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## How Texas Migration Patterns Changed during the Pandemic\*

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The Covid-19 pandemic led to changes in where Americans work and live. The rapid rise of work from home and remote schooling prompted some people to move to areas with more affordable housing or desirable amenities or closer to family members. Layoffs and business closures early in the pandemic prompted others to move for job opportunities. The pandemic also affected international migration as borders were closed to nonessential travel and consulates shut down, slowing visa processing. These changes had implications for Texas, a state that has traditionally experienced large-scale domestic and international migration.<sup>1</sup>

Several factors positioned Texas to benefit from pandemic-induced changes in domestic migration patterns. First and foremost, housing costs tend to be lower in Texas than in other large states, particularly California and New York. The median price of homes available for sale in January 2020 – before the start of the pandemic – was almost \$550,000 in California and \$465,000 in New York, compared with only \$285,000 in Texas.<sup>2</sup> While earnings also tend to be higher in states with higher housing costs, they often do not fully compensate for differences in cost of living, particularly for low-wage workers.

In addition to lower-cost housing, Texas' relatively early easing of pandemic restrictions on businesses and schools, lack of a state income tax, and record of robust economic growth may have been attractive to people considering an interstate move. These same factors may have caused Texans to stay in the state instead of moving elsewhere during this time.

On the other hand, the effective closing of US borders to international arrivals in March 2020 and other restrictions on immigration hit Texas and other immigrant-intensive states hard. Texas has a long history of attracting migrants from abroad, primarily from Mexico but increasingly from Central America and other countries. During the 2010s, international inflows accounted for more than a fifth of Texas' population growth and at least two in five new Texas residents were from abroad. International migration added almost 90,000 people, on net, each year to Texas' population.<sup>3</sup> The abrupt near-ceasing of inflows from abroad may have meant considerably fewer new immigrants and smaller population gains in Texas than in the decade before the pandemic.

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\* The views expressed here are solely those of the authors and do not reflect those of the Federal Reserve Bank of Dallas or the Federal Reserve System.

<sup>1</sup> For a discussion of domestic migration and immigration to Texas, see Orrenius, Zavodny, and LoPalo (2013), Orrenius, Abraham, and Gullo (2018), and Orrenius and Zavodny (2021).

<sup>2</sup> See <https://www.realtor.com/research/data/> (accessed December 15, 2022).

<sup>3</sup> For comparison, interstate moves accounted for almost 30 percent of Texas' population growth during the 2010s, with the state gaining almost 125,000 residents via domestic migration in a typical year. The balance of Texas' population growth was due to "natural increase," the difference between births and deaths.

Regarding domestic migration, many experts predicted that moves would decline – not rise – during the pandemic. Mobility indexes proliferated in the early stages of the pandemic and showed people were much less likely to leave their homes for shopping, work, or recreation than before the pandemic.<sup>4</sup> Indeed, the share of Americans who moved (both within and across counties) actually fell during the first year of the pandemic. Although media reports on Covid-related flight from dense cities abounded in 2020, the share of Americans who made a permanent move between March 2020 and March 2021 reached its lowest level since 1947, the year the US Census Bureau began collecting annual migration data (Frey 2021).

Initially, the drop in mobility nationwide led experts to predict fewer domestic moves overall, including to Texas in 2020-2021. But, as this report shows, that turned out to not be the case, at least not for long. While some measures indicate an initial drop in domestic moves to Texas, the state quickly regained its momentum and saw its domestic migration inflows rise by 2021. International migration to Texas slowed during the early phases of the pandemic before rebounding by 2022. In the meantime, domestic migration filled the gap. Texas retained its status as the “stickiest state” in the nation during the pandemic.

In-migration therefore continued to help fuel Texas’ population growth even as the source of it shifted. Work from home may have contributed to the rise in domestic in-migration, but family-related reasons played a role as well. In a continuation of pre-pandemic trends, the vast majority of movers settled in Texas’ largest metro areas. However, movers were less likely to settle in the central city within those metro areas and more likely to head for the suburbs, a change likely related to work from home.

Although Texas experienced a spike in domestic migration in 2020-2022, other changes in Texas generally mirrored national patterns. Households became more likely to move from urban areas to the less-dense suburbs, a pattern dubbed the “donut effect” (Ramani and Bloom 2021). This pattern was true for both interstate and intrastate moves. Work from home contributed to this national pattern, as areas with more workers able to work remotely experienced larger declines in housing demand near their central business districts (e.g., Li and Su 2022; Liu and Su 2021; Meeker and Mota 2021). The country as a whole experienced a substantial drop in international migration during the early phases of the pandemic but has since seen a recovery (e.g., Peri and Zaiour 2022).

