



THE CONNECTION

Economic Development and Our Community

*Understanding
Migration Patterns*

Published August 25, 2023

Understanding Migration Patterns

Major changes in population are some of the most relevant determinants of economic potential and vitality for a region. A stagnant or declining population often leads to a more stressed workforce, with new workers being unable to fill the gaps created by people exiting the labor market through retirement or other reasons. This can often result into a wide range of ramifications, from decreased retail sales to a collapse in home values or even the shutdown and relocation of primary employers seeking more favorable labor markets.

With limited options to counteract the natural forces of population changes, policy makers often look towards migration as a way of supplementing or expanding the local labor market. From a national perspective, this might involve changing international migration policies, but for states and local governments this practice is often focused on the attraction of workers from other areas within the same country through promising employment opportunities, high standards of living, or other means of enticing would-be residents.

How to Find Migration Data for the U.S.

The **Internal Revenue System (IRS) Statistics of Income (SOI)** in collaboration with the U.S Census Bureau provides some of the most comprehensive data on **county-to-county** flows of people within the United States. Every year, when a person files their tax returns with the IRS they must report if there has been a change in address from the previous year. The IRS then compiles these results based on two primary movements:

Inflows: The number of new residents who moved to a State or county and where they migrated from.

Outflows: The number of residents leaving a State or county and where they went.

Using the number of overall returns as a metric to approximate total households and personal exemptions claimed to measure individuals, the IRS is able to track the movement of people across the U.S.

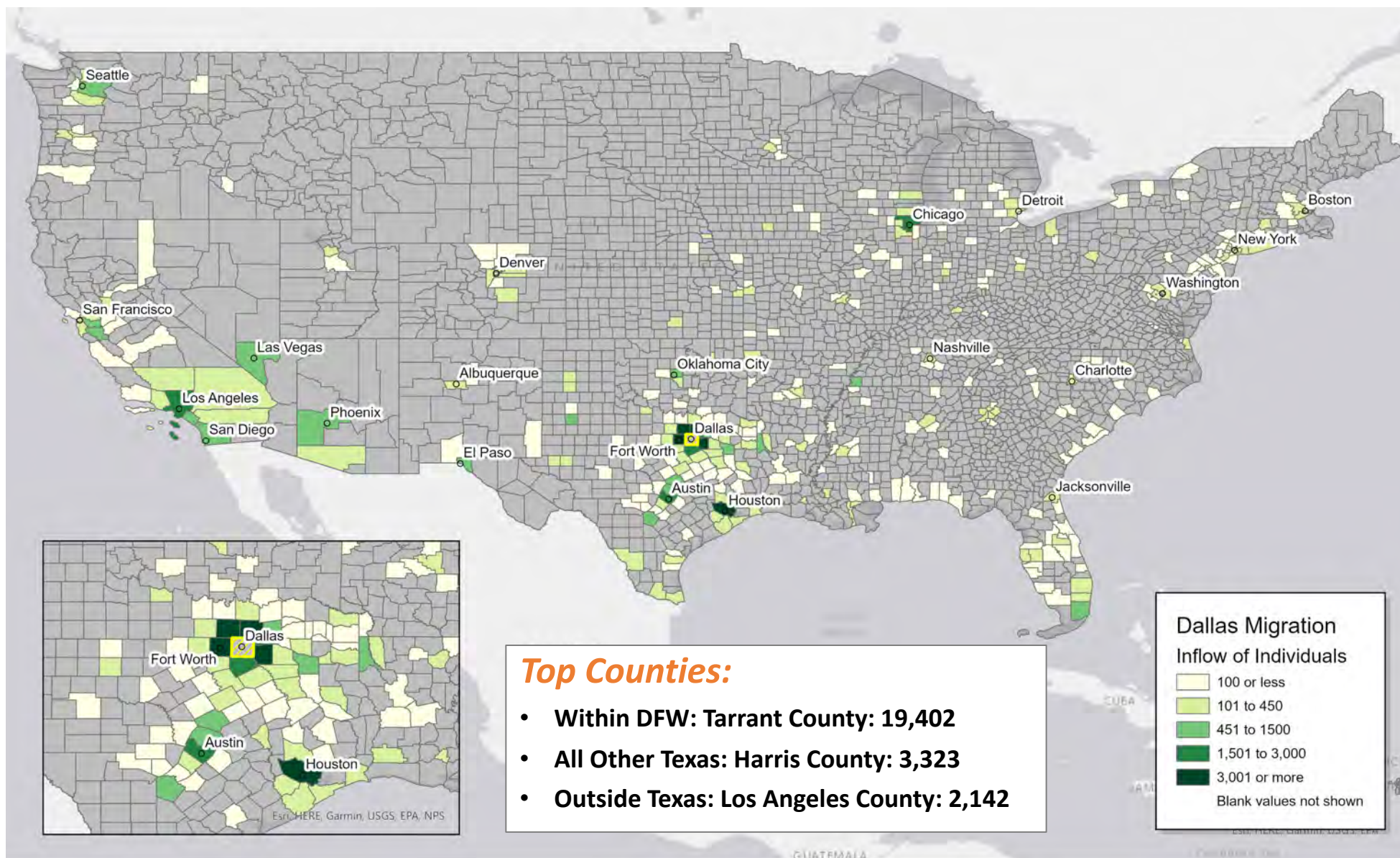
Considerations to Using IRS Migration Data

