

The Great Reshuffle: Migration During the COVID-19 Pandemic

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Feb 25, 2022

¹The views expressed here are those of the authors and do not necessarily represent the views of the Federal Reserve Bank of Dallas, Federal Reserve Bank of Philadelphia, or the Federal Reserve System.

Migration During the Pandemic

- ▶ How did migration change during the pandemic?
 - ▶ Texas-bound migration
 - ▶ Nationwide
 - ▶ Implications
- ▶ Federal Reserve Bank of New York Consumer Credit Panel/Equifax data.
 - ▶ Address changes reported to the credit bureau of adults with credit reports.
 - ▶ Quarterly
- ▶ Migration to Texas **surged** during the pandemic.
- ▶ National patterns
 - ▶ Exodus from high-density high-cost cities
 - ▶ Exodus from dense city centers
 - ▶ Spatial shift in housing cost and job growth

Outline

Migration to Texas

National Migration Patterns

Implications for Housing and Labor Markets

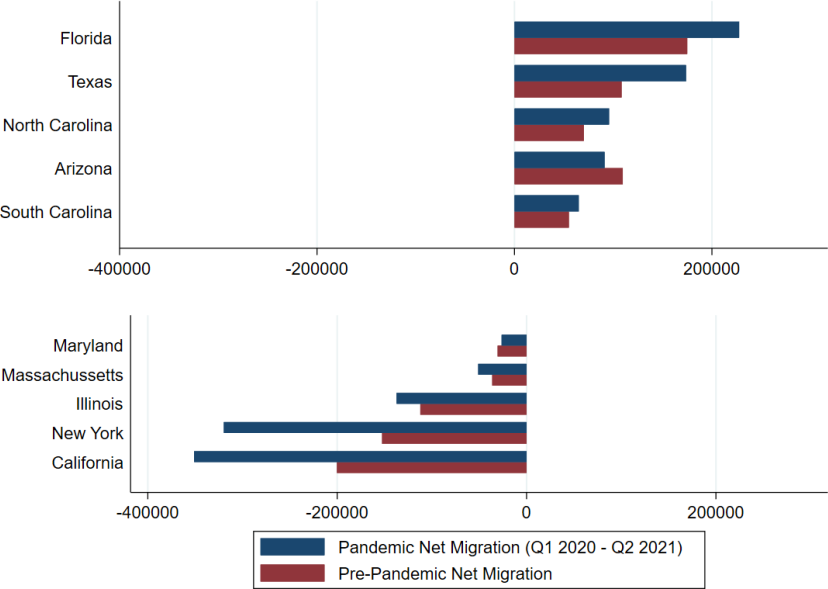
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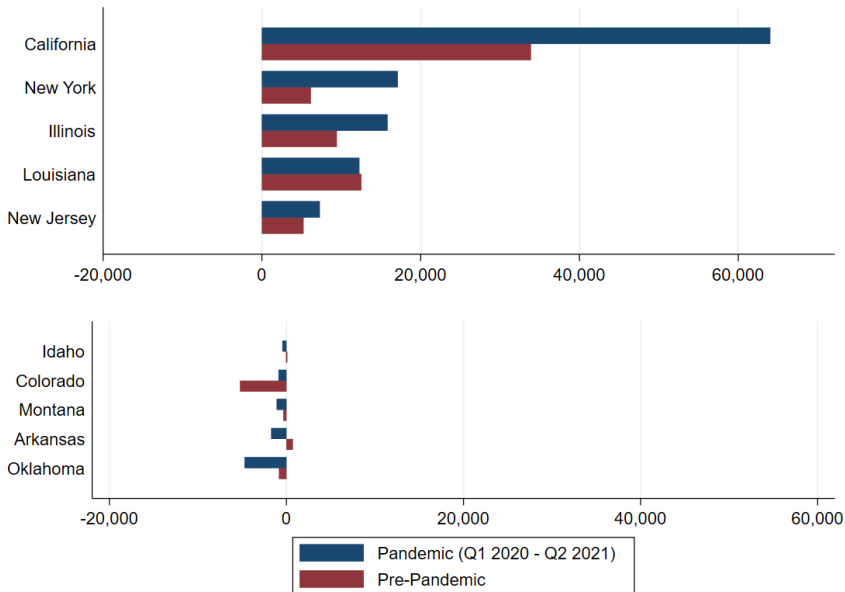
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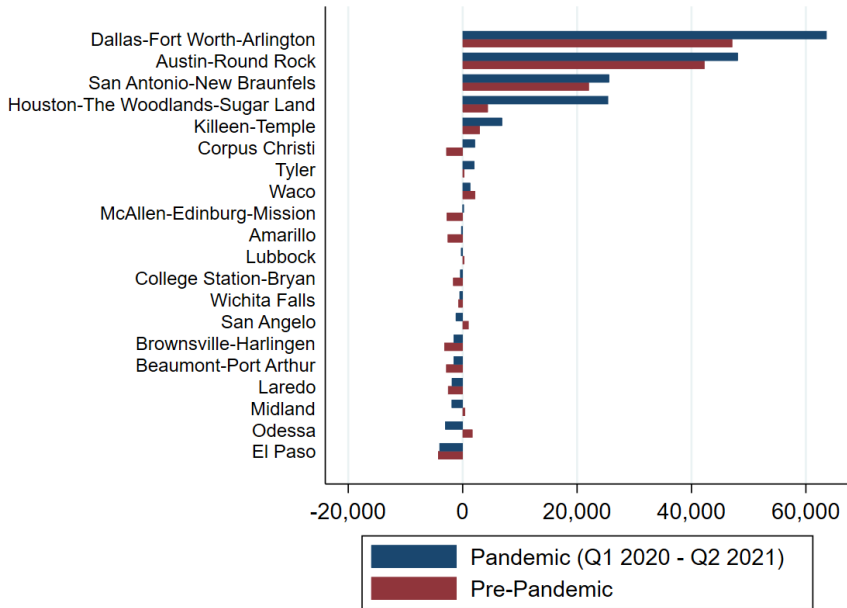
Net Migration to Texas Surged during Pandemic