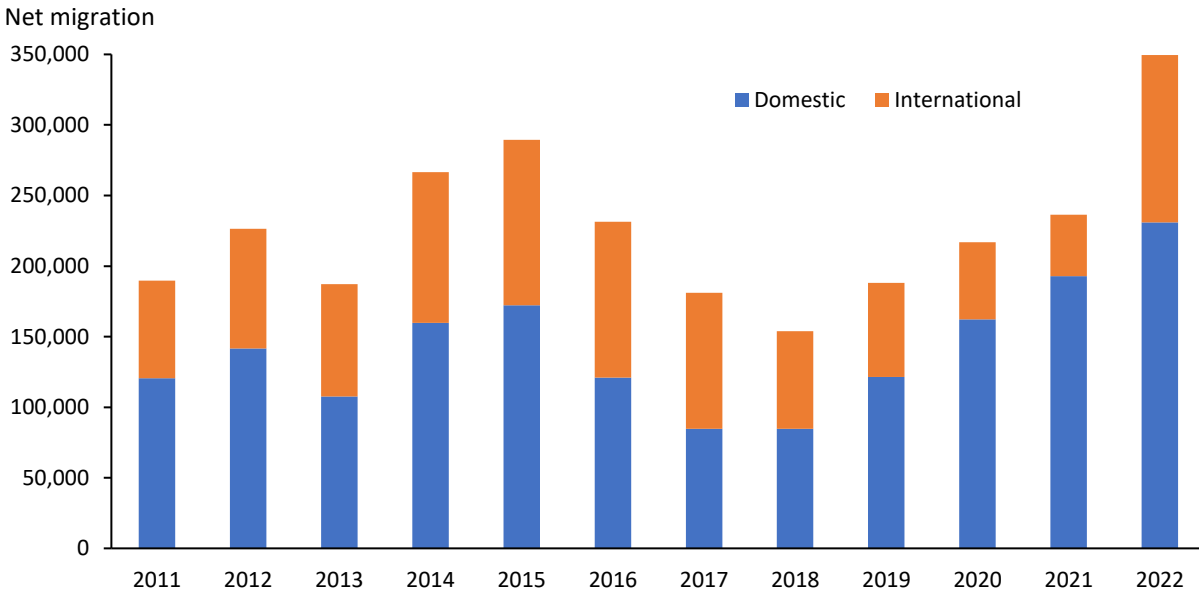
### **Texas Migration Patterns**

Texas’ net domestic migration – the difference between people moving to Texas from other states and people moving to other states – continued its upward trend during the pandemic. After easing over 2015-18, the state’s net domestic migration turned a corner in 2019 and gained strength during 2020-22 (**Figure 1**). Net international migration – the difference between people moving to Texas from abroad and people moving overseas, regardless of whether they are foreign- or US-born – slowed during the pandemic, in contrast. That said, net international migration had already been scaling back since 2015.

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<sup>4</sup> See for example, <https://ourworldindata.org/covid-mobility-trends> (accessed January 25, 2023).

