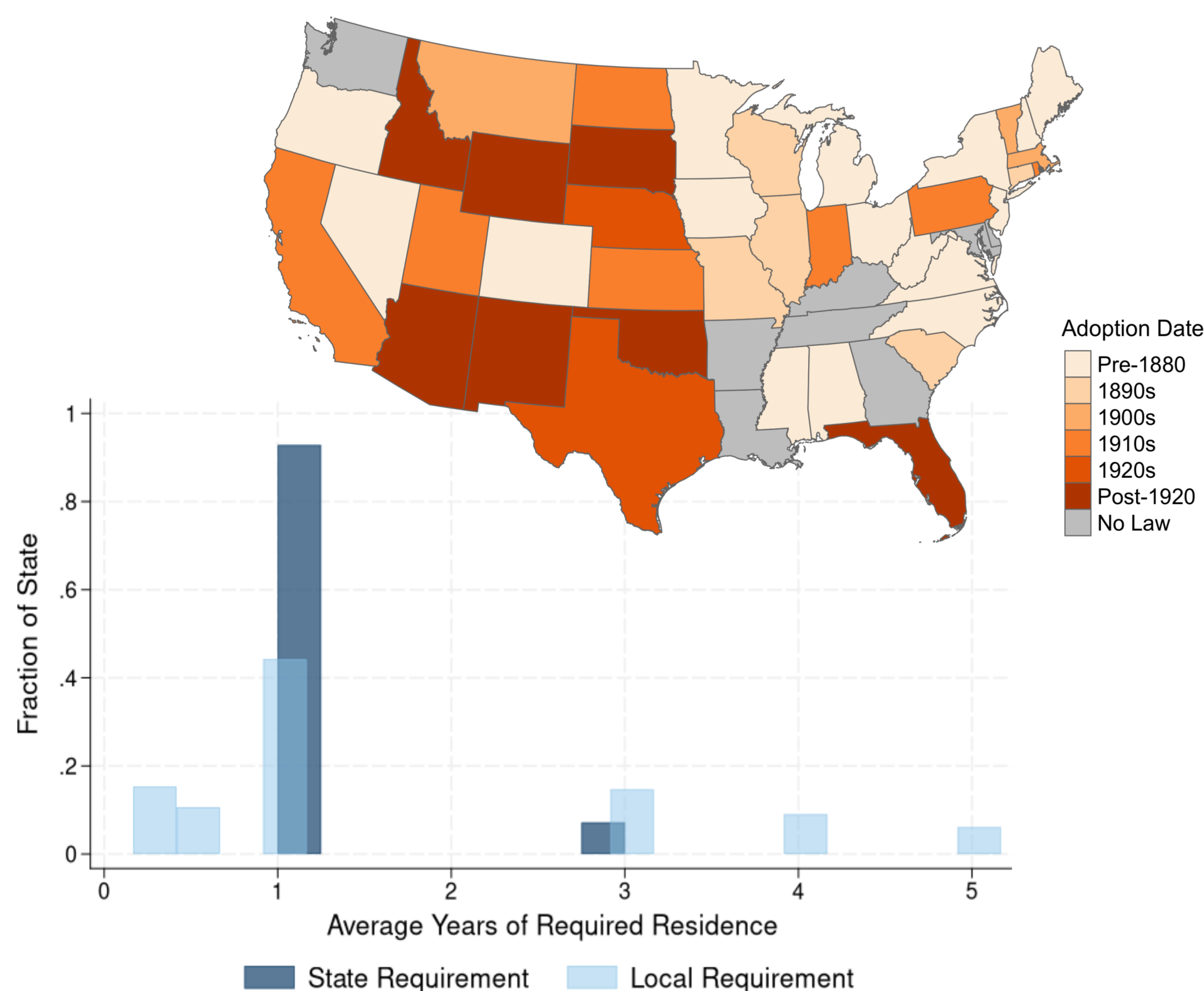
The people of the State of California, represented in senate and assembly, do enact as follows:

Residence defined. Sec. 2. A person shall be deemed to be a lawful resident within the meaning of this act who shall have lived continuously in the state for a period of one year with intent to make it his or her home

California State Welfare Code (1927)

