

DECEMBER 2023



AMERICANS ON THE MOVE

WHERE ARE THEY GOING AND
FROM WHENCE DO THEY COME?

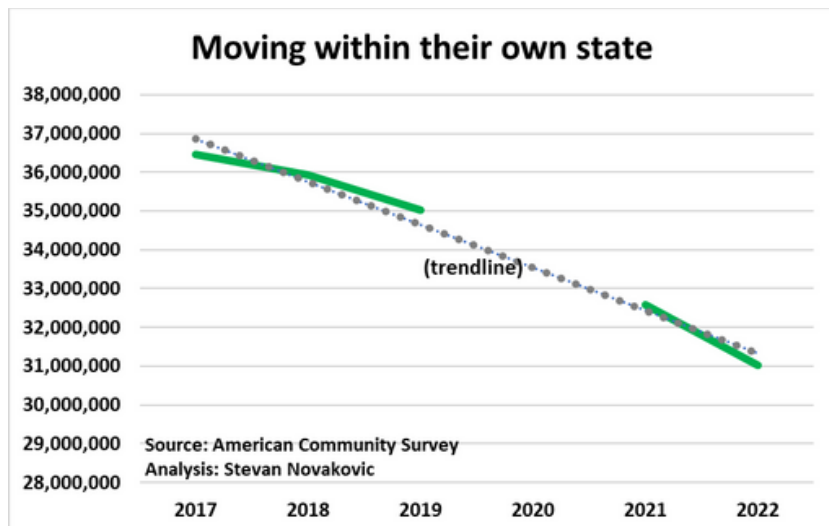
 **FARM CREDIT**
OF CENTRAL FLORIDA
FINANCING FARMS, HOMES & LAND

BY STEVAN NOVAKOVIC, SR. ECONOMIST



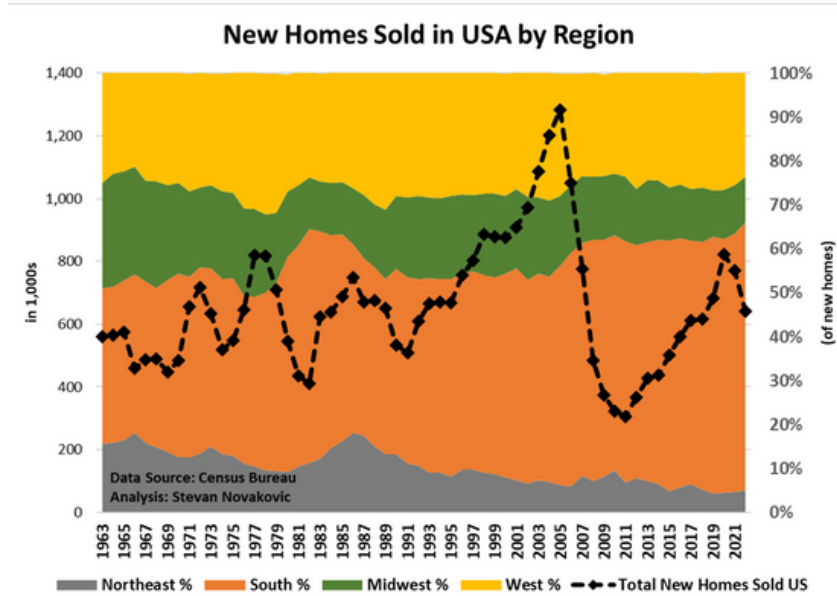
NOT EVERYONE IS HEADING TO FLORIDA.

On any given year roughly 7 to 8 million people move to a different state across America, with 30 to 35 million shifting within their state of residence. That’s not to say, however, that Florida does not receive a hefty percentage of those moving across the country. Much ado has been made over this in the media, by politicians, by those of us aggravated by increased traffic, and especially about the resulting escalation in home prices. Nonetheless, it’s happening, so let’s try to paint a picture not just of movers to the Sunshine State, but also a topic rarely mentioned: those moving out.