**Figure 1**  
**Rising Domestic Migration Offset Falling International Migration for Texas**  
**during the Pandemic**



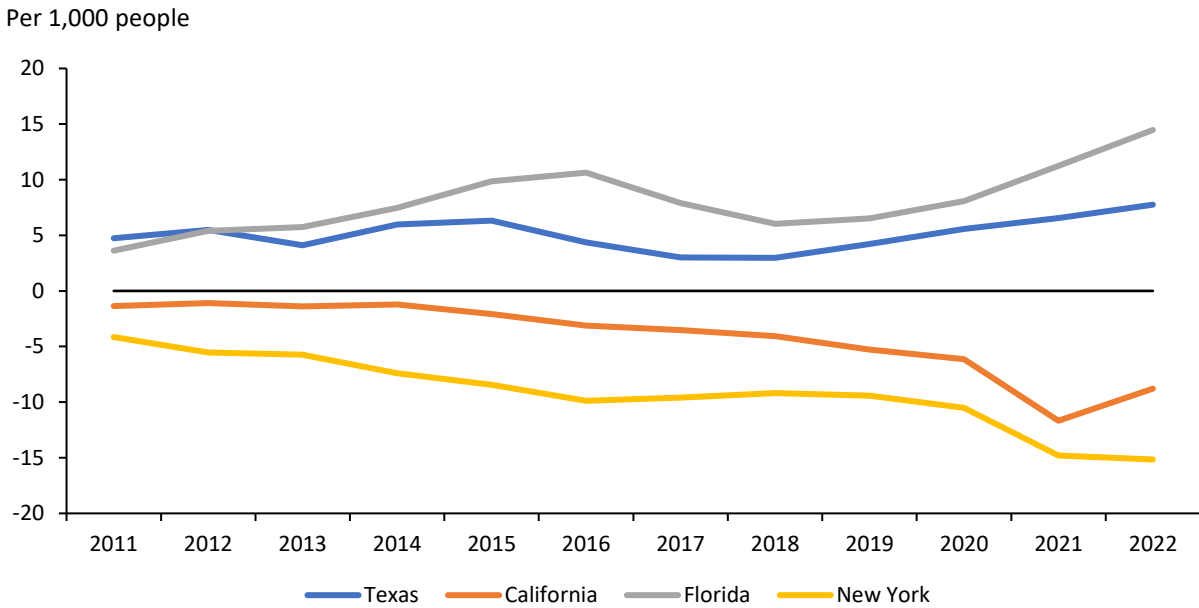
Note: Shown is net migration (inflows less outflows).

Source: US Census Bureau. Data are from July of the previous year to June of the year indicated.

Net international migration then rebounded sharply in 2022, exceeding its peak during the previous decade. Together, domestic and international net migration accounted for almost three-quarters of Texas’ population growth in 2022, up from only half during the previous decade.

Most years, Texas is second only to Florida in its number of interstate movers. Since Florida has a smaller population, its net domestic migration rate – the number of interstate movers, on net, relative to its total population – is typically higher than Texas’ rate (**Figure 2**). Florida also experienced faster growth in its net domestic migration rate than Texas during 2020-22. California and New York, meanwhile, saw their domestic net outflows surge during the first year of the pandemic. Those two states were the top sources of interstate movers to Texas early in the pandemic (Li and Su 2021).

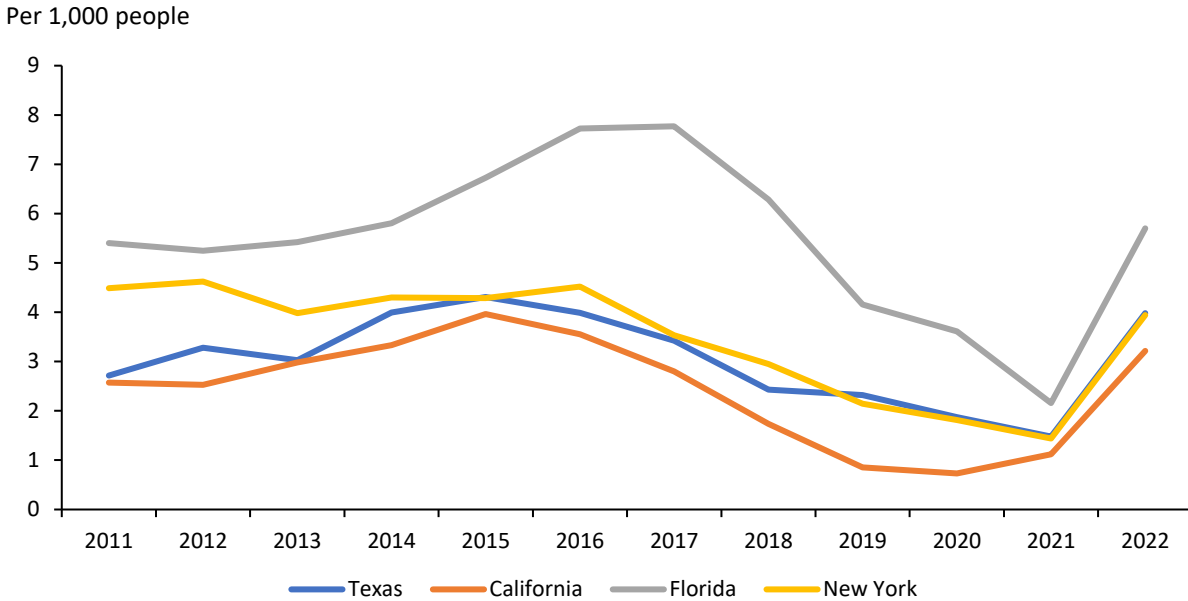
**Figure 2**  
**Texas and Florida Gained Domestic Migrants during the Pandemic,**  
**unlike California and New York**



Source: US Census Bureau. Data are net domestic migrants from July of the previous year to June of the year indicated, per 1,000 population.

