

BRAIN GAINS, BRAIN DRAINS

The winners, the losers, the cities and towns not even in the ferocious game of trying to attract Americans of higher degree.

As a nation, we are getting smarter. Nearly a quarter of American adults have a college education—a record high. As education remains a strong priority for parents and their children, it's also a No. 1 goal for governors and mayors who see attracting the best and the brightest to their states and cities as essential to enriching their tax bases and staying competitive. Fact is, competition among places for smart migrants—recent college grads, mid-career workers or retirees—creates winners and losers.

Recently released migration data from the 2000 census allows us to keep score. There are surprises. Some of the most cosmopolitan, gray matter-rich sections of the country appear to be losing their grip, even as many sun and fun areas are shedding the “dumb blonde” image. Another wild card is the flow of degreed immigrants from abroad. Brain drain areas lure them to try to offset the departure of home-grown talent; while on the urbanized coasts, highly educated immigrants are balancing out the influx of the lesser educated.

“BRIGHT FLIGHT” TO THE SUN BELT

A big-picture contrast between the old and emerging “smart belts” can be seen by comparing the state map of high concentrations of the college educated, with one of recent smart mover destinations. Elite coastal states still have the edge as bastions of the educated. In Massachusetts, the nation's college capital, 1 in every 3 adults has a bachelor's degree. The top tier of highly educated states extends from New England straight down the Bos.-Wash.megalopolis on the Atlantic coast; it includes California and Washington along the Pacific coast, and also two flyover havens, Colorado and Minnesota. Noticeably absent from this elite list are most of the states in the interior West and South.

This situation is about to flip. While it is no secret that the Sun Belt attracts migrants in droves, the new numbers show that college graduates are leading the way. The Sunshine state leads all others in attracting college grads, a net gain of 150,000 over the last half of the 1990s. It is followed by Georgia, Arizona and North Carolina—states generally known for their mild climates and outdoor recreation opportunities. The top

tier of brain gaining states also includes Nevada and Oregon in the West (along with established brain gainers, California, Washington and Colorado) as well as Texas and Virginia in the South. Migration-driven “smart growth” in these states goes hand in hand with booming job markets that attract young professionals. Couples and parents are attracted to their newly minted family suburbs. Even the hip, so-called creative class single set may find enough cappuccino culture in Atlanta, Charlotte or Denver to consider adopting these places as home.

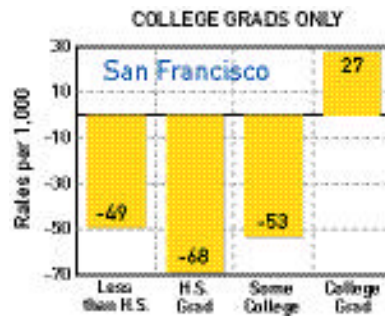
Migrants to the Sun Belt are coming from all over the country but “bright flight” mostly hits a handful of states in the Northeast and in the Rust Belt. New York lost nearly 190,000 degreed adults in the late 1990s. Illinois, Pennsylvania, Ohio, Michigan, Indiana and Iowa follow (along with Louisiana, a perennial Deep South out-migration state). Even sheepskin mecca, Massachusetts ranks among brain drain states. Diminishing economic prospects propels a lot of movement, but the Sun Belt's climate, opportunities and overall newness are important attractions.

METRO AREA BRAIN GAINS AND DRAINS

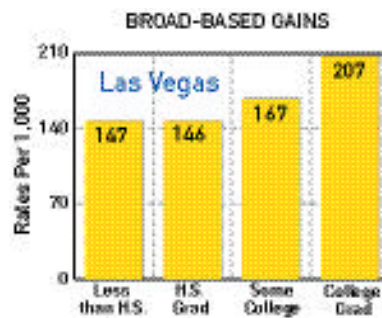
Atlanta drew the largest number of college graduates of all 48 major metropolitan areas in the country (see Table 1). The unofficial capital of the New South, it is one of the most degreed metros in the region (after Raleigh-Durham, N.C., Washington, D.C. and Austin, Texas), where nearly one-third of all adults are college graduates. Many of its immigrants are African Americans, as Atlanta was the dominant destination for blacks in the 1990s.

