

# A Semblance of Normality: Update on U.S. East Coast Population Trends

Andrew Foran, Economist | 416-350-8927

January 30, 2024

## Highlights

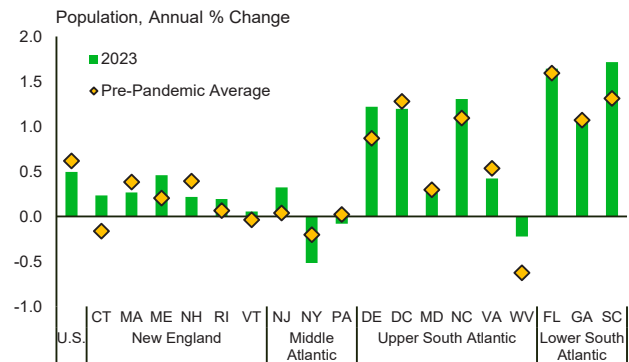
- Overall population growth has broadly returned to its pre-pandemic pace along the east coast, although aging demographics are increasing the reliance of states on migration inflows.
- Total net migration contributed positively to population growth in all east coast states in 2023, excluding New York which continued to see sizeable domestic migration outflows.
- Domestic migration flows declined in most states but remained elevated above pre-pandemic trends.

The United States population grew by 0.5% in 2023, slightly higher than in 2022 and roughly matching the pace of population growth seen in 2018-2019. Gains relative to 2022 were driven by a sharp drop in deaths (that outpaced the modest drop in births) together with higher immigration levels. Similar trends as those seen at the national level were also witnessed across the east coast. The eastern region recorded a decline in domestic (interstate) migration in 2023, which erred closer to the pre-pandemic level as opposed to the outsized migration trends seen in 2021-2022. This in turn put total population growth closer to its pre-pandemic pace in most states on the east coast (Chart 1) but moderate deviations remained in states that saw high domestic migration flows over the past few years. When aggregated, the east coast region managed to offset their below-average natural population growth through higher international inflows, a trade-off associated with its older demographics relative to the nation.

## New England – Population Growth Picks Up on Slowing Domestic Outflows

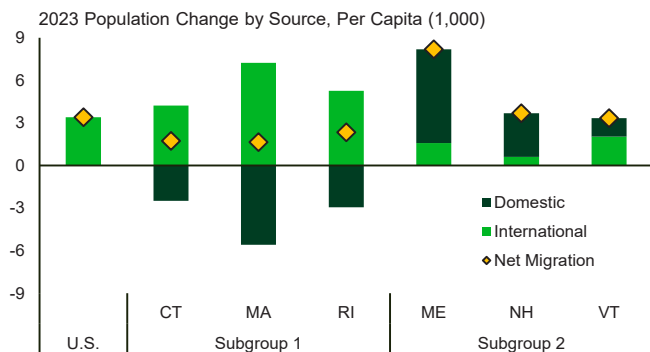
The New England region added 39k new residents in 2023 driven almost entirely by international immigration concentrated in Massachusetts. Two-thirds of the roughly 76k new international immigrants in New England moved into the Bay State, in part owing to the state’s high concentration of international students. Total population growth in New England was below average as births roughly equaled deaths and domestic outflows crimped above average international inflows. Broken down by state, Maine saw the highest growth in the region, matching the nation, while the rest of the New England states saw total population growth in the 1-3% range.

Chart 1: U.S. East Coast Population Growth Returning to Trend



\*Note: Pre-pandemic annual average is measured for 2015-2019.

**Chart 2: Migration Inflows Vary in New England**



Source: U.S. Census Bureau, TD Economics.

Maine’s outperformance was driven by sizeable domestic migration inflows, which in per capita terms exceeded those seen in Texas in 2023. This pushed Maine’s total net migration inflows (domestic + international) to more than double the national average (Chart 2). New Hampshire and Vermont saw total net migration inflows closer to the national average on weaker domestic migration inflows. The rest of New England, including Connecticut, Massachusetts, and Rhode Island, saw domestic migration outflows, which countered above average international inflows and pushed total net migration inflows below the national average in all three states.

On the natural population front, all six New England states were in the lowest sixteenth percentile for birth rates in 2023, with the northern tristate and Rhode Island bottom in the nation. Massachusetts and Connecticut were the only two states in the region to see a positive natural population change (more births than deaths) in 2023, but both were below the national average in per capita terms. Overall, the challenge of aging demographics remains acute in New England as the region’s older population restrains natural population growth.

