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As Economy Stalls, Fewer New Yorkers Moving Out of State

By SAM ROBERTS

In what may prove a silver lining in the latest economic black cloud, New York lost fewer residents to other states in 2007-8 than during any year in at least a generation.

Between July 1, 2007, and July 1, 2008, New York recorded a net loss of 126,000 residents to other states — meaning 126,000 more people moved out than moved in — according to an analysis by demographers at Queens College.

Some 257,000 people moved away during those 12 months, the analysis showed, about half the peak of 521,000 in the same 12 months spanning 2005-6. It was the first time the number dipped below 300,000 since the Census Bureau began measuring the annual flows in 1982.

The collapse of home values across the country appears to have already profoundly affected the ability of people in many states, including New York, to sell their homes and move, curtailing domestic migration.

More people who normally might move — potential retirees and job-seekers — stayed put, in part because they could not afford to sell their houses and apartments; and fewer moved to traditional retirement and job centers in Sun Belt states.

Florida, which saw a significant drop in its annual influx of New Yorkers, lost more people to other states — nearly 10,000 more — than it gained for the first time in recent history.

New York is the leading domestic source of migrants to Florida. In 2005, about 100,000 New Yorkers moved to Florida and 25,000 Floridians moved to New York. Two years later, those numbers dropped to fewer than 60,000 New Yorkers' moving to Florida and 32,000 Floridians' moving to New York.

California also faced an anomaly in the most recent data: for the first time since the early 1990s, more people moved out of California than out of New York. That earlier period coincided with a recession in California caused by defense industry cutbacks.

Holly Reid, a Queens College demographer, said of the trend in New York: "It's a possible silver lining." Despite all the grim economic factors that helped cause the drop-off in out-of-state migration, New York could benefit by retaining its residents. If the trend continues through next year, New York would lose only one seat when Congress is reapportioned after the 2010 census, instead of the two or even three that had been projected, according to Election Data Services, a political consulting firm.

Robert B. Ward, deputy director of the Nelson A. Rockefeller Institute of Government at the State University of New York, said the latest data did not take into account the most recent job losses, which are not unique to New York. “One factor may be that New York has outpaced the nation in employment growth for most of the past year or two, which is a reversal of most recent history,” he said. “California and Florida have also been hurting economically, although Florida’s troubles are more recent.”

Michael J. Hicks, director of the Center for Business and Economic Research at Ball State University in Indiana, distinguished this recession from earlier ones in terms of its impact on migration.

“In a typical recession, major job losses occur in a single sector that is concentrated in one part of the country,” he said. “This recession seems to be in full force everywhere. That means if you lose your job in Indiana, New York or California, you cannot easily move somewhere else and find a job.”

“Because of housing markets, and nearly simultaneous job losses around the country,” Mr. Hicks said, “domestic migration will be far less pronounced during this downturn than in previous recessions.”

The Census Bureau last month showed that Michigan and Rhode Island were the only states whose overall populations declined in the past year.

Utah had the highest rate of growth last year, followed by Arizona, Texas, North Carolina and Colorado. For the first time in 24 years, Nevada — which ranked eighth — was not among the top four in terms of growth rate.

Texas gained the most people — nearly 500,000 — followed by California, North Carolina, Georgia and Arizona.

“Most people move within or to the United States for economic reasons,” said Andrew A. Beveridge, a Queens College demographer. “With the economy slowing down, and real estate values dropping, it is not surprising that more and more people have begun holding on to what they have and staying in place, rather than seeking declining opportunities elsewhere.”

Among those most likely to move to New York rather than leave were people between 18 and 34, Asian-Americans and naturalized citizens.

A separate analysis of federal tax returns by Jan Vink, a researcher at Cornell University’s Program in Applied Demographics, found that while the decline in people leaving New York was spread evenly across the state, the number moving in rose mainly in New York City.

More people moved to New York State in 2007-8 from California, Florida, Illinois, Maryland, Nevada, Vermont and Washington, D.C., than the year before.

Florida is still the top state for people leaving New York, and New Jersey is second, even though the numbers dropped there, too. In a 2005 measurement by the Census Bureau, nearly 61,000 New Yorkers moved to New Jersey. In 2007, the number was 48,000.

Vicki Been, director of the Furman Center for Real Estate and Urban Policy at New York University, said several factors may explain the migration figures.

“Our worry is that if people are under water on their mortgages and the mortgage is more than the value of the house, which is increasingly common, if they sold the house they'd be liable for 20 or 40 or 60 or 80 thousand dollars to pay it off," Professor Been said. "That may very well lock people in.

"A second explanation," she said, "is they're just reluctant to sell when they hope prices will go back up."

As William H. Frey, a demographer at the Brookings Institution, put it: "Many would-be movers were stranded in states previously thought of as unaffordable."

California and New York each lost a quarter-million migrants to more affordable states in 2004-5, he said, roughly double what they lost last year.

"New York's migration has also responded to ups and downs in the financial industry and to housing affordability, but California seems to be much more volatile due to the dynamic push-and-pull migration relationship it has with surrounding Western states," Dr. Frey said. "Still, in the last two years, as the housing market cooled down elsewhere, New York has been more successful than California in reducing the migration hemorrhaging it suffered during the go-go home-buying years earlier in the decade."

Florida has never suffered a net loss from one decade to the next, and the 10,000-person deficit in domestic migration last year may also be a first.

Grant I. Thrall, a geography professor at the University of Florida in Gainesville, said: "At the recent peak, 1,000 people per day were moving to Florida. However, 400 people per day were leaving Florida. Now, out-migration has increased and in-migration has declined."

Dr. Thrall predicted, however, that while Tennessee and the Carolinas were also competing for retirees, migration to Florida would increase again because the number of aging baby boomers is so large and the state remains an appealing destination for them.