And while one expects economically diverse areas like Dallas, San Francisco, Denver and Seattle to draw college graduates, virtual newcomer, Phoenix, ranks as the No. 2 brain gain metro. Retirees, now more educated than in the past, and the city's proximity to California's expanding suburbs contribute to Phoenix's gains. The high ranking of Las Vegas as a "brain gain magnet" may be even more startling to some, both because of its Sin City image, and the relative paucity of college graduates among its existing residents. (With only 1 in 6 holding a college degree, the Las Vegas metro area ranks last of all major metropolitan areas in educational attainment.) Yet, like Phoenix, Las Vegas is benefiting from California spillover, functioning as a virtual suburb of Los Angeles which is becoming increasingly unaffordable for many middle-income college graduates.

Brain gain destinations dot the interior West and Southeast. Florida and Texas each host three of the top 15 brain gainers, while there are two each in North Carolina, and five Western areas outside of California. In contrast, 12 of the 15 greatest losers of college degreed migrants are located in the Northeast and Midwest led



SF's increase in college grads, but decrease in other levels of educational attainment—due to prohibitive housing costs—stresses labor force at lower wage-earner level.



Across-the-board gains, thanks to spillover from high-rent L.A., create a diversely educated population of workers at all earning levels.

by the New York metro region (see Table 1). Along with Chicago, Philadelphia and Boston, the list includes a string of old industrial metros including Pittsburgh, Detroit, Buffalo, Cleveland, St. Louis and Milwaukee; as well as Southern metros, New Orleans and Oklahoma City. Sprawl-

ing Los Angeles is also on the list as college graduate residents disperse to areas both within and outside of California.

BRAINS VERSUS BRAWN

The impact of migration patterns on individual areas is best assessed in the form of rates of migrants per existing populations (see Table 2). Using this measure, it becomes clear that the new flow of educated adults has the biggest impact on college graduate-poor Las Vegas. In a five year period (1995-2000), Las Vegas's sheep-skin-holding population increased by more than 20 percent. Other fast-rising brain gainers, Charlotte, Phoenix and West Palm Beach increased their degreed population by more than 10 percent. On the other side of the ledger, the biggest negative impacts of college graduate out-

TABLE 1

GREATEST BRAIN GAINING METRO REGIONS*

NET DOMESTIC MIGRATION GAINS AMONG COLLEGE GRADUATES AGED 25 AND OLDER, 1995-2000

1	Atlanta, GA MSA	76,443
2	Phoenix-Mesa, AZ MSA	63,084
3	Dallas-Fort Worth, TX CMSA	54,814
4	San Francisco-Oakland-San Jose, CA CMSA	48,614
5	Denver-Boulder-Greeley, CO CMSA	40,973

