

# A Tale of Two Cities: The Economic and Fiscal Effects of Migration from New York to Florida

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# About Us

Regional Economic Models, Inc. (REMI) was founded in 1980 on a transformative idea: *government decision-makers should test the economic effects of their policies before they're implemented.* We are the nation's leader in dynamic local, state and national policy modeling. Our clients use REMI models to perform rigorous economic analysis that critically influences local, state and national policies.

## OUR CLIENTS:

Sandia National Laboratories • Ernst & Young • Texas Comptroller  
University of Michigan • Tennessee Valley Authority • National Education Association  
South Coast Air Quality Management District • North Carolina Department of Commerce  
Wyoming Department of Administration & Information

# Overview

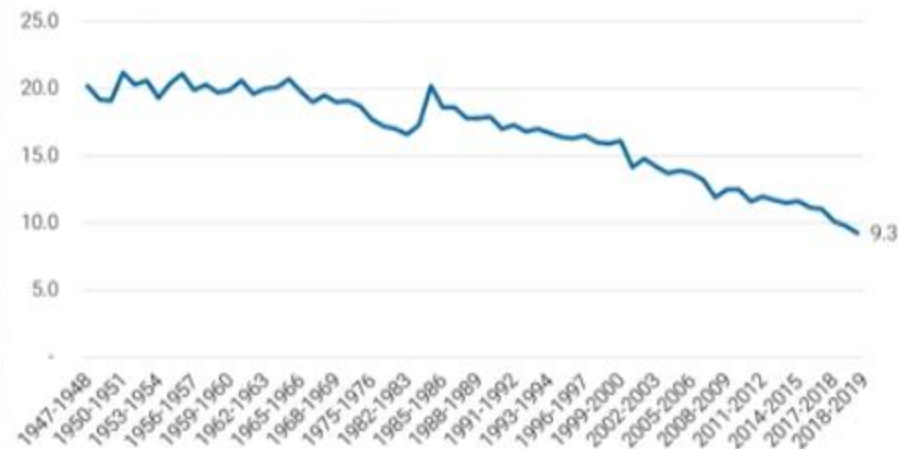
- Migration Trends
  - Pre-pandemic Migration Trends
  - COVID Impacts on Migration
  - Metropolitan Trends
- New York to Florida
  - New York City
  - Miami
  - Effects of Labor Force Movement
- Importance of Economic Modeling
- Model Simulation
- Q&A

# Pre-Pandemic Migration Trends

## The Years before COVID

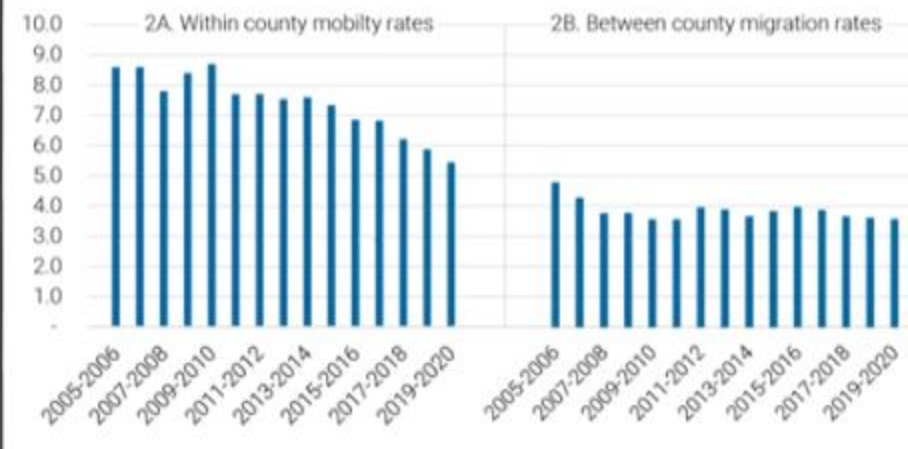
- Smaller share of Americans changed residence than in any year since 1947 – 9.3%
- Migration declines for the nation’s young adult population (millennials)
- Downturn in migration due to a variety of demographic and economic forces

**Figure 1. US annual migration rates, 1947-2020**



Source: William H. Frey analysis of U.S. Census Bureau Current Population Surveys.