### Middle Atlantic – New York Departures Weigh on Region’s Population

The Middle Atlantic was the only east coast region to experience a population decline last year as residents continued to depart. New York and Pennsylvania drove this trend, with both seeing their populations shrink, while New Jersey’s population grew at a below average pace.

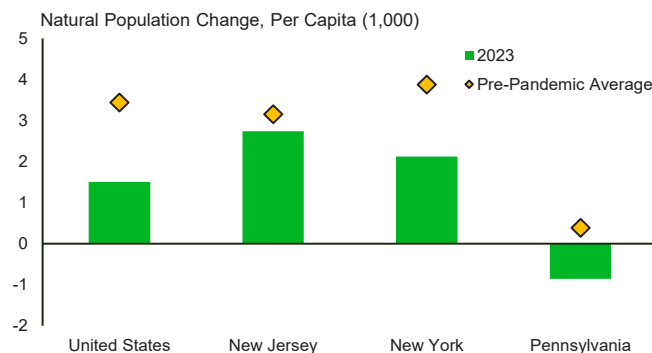
Now, relocating out of the Empire State is not a novel concept, with New York losing more residents to other states than it has gained for well over a decade. This trend picked up considerably during the first few years of the pandemic but has since reverted closer to the pre-pandemic level. While a return to normality is positive, outflows from New York remain elevated. New Jersey and Pennsylvania also saw domestic migration outflows last year, but at a slower pace than pre-pandemic. This allowed for a return to positive total net migration in 2023 for these states as international inflows offset domestic outflows. In contrast, New York’s domestic outflows were too large to be offset by its international inflows.

New York fared better in terms of natural population changes, with both it and New Jersey seeing above average gains while Pennsylvania saw losses (Chart 3). Interestingly, there are only six states in the nation which had lower death rates than New York and New Jersey in 2023, even though both have older populations than the national average. In contrast, Pennsylvania has continued to see deaths outpace births as the oldest of the three states.

### Upper South Atlantic – Domestic Migration Flows Moderate

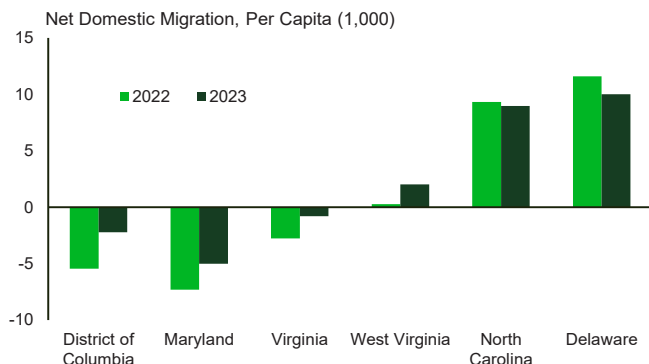
The Upper South Atlantic region roughly matched the national average for natural population growth and international immigration but had the added benefit of net domestic inflows to put the region’s total population growth in 2023 above the national. However, the variation between states in the region was broad, with Delaware, North Carolina, and D.C. more than doubling the national average

**Chart 3: Aging Demographics Weigh on Natural Change Less in NJ**



Source: U.S. Census Bureau, TD Economics.

**Chart 4: Domestic Outflows and Inflows Eased in the Upper South Atlantic Region in 2023**



Source: U.S. Census Bureau, TD Economics.

pace of population growth, while Maryland, Virginia, and West Virginia all lagged the nation.

The three states that make up the national capital region, D.C., Maryland, and Virginia (also referred to as the DMV), all saw domestic outflows decline last year (Chart 4). This allowed international inflows to offset domestic losses in all three states, creating positive total net migration. However, the range was wide. D.C. was at the high-end, as international inflows jumped in 2023, while Maryland was at the low end as above average per capita international inflows only offered a marginal offset to sizeable domestic outflows. Virginia was in the middle due to a moderation in international inflows last year.

The states in the region to see the highest population growth last year relied on continued strength in domestic migration inflows. In per capita terms, South Carolina was the only state in the nation to have higher domestic inflows in 2023 than Delaware and North Carolina. This was joined by below average but stable international inflows in each state which allowed Delaware and North Carolina to see the highest total net migration inflows in the region. West Virginia also had both domestic and international inflows last year, but on a much smaller scale in per capita terms, which led to the state having a below average overall net intake.

In terms of natural population growth, West Virginia remained an outlier in the region as it continued to have the highest death rate in the nation. As such, it was the only state in the region to see its total population decline last year. Delaware also continued to see more deaths than births, but the resulting natural population losses in 2023

were marginal. All the other states in the region recorded per capita natural population gains above the national average, except North Carolina which was slightly below.

