The Great Reshuffle: Migration During the COVID-19 Pandemic

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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
Outline

Migration to Texas

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Net Migration to Texas Surged during Pandemic

- Florida: Pandemic Net Migration (Q1 2020 - Q2 2021) = 150,000
- Texas: Pandemic Net Migration (Q1 2020 - Q2 2021) = 120,000
- North Carolina: Pandemic Net Migration (Q1 2020 - Q2 2021) = 100,000
- Arizona: Pandemic Net Migration (Q1 2020 - Q2 2021) = 90,000
- South Carolina: Pandemic Net Migration (Q1 2020 - Q2 2021) = 80,000

- Maryland: Pandemic Net Migration (Q1 2020 - Q2 2021) = 70,000
- Massachusetts: Pandemic Net Migration (Q1 2020 - Q2 2021) = 60,000
- Illinois: Pandemic Net Migration (Q1 2020 - Q2 2021) = 50,000
- New York: Pandemic Net Migration (Q1 2020 - Q2 2021) = 40,000
- California: Pandemic Net Migration (Q1 2020 - Q2 2021) = 30,000
Most Texas Metros Saw Rise in In-Migration

- Dallas-Fort Worth-Arlington
- Austin-Round Rock
- San Antonio-New Braunfels
- Houston-The Woodlands-Sugar Land
- Killeen-Temple
- Corpus Christi
- Tyler
- Waco
- McAllen-Edinburg-Mission
- Amarillo
- Lubbock
- College Station-Bryan
- Wichita Falls
- San Angelo
- Brownsville-Harlingen
- Beaumont-Port Arthur
- Laredo
- Midland
- Odessa
- El Paso

- Pandemic (Q1 2020 - Q2 2021)
- Pre-Pandemic
Origination Metros for DFW-Bound In-Migration

- Los Angeles-Long Beach-Anaheim
- New York-Newark-Jersey City
- Chicago-Naperville-Elgin
- Riverside-San Bernardino-Ontario
- San Francisco-Oakland-Hayward
- Houston-The Woodlands-Sugar Land
- Washington-Arlington-Alexandria
- San Diego-Carlsbad
- Minneapolis-St. Paul-Bloomington
- Phoenix-Mesa-Scottsdale

Pandemic (Q1 2020 - Q2 2021) vs Pre-Pandemic
Surging In-Flows to the Suburbs (DFW as an example)
Outline

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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)

<table>
<thead>
<tr>
<th>Origin State</th>
<th>Destination State</th>
<th>Net In-Flows (thousand)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Post-Q1 2020</td>
</tr>
<tr>
<td>New York</td>
<td>Florida</td>
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<tr>
<td>New York</td>
<td>New Jersey</td>
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<td>California</td>
<td>Texas</td>
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<td>California</td>
<td>Arizona</td>
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<td>Nevada</td>
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<tr>
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<td>Connecticut</td>
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<td>New York</td>
<td>Pennslyvania</td>
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<tr>
<td>California</td>
<td>Idaho</td>
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<tr>
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<td>Oregon</td>
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<tr>
<td>California</td>
<td>Washington</td>
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<tr>
<td>Illinois</td>
<td>Florida</td>
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<tr>
<td>New York</td>
<td>California</td>
<td>3.8</td>
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<tr>
<td>California</td>
<td>Colorado</td>
<td>3.7</td>
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<tr>
<td>New York</td>
<td>North Carolina</td>
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<tr>
<td>California</td>
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<tr>
<td>Pennsylvania</td>
<td>Florida</td>
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<tr>
<td>New York</td>
<td>Texas</td>
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<td>Massachusetts</td>
<td>New Hampshire</td>
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<tr>
<td>California</td>
<td>Tennessee</td>
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</tbody>
</table>
## National Rank of Metro-to-Metro Net Flows (Quarterly)

<table>
<thead>
<tr>
<th>Origin MSA</th>
<th>Destination MSA</th>
<th>Net In-Flows (thousand)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Post-Q1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pre-Q1</td>
</tr>
<tr>
<td>Los Angeles-Long Beach-Anaheim, CA</td>
<td>Riverside-San Bernardino-Ontario, CA</td>
<td>12</td>
</tr>
<tr>
<td>New York-Newark-Jersey City, NY-NJ-PA</td>
<td>Miami-Fort Lauderdale-West Palm Beach, FL</td>
<td>5.5</td>
</tr>
<tr>
<td>New York-Newark-Jersey City, NY-NJ-PA</td>
<td>Bridgeport-Stamford-Norwalk, CT</td>
<td>4.1</td>
</tr>
<tr>
<td>New York-Newark-Jersey City, NY-NJ-PA</td>
<td>Los Angeles-Long Beach-Anaheim, CA</td>
<td>3.1</td>
</tr>
<tr>
<td>Los Angeles-Long Beach-Anaheim, CA</td>
<td>Las Vegas-Henderson-Paradise, NV</td>
<td>3</td>
</tr>
<tr>
<td>San Francisco-Oakland-Hayward, CA</td>
<td>Sacramento–Roseville–Arden-Arcade, CA</td>
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<tr>
<td>New York-Newark-Jersey City, NY-NJ-PA</td>
<td>Atlanta-Sandy Springs-Roswell, GA</td>
<td>2.7</td>
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<tr>
<td>Miami-Fort Lauderdale-West Palm Beach, FL</td>
<td>Port St. Lucie, FL</td>
<td>2.5</td>
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<tr>
<td>New York-Newark-Jersey City, NY-NJ-PA</td>
<td>Orlando-Kissimmee-Sanford, FL</td>
<td>2.3</td>
</tr>
<tr>
<td>Los Angeles-Long Beach-Anaheim, CA</td>
<td>Phoenix-Mesa-Scottsdale, AZ</td>
<td>2.2</td>
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<tr>
<td>San Francisco-Oakland-Hayward, CA</td>
<td>Stockton-Lodi, CA</td>
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<tr>
<td>San Francisco-Oakland-Hayward, CA</td>
<td>Los Angeles-Long Beach-Anaheim, CA</td>
<td>1.9</td>
</tr>
<tr>
<td>Washington-Arlington-Alexandria, DC-VA-MD-WV</td>
<td>Baltimore-Columbia-Towson, MD</td>
<td>1.9</td>
</tr>
<tr>
<td>New York-Newark-Jersey City, NY-NJ-PA</td>
<td>Tampa-St. Petersburg-Clearwater, FL</td>
<td>1.9</td>
</tr>
<tr>
<td>New York-Newark-Jersey City, NY-NJ-PA</td>
<td>Allentown-Bethlehem-Easton, PA-NJ</td>
<td>1.8</td>
</tr>
<tr>
<td>Los Angeles-Long Beach-Anaheim, CA</td>
<td>Oxnard-Thousand Oaks-Ventura, CA</td>
<td>1.8</td>
</tr>
<tr>
<td>New York-Newark-Jersey City, NY-NJ-PA</td>
<td>Charlotte-Concord-Gastonia, NC-SC</td>
<td>1.7</td>
</tr>
<tr>
<td>Orlando-Kissimmee-Sanford, FL</td>
<td>Lakeland-Winter Haven, FL</td>
<td>1.7</td>
</tr>
<tr>
<td>Chicago-Naperville-Elgin, IL-IN-WI</td>
<td>Phoenix-Mesa-Scottsdale, AZ</td>
<td>1.5</td>
</tr>
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</table>
Migration to Lower-Density Metros

![Graph showing the difference in MSA's density over time, with data points for Score<720 and Score>=720.](image)
Migration to Lower-Density Neighborhoods
Outline

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- **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.