

## Gone to Texas:

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Migration Vital to Growth  
in the Lone Star State

**Pia Orrenius**  
Federal Reserve Bank of Dallas  
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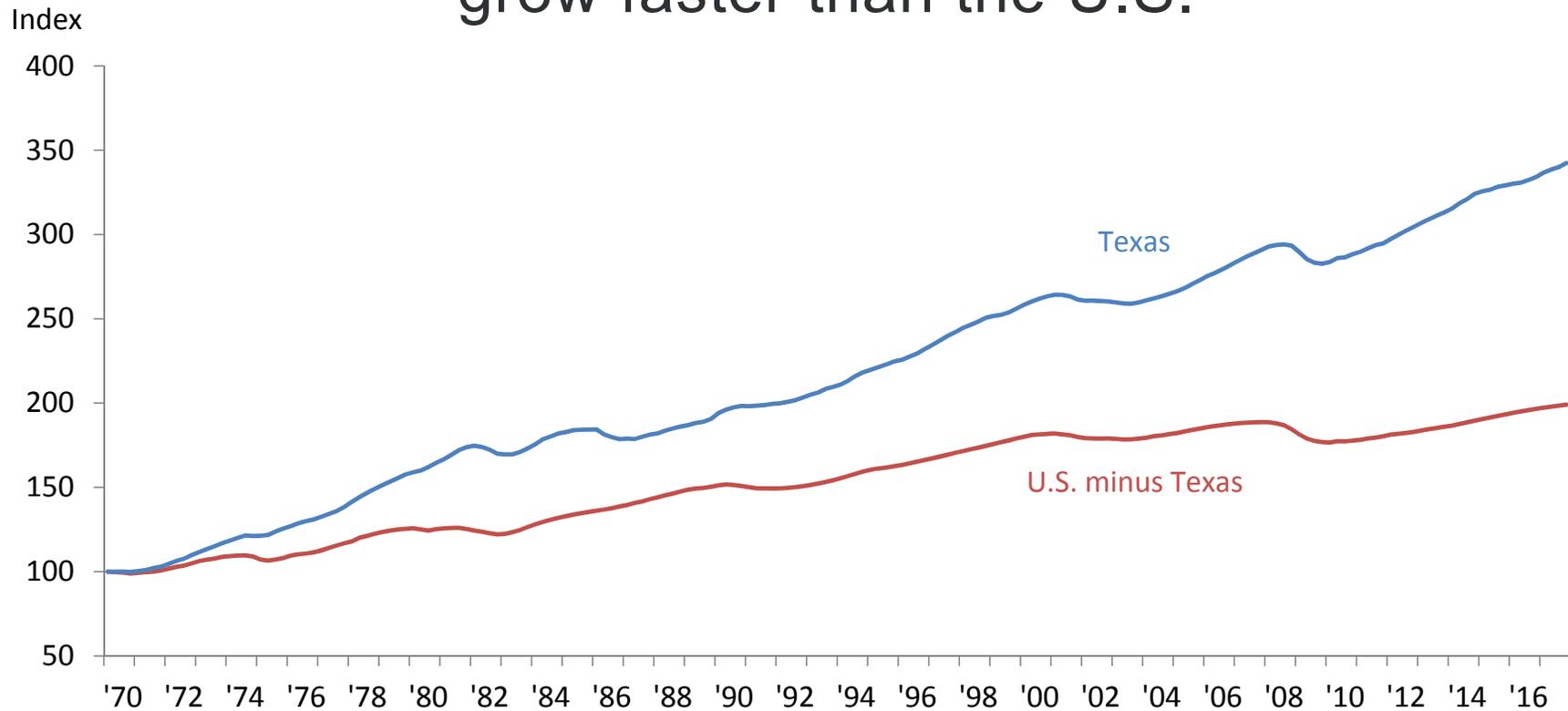
# Roadmap

- History/Trends in migration to Texas
  - Role in economic growth
- Domestic migration
- International migration
- Characteristics of migrants
- Migrants in the labor market
- Outlook: Role of demographics

# History of migration to Texas

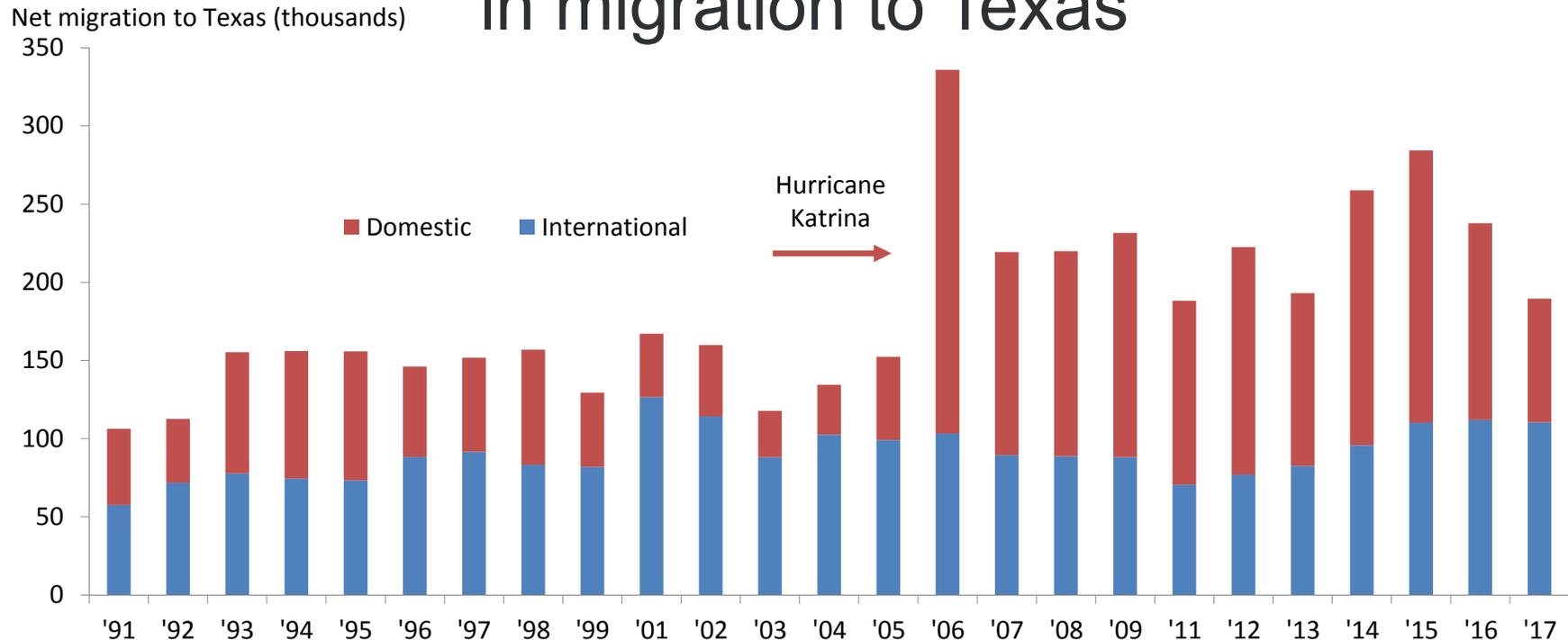
- For most of its history, Texas has attracted settlers from the rest of the nation rather than abroad
  - Immigrants did not begin to settle in Texas until late 1970s and 1980s
  - Texas' immigrant share of the population didn't surpass that of nation until late 1980s
- Before the 1980s oil bust
  - State economy was 'cotton, cattle and oil'
  - Migration was largely low-skilled
- Bust provided impetus for the diversification of Texas' economy
  - Enter age of rising high-skilled migration

# With migration, Texas employment can consistently grow faster than the U.S.



NOTES: Indexed to first quarter 1970 = 100. Underlying series are seasonally adjusted. Partial fourth quarter 2017 based on Oct. - Nov.  
SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; authors' calculations.

