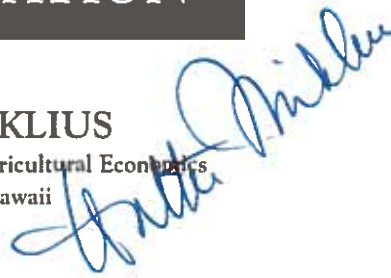


CHAPTER 36

OUT MIGRATION

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*“If Hawaii is paradise,
why do so many
people leave?”*

How many people actually leave Hawaii each year? I called Bob Schmitt, the recently retired state statistician, who knows just about everything about Hawaii. He told me that no one really knows. I also called Bob Gardner at the East-West Center's Program on Population. He's the resident *guru* when it comes to Hawaii's population. It turned out that he, too, didn't know. The data simply do not exist.

As long as no one knows for sure how many people move from Hawaii each year, I thought I'd try to make an educated guess. To do so, I looked at a survey conducted by the State Department of Health that asks lots of nosey questions, including how likely it is that the respondent will be living some place other than Hawaii one year hence. Those who indicated on the most recent survey that they might leave Hawaii were distributed as follows:

- | | |
|---|--------|
| • Some possibility of living elsewhere | 18,344 |
| • A good chance of living elsewhere | 6,954 |
| • Almost certain to be living elsewhere | 15,197 |

Of course, we have no idea whether these people actually moved. But to estimate how many of them moved, I assumed a 25 percent probability that the respondents in the first group moved (that's a pretty small probability); 50 percent probability for the second group; and 90 percent probability for the third group. The math worked out to 21,740 people, close to 2 percent of Hawaii's total population.

Real estate developer Stuart T.K. Ho (at exactly the same time, but unbeknownst to me) tried to answer the same question by analyzing driver's license data from California, Washington, Oregon and Nevada. Basically, he multiplied the number of Hawaii licenses surrendered in these four states in 1990 by 150 percent (total population divided by the number old enough to get a driver's license), and then subtracted 40 percent of the estimated number of military and dependents moving from Hawaii that year (no one keeps track of where they all go, and an assumption that 40 percent go to these four states sounds reasonable to me). The resulting number (10,865) was almost exactly 1 percent of the 1990 Hawaii population. If we assume that, say, 50 percent moved to one of the other 45 states or the District of Columbia, we end up real close to the same 2 percent figure I arrived at.

For 2 percent of a civilian population to move annually from any place, much less a place like Hawaii where the costs of moving are especially high, is noteworthy.

Classic study. Why would all of these people leave? A classic 1956 study concluded that residents of any community sufficiently dissatisfied with the taxes they have to pay or the quality of public services they receive will "vote with their feet" (move) to states with lower taxes or better public services. High taxes undoubtedly play a part in decisions to leave Hawaii. It is hardly a coincidence that a substantial number move to Nevada, a state with low taxes on residents. However, it is unlikely that taxes are the principal reason why people leave Hawaii.

Moving from one place to another place is never easy. And the total cost of moving from Hawaii is much higher than of moving from one place to another place on the Mainland. That big ocean separating Hawaii from every place else magnifies the emotional and psychological pain, as well as the financial cost. For this reason, I doubt that high taxes or poor government services were important enough reasons for the majority of these people to warrant moving from Hawaii.

The likelihood of a move is much higher at certain times in life. One such time is when a person graduates from high school and goes to a mainland college. This student is much more likely to stay on the Mainland because he or she already has paid part of the costs of moving. (Again, the costs are emotional and psychological as well as financial.) Consequently, it is likely that a significant portion of the 2 percent moving from Hawaii each year are at this early stage of adult life.

Hawaii's brain drain. It is widely believed that Hawaii's best and brightest students go to college or postgraduate school on the Mainland. If this is true (and I believe it is), Hawaii may very well have a brain drain problem like that commonly found in third-world countries.

The decision not to return to Hawaii is reinforced by the lack of demand for skilled labor here. Our local economy is dominated by low-wage service industries—primarily tourism—that employ mostly unskilled labor. Skilled people, such as engineers, typically must leave Hawaii to find financially rewarding jobs. Stated another way, Hawaii's lack of diversification means many young people cannot find jobs in Hawaii that match their skills or aspirations.