One of the primary limitations has to do with under-representation of the **poor and the elderly**, who might not be required to file income tax returns.

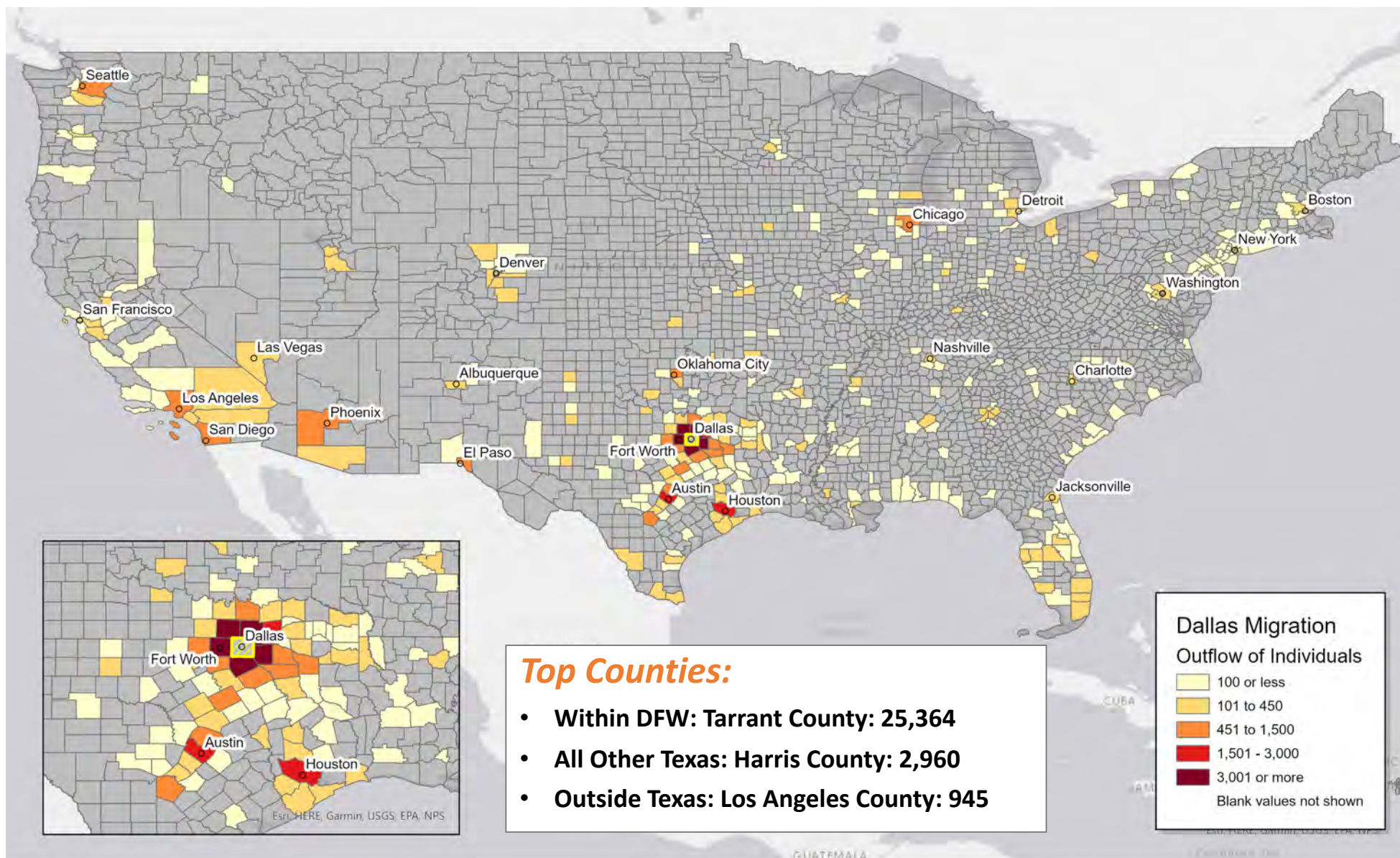
For accuracy, the IRS uses **full-year data**, which captures data for all filings past the initial deadline until late September. Doing so allows them to capture data on roughly **4.1%** of the overall records that would otherwise be excluded. While a vast improvement over simply counting on-time filings, it does exclude taxpayers that are granted extensions by the IRS, which are likely to have complex returns that report a relatively high income – meaning that **wealthy taxpayers** are also under-represented in the data.