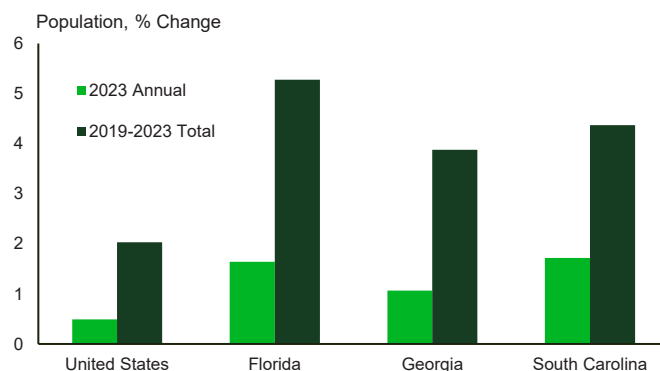
### Lower South Atlantic – High Growth Maintained by Migration Inflows

The population of the Lower South Atlantic grew at a pace that was three times the national average in 2023. All three states in the region, Florida, South Carolina, and Georgia, had population growth that more than doubled the national average (Chart 5), which is roughly consistent with the pre-pandemic trend. Looking under the hood, each state had a unique composition to its 2023 population growth profile.

While all three states continued to see a net influx of domestic migrants in 2023, Florida (-39.0%) and Georgia (-28.5%) recorded substantial pullbacks relative to the prior year whereas the drop in South Carolina was much more modest (-1.7%). This resulted in South Carolina continuing to have the highest per capita domestic inflows in the nation in 2023. These inflows were strong enough to offset natural population losses and below average per capita international migration inflows and give the Palmetto State the strongest population growth in the nation last year.

Florida’s decline in domestic migration inflows was partially offset by an uptick in international migration inflows. In 2023, Florida was fifth in per capita domestic migration inflows and first in per capita international migration inflows. Combined per capita total net migration was only marginally beneath that seen in South Carolina, with the

**Chart 5: Lower South Atlantic Region Continues to Outperform Nation**



Source: U.S. Census Bureau, TD Economics.

two states ranked one and two for total population growth. Like South Carolina, Florida also continued to see more deaths than births last year, although natural population losses declined in both states, consistent with the national trend of falling death rates.

Georgia is unique in this region as the only state of the three to have more births than deaths last year, but this is intuitive as it is also the only state on the east coast with a younger population than the national average. Domestic inflows remained considerable although lower than those seen in neighboring Florida and South Carolina. International inflows were moderately below average, but total net migration inflows still more than doubled the national average. This allowed total population growth in Georgia to match last years solid reading of +1.1%, roughly in line with the pre-pandemic trend.

## Bottom Line

The east coast is a microcosm of the nation, and encapsulates the broader national trends that are permeating across the U.S. The receding influence of the pandemic resulted in lower death rates last year, but the long-run trend of aging demographics is also weighing on birth rates. This has gradually increased the reliance of states on international migration to sustain their population growth, but the impetus has been lessened in states that continue to see outsized domestic migration inflows and enhanced in states that continue to see outflows. During the pandemic we saw an amplification of the historical north-to-south trend in domestic migration flows, which have since partially receded, but remain elevated relative to pre-pandemic levels. While the influence of population dynamics on the economy are rarely a near-term concern, states and local governments will need to continue to plan for the implications that a higher migration intake and aging demographics will have over the long-term.

---

## Disclaimer

This report is provided by TD Economics. It is for informational and educational purposes only as of the date of writing, and may not be appropriate for other purposes. The views and opinions expressed may change at any time based on market or other conditions and may not come to pass. This material is not intended to be relied upon as investment advice or recommendations, does not constitute a solicitation to buy or sell securities and should not be considered specific legal, investment or tax advice. The report does not provide material information about the business and affairs of TD Bank Group and the members of TD Economics are not spokespersons for TD Bank Group with respect to its business and affairs. The information contained in this report has been drawn from sources believed to be reliable, but is not guaranteed to be accurate or complete. This report contains economic analysis and views, including about future economic and financial markets performance. These are based on certain assumptions and other factors, and are subject to inherent risks and uncertainties. The actual outcome may be materially different. The Toronto-Dominion Bank and its affiliates and related entities that comprise the TD Bank Group are not liable for any errors or omissions in the information, analysis or views contained in this report, or for any loss or damage suffered.