Youth Flight

Are Housing Costs the Issue?

Illustration by Kirk Lyttle

by Elizabeth Humstone

A recent *New York Times* article on youth leaving Vermont elicited numerous comments from 18- to 20-somethings in the Green Mountain state. When asked why this once popular state is no longer their home of choice, they pointed to high housing costs, not enough diversity, limited higher-education choices, no nightlife, bad weather, and poor mobile-phone service. Chris Gignoux, a 26-year-old Vermont native, now in graduate school in St. Louis, says he wants to raise a family in his home state but worries he won't be able to afford a home there. An apartment similar to his St. Louis apartment would cost at least twice as much in Burlington.[1]

The Graying of New England

Although bad weather and lack of nightlife are not new, Vermont's population is aging, and that is exacerbating certain trends. According to the U.S. Census, Vermont's birth rate is the lowest in the country. Although Vermont has the highest number of colleges per capita, a disproportionate number of students attend college elsewhere (57 percent), and the percentage of graduates who return is declining.[2] The number of 20- to 34-year-olds in the state has shrunk by 19 percent since 1990, a more substantial decline than in the country as a whole. That could spell trouble for Vermont's higher education institutions, workforce, tax base, economic vitality, and creativity.

Vermont is not alone. As Neal Peirce and Curtis Johnson of the Citistates Group have written for the New England Futures project, "New England is already the nation's oldest region; by 2030 Maine, at 46.9 years median age, will be America's oldest state, and all six states older than the national average."[3] Meanwhile, the Southeast is attracting and retaining a young, skilled population. New England, though a bastion of higher education, had a net gain of 22,000 students (7 percent of total migration) in 2000 while the Southeast had a net gain of 96,000 students (25 percent of migration). [4]

New England's governors, business leaders, and educators are viewing this trend with alarm. What is the region's future without its youth? Where will tomorrow's workforce come from? Who will pay the taxes to support an aging population? Vermont's Governor James Douglas proposed funding for college scholarships with a postgraduate three-year residency requirement.

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In response the Vermont legislature set up a commission to develop a "Next Generation Initiative" with an appropriation of $5 million for scholarships. A program of the Maine Higher Education Consortium, "College for ME," aims to make its residents, including those already at work, the best educated in the country by 2019. The New England Board of Higher Education has initiated the College Ready New England program, designed to improve college attendance and completion rates regionally. And the New England Futures project has proposed strategies for colleges and universities to share resources, curb drop-outs, help immigrants become knowledge workers, and mentor graduates. Certainly, regional collaboration will be needed.

The Housing Issue

Why do so few youth who leave for college fail to return? Among the factors cited are a lack of cultural diversity and career opportunity. Peirce and Johnson also cite prices for home ownership and home rentals. "Soaring housing costs are fueling New England's youth exodus and its ability to attract new workers—white or blue collar," they write. "Massachusetts, Connecticut, Rhode Island, and New Hampshire rank among America's 10 least affordable states for renters." In addition, according to the National Association of Realtors, the median sale price of single-family homes in nine out of 11 of New England's metropolitan areas exceeds the national median by 15 percent to 120 percent. A Rhode Island housing group says that single-family homes are not affordable to families making $50,000 a year. Families making twice that are having trouble finding homes in nearly half the state's cities and towns.[5] Similar statistics are reported throughout New England.

High housing costs can lead to fewer jobs, too, because companies may relocate rather than pay higher salaries, and that further diminishes the opportunity for retaining youth. A 2005 New Hampshire study estimates that 1,300 to 2,800 jobs will be lost annually in the state if the tight housing market continues. The Vermont Housing Finance Agency found that "Vermont employers have come to see the rapid rise in housing costs as an economic concern, particularly in regard to the negative impact these costs have on companies' ability to hire and retain employees—and on employee performance."[6]

New England's elected officials, business leaders, and educators are taking action. In 2004, Massachusetts enacted Chapter 40R of the General Laws to increase the production of housing through financial incentives to

communities. Under 40R, communities designate zoning districts for high density, mixed-use development near town centers and transit stations—with 20 percent of housing units to be affordable. In return, they receive cash payments from the state.

Rhode Island requires communities to explicitly state in their plans how they will meet the housing needs of all income levels. Vermont and Connecticut have laws establishing housing and land-conservation trust funds to provide resources to nonprofits and municipalities to rehabilitate or construct buildings that can become affordable housing. Vermont's 20-year-old law has produced 8,000 perpetually affordable homes—about 3 percent of all year-round housing units.

Numerous models for encouraging affordable housing through regulations abound, but their use has not been widespread. Burlington, Vermont, requires that projects of more than five units make 15 percent affordable. To offset the additional costs to the developer, density bonuses are offered. Many communities are experimenting with smart-growth ordinances that provide high densities in designated growth areas featuring transportation and other services. Cambridge, Massachusetts, amended its zoning ordinance to allow higher density around transit stations.

Despite such efforts, opposition to housing projects still abounds, with neighbors worrying about traffic, loss of views, and possible cost increases for services. To counter this trend, the Vermont Smart Growth Collaborative—and similar organizations in other states—has housing-endorsement programs that provide certificates of endorsement and demonstrations of support at hearings for projects meeting smart-growth criteria. But it is too early to tell how successful they will be in increasing support for mixed-income and high-density housing.

Collaboration Is Key

In a positive development, more businesses are becoming involved. As a report for New Hampshire's Workforce Housing Task Force observes, "Concerned about their continued ability to retain workers and grow in the future, businesses are responding by offering relocation benefits, mortgage and rental assistance, and down-payment plans. They are also organizing in their communities to enact regulatory policies and practices which allow for the development of workforce housing," also called employer-assisted housing.[7]

Addressing the issue of youth flight in New England will take a concerted effort among governments, businesses, housing advocates, and educational institutions, and will require a regional strategy. Rather than tackle the challenges alone, the six states will gain more by sharing skills, tools, and experiences to come up with regional solutions. If New England is to thrive in the 21st century, retaining and attracting youth must be a priority.

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Endnotes

[1] Cathy Resmer, "What Do They Want Already? Some Young Vermonters Reveal What It Will Take to Keep Them Here," *Seven Days*, March 15-22, 2006, 26-27A.

[2] Pam Belluck, "Vermont Losing Prized Resource as Young Depart," *The New York Times*, sec. 1, March 4, 2006.

[3] Neal Peirce and Curtis Johnson, "Growth Gamble New England: New Century, New Game" (Montpelier, Vermont: New England Futures, 2006), http://www.newenglandfutures.org/issues/growth/article/.

[4] A.T. Kearney, *Sustainable Prosperity: An Agenda for New England* (Boston: New England Council, 2005), http://www.newenglandcouncil.com/atKearneyReport.php.

[5] Associated Press, "Report: Home Ownership Too Expensive for Most Rhode Island Families," *Providence Journal*, November 17, 2005.

[6] Vermont Housing Finance Agency, "Housing and the Vermont Economy," Issue Paper, Jan. 30, 2006.

[7] Lisa Shapiro, Heidi Kroll, Hannah Kelly, Housing New Hampshire's Workforce, NH Workforce Housing Council, March 28, 2005, p. 3. See also Anna Afshar, "Employer-Assisted Housing," *Community Developments*, issue 1 (Federal Reserve Bank of Boston, 2006).