Married filings may also complicate the data, as couples that change the way they file (for example, filing jointly in year one and then separately in year two) or divorce will also impact the ability to match returns.

Inflow of Individuals – Dallas County 2020-21



Outflow of Individuals – Dallas County 2020-21



Other Statistics and Findings

County	Inflow of Individuals	Outflow of Individuals	Net Flow of Individuals	Inflow of Income	Outflow of Income	Net Flow of Income	Per Capita Income Inflow	Per Capita Income Outflow
Dallas County, TX	111,193	-141,563	-30,370	\$5,125,824	-\$5,794,441	-\$668,617	\$46,098	-\$40,932
Collin County, TX	86,400	-58,973	27,427	\$4,195,921	-\$2,961,391	\$1,234,530	\$48,564	-\$50,216
Tarrant County, TX	97,734	-94,749	2,985	\$3,634,233	-\$3,632,770	\$1,463	\$37,185	-\$38,341
Denton County, TX	73,838	-53,760	20,078	\$3,672,303	-\$2,328,796	\$1,343,507	\$49,735	-\$43,318

Dallas-Fort Worth-Arlington MSA	Inflow of Individuals	Outflow of Individuals	Net Flow of Individuals	Inflow of Income	Outflow of Income	Net Flow of Income	Per Capita Inflow	Per Capita Outflow
External Migration	191,110	134,981	56,129	\$9,112,010	\$5,944,832	\$3,167,178	\$47,679	\$44,042
Internal Migration	255,630	255,630	N/A	\$10,054,001	\$10,054,001	N/A	\$39,330	\$39,330

Dallas County, while experiencing the overall **largest inflow** of individuals is the only one of the four core DFW counties which experienced an overall net loss of individuals from 2020-21. The largest percentage of these outgoing individuals travel to other counties within the Metroplex, likely seeking more affordable housing or rentals.

For the 11 counties of DFW there was a net gain of 56,129 individuals from outside the region. Within the MSA, there was a movement of 255,630 individuals between the different counties.

Questions or comments?
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