GREATEST BRAIN DRAINING METRO REGIONS*

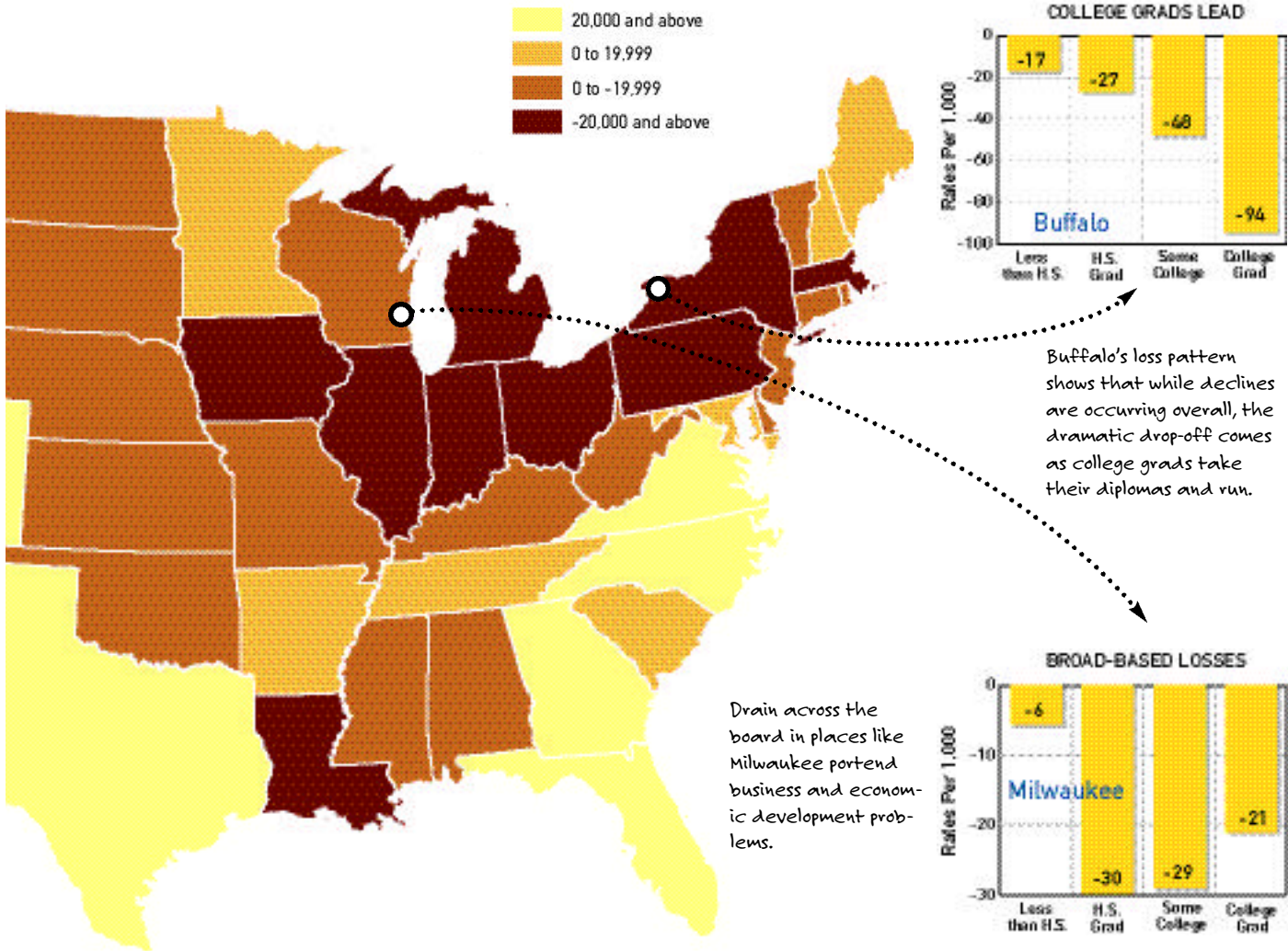
NET DOMESTIC MIGRATION GAINS AMONG COLLEGE GRADUATES AGED 25 AND OLDER, 1995-2000

1	New York-Northern New Jersey-Long Island, NY-NJ-CT-PA CMSA	-122,000
2	Chicago-Gary-Kenosha, IL-IN-WI CMSA	-29,647
3	Pittsburgh, PA MSA	-20,065
4	Detroit-Ann Arbor-Flint, MI CMSA	-17,244
5	Buffalo-Niagara Falls, NY MSA	-17,171

*among major metropolitan areas (CMSAs, MDSAs, NECMAs) with populations greater than 1 million.

DIPLOMAS ON THE MOVE

Net Domestic Migration of College Grad Adults, 1995-2000



migration were felt by two upstate New York metros, Buffalo and Rochester, which lost 9 percent and 7.5 percent of their college graduates in those years. The impacts were less severe in bigger places.

Brain gains and brain drains do not occur in isolation, and it is important to

assess how migration affects an area's less skilled population as well. In some places, migration contributions are largely dominated by the best and the brightest with little gains for other skill levels. This occurs in areas with high housing costs, such as San Francisco, which shows gains in col-

lege graduates but losses of less educated groups. In a sense, these high housing costs make such areas seem like large gated communities since only the well-off can afford to live there. It is not surprising that nearly 2 in 5 San Francisco residents are college graduates. The drawback is that, low-skilled service workers need to commute long distances from central California to work in this pricey labor market.

