

Population and Migration Slowdowns Continue to Impact States

By William H. Frey

The long awaited return to normal for the nation's population growth and migration flows after a long lull that began during the Great Recession has yet to surface. This can be gleaned from a spate of recently released demographic statistics. The continued slowdown has implications for population growth in most states, especially the rapid population gainers of the pre-recession period. The continuing freeze on previously free-flowing migration streams across broad regions of the country suggests a revival will not occur anytime soon.

National Population Growth Slowdown

From a national standpoint, the statistic that grabbed headlines as 2013 came to a close was a downturn in national population growth to the lowest rate—0.72 percent—since the 1930s. The nation's annual growth rate stood well above 1 percent for the 1990s and hovered near that level from 2000 to 2008. Since then, however, it took a noticeable dive—registering below 0.75 for the previous three years.

The slumping U.S. economy accounts for much of this national population growth slowdown. As young people, cautious about their futures, postponed child-bearing, the nation's crude birth rate plummeted to 1.26 births per 100 population—the lowest recorded in many decades and down from 1.43 births per 100 population in 2008. Combined with the crude death rate of .81 per 100 population, the national rate of natural increase, or births minus deaths, stands at a low .45 per 100 population.

Another major contributor to the national growth slowdown is international migration. Immigration to the U.S. represents a demographic yardstick for measuring the nation's attractiveness to outsiders searching for both high- and low-skilled jobs. Due in large part to the recession, net inflows from abroad declined sharply, from 980,000 in 2005–06 to just 725,000 in 2008–09. Small gains followed—up to 866,000 in 2011–12—suggesting an upward trajectory. But the reported immigration for 2012–13—down to 843,000—runs counter to that expectation.

While falling fertility and immigration levels have contributed to reduced nationwide growth in the post-recession years, an even more important contributor to changes in state growth is the slowdown in domestic migration. Because migration is largely motivated by opportunities in the labor and job markets, it follows that domestic migration levels

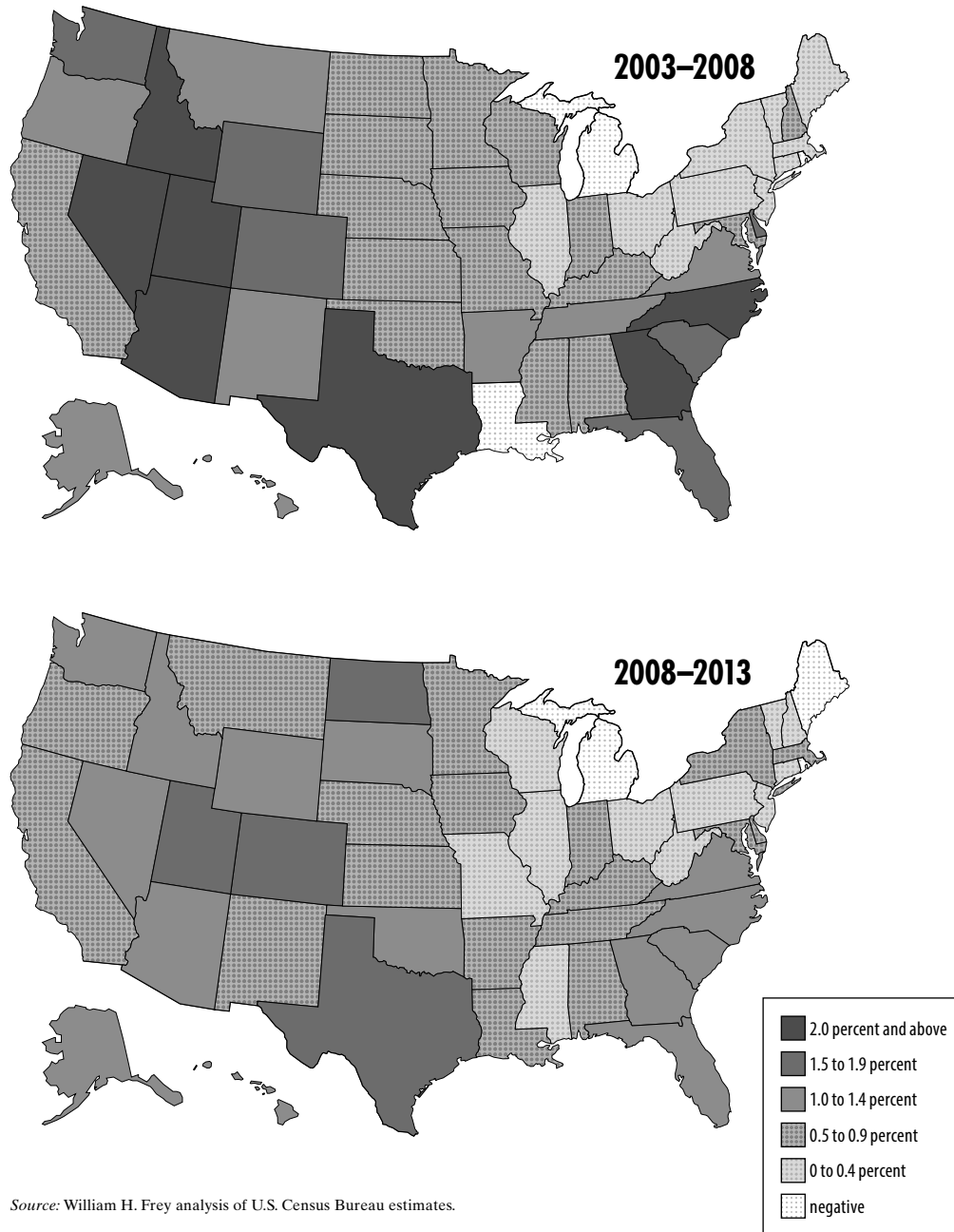
dropped during and after the financial crisis, mortgage meltdown and Great Recession years. These dropoffs were historic in magnitude. The annual rates of intercounty and interstate migration were in the range of 3.5 percent to 3.9 percent after 2007, the lowest recorded since such migration statistics were first collected in 1948. The rates were well below those in the 5 percent to 6 percent range recorded during the 1990s and early 2000–10 decade. Many of those not migrating are young millennials, unable to start careers or families, who remained stranded over this period.