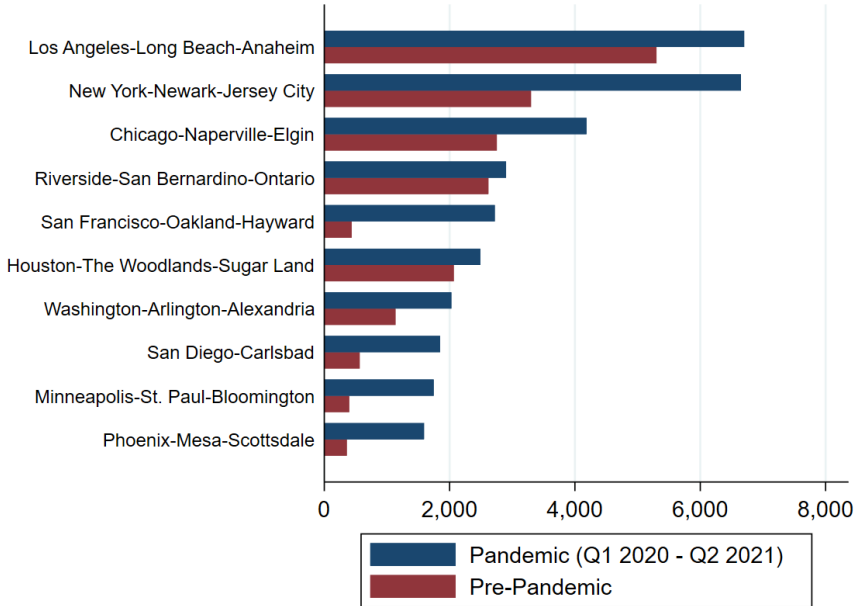
Texas-Bound Migrants Originations



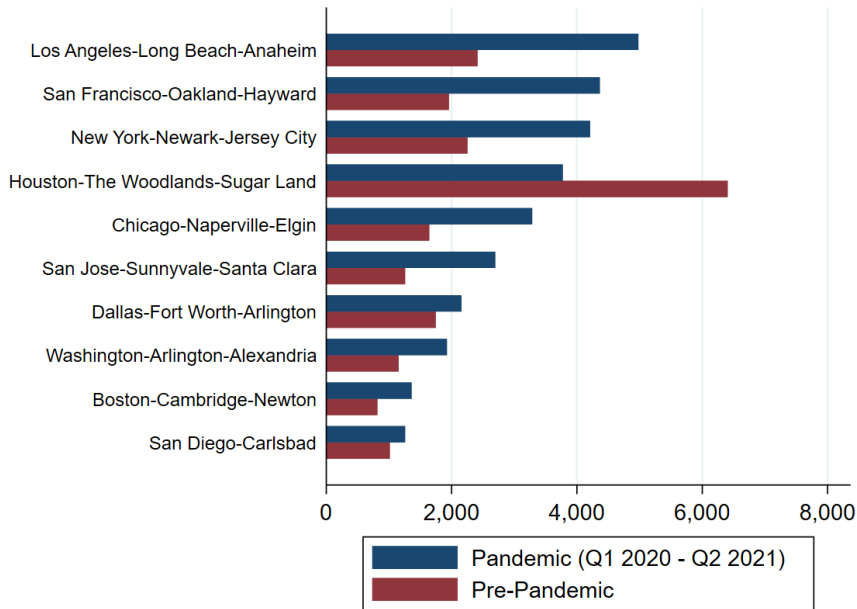
Most Texas Metros Saw Rise in In-Migration