Texas was not unusual in experiencing less net international migration during the second half of the 2010s. The fall in the state’s number of international migrants, on net, relative to its total population during that period was closely mirrored by New York (**Figure 3**). California had an even lower net international migration rate, while Florida’s was considerably higher. Texas’ sharp rebound in international net inflows in 2022 was shared by other large states. California was the only large state to see an uptick in net international migration in 2021.

**Figure 3**  
**International Migration Slowed in All Big States, then Rebounded Sharply**

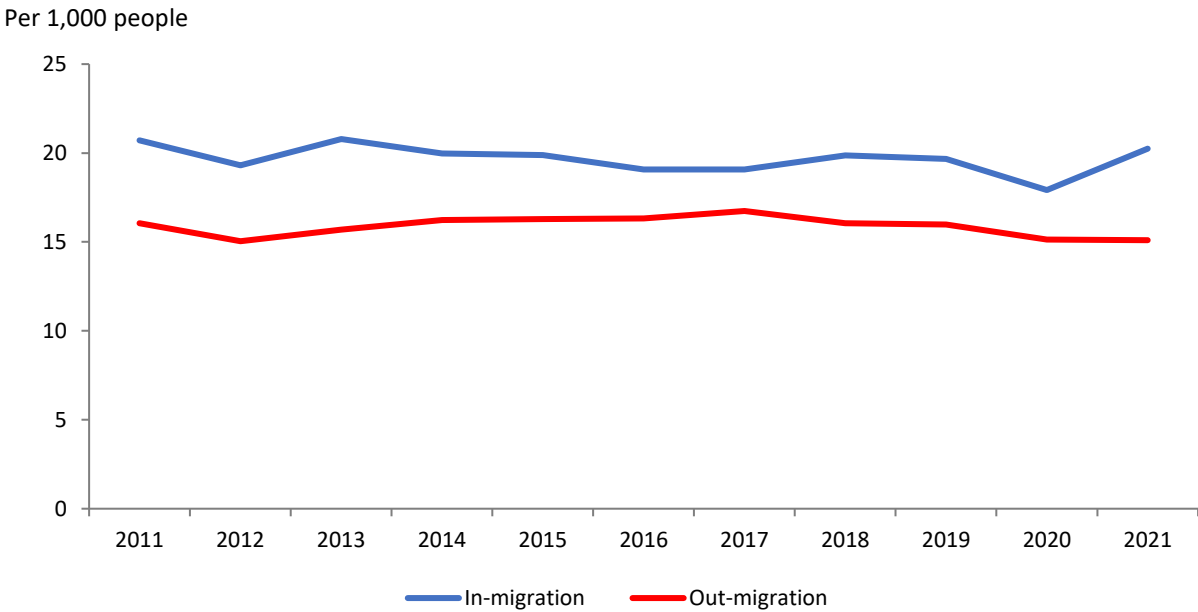


Source: US Census Bureau. Data are net international migrants from July of the previous year to June of the year indicated, per 1,000 population.

The increase in Texas’ domestic net inflows during the pandemic could be due to an increase in interstate arrivals or a decrease in exits. Data from the American Community Survey on the number of people who moved across states during the previous twelve months indicate that a rise in interstate arrivals was the key factor behind Texas’ increase in net domestic migration. Texas recorded 20 interstate arrivals per 1,000 total population in the 2021 survey, well above its rate of 18 per 1,000 people in the 2020 survey (**Figure 4**). The state’s domestic out-migration rate held constant at 15 per 1,000 people in the 2020 and 2021 surveys. The widening gap between Texas’ domestic in- and out-migration rates in the 2021 survey is consistent with the increase in the state’s net domestic migration (Figure 1 and Figure 2).

