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Hibbs Brief

Hibbs Institute for Business & Economic Research

Domestic Migration in the Post-Pandemic Era–Net Gain or Loss?

By Manuel Reyes and Cecilia Cuellar

In this issue of the **Hibbs Brief**, we explore population mobility trends (*domestic migration*) in the United States during the post-pandemic era. We also examine how these changes in population trends can impact regional economies such as Smith County.

Domestic migration is a metric commonly used in public policy by demographers and other social scientists. It refers to inflows and outflows of people moving from one region to another within the same country. The net gain or loss of population, or *net domestic migration*, within a given area or region over a certain period (usually a year) conveys important information for public policy decisions.

In 2022, people tended to move toward states with lower living costs and emerging job markets.¹ For instance, the Southwest and Southeast have seen a steady influx of new residents, particularly in states like Florida, Texas and North Carolina. Texas had a net domestic migration gain of 475,252 between 2020 and 2022.² This number was the second largest of all states in the nation, only after Florida with a net gain of 622,476. In contrast, areas with high living costs, such as New York and California, have experienced a net population loss. In California, a net loss of 871,127 residents was estimated, while a net loss of 664,921 residents was estimated in New York. **Table 1** shows all 50 states and the District of Columbia.³

On a regional level, the mobility trends data suggest that West Texas has experienced a net loss of residents while East Texas has experienced an increase in residents. **Figure 1** shows the change in population attributed to domestic migration within three years (2020, 2021 and 2022) by county in Texas. Kaufman County is on top of the list with 17.2% (25,334) new residents since the pandemic. Comal County follows with 14.4% (23,643), then Rockwall, Parker, and Kendall with 13.3% (14,508), 11.5% (17,163), and 10.8% (4,799), respectively. Smith County is 76th (out of 254 counties) on the list with 3.4% (7,900) new residents.⁴

**Table 1. Net Domestic Migration
by State (2020–2022)**

	Individuals	Percentage
Florida	622,476	2.1%
Texas	475,252	2.2%
North Carolina	211,867	2.0%
Arizona	182,362	1.7%
South Carolina	165,948	2.3%
Tennessee	146,403	2.9%
Georgia	128,089	1.8%
Idaho	88,647	2.7%
Alabama	65,355	3.5%
Oklahoma	56,807	1.8%
Nevada	56,317	0.7%
Utah	47,125	0.8%
Montana	39,041	1.0%
Arkansas	38,055	0.4%
Maine	30,642	0.5%
Delaware	27,119	0.5%
Indiana	22,694	2.1%
Missouri	20,233	0.7%
Colorado	17,984	0.5%
New Hampshire	16,038	1.6%
South Dakota	14,711	0.2%
Kentucky	14,102	1.6%
Vermont	5,893	0.4%
Wyoming	4,356	0.3%
West Virginia	2,460	0.1%
Connecticut	-76	0.0%
Oregon	-776	0.0%
New Mexico	-5,058	-0.1%
Rhode Island	-5,281	-0.8%
Iowa	-6,877	-1.2%
North Dakota	-7,186	-1.1%
Washington	-7,376	-1.0%
Nebraska	-11,108	-1.4%
Wisconsin	-11,383	-0.4%
Mississippi	-11,408	-1.0%
Alaska	-11,412	-0.2%
Kansas	-14,392	-0.3%
Pennsylvania	-16,218	-0.8%
District of Columbia	-26,210	-0.4%
Hawaii	-29,684	-0.3%
Virginia	-29,775	-2.1%
Minnesota	-37,377	-0.5%
Ohio	-39,915	-2.2%
Michigan	-43,188	-1.5%
Maryland	-68,287	-0.5%
Louisiana	-80,278	-0.8%
New Jersey	-107,749	-0.9%
Massachusetts	-110,866	-2.4%
Illinois	-282,048	-2.2%
New York	-664,921	-3.3%
California	-871,127	-2.2%

In **Figure 1**, we can observe a recent pattern of net migration. Counties that gained a large number of new residents are close to some of the more renowned and highly populated cities in Texas, such as Austin, Dallas, Fort Worth and San Antonio. Interestingly, there is a preference for moving to the suburban areas of large cities. A net domestic migration may result in some positive economic impacts at the regional level. It makes more sense when we pay attention to the reasoning behind the population mobility we are exploring in this piece: migrants from other states seeking lower costs of living.