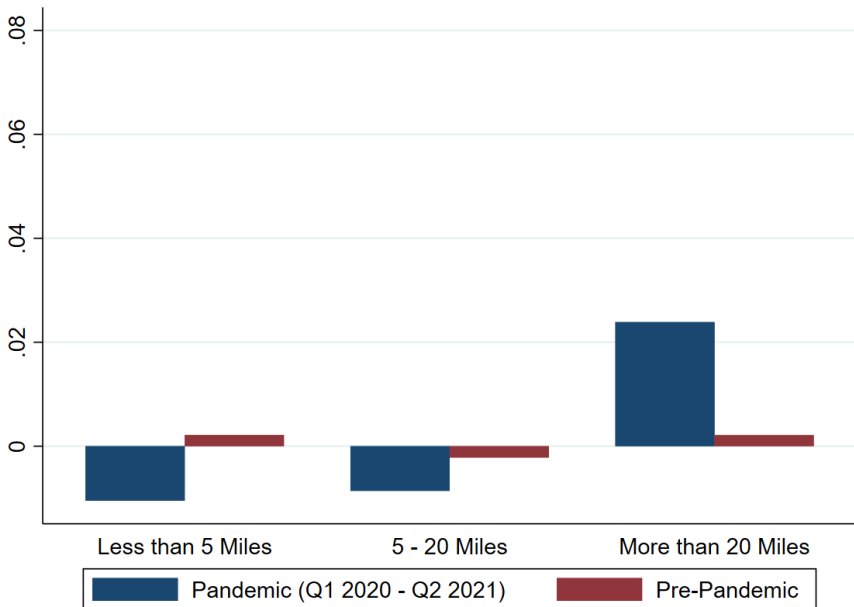
Origination Metros for DFW-Bound In-Migration



Origination Metros for Austin-Bound In-Migration



Surging In-Flows to the Suburbs (DFW as an example)



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National Migration Trend during COVID-19

- ▶ Nationwide migration from high-density high-cost metros to lower-density lower-cost metros surged.
- ▶ From central city to the suburbs
- ▶ Sudden transition into **remote working**
 - ▶ Prior locational constraint from job locations is removed
 - ▶ Choose cheaper and more desirable location
 - ▶ Disproportionately available to highly educated (high-income) workforce

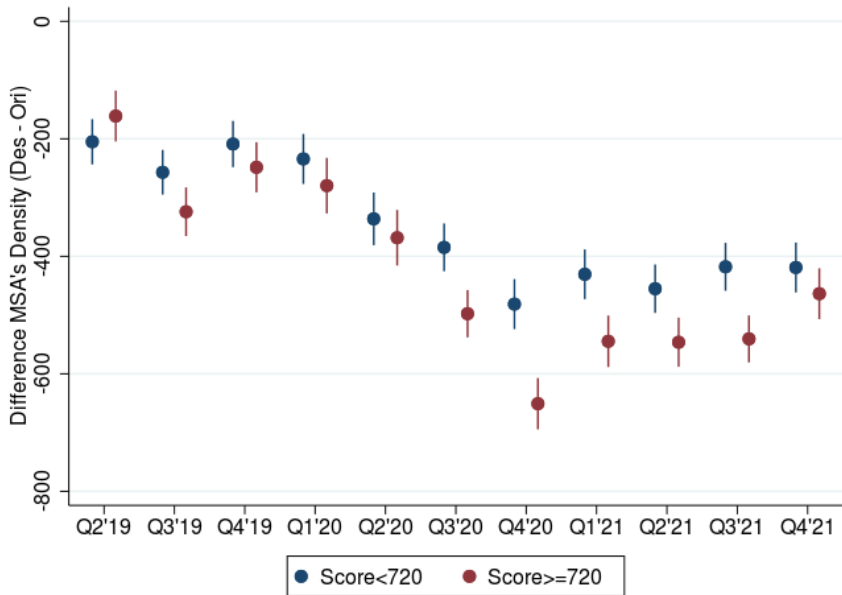
National Rank of State-to-State Net Flows (Quarterly)