A different picture emerges for Las Vegas where the explosive migration growth of college graduates is accompanied by a growth at all other education levels. This more broad-based migration can be explained by spillover of California's suburban population into an area which continues to expand with affordable housing. The movement is composed of all race-ethnic groups and all skill levels,

TABLE 2

FASTEST IN-MIGRATION RATES OF COLLEGE GRADS			FASTEST OUT-MIGRATION RATES OF COLLEGE GRADS		
METRO REGION	MIGRATION RATES PER 1,000 COLLEGE GRADUATES	AT MOST HIGH SCHOOL	METRO REGION	MIGRATION RATES PER 1,000 COLLEGE GRADUATES	AT MOST HIGH SCHOOL
1 Las Vegas, NV-AZ MSA	206.8	146.4	1 Buffalo-Niagara Falls, NY MSA	-94.3	-23.4
2 Charlotte-Gastonia-Rock Hill, NC-SC MSA	123.4	35.9	2 Rochester, NY MSA	-75.0	-25.6
3 Phoenix-Mesa, AZ MSA	122.5	65.5	3 New Orleans, LA MSA	-65.5	-32.5
4 West Palm Beach-Boca Raton, FL MSA	111.8	49.9	4 Oklahoma City, OK MSA	-54.3	12.2
5 Atlanta, GA MSA	90.7	29.8	5 Pittsburgh, PA MSA	-51.2	-12.6

Source for all charts and maps: William H. Frey analysis of census data

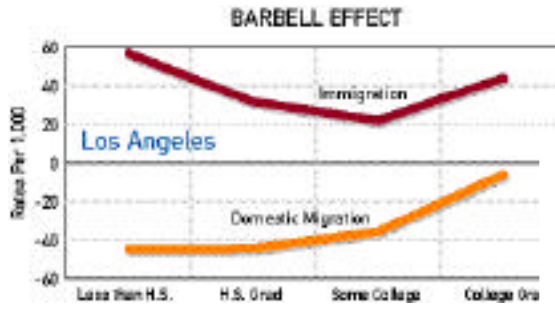
making Las Vegas a more racially and economically diverse community. The profile of most brain gaining metro areas falls between the extremes of San Francisco and Las Vegas, although the growth of their college graduate populations typically outpaces the unskilled.

By the same token, the education profiles of brain drain metros can skew heavily toward college graduate loss, as in Buffalo, or a more broad-based out-migration, as in Milwaukee. The former is especially devastating since it disproportionately robs the community of its most educated residents.

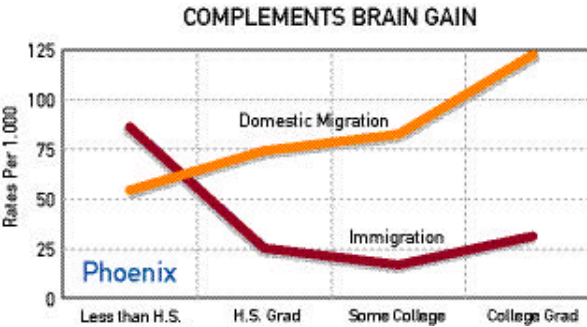
THE IMMIGRATION CUSHION

The brain gains and drains discussed above pertain to migration within the United States. Over the past decade in particular, immigration from abroad has proved to be a significant factor in affecting the talent pool and tax base in many communities, often serving as a cushion for areas that were losing domestic migrants. Nationally, migrants from abroad are overrepresented at both extremes of the educational spectrum. There are more immigrant adults with college degrees than in the general population (33 percent versus 24 percent), but a larger share of them, also have not received high school diplomas (30 percent versus 20 percent). Yet, both the size and education profile of immigrant flows vary widely across metropolitan areas (see Table 3).

It turns out that the migration flows with the highest shares of college graduates are generally small in size, and are destined to many old industrial brain drain areas, like Pittsburgh, Cincinnati, Detroit, Cleveland and Rochester, N.Y. By



L.A. loses in domestic migration at all levels, but those losses are offset by the influx of immigrants at each educational attainment extreme. This creates the demographic "barbell."