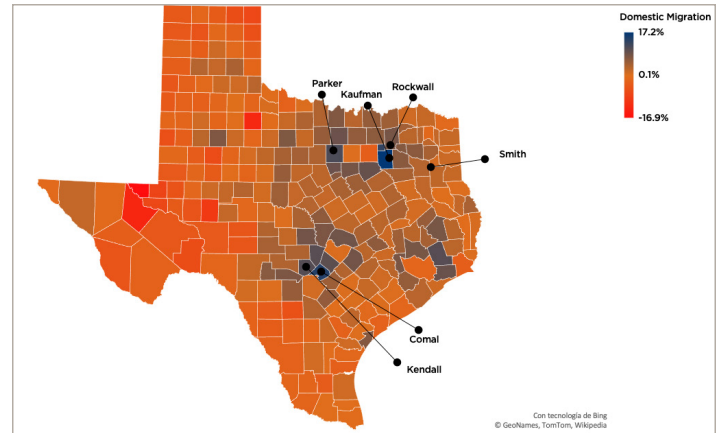
The **Hibbs Institute** has conducted a brief evaluation of the ripple effects in local economic activity derived from a boost in local consumption attributed to an increase in population mobility in Texas and Smith County. We took into account two considerations when conducting our estimates:

1. We assumed that most of the people migrating from other states, such as California or New York, are either working remotely, economically stable or affluent with an income at least equal⁵ to Texas and Smith County's median household income (\$67,321 and \$62,518, respectively).
2. We divided the number of domestic migrants by the national average household size (3.13).⁶

Estimates suggest that the inflow of people attributed to domestic migration from 2020 to 2022 will generate \$14.3 billion additional dollars to the state economy and will support 77,500 jobs in Texas. Similarly, Smith County shows an economic impact of \$141.1 million and 892 jobs associated with net migration gains in the post-pandemic era.

On the flip side, when individuals move to new locations, they can cause a surge in demand for products and services that may drive up local prices at the new location. One common example is housing prices. A large inflow of residents moving to a new location may cause an increase in housing prices due to a market imbalance (more houses needed than available). This effect is also observable within large cities and metropolitan areas. During the post-pandemic era, many individuals

Figure 1. Texas Net Domestic Migration: Gains and Losses of Population (2020–2022)



Note: Population change attributed to net domestic migration from 2020 to 2022.
Source: Hibbs Institute estimates using data from the U.S. Census Bureau.

decided to work remotely and relocate their families not only to other states but also to suburban areas within the area where they reside, which impacts housing prices. The rise in suburban housing prices because of people moving from city centers to suburban areas within the same location is a popular phenomenon called the “donut effect.”⁷

It seems evident that the post-pandemic era has brought changes in population mobility trends, particularly in terms of domestic migration. The recent surge in remote work opportunities has enabled people to relocate to areas with more affordable living costs, such as the suburbs or smaller cities.⁸ People are now more concerned about finding areas that offer economic stability and better job prospects rather than prioritizing factors such as proximity to major cities or cultural amenities. Ultimately, these changes in population mobility trends have important implications for local economies, housing markets and public policy, highlighting the need for policymakers to pay close attention to these trends and their impact on communities.

¹ Thorsby, Devon. (2022). "Why Huntsville Is the Best Place to Live in the U.S. in 2022-23". US News & World Report.
<https://realestate.usnews.com/real-estate/articles/why-huntsville-is-the-best-place-to-live-in-the-u-s-in-2022-23>

² According to the US Census, net domestic migration in Texas (475,252) accounts for about 60% of total increase in population in 2020, 2021 and 2022 in the state (797,098).

³ U.S. Census Bureau, Vintage 2022. Annual Population Estimates, Estimated Components of Resident Population Change, and Rates of the Components of Resident Population Change for the United States, States, District of Columbia, and Puerto Rico: April 1, 2020 to July 1, 2022 (NST-EST2022-ALLDATA)

⁴ U.S. Census Bureau, Vintage 2022. Annual Population Estimates, Estimated Components of Resident Population Change, and Rates of the Components of Resident Population Change for the United States, States, District of Columbia, and Puerto Rico: April 1, 2020 to July 1, 2022 (NST-EST2022-ALLDATA)

⁵ We know that the median household income in California and New York, as well as other states with high net migration loss, is higher than in Texas, but we like to be conservative in our estimates.

⁶ Statista.com. Average number of people per family in the United States from 1960 to 2022.
<https://www.statista.com/statistics/183657/average-size-of-a-family-in-the-us/#:~:text=As%20of%202021%2C%20the%20U.S.,from%203.7%20in%20the%201960s.>

⁷ Ramani, Arjun, and Bloom, Nicholas. (2021). "The donut effect: How COVID-19 shapes real estate" ; Stanford Institute for Economic Policy Research (SIEPR).
<https://siepr.stanford.edu/publications/policy-brief/donut-effect-how-covid-19-shapes-real-estate>

⁸ Florida, R., Rodríguez-Pose, A., & Storper, M. (2021). Cities in a post-COVID world. Urban Studies, 00420980211018072.

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