As was the case before the pandemic, Texas was the “stickiest” state – it had the lowest domestic out-migration rate in the 2021 survey and the second lowest (behind Maine) in the 2020 survey. The state’s domestic in-migration rate was the tenth lowest across all states in both surveys, also similar to its pre-pandemic rank. Despite ranking near the top in absolute number of in-migrants, Texas always has a relatively low in-migration rate because of its large population (Orrenius and Zavodny 2021).

**Figure 4**  
**Gap between Texas' Domestic In-Migration and Out-Migration Widened**

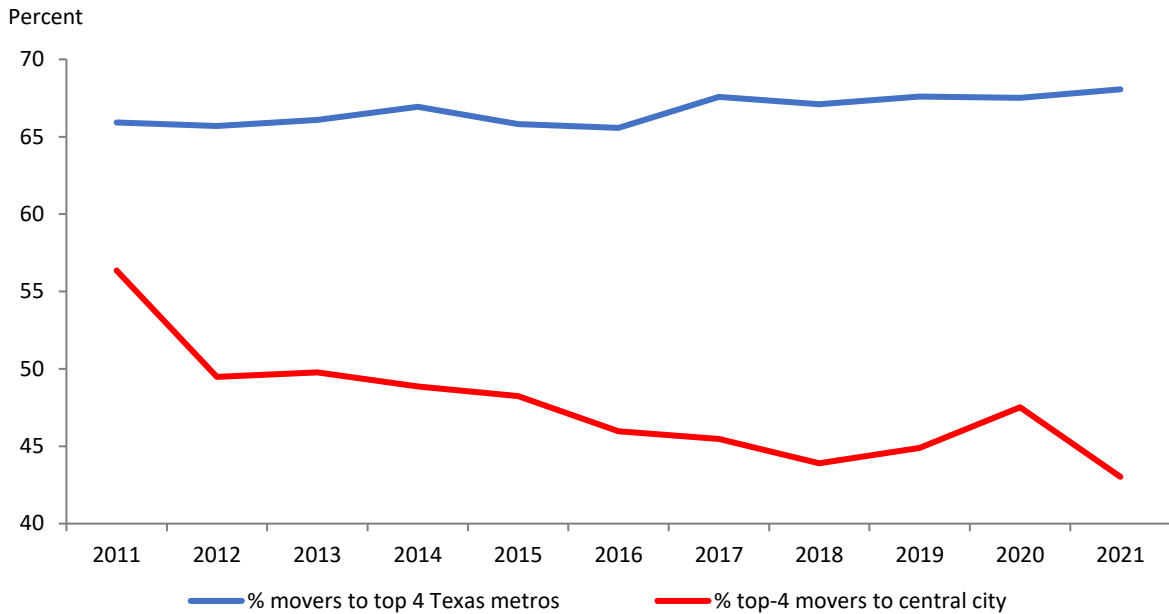


Source: Authors' calculations based on American Community Survey data. Data are the number of people who moved states over the previous twelve months, per 1,000 people.

Texas movers continued to head to the state's largest metropolitan areas even during the pandemic. Over two-thirds of people who moved to or within Texas settled in the Austin, Dallas-Fort Worth, Houston, or San Antonio metro areas (**Figure 5**). The share settling in Austin rose and the share settling in San Antonio dipped slightly, while there was no clear trend for Dallas-Fort Worth and Houston. Although movers became more likely to settle in the largest Texas cities, they appear to have headed towards the suburbs. The share of movers settling in the central city within those the four largest cities declined notably in the 2021 data. The move to suburban areas may be related to rising numbers of people able to work from home, a topic we return to below.

The largest Texas cities were an outlier among major metro areas in not losing residents between July 2020 and June 2021. New York, Los Angeles, and Chicago – the only metro areas that top Dallas-Fort Worth and Houston in size – all registered absolute declines in their populations over that 12-month period (Frey 2022). Austin, Dallas-Fort Worth, Houston, and San Antonio all saw their population growth ease relative to the 2010s, but they still continued to gain additional residents. Indeed, Dallas-Fort Worth gained the most residents of any major metro area, while Houston and Austin came in 3<sup>rd</sup> and 4<sup>th</sup> place, respectively, behind Phoenix.

**Figure 5**  
**Movers Headed to Major Texas Cities, but to their Suburbs**



Source: Authors' calculations based on American Community Survey data.