State Population Growth Slowdowns

The impact of each of these demographic downturns has taken its toll on states. This can be gleaned by comparing average annual growth rates for the five-year period, July 2003 to July 2008, with those for the following five-year period, July 2008 to July 2013, based on available population estimates from the U.S. Census Bureau. Most of the former period covers prerecession years with a robust economy and overheated housing market. The latter period was marred by financial crises, high unemployment and a stalled housing market.

Of the 50 states and District of Columbia, 37 showed lower growth rates for the latter period. The pattern of change between the two periods, displayed in Figure A, indicates that an especially sharp slowdown occurred among a swath of states in the Mountain West and South, whose average annual growth exceeded 2 percent in 2003–08. These included the states, in order of growth, Nevada, Arizona, Utah, Idaho, North Carolina, Texas and Georgia. Arizona and Nevada, in particular, benefitted from the housing boom and associated job growth. This was also the case in

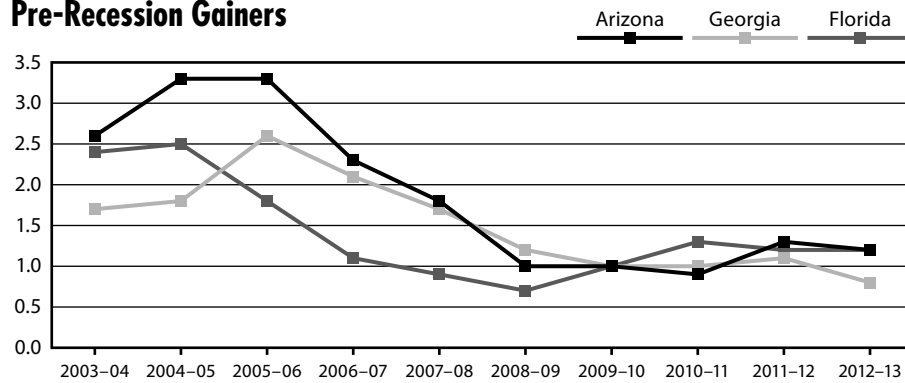
Figure A: Average Annual Population Growth Rates for Periods 2003–2008 and 2008–2013



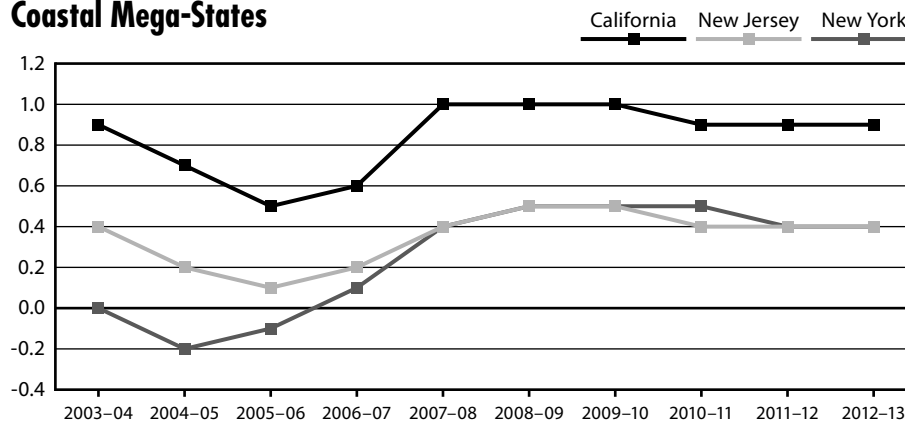
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Figure B: Annual Growth Rates, Selected States, 2003–2013