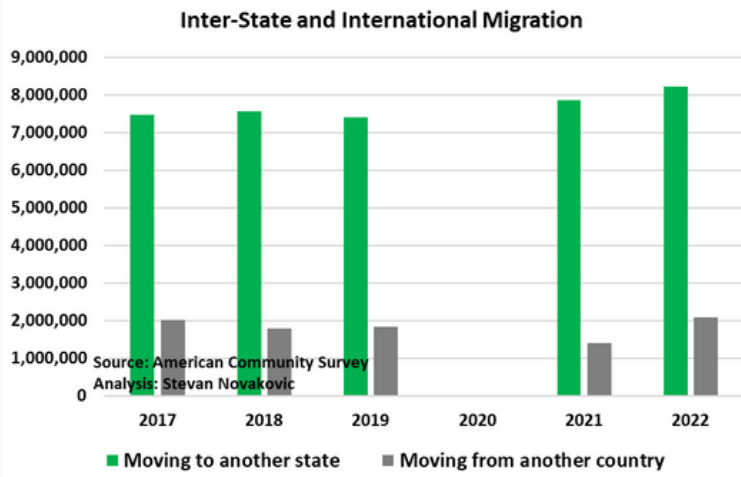
The American Community Survey is published annually, except in 2020 because the pandemic made it too difficult to collect the data (this also impacted the robustness of the decennial census). Using the three years pre-pandemic and then jumping back in for 2021 and 2022, there are some noticeable trends. Considering the national perspective, the number of folks moving, in general, has been dropping. It’s impossible to determine exactly why, but some factors are likely at play. A record number of Americans own their homes outright, nearly 40%, and this trajectory keeps rising as people

are choosing to “age-in-place” and stay in homes longer (somewhat of a circular or corollary logic here). The pandemic itself likely impacted the psyche of many, with 7% fewer people moving in 2021 than 2019, and 15% fewer people moving in 2022 than in 2017. Rising interest rates and rising home prices have played a factor as well, wearing on the outlook for moving companies across the nation. Affordability matters, and right now the forecast is not bright. A drop in total movers of nearly one-sixth over a five-year period is significant, and there are few reasons to argue this trend will reverse in the near future.



When it comes to migration to a new state, however, the numbers have been markedly more resilient. Americans are increasingly more mobile, voting with their feet, and changing communities economically, and politically. Total inter-state movers are up 10% from 2017 to 2022, from 7.5 million to 8.2 million. With the majority of new homes being built in the South, it is unsurprising that the top two states for this are Florida (9% of total) and Texas (8%). Overall, 40% of those migrating to a new state went to some part of Dixieland. Cross-referencing the entire country is beyond the scope of this short piece, but if we quickly look at the primary states folks are leaving they are California (10%), New York (7%), Texas (6%), Florida (6%), and

Pennsylvania (3%). Thus, while in aggregate the majority have a Southern destination, their origin is likely to coincide with state population size. California residents were mostly heading to Texas, Arizona, and Nevada. Texas folks spread all over the country, with the largest share (9%) en route to California or Florida (8%). On a relative basis, considering the percentage of those moving to a state versus its current population, we find that’s mostly correlated with the size of the state’s overall population (Alaska and Wyoming leading in that category). It also underscores the transient nature of those working in our nation’s capital, Washington, DC, as about 10% of its residents move into it annually, and a corresponding percentage move out. Before we delve into the Sunshine State a little more, however, there is an additionally important characteristic of movers: those from another country.