**Figure 2. US migration by type, 2005-2020**



Source: William H. Frey analysis of U.S. Census Bureau Current Population Surveys.

# COVID Motivated Migration

- Safety Concerns
  - 'Flight from density'
    - Limit the spread of the virus, Avoid higher positivity rates
  - Elderly family protection
- Economic Concerns
  - Job opportunities
    - Increasing lack of jobs and unemployment rates
    - Availability of remote jobs (WFH)
  - Housing Market
    - Availability and affordability of land and housing units
- Other Motivators
  - Broadband resiliency
  - Food security
  - Access to quality education
  - More land and a bigger home

# Metropolitan Trends

- Metros that attracted more movers in 2020 were largely the same ones that did in 2019
  - e.g. Smaller metros in NY State such as Kingston and Hudson
- Out-migration was most common in larger, more expensive metro areas such as NYC, San Francisco, Seattle, and Boston
  - Urban neighborhoods lost more people as opposed to suburban ones
  - Richer and more central neighborhoods had the biggest net outflows
- People leaving larger metro areas did not go far
  - Most stayed in the peripheries
  - Stretching the boundaries of the labor market
  - Opening the door for a hybrid work schedule

# New York to Florida

# New York City Migration Trends

- Net Loss
  - **-70,000** people (Jan-Dec 2020), **-100,000** (Total today)
  - New York State: **-1.4M** (2010-2019)  
\*State Population Totals and Components of Change: 2010-2019, U.S. Census Bureau
- Demographic Trends
  - Families leaving to go to Florida and surrounding states
  - Population has been decreasing for a decade
  - Mostly middle-class families, groups
- Will they return?
  - False 'Doomsday Clock'



# Miami Migration Trends

- **Net Gain**
  - **+33,000** (September 2020 to March 2021), **+22,000** (2009 to 2013)
  - **145%** (December 2020 to January 2021)
- **Population Changes**
  - Palm Beach County: +14,000
  - Broward: +8,000
  - Miami-Dade: +8,000
- **Housing Prices**
  - Price increase of 11.5% along the beachfront in Miami over the past 18 months
  - New condominiums averaging \$1,011 a square foot, up from \$907 a square foot

# Effects of Labor Force Movement

## Effects of **Inbound** Movements (Miami)

- Job shortages
- Labor Surplus, smaller skill gaps, and more diverse workforce
- Lack of available quality housing, increased housing and land prices
- High resource consumption
- Redirection of public funds for adequate health, transportation and education facilities

## Effects of **Outbound** Movements (NYC)

- Job surplus
- Labor shortage, larger skill gaps, less diverse labor force
- Increased risk constraints on local investments with reduced investments
- Resource surplus, ability to redistribute resources
- Redirection of public funds to cover shortages and lack of resources

# Importance of Economic Modeling



## CLARIFY

You need a *software solution* that simplifies the complex relationships between policies and your economy.