4. DATA

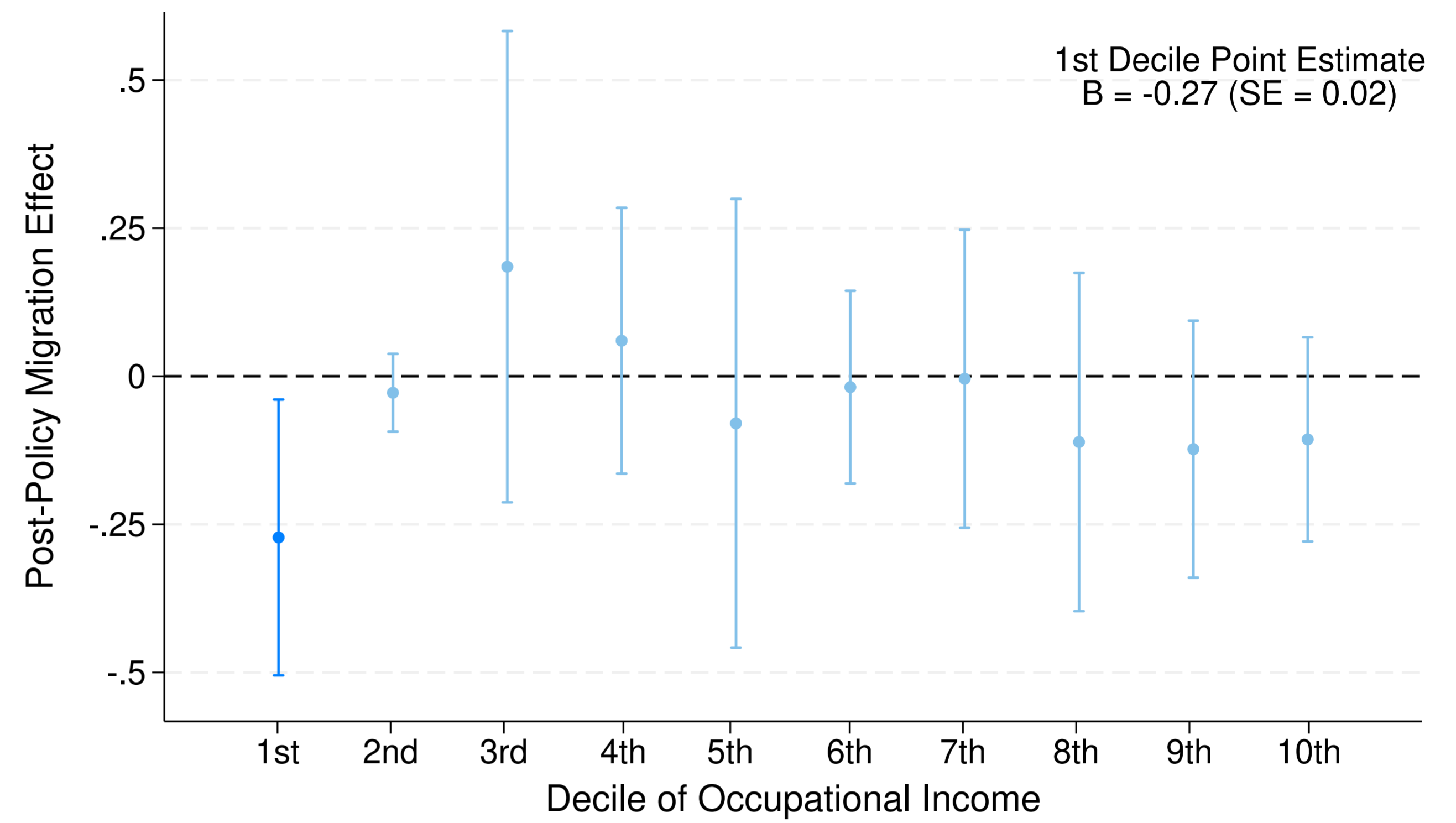
Construct a **novel dataset** on residency requirement laws across U.S. states from state statutes and historical archives



Combine with **linked complete-count U.S. census data** to construct income-based measures of interstate migration at the origin-destination state-year level (Ruggles et al., 2020; Abramitzky et al., 2022)

