Missouri Economy Indicators

Migration Patterns

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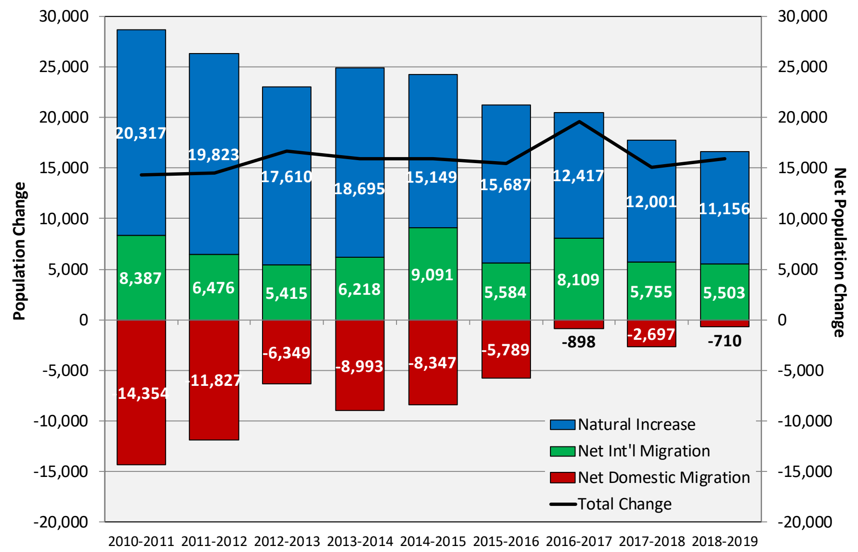
In-migrants represent new customers for businesses, new taxpayers for municipalities and new workers for local employers. Regions that attract more migrants than they lose are often more likely to have a stronger growth trajectory. Migration can also reflect connections between two regions, and it can signal how people perceive a region's economic opportunities and quality of life.

Migration Trends

The U.S. Census Bureau's Population Estimates Program annually estimates the three primary components of population change: domestic migration; international migration; and natural increase, computed as births minus deaths. In the past decade, net domestic out-migration slowed Missouri's overall population growth.

Although net domestic out-migration shrunk over time in the past decade, an aging population reduced the natural increase. These trends are chronic challenges in areas such as the St. Louis metro, northern Missouri and especially southeastern Missouri.

Components of Population Change in Missouri



Source: U.S. Census Bureau, Population Estimates Program, V2019

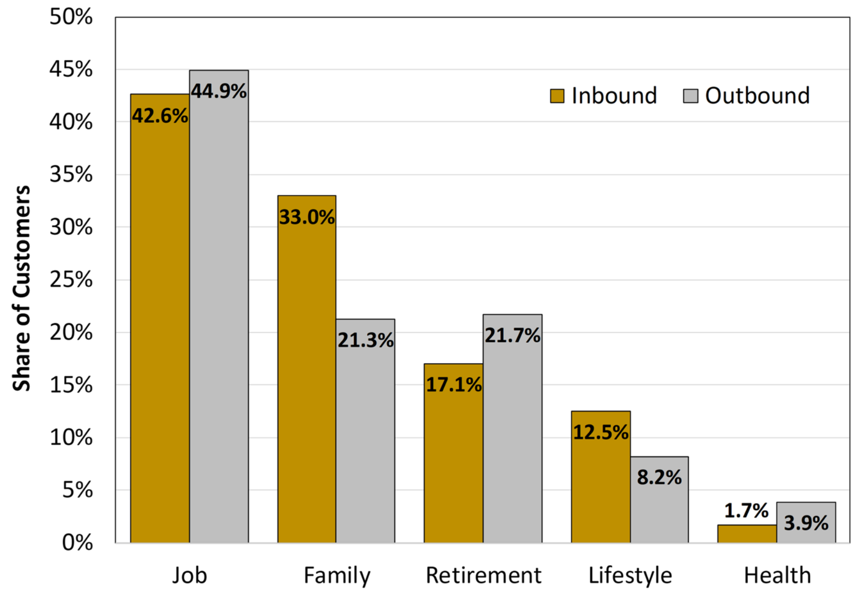
Jobs and Family Motivate Domestic Migration

United Van Lines, a national moving service, conducts an annual customer survey to identify trends in interstate migration. Consistent with the U.S. Census Bureau's population estimates data, the United Van Lines' annual National Movers Survey shows that in 2020 slightly more of their customers moved out of Missouri (51%) than moved to Missouri (49%). Almost 45% of the people leaving Missouri did so for jobs; retirement (22%) and family (21%) followed as the next most common reasons. Among people moving to Missouri, primary motivations for their moves were jobs (43%) and family (33%).

Approximately half of movers—those going both to and from Missouri—in the United Van Lines survey were older than 55. Roughly 18% of surveyed customers leaving Missouri were younger than 35 compared with 15% of those moving to Missouri. By contrast, almost 20% of customers moving to Missouri were 45- to 54-year-olds, and 14% of people leaving Missouri fit in this age group. Higher income individuals were also more likely to move; 65% of the United Van Lines customers moving to Missouri and 60% of those leaving the state had annual incomes greater than $100,000.