Pre-Recession Gainers



Coastal Mega-States



Source: William H. Frey analysis of U.S. Census Bureau estimates.

Florida, where the average annual population growth rate for this period was 1.7 percent.

Many of the states that grew greater than 1.5 percent, on average, during the prerecession period showed greatest growth slowdowns in 2008–13. Among states with the biggest growth declines were Nevada, Arizona, Idaho, Georgia and North Carolina. This is exemplified in the annual growth rate patterns for Arizona, Georgia and Florida shown in Figure B, although it is symptomatic of other rapidly growing states in the nation’s Sun Belt. Many showed peak single year population growth in 2005–06, only to bottom out when both the job and housing markets were at their nadir in

2010–11. Not all states followed these distinct patterns. Florida showed its peak single year growth of 2.5 percent in 2004–05, ahead of many other Sun Belt states. It also was ahead of the others in displaying its lowest single year growth of 0.7 percent in 2008–09.

Florida also may be ahead of the other rapid gainers in making its way back. As shown in Figure B, its growth rate began to tick up after 2009, though not nearly reaching pre-recession levels. Several other states—including Arizona, North Carolina and Utah—seemed to have turned upward after bottoming out, all during the 2008–13 period. None of the fastest growing states in the pre-recession

Table A: U.S. States' Average Annual Population Growth Rates and Aggregate Net Domestic Migration for Periods 2003–2008 and 2008–2013

State	Average annual population growth rate*		Net domestic migration**	
	2003–2008	2008–2013	2003–2008	2008–2013
Alabama.....	0.9	0.5	87,611	16,720
Alaska.....	1.2	1.4	-8,470	-1,948
Arizona.....	2.7	1.1	489,997	97,456
Arkansas.....	1.1	0.6	64,196	11,308
California.....	0.8	0.9	-1,132,008	-259,889
Colorado.....	1.5	1.5	115,513	157,706
Connecticut.....	0.3	0.3	-76,103	-65,765
Delaware.....	1.6	0.9	30,820	11,923
Florida.....	1.7	1.1	667,353	290,396
Georgia.....	2.0	1.0	389,440	49,774
Hawaii.....	1.3	1.1	-19,396	-11,513
Idaho.....	2.4	1.0	85,561	6,253
Illinois.....	0.3	0.2	-340,228	-307,369
Indiana.....	0.7	0.5	5,014	-41,282
Iowa.....	0.5	0.5	-13,177	-6,082
Kansas.....	0.6	0.6	-33,078	-24,536
Kentucky.....	0.8	0.5	57,178	6,636
Louisiana.....	-0.3	0.8	-263,313	28,620
Maine.....	0.4	-0.0	8,094	-8,679
Maryland.....	0.7	0.8	-113,107	-25,801
Massachusetts.....	0.1	0.7	-190,500	-10,101
Michigan.....	-0.2	-0.1	-360,544	-267,120
Minnesota.....	0.8	0.7	-32,740	-34,501
Mississippi.....	0.5	0.3	-11,952	-31,902
Missouri.....	0.7	0.4	29,758	-36,187
Montana.....	1.2	0.8	32,260	16,015
Nebraska.....	0.7	0.8	-21,821	-2,606
Nevada.....	3.4	1.0	227,978	3,257
New Hampshire.....	0.6	0.1	10,874	-10,516
New Jersey.....	0.3	0.4	-315,873	-207,810
New Mexico.....	1.4	0.7	24,132	-4,376
New York.....	0.0	0.5	-1,020,674	-494,463
North Carolina.....	2.0	1.1	469,905	185,786
North Dakota.....	0.6	1.9	-6,611	39,031
Ohio.....	0.1	0.1	-219,313	-181,605
Oklahoma.....	0.9	1.0	34,620	63,628
Oregon.....	1.2	0.8	112,798	62,670
Pennsylvania.....	0.4	0.3	-6,435	-46,593
Rhode Island.....	-0.3	-0.1	-41,048	-27,752
South Carolina.....	1.8	1.1	217,069	118,513
South Dakota.....	0.9	1.1	7,861	15,891
Tennessee.....	1.3	0.8	197,870	86,595
Texas.....	2.0	1.7	580,011	644,174
Utah.....	2.4	1.7	62,067	16,415
Vermont.....	0.2	0.1	-3,169	-4,635
Virginia.....	1.2	1.1	64,664	56,112
Washington.....	1.5	1.2	163,562	114,564
West Virginia.....	0.3	0.2	14,310	9,804
Wisconsin.....	0.6	0.4	-15,779	-41,803
Wyoming.....	1.6	1.3	16,808	14,585
Dist. of Columbia.....	0.4	2.2	-21,985	31,002