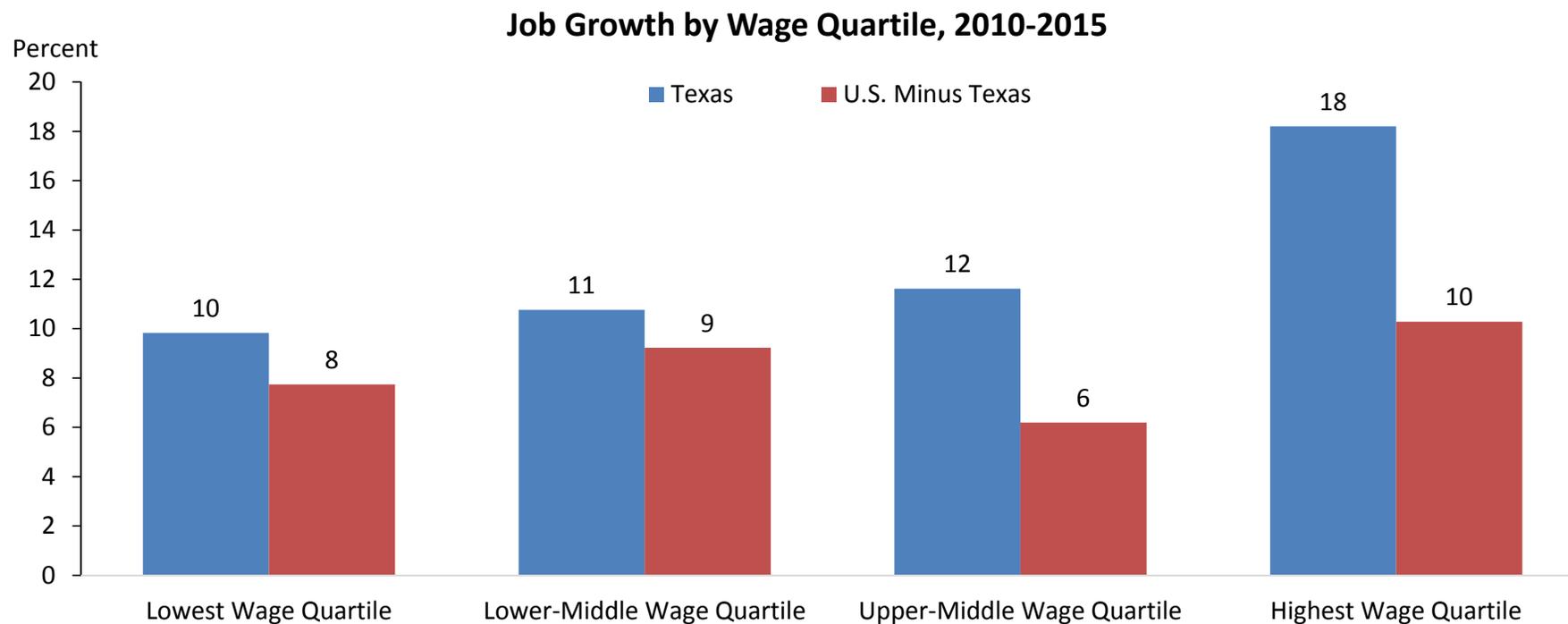
# Most recent decade saw an unexpected surge in migration to Texas



NOTES: Census Bureau population estimates approximate the population on July 1 of the year indicated and, thus, capture changes from the previous year. Data not available for decennial census years, 2000 and 2010.

SOURCE: U.S. Census Bureau.

# Broad-based job growth in Texas' post-recession recovery



NOTES: Calculations include workers over age 15 with positive wages and exclude the self-employed. Quartiles based on the Texas and US wage distributions from the 2011 ACS, which refers to 2010 wages.

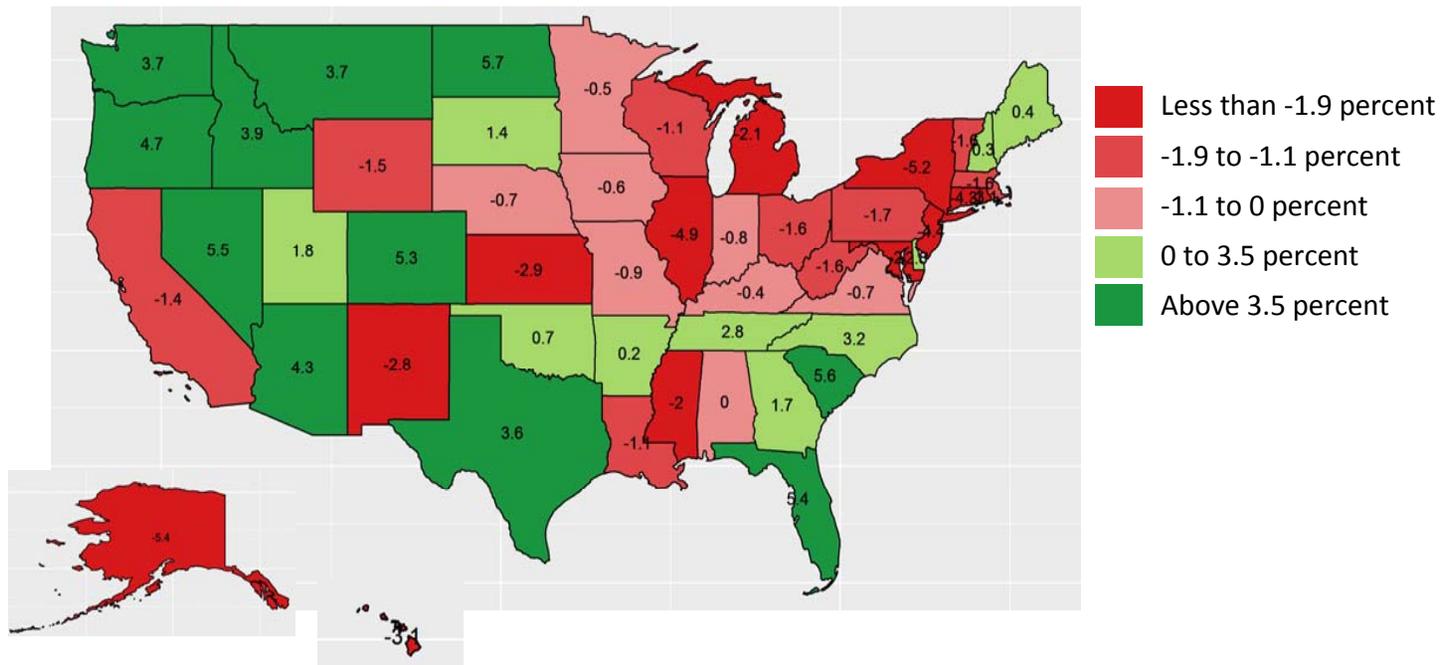
SOURCES: 2011 ACS; 2016 ACS.

