



BACKGROUNDER: NEW MOVERS AND PURCHASING PATTERNS

Americans are on the move. According to statistics from the U.S. Census Bureau, approximately 40 million people in the United States – 14 percent of the population – move annually. Taking into consideration children through the age of 15, over 30 million different households change residence every year!

Who moves? Where do they move? Why do they move? How much money do they spend in the process of settling into their new homes, and what do they purchase? Below is an overview of residential migration trends in the United States.

Who is moving?

- Nearly one third of renters moved during the previous year.
- Approximately one third of 20- to 29-year-olds moved in the previous year, more than twice the rate of people in all other age groups.
- People aged 55 and over were more likely to move across state lines, with a median distance of 250 miles.
- Movers with bachelor's degrees were more likely to move longer distances. Twenty-three percent made interstate moves, compared to 15 percent of those with less than a high school education.
- Movers with graduate degrees were more likely to move 500 miles or more and were also least likely to move less than 50 miles.

Where are they moving?

- Fifty-nine percent of people moved within the same county, 38 percent moved to a different county or state, and three percent moved from abroad.
- Nineteen percent of people moved to a different state, up from 16 percent in 1994.
- The median distance of a move to another county or state was 160 miles.
- The South and the West experienced net gains in domestic migration, while the Northeast and the Midwest showed net losses.

Why are they moving?

- Fifty-one percent of people moved for housing-related reasons, 26 percent moved for family-related reasons, and 16 percent moved for work-related reasons.
- Of those people who moved for housing-related reasons, most cited the desire to “own a home, not rent” and a “new/better house or apartment” as reasons for moving.
- Long distance moves were more likely made for work-related reasons. Thirty-eight percent of work-related moves were 500 miles or more.
- Highly educated movers were more likely to make longer distance moves for work-related reasons.¹

New Movers and Purchasing Patterns Continued...

The 2004 National Association of Realtors® Survey of Home Buyers and Sellers indicates that, of the millions of people who moved because they purchased homes, 40 percent were first-time homebuyers.

The survey found these additional insights.

- The typical first-time homebuyer was 32 years old with a household income of \$54,500. The typical repeat buyer was 45 years old with a household income of \$79,100.
- Married couples purchased 62 percent, single women purchased 18 percent, single men purchased eight percent, and unmarried couples purchased nine percent of homes.
- Existing homes accounted for 79 percent of transactions, and newly built homes accounted for 21 percent of purchases.²

Moving is expensive. According to a survey of relocating Americans, the average new homeowner spends more than \$9,000 on purchases within the first few months of a move, and the average renter spends close to \$4,000. Following are other highlights of the survey.

- During the survey period, Americans spent \$102 billion on move-related goods.
- Within several weeks of their moves, nearly 60 percent of homeowners and 40 percent of renters purchase furniture.
- Thirty-five percent of homeowners and 40 percent of renters purchase bedding.
- More than half of homeowners purchase at least one appliance, and more than one third purchase flooring.
- Nearly half of homeowners purchase home decorations and accents.
- Approximately one third of homeowners purchase telephone equipment, lawn equipment, home entertainment equipment and tools/hardware.
- About 15 percent of homeowners purchase computers, home security devices/services and automobiles.³

New residents are actively looking for places to conduct business. DFT Marketing offers these statistics on new residents and their purchasing decisions.

- New residents establish an average of 71 new business relationships in their first few months in a new community.
- New residents spend 60 percent more in their first year of residency than in any other year, an amount that does not include real estate purchases.⁴

¹ Annual Social and Economic Supplement (ASEC) to the 2003 Current Population Survey, U.S. Census Bureau

² 2004 National Association of Realtors Profile of Home Buyers and Sellers

³ Atlantic Research and Consulting, Inc., and movecentral.com; Source: realtytimes.com

⁴ DFT Marketing, Ft. Worth, Texas; Source: Greater Tampa Chamber of Commerce

#