Source: William H Frey analysis of U.S. Census Bureau Population Estimates.
 * Average of Annual Growth Rates for individual years over periods: July 1, 2003 to July 1, 2008; and July 1, 2008 to July 1, 2013.
 ** Aggregate Domestic Net Migration for periods: July 1, 2003 to July 1, 2008; and July 1, 2008 to July 1, 2013.

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period, however, have achieved anything close to their peak population growth years after 2008. This is even the case for Texas, the one rapidly growing state whose downturn was relatively modest compared with others in the Sun Belt.

At the other end of the spectrum are states with slow growth or even declines during the prerecession period. Many of these—such as Illinois, Michigan and Ohio—are located in the middle of the country where economic tides did not rise as rapidly as in selected parts of the Sun Belt. Other states with slow growth prior to the recession included relatively high cost-of-living coastal states, such as California, New York and New Jersey, that lost migrants to more affordable states during the housing boom. As shown in Figure B, each of the latter states grew more rapidly during the post 2008 period than prior to the recession. This reflects, in large measure, a slowing of out-migration from these “migrant donor” states.

Migration Slowdown

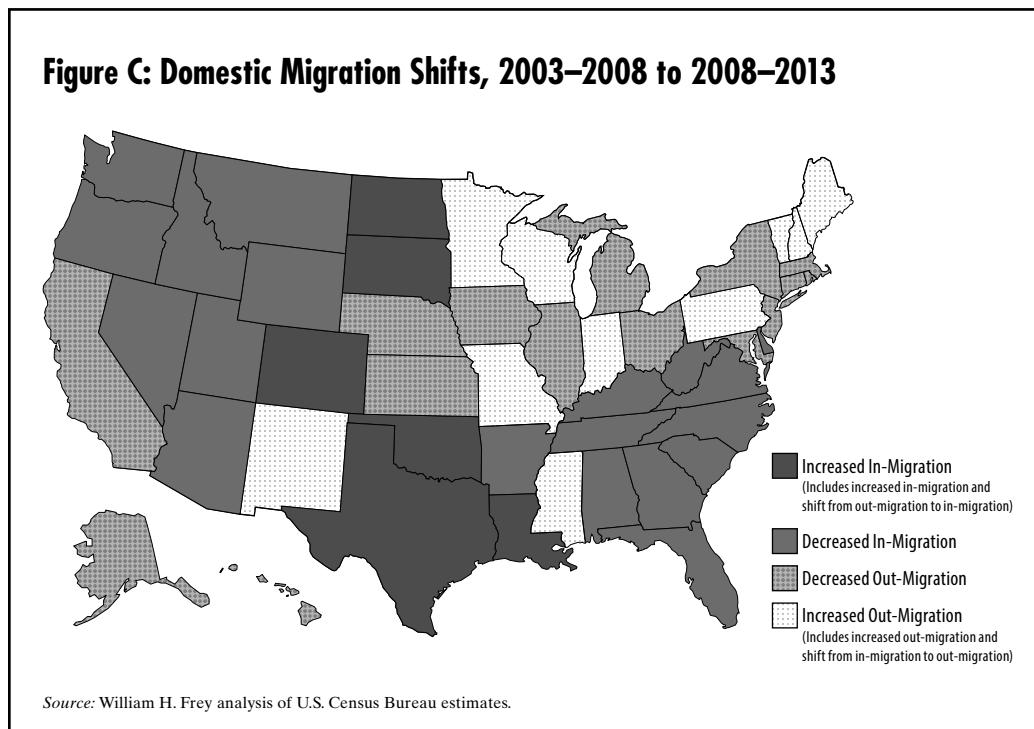
As suggested, broad migration flows across states underlay the population growth shifts observed over the two periods. The major population-gaining states during the prerecession period drew