No one, to my knowledge, has really looked at the size of the brain drain. So I called Punahou School and asked for information on what happened to its 1981 graduating class. Eleven years is certainly long enough for virtually everyone in the class to have finished school. Of the 422 students who graduated from Punahou that year, 78 percent (328) went to mainland colleges, 15 percent (65) attended college in Hawaii, and the post-secondary education actions of the remaining 7 percent (29) were unknown. Of those who went to the Mainland, 53 percent (175) settled there. Of the 65 graduates who stayed in Hawaii to study, 25 percent (16) later moved away.

It would be interesting to contrast Punahou's record with similar statistics for a public high school. I called the principals of several to get similar data, but learned they don't have such records.

My guess is that Punahou graduates have a much higher propensity to leave Hawaii and, once having left, are much less likely to return. Punahou is not the only excellent private school in Hawaii, and its experiences probably parallel those of other first-rate schools.

However, the questioner probably isn't talking about the outflow of talented young people from Hawaii. That has been going on for years.

What's been receiving a lot of publicity recently is the out-migration of nonstudents. My own observation is that the propensity to leave Hawaii is particularly high among retirees. This may surprise some since many retirees own their home and therefore are not directly affected by the high cost of housing. Plus, a touted advantage of retiring here is that Hawaii doesn't tax retirement income.

The propensity for people to leave Hawaii upon retirement can be explained partly by the fact that retirement is another point in one's life when relocation costs are low. There is no job to leave, and children may have already moved to the Mainland. Moreover, Hawaii's high cost of living is an inducement to leave. People on lower retirement incomes quickly realize that their dollars stretch farther on the Mainland.

Cashing in. A major factor in the decision to move often is the high cost of housing in Hawaii, even for retirees who own their homes and already have paid off the mortgage. Why would these people have reason to sell? The answer is simple: You can stay in your small home in Hawaii and have little cash, or you can live in a nicer home elsewhere and have extra cash for travel, hobbies, loans to the kids, etc.

In short, at that stage of life it makes a lot of sense to sell the Hawaii house, buy or rent a cheaper place on the Mainland, and enjoy a better balance between what you "spend" on housing and what you spend on everything else.

So, does Hawaii's out-migration consist primarily of college-bound kids and soon-to-be retirees like me? Several years ago I would have answered "yes," but that has changed.

Sky-high living costs (including record highs in real estate) and relatively unattractive job opportunities have combined to cause many "in-betweeners," who otherwise love Hawaii, to move despite the high costs of doing so. As the following "Letter to the Editor" indicates, at least some are happy with their decision. Those of you who remain better think through the social implications of having 2 percent of an entire civilian population move out each year (even if it is more than replaced by natural increase and in-migration). What's propelling that 2 percent had better get proper attention before it's too late.

Aloha nui loa, and will the last kamaaina out please turn out the lights?

Their paradise is not in Hawaii

We have waited for six months to write this letter, waiting to see if our feelings would change, they haven't. If anything they have been reinforced by "Hawaiian egotism," the belief that "Hawaii no ka oi!"

My husband, a Molokai-born Hawaiian and myself, a "haole" spending half my life in Hawaii, were part of the "great white flight" this spring. We left behind our children, brothers, sisters and wonderful friends in order to find a better quality of life and thankfully we found it.

We now own a wonderful "affordable" home that by Hawaii standards would be unaffordable. Our grocery bill has been reduced by one-third (would you believe, \$1.50 a gallon for milk ... no wonder Maurice Sullivan has such fabulous houses). We can jump in our car and be in the mountains or at the beach in less time than it takes to go from Kahala to Hawaii Kai rush hour! And there are plenty of fine restaurants to get the "exotic" foods we are used to.

Our only regret—we didn't make our move to the mainland sooner. We have found that most transplanted Hawaiians feel the same way and there are lots of us up here.

The people here practice the "aloha spirit" daily from giving helpful advice on how to winterize our pool, to where to get good "seasoned firewood," to the best wineries to visit and great customer service is top priority at most businesses.

Don't get us wrong, we do miss our friends and family, the balmy breezes, swaying palms and blue ocean, Joe Moore and Longs, but it is a relief to not have to deal with round-the-clock traffic, politicians with questionable regard for their constituents and the cost of living that requires most people to work two jobs to barely make ends meet.

We just want other people to know that there is life outside Hawaii ... the good life!

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