Phoenix, which is attracting immigrants at lower educational attainment levels to offset declines in lesser educated domestic migrants, typifies metros benefiting from immigration.

replacing the homegrown college graduates who left, these immigrants provide a much-needed infusion of "knowledge workers" to these areas. Many such migrants from abroad were recruited specifically to work with companies in

these areas or to attend local universities. The list of highly educated immigrant flows also includes such immigrant magnet metros as San Francisco and Washington, D.C., as well as university/state capital centers like Boston, Columbus, Ohio and Austin, Texas.

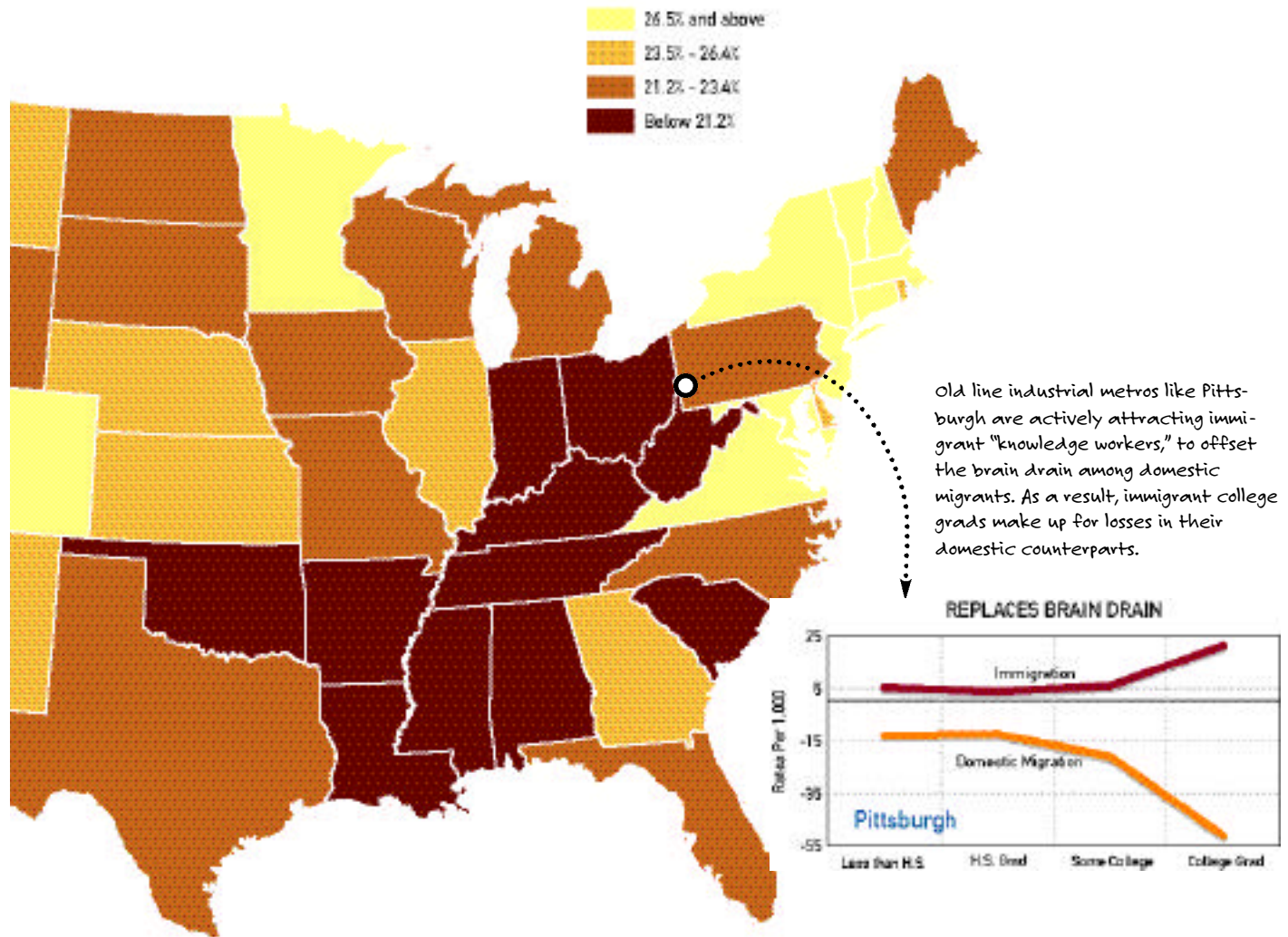
Metros that attract immigrant flows with low shares of college graduates include some of the nation's largest immigrant magnets (i.e. Los Angeles, Miami, Dallas) as well as those where immigrant presence is rapidly rising (e.g. Las Vegas, Phoenix, Charlotte, Orlando). The latter Sun Belt growth metros are also "brain gainers" for domestic migrants, who are creating employment for less skilled immigrants for work in service, retail and construction. In these areas, the less skilled