# Domestic Migration

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# Among most-populous states, domestic migration additive in only Texas, Florida

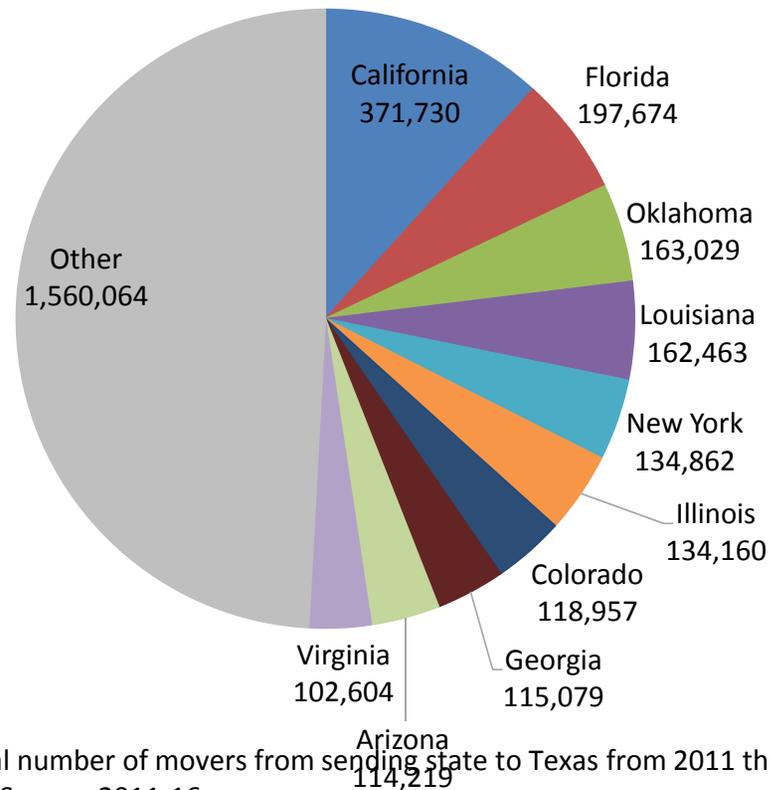
Cumulative Net Domestic Migration by State as Percent of 2010 Population



NOTE: Chart labels show accumulated net domestic migration from July 2010 to July 2017 as a percent of population in 2010.  
 SOURCE: Census Bureau.

# Domestic migrants to Texas come from variety of states

Cumulative Gross Domestic Migration to Texas by Sending State



NOTE: Pie-slice labels show total number of movers from sending state to Texas from 2011 through 2016.  
SOURCE: American Community Survey, 2011-16.

## Reason for migrating to Texas versus elsewhere

Reason (%)	Texas	Non-Texas
Relocated for job	53	43
Family Reasons	24	27
Amenities	20	25

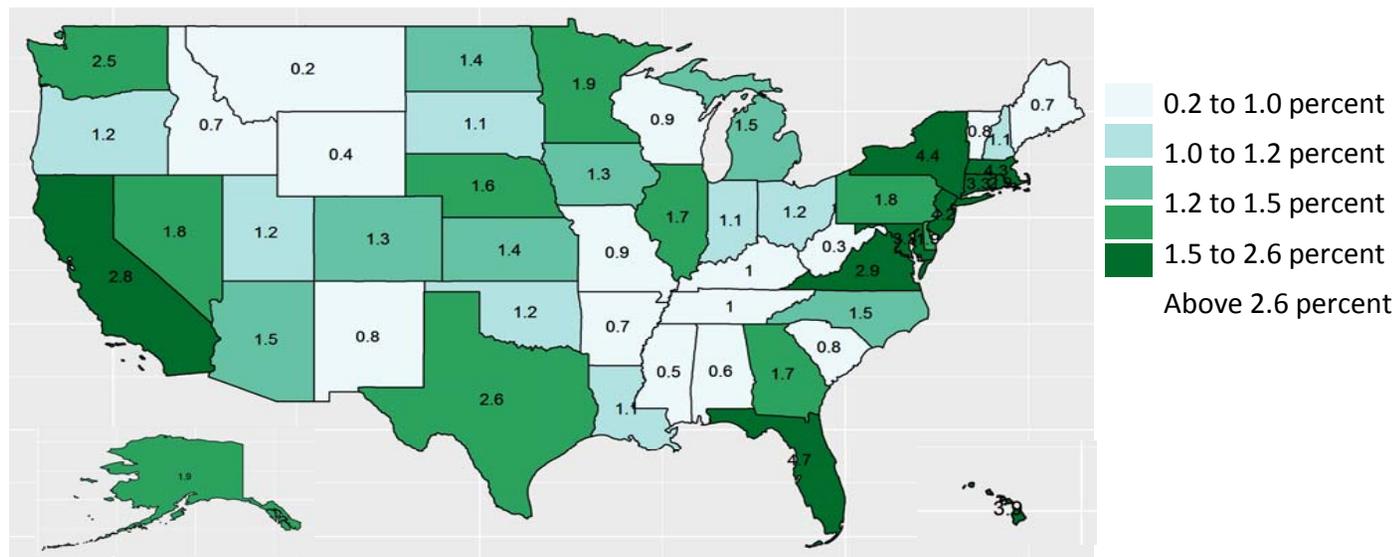
SOURCE: March CPS, 2011-2016

# International Migration

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# International migration flows mostly to populous coastal states

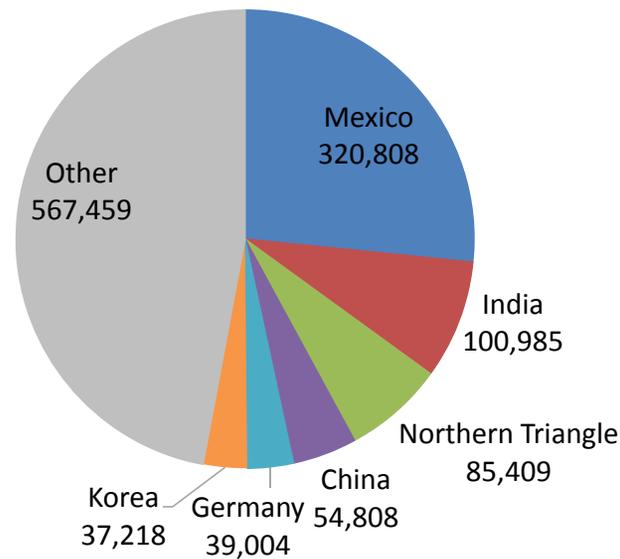
Cumulative Net International Migration by State as Percent of 2010 Population



NOTE: Chart labels show accumulated net international migration from July 2010 through July 2017 as a percent of population in 2010.  
 SOURCE: Census Bureau.