5. MIGRATION EFFECTS

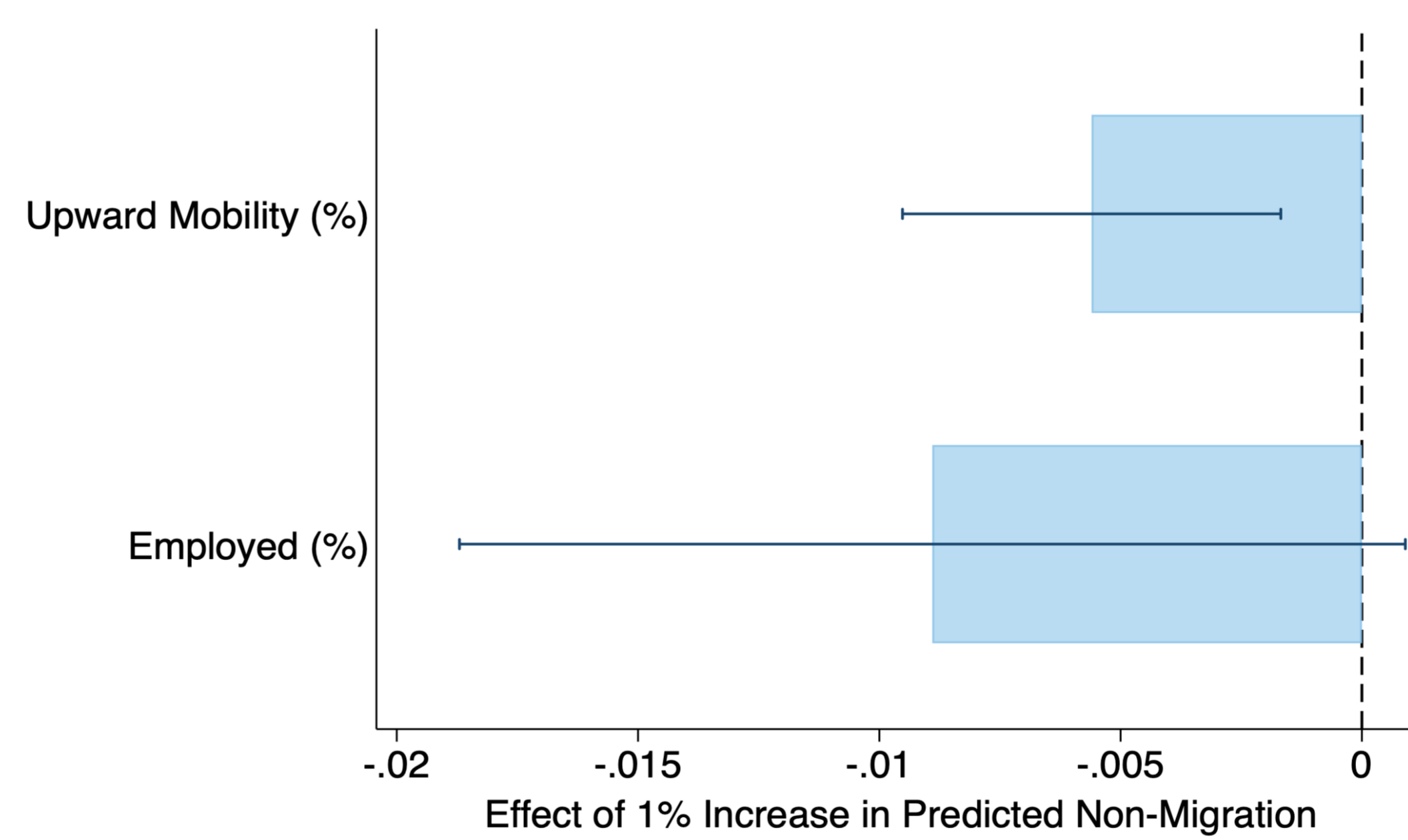
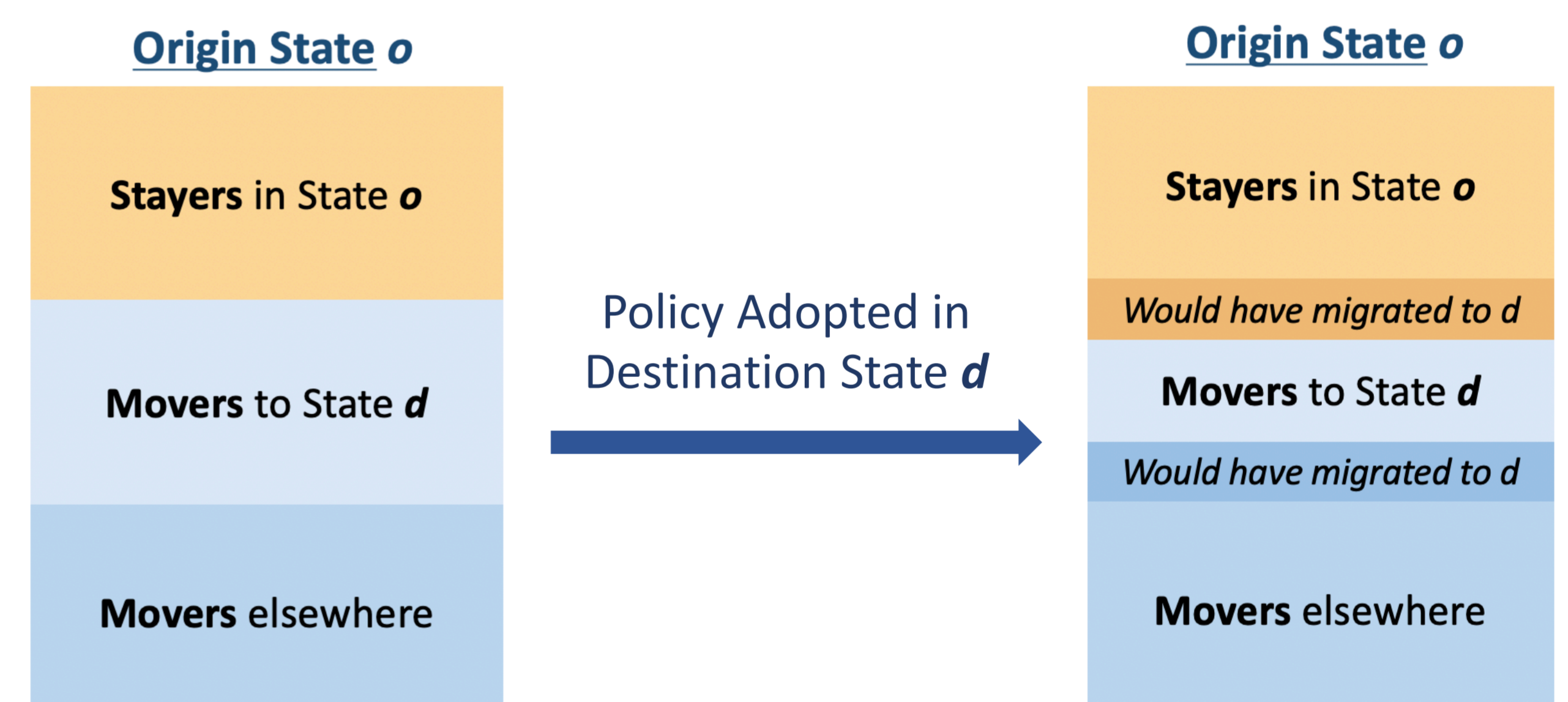
Results: Adoption of residency requirements significantly **reduces interstate migration**, driven by a decrease in **low-income migrants**



Larger reductions from origin states with **weaker migration networks** (farther away states with lower pre-existing migration ties)

6. ECONOMIC MOBILITY

Conceptual Framework: Policy adoption changes the composition of **movers** into restricted states, as well as the composition of **stayers** (non-migrants)



Results:

- **Stayers:** decrease in upward mobility among low-income stayers in origin states more exposed to the policy shock
- **Movers:** no changes in upward mobility among migrants into restricted states

7. CONCLUSION

Residency requirements **decreased interstate migration**, potentially limiting **upward mobility** among affected low-income populations

Future questions:

- ➔ What are the fiscal effects of these policies? Do the potential fiscal gains outweigh the negative effects on mobility?
- ➔ How do migration networks mitigate these policy effects?
- ➔ Do these restrictions also impact intrastate migration patterns and residential choice?

References

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