TABLE 3

IMMIGRANT FLOWS WITH HIGHEST COLLEGE GRAD SHARES			IMMIGRANT FLOWS WITH LOWEST COLLEGE GRAD SHARES		
METRO REGION	COLLEGE GRAD SHARE OF IMMIGRATION FLOW	SIZE OF IMMIGRATION FLOW*	METRO REGION	COLLEGE GRAD SHARE OF IMMIGRATION FLOW	SIZE OF IMMIGRATION FLOW*
1 Pittsburgh, PA MSA	58%	14,356	1 Las Vegas, NV-AZ MSA	17%	35,385
2 Cincinnati-Hamilton, OH-KY-IN CMSA	52%	13,712	2 Greensboro-Winston Salem-High Point, NC MSA	22%	16,531
3 San Francisco-Oakland-San Jose, CA CMSA	49%	243,914	3 Phoenix-Mesa, AZ MSA	22%	71,681
4 Washington-Baltimore, DC-MD-VA-WV CMSA	49%	188,178	4 Grand Rapids-Muskegon-Holland, MI MSA	24%	9,969
5 Columbus, OH MSA	47%	19,417	5 Salt Lake City-Ogden, UT MSA	26%	23,502

EDUCATION, STATE-BY-STATE

Percent of Adults with College Degrees, 2000



immigrant workers tend to complement the brain gains from other parts of the U.S.

The impact of immigrants on metro area education profiles occurs most clearly in immigrant magnets like Los Angeles and New York. They're sustaining domestic migration losses at all education levels, and rely on immigrants for their demographic gain. Yet, it is here that immigrant growth at the education extremes is most dominant. So while Los Angeles is losing domestic migrants at all education levels, its immigrant flows are shaping a "barbell" pattern where gains are greatest for high school dropouts and college graduates. This mirrors the rising cost of middle-class living and domestic migration flight from highly urbanized regions, and may

lead to more sharply divided education and income profiles in these areas.

WINNERS AND LOSERS

Winners and losers in the competition for America's best and brightest migrants are still undecided. But the new census migration data provide clues. Fast-growing, suburbanizing Sun Belt hot spots like Atlanta, Phoenix, Las Vegas and Charlotte are making strides in bringing the South and West into knowledge-worker parity with more traditional brainiac centers on the urbanized coasts. While well-heeled knowledge workers can still afford to live in San Francisco, Boston, New York and Los Angeles, the allure of more affordable, new and family friendly growth centers in the Sun Belt appears to be turning the tide southward and inward for young

professionals, mid-career transplants, and well-off retirees. If there are losers, they are areas that suffer the double whammy of being located in the less attractive snowbelt, and maintaining ties to the old economy. Yet, these areas have seen success in attracting well educated immigrants who are more concerned with economic opportunity than sun, fun and big box suburbs. As the chase continues, as migrants become more discerning, and as the stakes continue to rise, it will be hard to track the game without a scorecard. ■

William H. Frey is a demographer at the Brookings Institution and Research Professor at the University of Michigan Population Studies Center. His Web site is www.frey-demographer.org

Source for all charts and maps: William H. Frey analysis of census data