# Mexico accounts for over a quarter of international migration to Texas, low numbers by historical standards

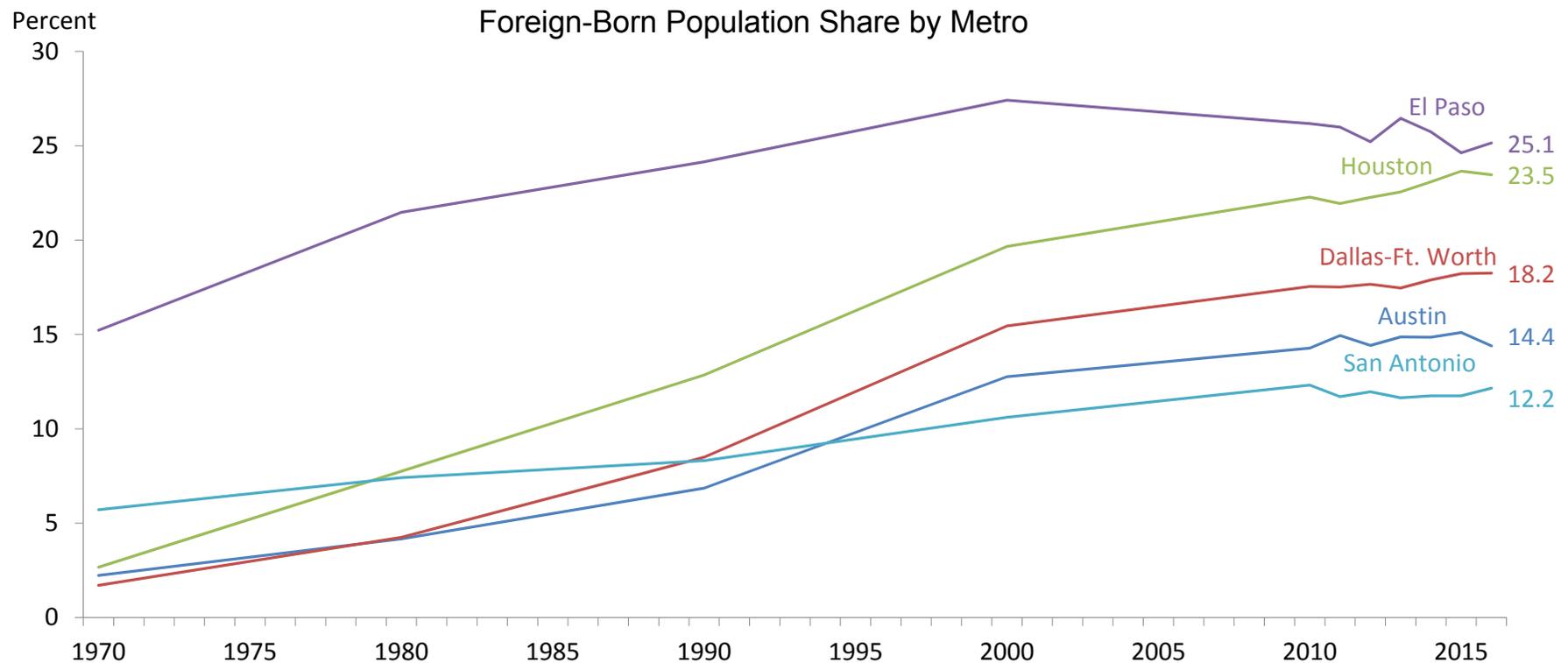
Cumulative Gross International Migration to Texas by Country of Origin



NOTES: Pie-slice labels show total number of movers from sending region to Texas from 2011 through 2016. Northern Triangle is El Salvador, Guatemala and Honduras.

SOURCE: American Community Survey, 2011-16.

# Texas' 'interior' metros become global destinations



NOTES: Depicts foreign-born population share. Geographic scope of metros has changed over time, most recently in 2013.  
SOURCES: 1970-2000 Census; 2010 through 2016 American Community Survey 1-year estimates.

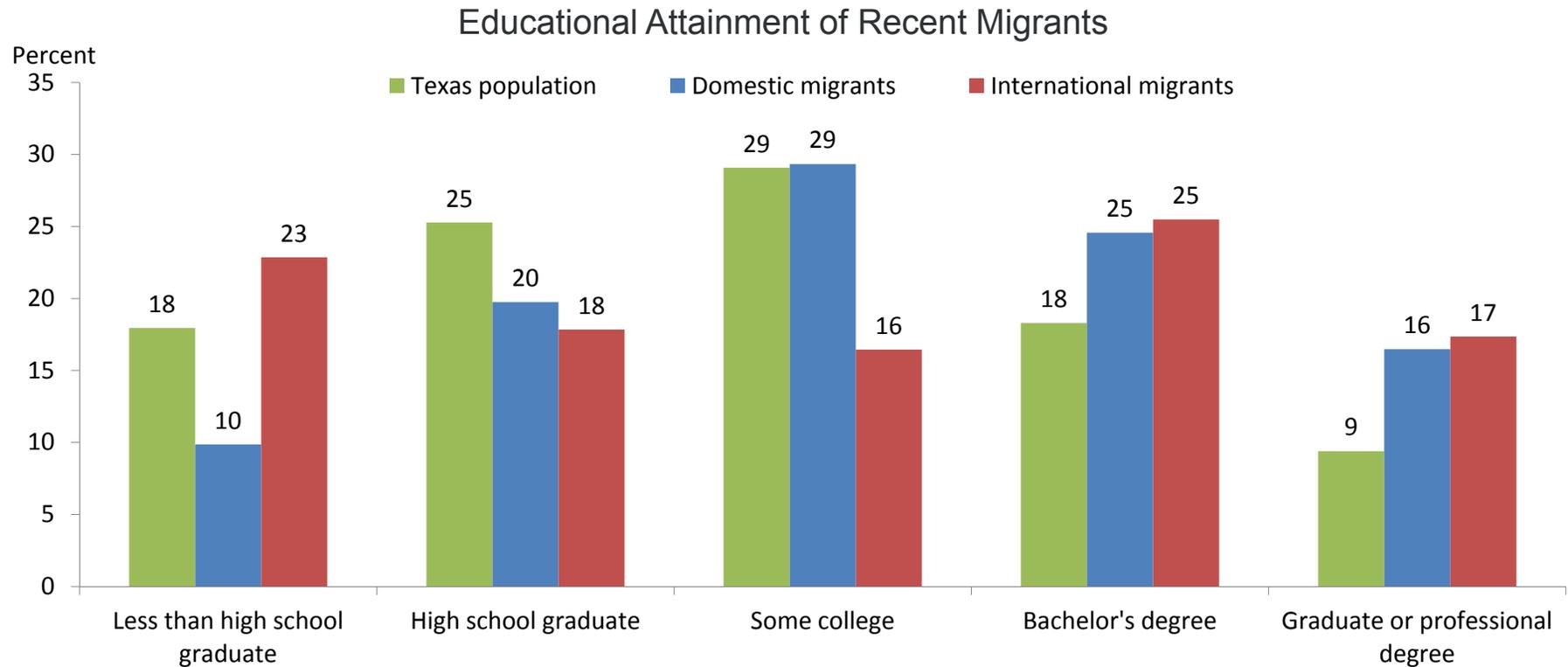
# Characteristics of Migrants

# What do they bring?

## Characteristics of Texas migrants

- Domestic migrants
  - Significantly more likely to be college-educated
  - Otherwise similar to natives in Texas
- Immigrants
  - Likely to live in urban areas and much more likely than natives to be in their prime working years
  - Concentrated at the top and especially the bottom of the education distribution and in certain occupations
  - Higher employment rates than natives and than immigrants in the rest of the nation

