

SNAPSHOT

Domestic Migration to Texas Slows

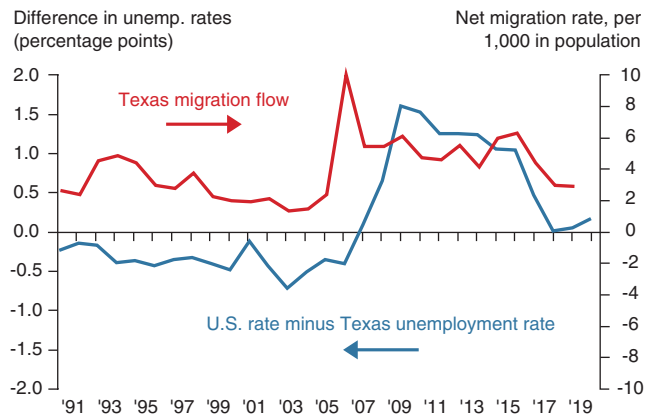
Despite a strong economy and historically low unemployment rates in Texas, net domestic migration to Texas from other states has slowed since 2015.

During the 2015–16 oil bust, the state economy downshifted, the Texas unemployment rate grew closer to the national average, and net domestic migration declined. While economic growth improved in Texas in 2017 and 2018, conditions were also strong throughout the U.S., and the unemployment rates for the two areas were almost the same.

During the period of net domestic migration from July 2017 to July 2018, the unemployment rate in Texas averaged 3.6 percent, while the U.S. averaged 3.8 percent. A simple regression with one lag of net domestic migration and the unemployment rate differential suggests that net domestic migration in Texas this year will be about 90,500—above the 2018 figure of about 82,500, but more than 25 percent below the post-Great Recession average of 123,000.

—Adapted from Dallas Fed Economics, Sept. 3, 2019, by
Keith R. Phillips and Alexander T. Abraham

CHART 1 Net Domestic Migration to Texas Slows as State, U.S. Labor Markets Tighten



NOTES: Both the annual migration flow and average annual unemployment rate are calculated July to July. A positive-value difference in the unemployment rate means the U.S. rate exceeded the Texas rate.

SOURCES: Census Bureau; Bureau of Labor Statistics.



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