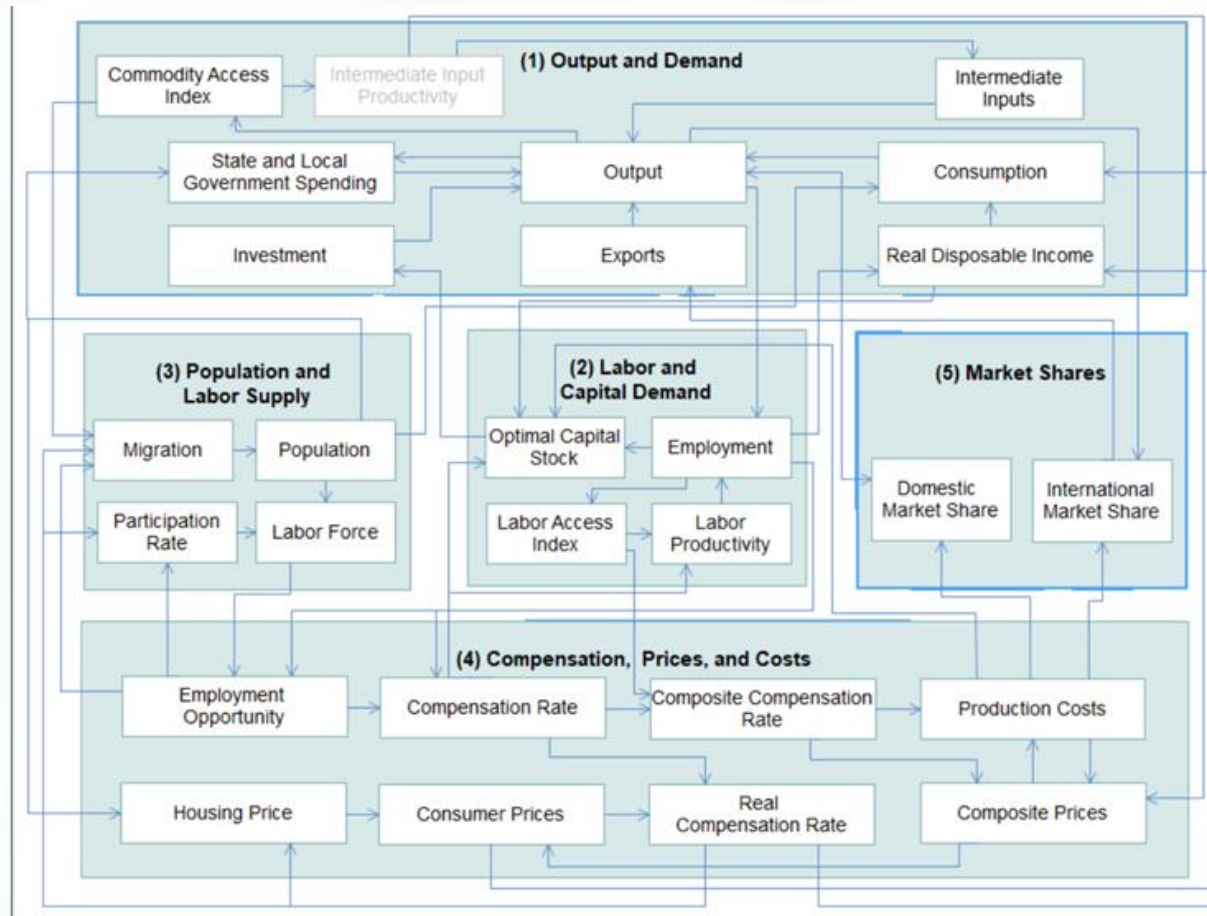
## CALCULATE

Macroeconomic policy models allow you to *analyze* and *quantify* inherently complex policy issues and solutions.

## COMMUNICATE

You can explain a *quantitative narrative* to policy makers and the general public.

# REMI Model Structure



what does **REMI** say? <sup>sm</sup>

# Simulation

- Three-Regions PI+ Model
- Simulations:
  - 10,000 Industry Employment increase in Florida
  - 10,000 Industry Employment decrease in New York
  - Financial sector specifically
- Year: 2021-2030

# Conclusions

- Migration decline has been the trend for over 70 years but **will it continue?**
- Labor markets may expand to include peripheries
- Labor movements have **measurable effects** on regional economies
- Economic modeling is **necessary** to **interpret** and **respond** to these effects
- Production decrease in NYC; Increase in Miami; Decrease across US
  - Regional differences in labor productivity

# Q&A

## Contact Us

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