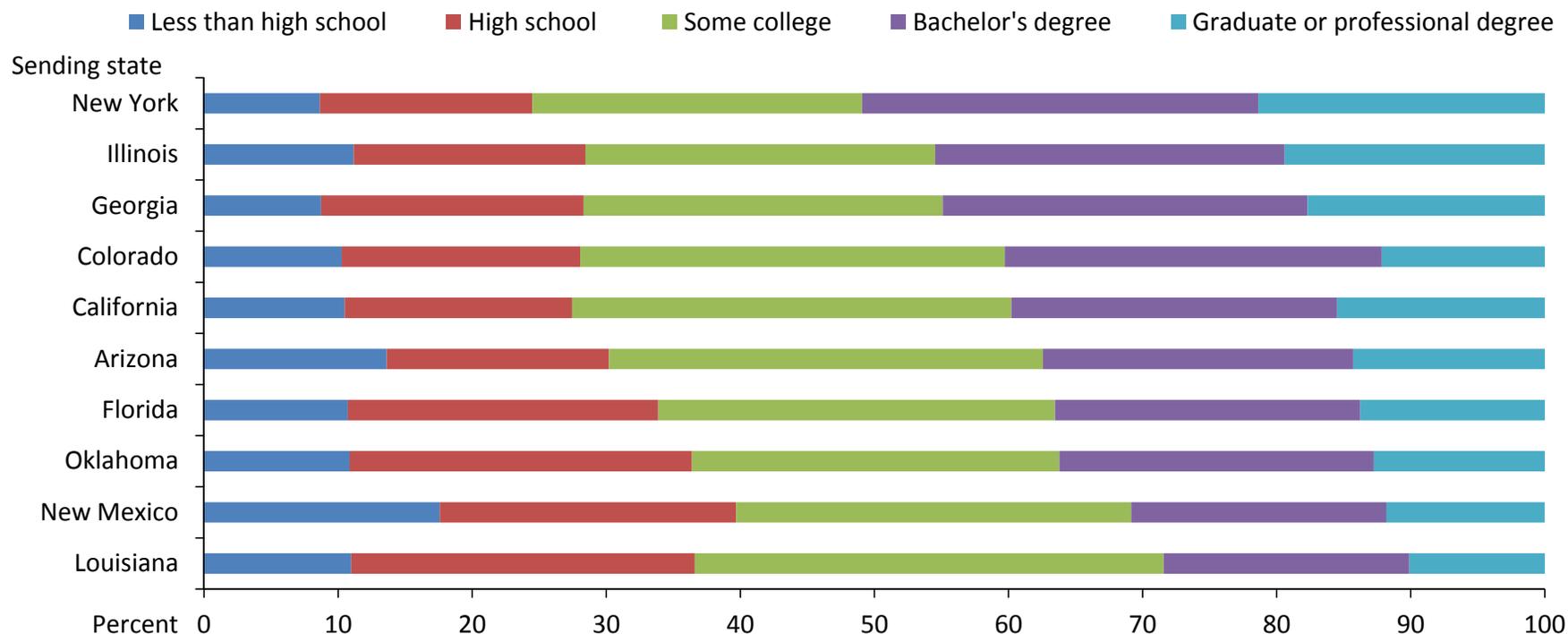
# Brain Gain: New arrivals a key source of skilled workers for Texas



NOTE: Calculations include individuals ages 25 and over who moved to the state during the 12 months prior to being surveyed.

SOURCE: American Community Survey, 2011-16.

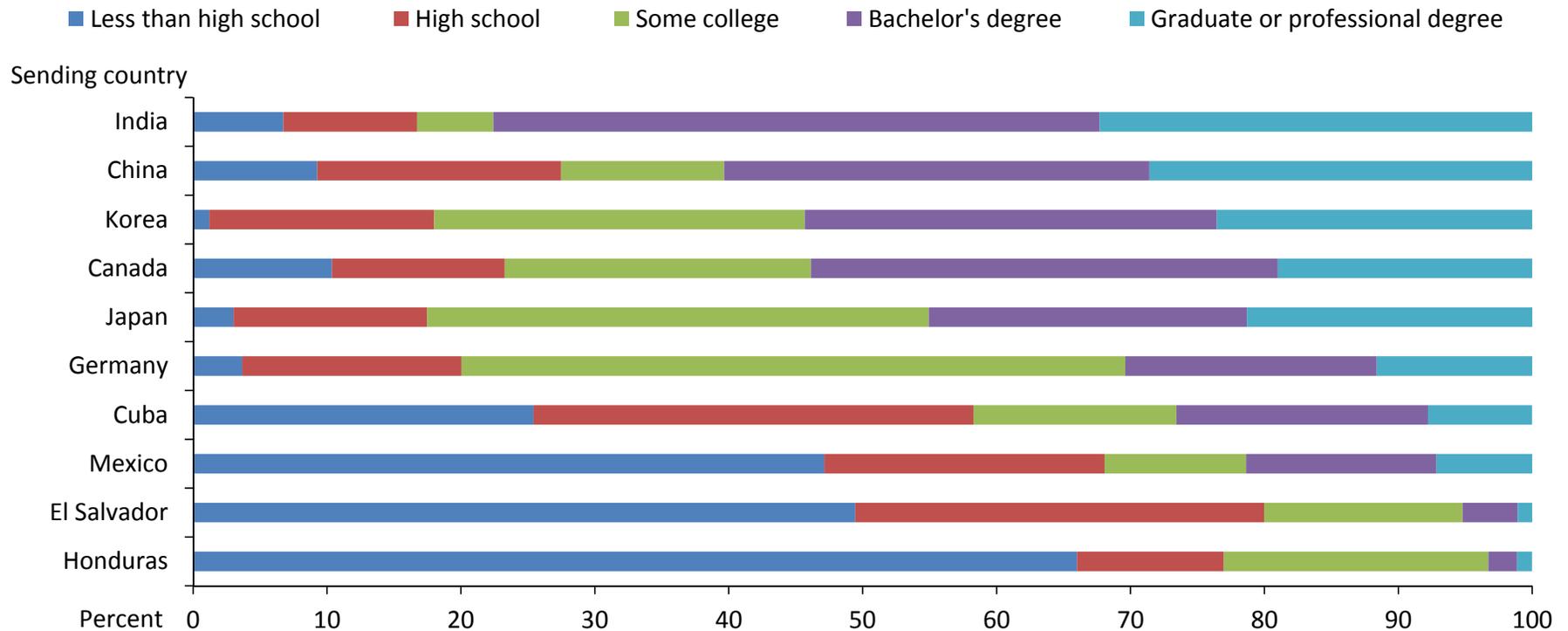
# Domestic migrants' educational attainment by sending state



NOTES: Chart shows education levels of migrants age 25 or older who moved in the past year from each state to Texas. Included are the top 10 states by total population over 25 that moved to Texas in the past year.