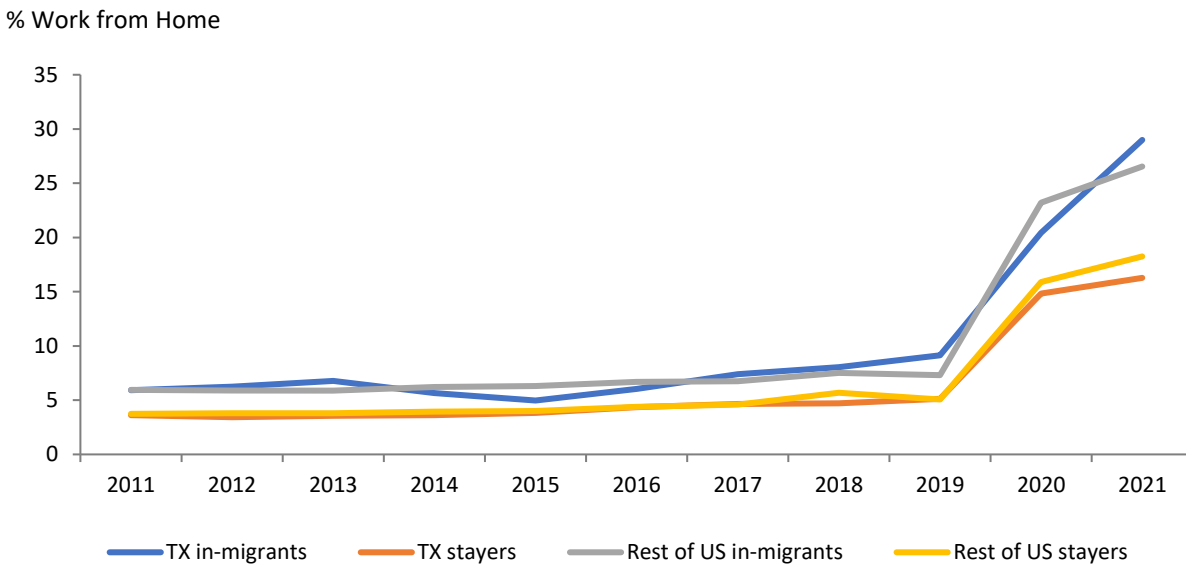
**The Role of Work from Home**

The pandemic transformed many traditional workplaces and led to an unprecedented number of workers doing their jobs from home either some or all days. The shift to work from home persisted for many of those workers even after COVID-19 vaccines became readily available and economic activity returned to pre-pandemic levels. The ability to work remotely may have enabled some people to move to areas that were more affordable, closer to family, or had more amenities, such as a better climate.

Data from the American Community Survey indicates that the share of all workers ages 20-54 who work from home surged during the pandemic, both in Texas and elsewhere (**Figure 6**). Interstate migrants, both to Texas and elsewhere, were more likely than non-movers to work from home even before the pandemic, but the share working from home rose considerably more among interstate migrants than among non-movers during the pandemic. The growing gap in work from home between interstate migrants and non-movers suggests that being able to work remotely increases interstate mobility, consistent with surveys indicating that being able to work from home encouraged some people to move during the pandemic (e.g., Haslag and Weagley 2022).



**Figure 6**  
**Work from Home More Common among Texas In-Movers**



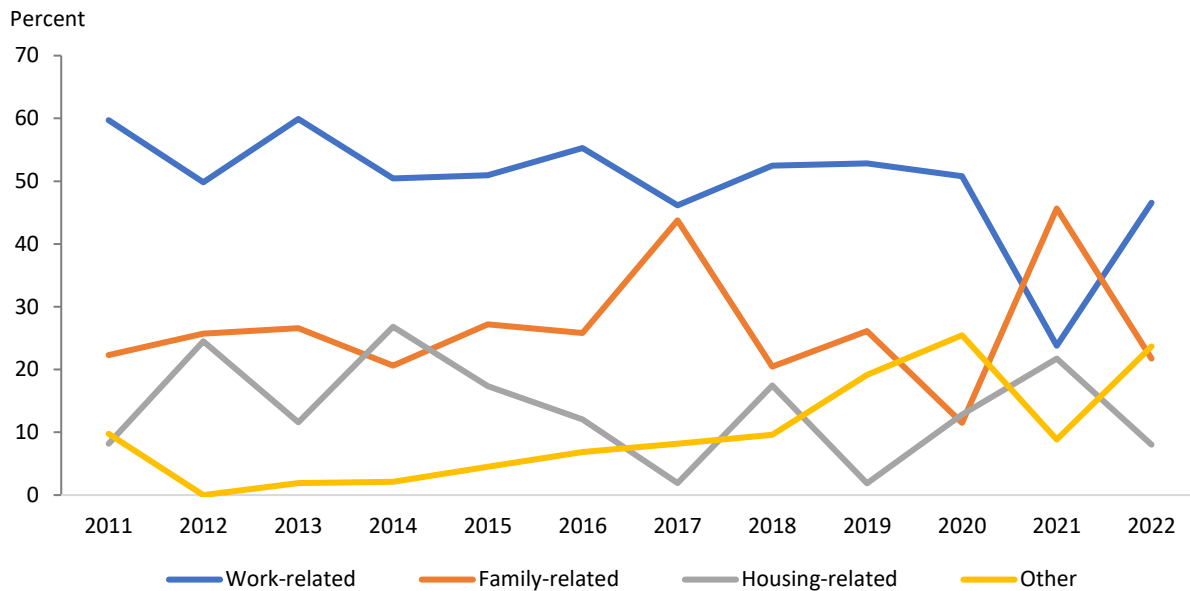
Source: Authors' calculations based on American Community Survey data. Data are for workers ages 20-54. In-migrants is interstate movers.

