

State Migration: Winners and Losers

In this week's "Three on Thursday," we look at the patterns of migration between states, finding the winners and losers. Each year the U.S. Census Bureau produces and publishes estimates of the population for the nation. Populations can change in three ways: people may be born (births), they may die (deaths), or they may move (domestic and international migration). The U.S. Census Bureau's Population Estimates Program measures this change and adds it to a base population to produce updated estimates every year. Our specific focus today centers on just the change in domestic net migration between states, shedding light on the destinations attracting people within the U.S and the origins experiencing departures. To gain a more comprehensive understanding of where things sit today, we present three informative tables below.

Domestic Net Migration by State | Annual Change (7/1/23-7/1/24)

Top 10 Winners				Top 10 Losers					
Rank	State	As a Share of 2024 State Population	2024 State Tax Burden Rank	Rank	State	As a Share of 2024 State Population	2024 State Tax Burden Rank		
1	South Carolina	1.2%	68,043	29	1	Hawaii	-0.6%	-9,321	42
2	Idaho	0.8%	16,383	16	2	New York	-0.6%	-120,917	49
3	Delaware	0.8%	8,155	21	3	California	-0.6%	-239,575	48
4	North Carolina	0.7%	82,288	9	4	Alaska	-0.5%	-3,774	3
5	Tennessee	0.7%	48,476	15	5	Illinois	-0.4%	-56,235	37
6	Nevada	0.5%	26,028	7	6	Massachusetts	-0.4%	-27,480	46
7	Alabama	0.5%	15,389	39	7	Louisiana	-0.4%	-17,405	40
8	Montana	0.5%	5,410	5	8	New Jersey	-0.4%	-35,554	50
9	Arizona	0.5%	34,902	14	9	Maryland	-0.3%	-18,509	45
10	Arkansas	0.4%	13,465	38	10	Mississippi	-0.2%	-4,939	20

Source: Census.gov, Tax Foundation, First Trust Advisors.

In the most recent annual data available from July 1, 2023 to July 1, 2024, South Carolina experienced the highest proportion of domestic net migration relative to its population, standing at 1.2%. Conversely, Hawaii, New York, and California all tied for the most significant loss, accounting for -0.6% of the state's population. The predominant factors influencing these migration trends appear to be lower tax burdens and lower cost of living. Examining the tax landscape, the Tax Foundation gauges a state's tax burden by considering state and local taxes paid by residents divided by the state's share of net national product. On their scale, where 1 is the least tax-burdened state and 50 is the most tax-burdened state, the top 10 domestic migration winners boasted an average tax burden ranking of 19. In contrast, the top 10 domestic migration losers exhibited an average tax burden ranking of 38.

Domestic Net Migration by State | Cumulative Change (4/1/20 - 7/1/24)

Top 10 Winners				Top 10 Losers					
Rank	State	As a Share of 2024 State Population	2024 State Tax Burden Rank	Rank	State	As a Share of 2024 State Population	2024 State Tax Burden Rank		
1	Idaho	6.0%	120,350	16	1	New York	-4.9%	-966,209	49
2	South Carolina	5.7%	314,953	29	2	Dist. of Columbia	-4.2%	-29,330	48
3	Montana	4.7%	53,496	5	3	California	-3.7%	-1,465,116	48
4	Delaware	4.4%	46,357	21	4	Hawaii	-3.5%	-50,754	42
5	Florida	3.7%	872,722	4	5	Illinois	-3.3%	-418,056	37
6	North Carolina	3.5%	392,010	9	6	Louisiana	-2.8%	-129,488	40
7	Maine	3.5%	49,132	34	7	Alaska	-2.6%	-19,564	3
8	Tennessee	3.5%	252,180	15	8	Massachusetts	-2.3%	-162,751	46
9	Arizona	3.3%	252,654	14	9	New Jersey	-2.0%	-192,209	50
10	Nevada	2.5%	81,386	7	10	Maryland	-1.9%	-120,435	45

Source: Census.gov, Tax Foundation, First Trust Advisors.

Many believed the migration patterns during COVID would reverse as people returned to work, but that has not happened. The data reveal a sustained trend towards states with lower taxes and lower cost of living. Analyzing Census data from April 1, 2020, through July 1, 2024, shows Idaho led the way gaining a 6.0% in domestic net migration as a share of its state population over that period. On the flip side, New York faced a substantial loss, with a 4.9% decrease in domestic net migrations as a share of its state population. In terms of sheer numbers, Florida emerged as the leader in net domestic migration, welcoming 872,722 individuals, while California witnessed the largest outflow, losing 1.465 million residents. The top 10 winners in domestic migration over this period displayed an average tax burden ranking of 15. Conversely, the top 10 losers in domestic migration exhibited an average tax burden ranking of 41.

U-Haul Rental Comparison

	Cost	Ratio
New York, NY to Naples, FL	\$4,284	1.60
Naples, FL to New York, NY	\$2,678	
Chicago, IL to Charleston, SC	\$2,346	2.23
Charleston, SC to Chicago, IL	\$1,052	
Los Angeles, CA to Charlotte, NC	\$7,574	2.80
Charlotte, NC to Los Angeles, CA	\$2,701	
San Francisco, CA to Boise, ID	\$4,401	4.57
Boise, ID to San Francisco, CA	\$962	

Source: uhaul.com, First Trust Advisors. 26' truck for 1/31/25 pick up date.

One of our favorite indicators of migration patterns is the price of renting a U-Haul to move from one city to another. On the U-Haul website, one can download quotes for these rentals and compare outbound and inbound pricing. If the price is higher for one direction relative to the other, it is a solid measure of supply and demand. U-Haul tries to develop a pricing scheme that keeps the total supply of usable vehicles roughly stable at each location and will lower or raise the price, depending on direction, in order to recover excess vehicles if volumes don't balance. For instance, taking a 26 ft. U-Haul from San Francisco, CA to Boise, ID incurs a cost of \$4,401. In contrast, picking up the same-sized U-Haul in Boise and driving it to San Francisco costs only \$962, a mere quarter of the price! This means many more people are moving from San Francisco to Boise than are moving from Boise to San Francisco.