Origin State	Destination State	Net In-Flows (thousand)	
		Post-Q1 2020	Pre-Q1 2020
New York	Florida	13.6	7.8
New York	New Jersey	13.2	7.6
California	Texas	13	8.1
California	Arizona	8.7	6.6
California	Nevada	8.5	6.4
New Jersey	Florida	5.8	3.7
New York	Connecticut	5.6	2
New York	Pennsylvania	5.1	2.7
California	Idaho	4.8	3.1
California	Oregon	4.6	4.4
California	Washington	4.5	4.6
Illinois	Florida	4.5	3.2
New York	California	3.8	1.6
California	Colorado	3.7	2.9
New York	North Carolina	3.7	2.7
California	Florida	3.6	1.5
Pennsylvania	Florida	3.5	2.6
New York	Texas	3.4	1.6
Massachusetts	New Hampshire	3.1	1.9
California	Tennessee	3	1.2

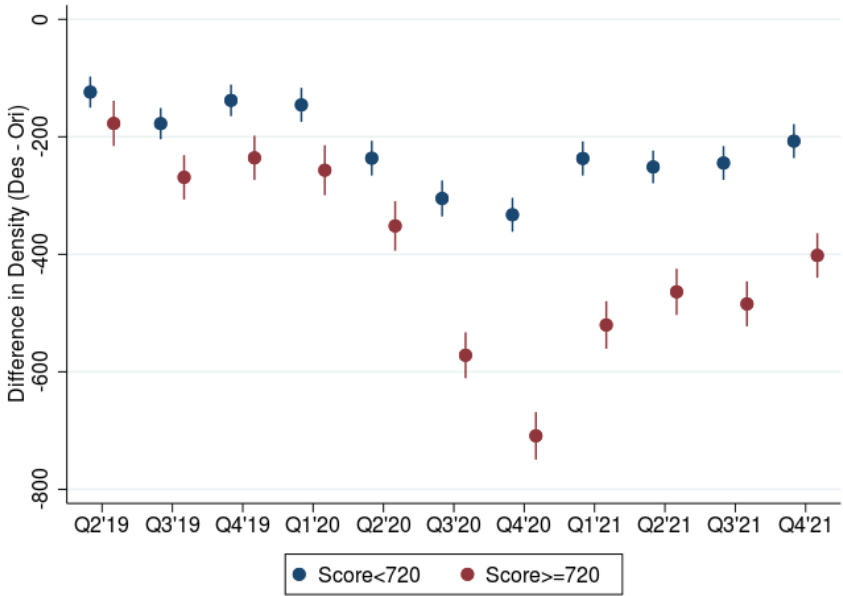
National Rank of Metro-to-Metro Net Flows (Quarterly)

Origin MSA	Destination MSA	Net In-Flows (thousand)	
		Post-Q1 2020	Pre-Q1 2020
Los Angeles-Long Beach-Anaheim, CA	Riverside-San Bernardino-Ontario, CA	12	7.9
New York-Newark-Jersey City, NY-NJ-PA	Miami-Fort Lauderdale-West Palm Beach, FL	5.5	2.4
New York-Newark-Jersey City, NY-NJ-PA	Bridgeport-Stamford-Norwalk, CT	4.1	1.2
New York-Newark-Jersey City, NY-NJ-PA	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	3.7	2.4
New York-Newark-Jersey City, NY-NJ-PA	Los Angeles-Long Beach-Anaheim, CA	3.1	1.8
Los Angeles-Long Beach-Anaheim, CA	Las Vegas-Henderson-Paradise, NV	3	2.3
San Francisco-Oakland-Hayward, CA	Sacramento-Roseville-Arden-Arcade, CA	2.9	1.1
New York-Newark-Jersey City, NY-NJ-PA	Atlanta-Sandy Springs-Roswell, GA	2.7	.7
Miami-Fort Lauderdale-West Palm Beach, FL	Port St. Lucie, FL	2.5	1.8
New York-Newark-Jersey City, NY-NJ-PA	Orlando-Kissimmee-Sanford, FL	2.3	1.4
Los Angeles-Long Beach-Anaheim, CA	Phoenix-Mesa-Scottsdale, AZ	2.2	1.5
San Francisco-Oakland-Hayward, CA	Stockton-Lodi, CA	2	1.1
San Francisco-Oakland-Hayward, CA	Los Angeles-Long Beach-Anaheim, CA	1.9	1
Washington-Arlington-Alexandria, DC-VA-MD-WV	Baltimore-Columbia-Towson, MD	1.9	.2
New York-Newark-Jersey City, NY-NJ-PA	Tampa-St. Petersburg-Clearwater, FL	1.9	1.2
New York-Newark-Jersey City, NY-NJ-PA	Allentown-Bethlehem-Easton, PA-NJ	1.8	1.2
Los Angeles-Long Beach-Anaheim, CA	Oxnard-Thousand Oaks-Ventura, CA	1.8	1.2
New York-Newark-Jersey City, NY-NJ-PA	Charlotte-Concord-Gastonia, NC-SC	1.7	1.5
Orlando-Kissimmee-Sanford, FL	Lakeland-Winter Haven, FL	1.7	1.2
Chicago-Naperville-Elgin, IL-IN-WI	Phoenix-Mesa-Scottsdale, AZ	1.5	1.1