SOURCE: American Community Survey, 2011-16.

# International migrants' educational attainment by country of birth



NOTES: Chart shows education levels of immigrants age 25 or older who moved in the past year from each country to Texas. Included are the top 10 countries by total population over 25 that moved to Texas in the past year.

SOURCE: American Community Survey, 2011-16.

# Migrants in the Labor Market

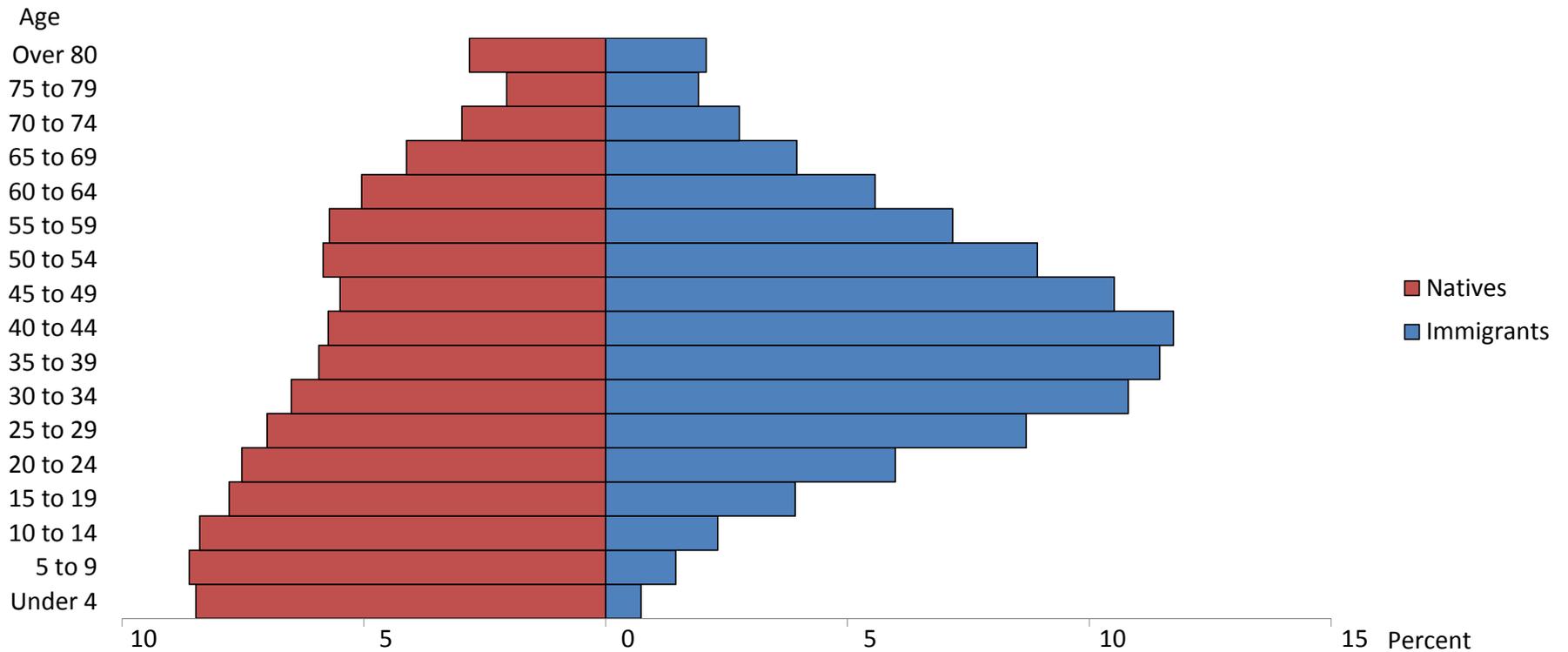
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# Economic effects of migration on destination

- Migration increases the labor force
  - Increasingly important in light of aging trend
- Native population benefits through lower prices of migrant-produced goods and services, higher returns on capital and land
- Increased specialization leads to higher productivity
- Texas migrants' success does not appear to have come at natives' expense
  - Migration endogenous to growth, relieves bottlenecks and accompanied by capital inflows

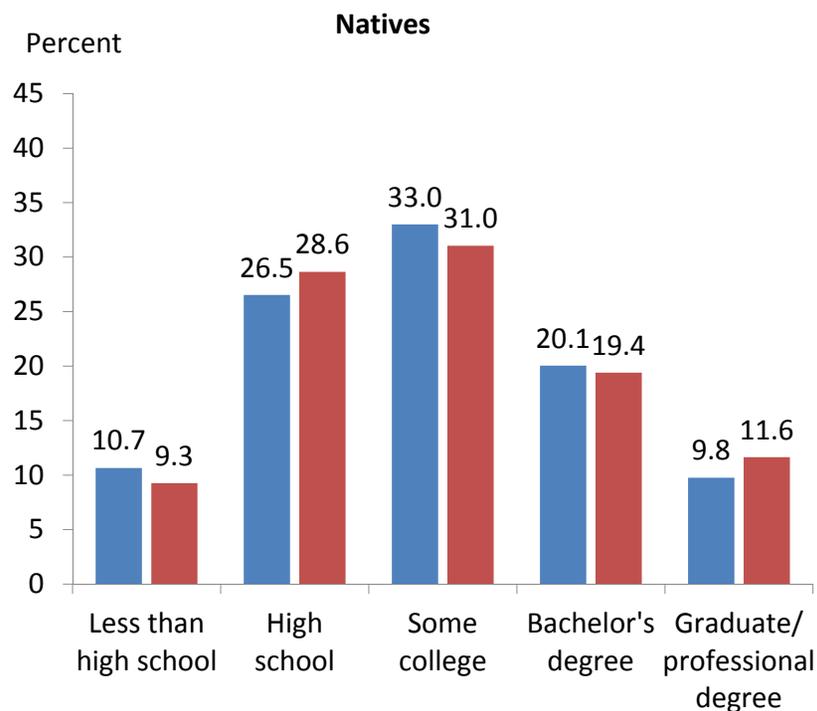
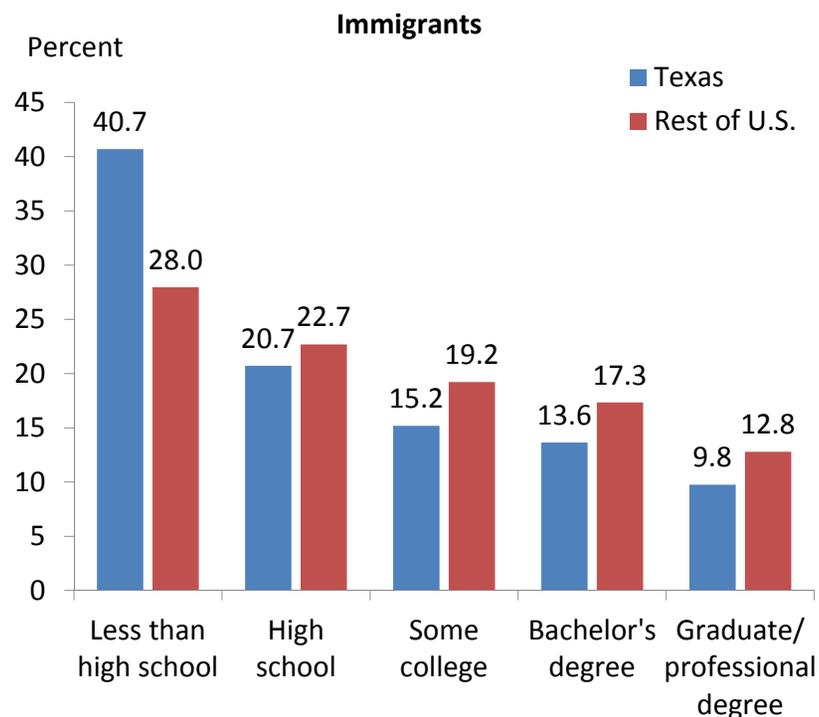
# Immigrants tend to be of working age

Age Profile of Immigrants vs. Natives in Texas



SOURCE: 2014-16 American Community Survey three-year estimates.