The factors affecting moves vary somewhat between urban and rural areas. For instance, the USDA Economic Research Service report titled "[Factors Affecting Former Residents' Returning to Rural Communities]" used interviews conducted at high school reunions to examine factors that attracted or discouraged former rural residents to migrate home. It found family drew back people, but adequate job opportunities were necessary for people to move. Return migrants identified shorter commutes, lower cost of living, outdoor amenities and a community feel as factors motivating their returns to rural communities. By contrast, factors discouraging returns included financial and career sacrifices, too much familiarity and lack of cultural amenities.

Primary Reason for Moving to and from Missouri (2020)

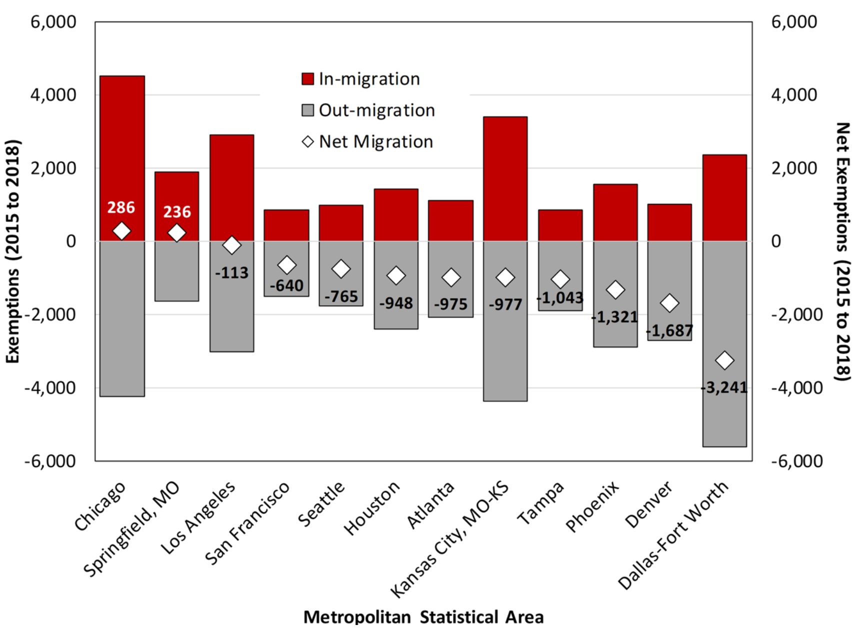


Source: United Van Lines

Missouri Metros Often Lose More Residents to Other Metros Than They Receive

Although these data show broad migration trends, they do not reveal where people are moving or from where they are coming. To better understand these migration flows, the Internal Revenue Service produces migration data that show where residents file taxes in one year and where they file in the next year. These data include the number of filers, which serves as a proxy for households, and the number of exemptions, which serves as a proxy for people. This analysis examined three years (2015-18) of IRS migration data to highlight where Missouri residents were moving and from where new residents were arriving.

Migration Trends for the St. Louis, Missouri, Metro Area (2015 to 2018)



Source: U.S. Internal Revenue Service Migration Data

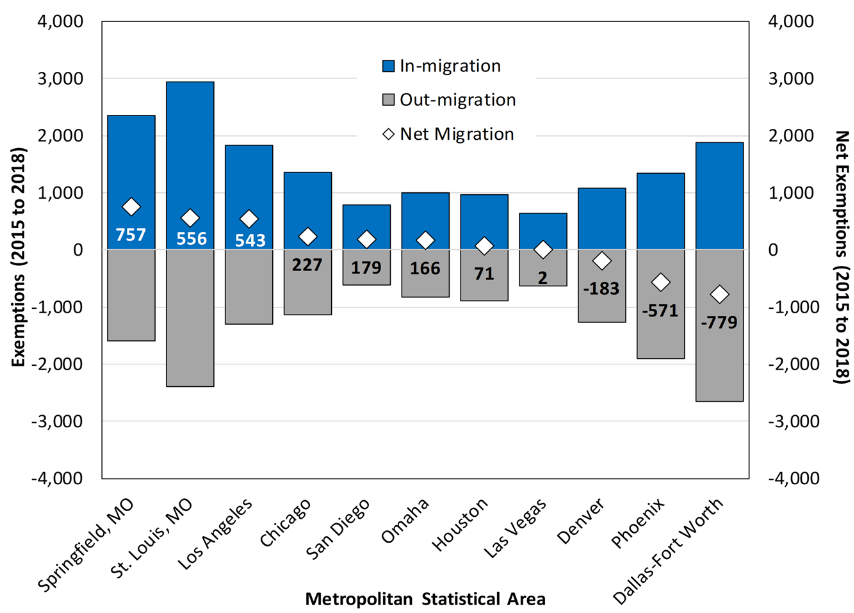
Much migration that occurs within Missouri involves people moving within the same region. Between 2015 and 2018, just more than 60% of all migrants remained within Missouri, and less than 1% of migrants arrived from international locations. County-to-county flows more clearly show the sources and destinations of people moving into and out of Missouri. The IRS suppresses county-to-county flows where there were fewer than 20 returns, so this analysis primarily focuses on destinations and originations of people (i.e., exemptions) moving to and from Missouri counties in the St. Louis and Kansas City metropolitan statistical areas where migration occurs to a greater extent.