The increase in work from home during the pandemic was slightly more muted among non-movers in Texas than elsewhere. Differences in occupation and industry composition contributed to the smaller increase in Texas (Su 2020). Differences in Covid-related public policies, such as when schools reopened, also may have played a role.

Interstate migrants to Texas were more likely than other interstate migrants to be working from home in the 2021 survey, suggesting that Texas was particularly attractive to people who work remotely. Consistent with this, the share of interstate movers who chose Texas was higher among people who work from home than among those who do not. This was the case even before the pandemic: In the 2019 survey, for example, the share of work-from-home interstate movers who chose Texas as their destination was almost 10 percent, versus 8 percent of interstate movers who do not work from home. The national surge in remote work may have enabled more people to move states, and many of those movers appear to have chosen to go to Texas.

The share of interstate migrants to Texas who reported housing- and family-related reasons for moving to the state rose substantially in the Current Population Survey's Annual Social and Economic Supplement in 2021 (**Figure 7**). The share of Texas domestic in-migrants who gave a housing-related reason, such as wanting to buy instead of rent, wanting better housing, or wanting cheaper housing, for moving to Texas within the past twelve months was 22 percent that year, well above the state's 2011-20 average of 14 percent. The increase is consistent with remote work contributing to Texas' domestic in-migration. The share of interstate movers who reported a family-related reason for moving to Texas spiked even higher, at 46 percent, in the 2021 survey. The share of interstate movers who gave a work-related reason dipped to 24 percent that year. In the 2022 survey, Texas interstate movers' reasons for moving largely reverted to pre-pandemic patterns.

**Figure 7**  
**Texas Interstate Movers' Reason for Moving Changed**



Source: Authors' calculations based on Current Population Survey Annual Social and Economic Supplement data.

### Conclusion and Outlook

Migration is an important adjustment mechanism for market economies. The movement of workers, whether within a country or across international borders, helps ease labor shortages in booming areas and fill critical skill gaps that otherwise would slow economic growth (Morales-Burnett, Orrenius, and Zavodny 2022). Texas' large workforce means the state does not need to rely as much as many other parts of the country on migration in order to grow, but the state nonetheless is better off when it attracts workers with in-demand abilities.

Texas benefitted from pandemic-era changes in Americans' migration patterns. The state gained residents from other states despite a drop in Americans' mobility overall during the first year of the pandemic, and those gains accelerated through 2022. Although net international migration to Texas fell during the early phases of the pandemic, it came roaring back by 2022. Together, migrants from other states and abroad added over 300,000 new residents to Texas and accounted for almost three-quarters of the state's population growth between July 2020 and June 2022.

An increase in the share of workers able to do their jobs remotely may have helped fuel domestic in-migration to Texas, and relatively low housing costs may be particularly attractive to people who work from home. Desire to live in a warmer climate, where activities can occur outdoors during more of the year, also may have prompted some people to move to Texas during the pandemic. Rising housing costs across much of the country due to higher interest rates may continue to encourage domestic movers to consider Texas, whereas a "return to office" among some remote workers may slow in-migration to the state over the next few years. A continued resumption of international migration is likely to ensure that Texas sees hardy population growth that helps the state continue its economic development.

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