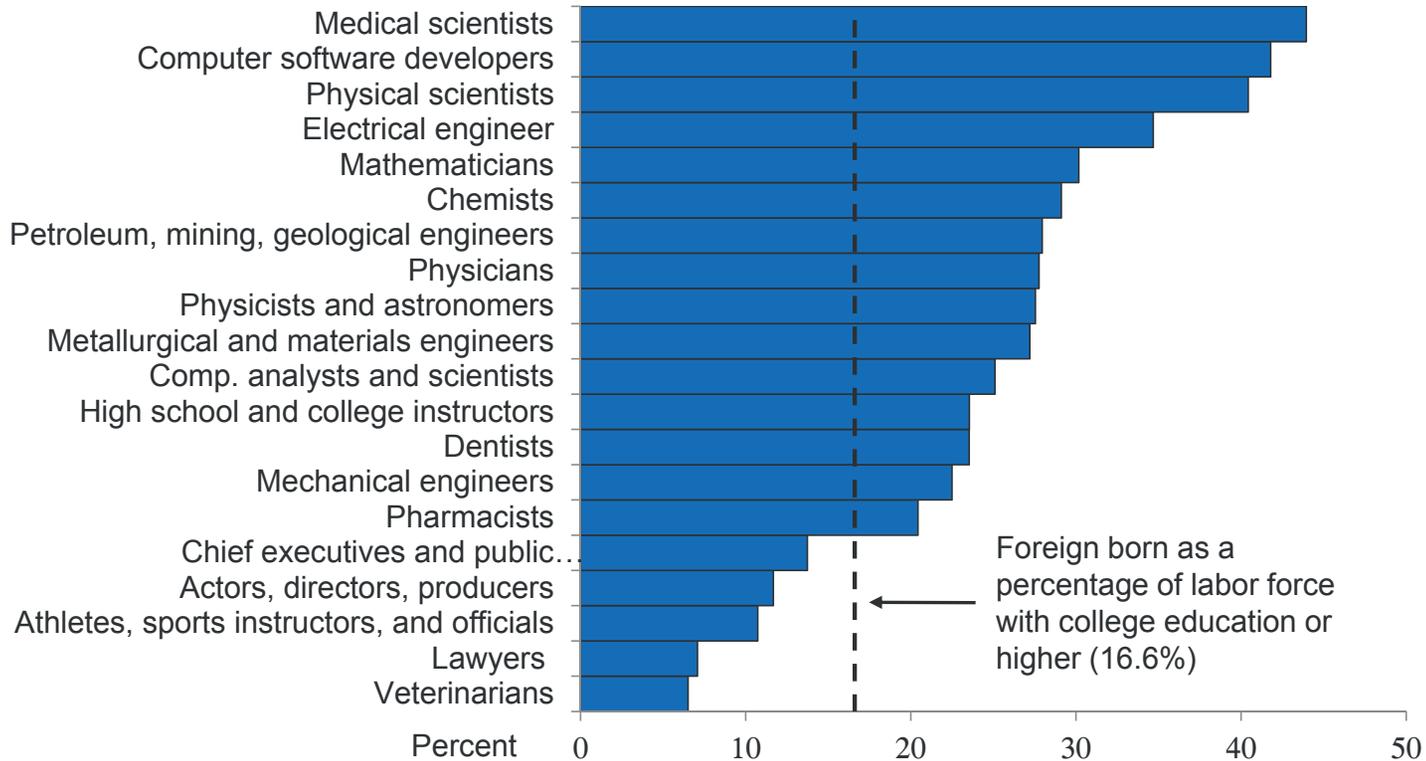
# Educational attainment of immigrants and natives inside and outside Texas



NOTE: Calculations include individuals age 25 or older.

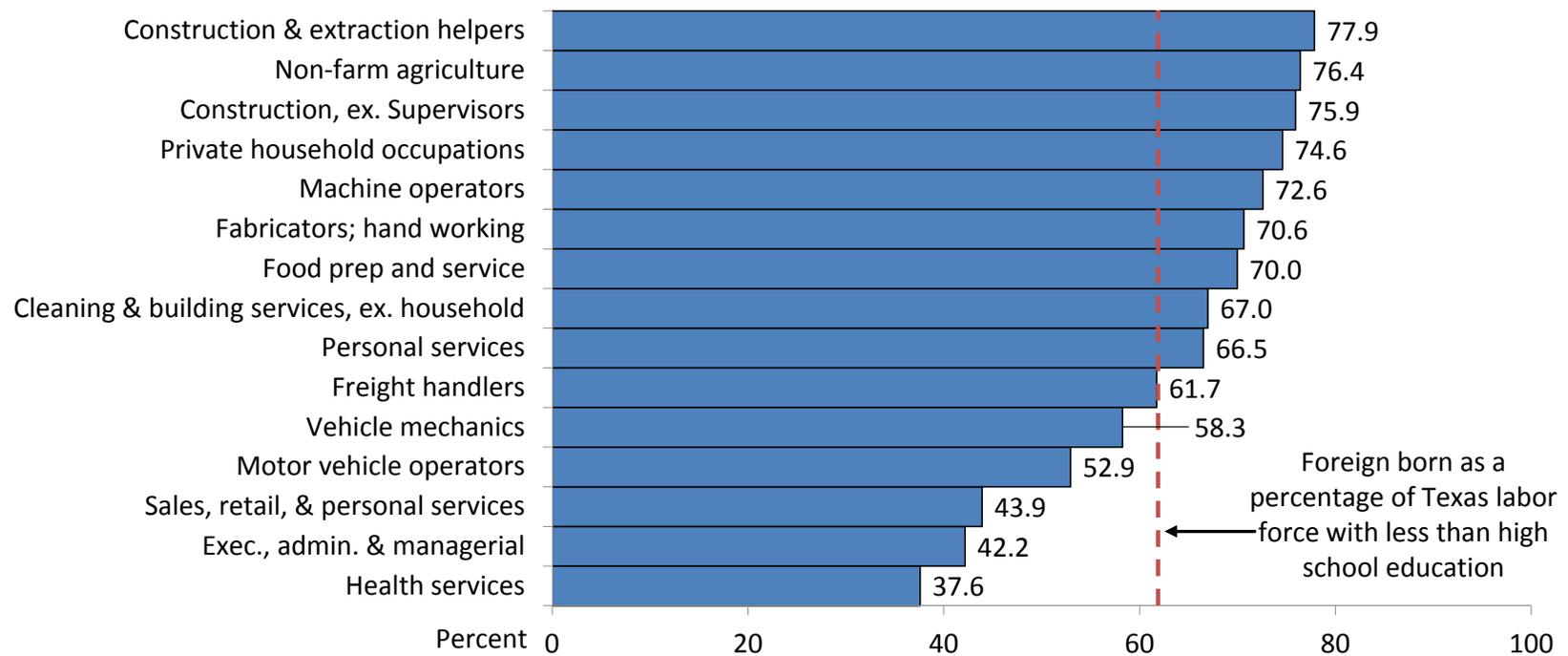
SOURCE: 2014-16 American Community Survey three-year estimates.