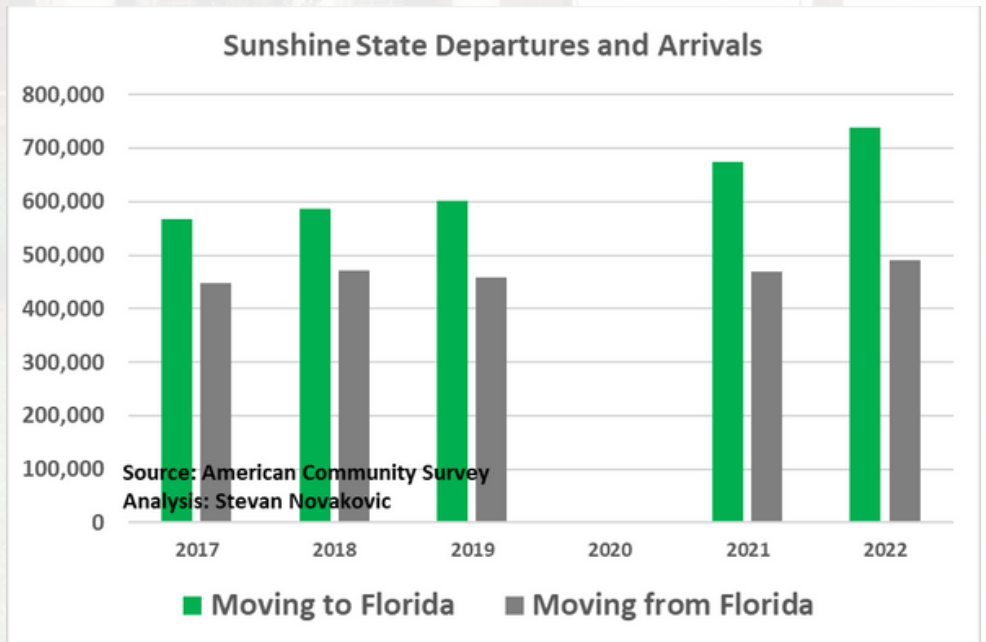


Official statistics of documented migration from foreign countries is significantly larger than any inter-state changes. For 2022, 2.1 million moved to the US from other nations, while the five year average since 2017 was 1.8 million – a total of 9.1 million new American residents (excepting those not counted in 2020). The destination for these folks coincides closely with state population size, as California leads, followed by Florida, Texas, and then New York. About 2 million American citizens annually also move back from abroad.

Back to Florida: there is a lot going on. The Sunshine

State is the third largest in the nation now, weighing in at more than 22 million people, about 7 million fewer than 2nd largest Texas and 3 million more than 4th largest New York. At the same time, it's receiving the most people from anywhere else in the country (9% of total inter-state movers and 12% of international arrivals) – a total of over 990,000 in 2022 alone. "Wait..." you might say: "I've heard 1,000 people are moving to Florida every day, this is much more, it can't be right." And you would be correct, somewhat. That number casually thrown around on social media and by commentators is a net number stemming from the Florida demographic forecasting conference, which takes into account births, deaths, as well as population inflows and outflows. Outflows are extremely important for us to

consider. While nearly 1 million people moved to Florida in 2022, almost 500,000 left the state. Life choices and circumstances are relative, affordability is different for everyone. Climate, traffic, politics, family – there are myriad reasons that cause our neighbors to pack up for a northern or western abode. Where do these former Floridians go? The greatest number is right nearby - Georgia (more than 10%), followed by Texas (almost 9%), and then North Carolina (7%). California is 4th, with Tennessee and Virginia coming in at 5th and 6th places respectively.



In spite of all the leavers, Florida gets a lot of movers, and they are from everywhere around the country. About 12% of them from New York, 7% of them hail from California, 6% from New Jersey, 5% from Georgia, and then a little less than 5% each from Texas, Pennsylvania, and Illinois. The largest group, by far, comes from overseas – about 34% (more than 250,000 in 2022).

So, don't be surprised at all the different license plates, bumper stickers, outfits, accents, personalities, and attitudes surrounding you in the Sunshine State, and don't expect the I-4 corridor to become a monolith. Americans are on the move, new Americans are on the move, and Floridians are coming and going as you read.

ABOUT OUR ECONOMIST



Stevan Novakovic holds an M.S. in Public Policy from Georgetown University with a focus in econometrics. Prior to joining Farm Credit of Central Florida he conducted economic research on agricultural commodities for IHS Market (previously Informa Economics Group), and spent time in hedging/risk management and as a commodities trader for Central States Enterprises, Inc. Stevan also earned an M.A. from Columbia University and undergraduate degrees from the Moore School of Business at the University of South Carolina, where he triple-majored in International Business, Global Supply Chain and Operations Management, and Finance.



ABOUT FARM CREDIT OF CENTRAL FLORIDA

Farm Credit of Central Florida is the local association for the region adjacent to the I-4 corridor and serves those in the following thirteen counties: Citrus, Hernando, Pasco, Pinellas, Hillsborough, Polk, Sumter, Lake, Osceola, Orange, Seminole, Volusia and Brevard. Farm Credit borrowers have long enjoyed the benefits of doing business with local offices, where people know their business, their community, and their market. We are headquartered in Lakeland and have brick and mortar locations in Apopka, Brooksville, and Plant City. Our affiliation is with AgFirst Farm Credit Bank in Columbia, South Carolina. Local service with national stability. We are Farm Credit.