The most common destination metro areas for people leaving the St. Louis metro area between 2015 and 2018 included Dallas-Fort Worth, Kansas City and Chicago; only for the latter metro was St. Louis a net beneficiary of migration. The St. Louis metro area also experienced net domestic out-migration to fast-growing metro areas such as Dallas, Denver, Atlanta and Houston and retirement destinations such as Phoenix and Tampa. Missouri counties located in the St. Louis metro area were net beneficiaries of migration from Chicago and Springfield, Missouri. In addition, more people were likely to move from the Illinois counties of the St. Louis metro area to the Missouri counties than vice versa.

The U.S. Census Bureau's population estimates show that Missouri counties located in the Kansas City metro area experienced net domestic in-migration in the past half-decade. The IRS migration data show some of these gains came from neighboring metro areas. For instance, in each year studied, more people moved from the Kansas counties within the Kansas City, MO-KS metro area to the Missouri counties than vice versa. Between 2015 and 2018, more than 2,500 more people moved from the Kansas side of the metro to the Missouri side. During this period, almost 1,250 more people moved from the counties of the St. Joseph, MO-KS metro area to the Missouri counties of the Kansas City metro area than vice versa. However, much of this movement was between neighboring counties (e.g., Buchanan to Platte).

Collectively, Missouri counties located in the Kansas City metro area added more residents than they lost to more distant Missouri metros such as St. Louis and Springfield. They also drew residents from large metro areas such as Los Angeles and Chicago. Similar to the St. Louis metro area, the Kansas City, Missouri, metro area experienced a net loss of people to fast-growing urban areas such as Dallas-Fort Worth, Phoenix and Denver.

Migration Trends for the Kansas City, Missouri, Metro Area (2015 to 2018)



Source: U.S. Internal Revenue Service Migration Data

As shown above, the Springfield, Missouri, metro area lost more people to Kansas City, including Johnson County, Kansas, and St. Louis. Springfield also lost net residents to nearby northwest Arkansas and retirement destinations such as Phoenix.

Beyond these Missouri metro areas, movement of military personnel and their families drove migration patterns in Johnson (Whiteman Air Force Base) and Pulaski (Fort Leonard Wood) counties. Beyond local migration to places such as Jackson County, addresses associated with Army Post Offices and Fleet Post Offices (APOs/FPOs) were common sources of in- and out-migrants in Johnson County. APOs/FPOs are also common sources and destinations of Pulaski County migrants, as are counties with major military installations such as Bell and Coryell counties in Texas (Fort Hood); El Paso County, Colorado (Fort Carson); Pierce and Thurston counties in Washington (Fort Lewis); Cumberland and Harnett counties in North Carolina (Fort Bragg); and Jefferson County, New York (Fort Drum).

Migration Represents an Important Regional Dynamic

- **Migration trends have important implications for regional economies.** Net new residents contribute to local spending, pay taxes and often provide skilled workers to the labor force. Significant migration can strongly influence a location's opportunities for growth.
- **Most migration tends to be local in nature.** The majority of migrants move within the same county and metro area.
- **Inter-regional migration can highlight important regional connections.** The volume of migration between two regions can illustrate connections between places, and the net flow of migrants indicates relative regional competitiveness. In a sense, people vote with their feet, and net migration patterns can help identify where people think they can find relative greater economic opportunities and better quality of life.

Additional Resources

- **The U.S. Census Bureau's Population Estimates Program** releases annual data on population change, including migration. It releases annual estimates for the previous year in March. See more at census.gov/programs-surveys/popest.html
- **United Van Lines National Movers Survey** captures insights from customers to describe broad state-to-state migration patterns. In 2020, the company conducted its 44th annual survey. It releases results at the beginning of each year. Find the 2020 results at unitedvanlines.com/newsroom/movers-study-2020
- **IRS Statistics of Income Migration Data** provide information about state-to-state and county-to-county filer migration, exemptions and total adjusted gross income. Data are available back to 1990, though IRS enhanced its methodology in 2011. These data are released more irregularly at irs.gov/statistics/soi-tax-stats-migration-data
- **The USDA Economic Research Service report** titled "Factors Affecting Former Residents' Returning to Rural Communities" used interviews conducted at high school reunions to examine the factors that attracted or discouraged former rural residents to migrate home. Access it at ers.usda.gov/webdocs/publications/45361/52906_err185.pdf?v=0

All briefs in the economy indicators series and future updates will be available at tinyurl.com/ExceedEconomyIndicators

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