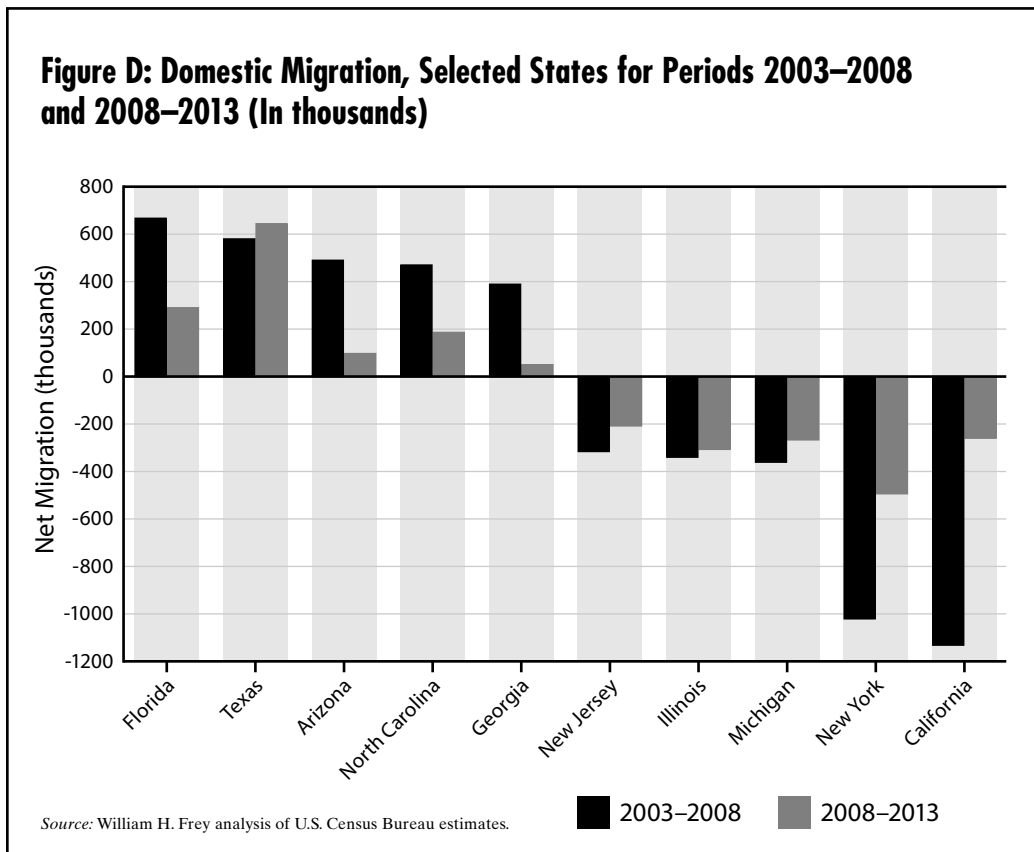
larger than usual migration flows from primary donor states. Yet, the overall migration slowdown, along with the reduced attractiveness of those states during the latter period, sharply curtailed the sizes of these flows. The regional dimensions of this shift are illustrated in Figures C and D, which refer to net domestic migration levels for the period July 2003 to July 2008 and July 2008 to 2013.

Figure C depicts states that bore the greatest brunt of these reduced migration flows from both an origin and destination perspective. A swath of states, located largely in the Mountain West and Southeast, show decreased in-migration for the latter period with substantial migration declines for Florida, Arizona, North Carolina, Georgia and Nevada, among others.

At the same time, the largest donor out-migration states of California and New York show a considerable reduction in their migration losses during the post-2008 period. These are the largest of the 15 states, located mostly in the Northeast and Midwest, that showed reduced migration losses.

It is noteworthy that some states held their own or even increased their migration during the 2008–13 period. Most prominent among these is Texas, which attracted more migrants during this period than in





the former, though it ranked near the top among the nation’s migration gainers during the entire time. Colorado, and Oklahoma are other states that seemed to be immune from the migration freeze due to the nature of their particular economic circumstances North Dakota, for example, with its recent oil and energy boom, became a rapid draw—gaining nearly 40,000 migrants over the 2008–13 period after losing migrants for many years.

For the most part, the large migration flows of the prerecession period have yet to re-emerge nationwide, and many states with fast growth and booming economies during those years are still waiting for a revival. It can, of course, be argued that just as the post-2008 period is not a normal period because of its below average demographic dynamism, neither was the prior period with its over-the-top growth for large swaths of the country. Still, while there are small signs of population growth revival in several Sun Belt states, the return to normal both economically and demographically is occurring more slowly than most have anticipated.

About the Author

William H Frey is a demographer and senior fellow with the Metropolitan Policy Program at the Brookings Institution in Washington, D.C. His website is www.frey-demographer.org.