# High-skilled immigrants fill STEM, health sector jobs



NOTE: Among U.S. workers age 25 and over with bachelor's degree or higher, within an occupation, percentage who are foreign born.  
SOURCE: 2014-2016 American Community Survey.

# Low-skilled immigrants concentrated in construction, ag, and food/cleaning/domestic service jobs



NOTES: Percentage foreign-born among Texas workers ages 25 and older with less than high school education in each occupation category. Selected categories of occupations are the top 15 by number of immigrant workers.

SOURCE: 2014-16 American Community Survey three-year estimates.

**Table 1: Labor Market Outcomes of Immigrants and Natives in Texas, U.S.**

	Texas		Rest of U.S.	
	Immigrants	U.S. natives	Immigrants	U.S. natives
<b>Labor force participation (%)</b>				
Less than high school credential	61.3	42.2	58.1	35.4
High school credential	67.3	59.4	65.5	56.0
Some college	75.9	65.9	69.8	65.2
Bachelor's degree	70.9	74.3	70.2	74.0
Graduate/professional degree	77.5	79.3	77.6	74.0
All groups	67.9	65.5	67.1	63.5
<b>Unemployment rate (%)</b>				
Less than high school credential	2.4	7.4	5.1	8.5
High school credential	2.9	5.3	4.0	4.8
Some college	2.5	3.7	3.8	3.9
Bachelor's degree	2.0	2.6	3.5	2.3
Graduate/professional degree	2.5	1.9	2.7	1.9
All groups	2.5	3.8	3.9	3.6
<b>Median real weekly earnings</b>				
Less than high school credential	\$484	\$484	\$480	\$486
High school credential	\$576	\$701	\$582	\$677
Some college	\$641	\$728	\$679	\$742
Bachelor's degree	\$1,013	\$1,109	\$1,063	\$1,114
Graduate/professional degree	\$1,402	\$1,286	\$1,519	\$1,367
All groups	\$608	\$885	\$700	\$865
All groups (including ages 16-24)	\$605	\$775	\$675	\$770

NOTES: All data refer to January-October 2017. Median weekly earnings are deflated to October 2017 and are conditional on being employed, over age 24, with positive earnings.  
 SOURCE: Current Population Survey (CPS) Merged Outgoing Rotation Groups.

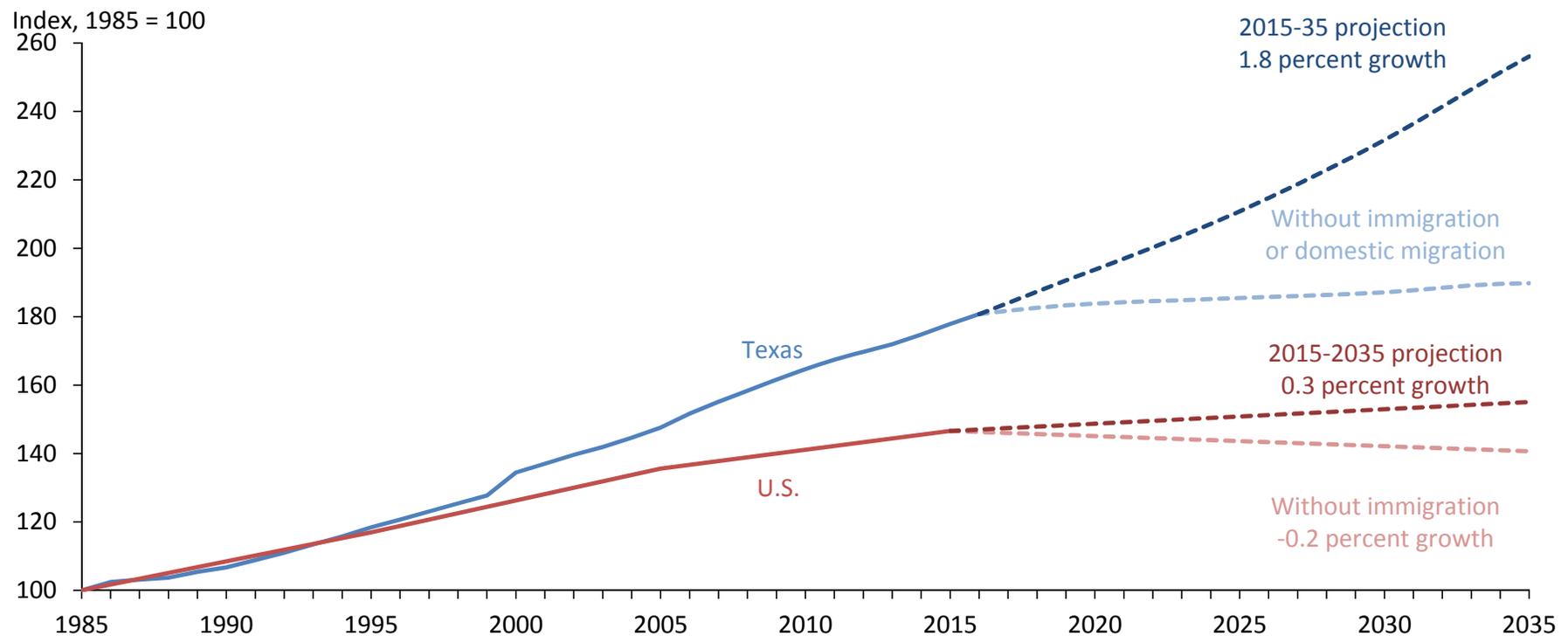
# Outlook for Growth and Migration

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# Lessons from decades of migration to Texas

- Texas economy has inherent strengths, such as natural resources, that set it apart
  - Growth premium only possible with migration
- People relocate to Texas for jobs, but also amenities such as low cost of living, taxes; firms move here for business climate
- Migration has become much more domestic, increasingly high-skilled
  - Shortages emerging in low- and mid-skilled sectors
- How likely are massive inflows to continue?
  - Policy considerations must include investing in education

# Demography is Destiny? Without Migration, Working-Age Population Projected to Stagnate



NOTES: Chart refers to growth in working-age (25-64) population. Growth rates are annualized.

SOURCES: Census Bureau; Texas Demographic Center; Pew Research; adjustments by Federal Reserve Bank of Dallas.

**For more information, go to  
dallasfed.org**

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