Migration to Lower-Density Metros



Migration to Lower-Density Neighborhoods



Outline

Migration to Texas

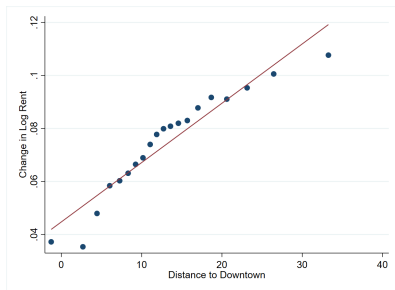
National Migration Patterns

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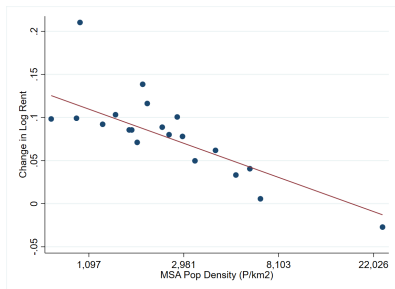
Implications for Housing and Labor Markets

- ▶ **Housing Markets:** Housing demand shifts across neighborhoods and metros
 - ▶ Coastal cities like New York and San Francisco saw *relative* demand drop
 - ▶ Cities with lower housing cost, lower density such as Boise, ID and Tampa, FL saw a large relative increase in housing demand
 - ▶ Relatively weaker growth in housing cost in New York and San Francisco
 - ▶ Strong growth in housing cost in smaller metros
- ▶ **Labor Markets:** Labor demand shifts toward lower-density and lower-cost metros
 - ▶ As people migrate, they bring demand for local goods and services with them
 - ▶ Faster job growth in locations with population inflow; slower job growth in locations with population exodus

Spatial Difference in Housing Cost Changes

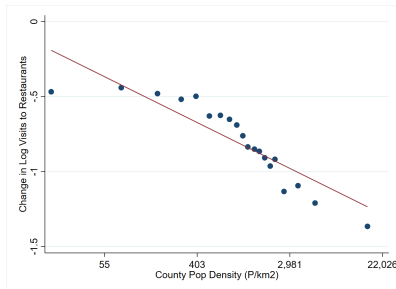


(a) Within-MSA: Distance to Downtown

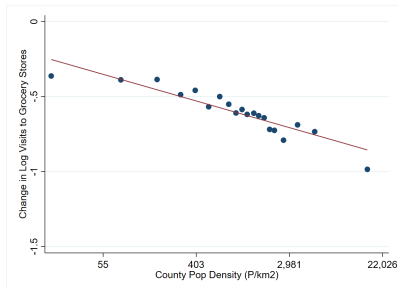


(b) Cross-MSA: Density

Demand for Local Services (Growth in Business Foot Traffic)

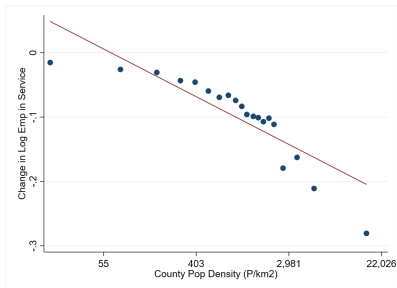


(a) Restaurants

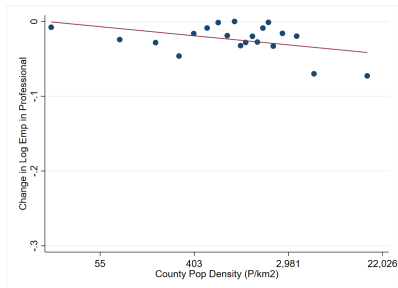


(b) Grocery Stores

Local Job Growth



(a) Service Industries



(b) Professionals

Summary

- ▶ The COVID-19 pandemic led to a migration wave toward lower-density and lower-cost cities and suburban neighborhoods
- ▶ Induced a spike in domestic migration toward **Texas** from other states.
- ▶ The spike of the migration wave seems to have passed (4th quarter 2020) but appears to be still continuing as of now
- ▶ **Housing demand** toward the suburbs and lower-density metros
- ▶ **Job growth** higher in local markets receiving in-migrants