


Migration Patterns for the Pittsburgh Region:

A Closer Look at the Data from
the Federal Reserve and the IRS

STRATEGY & RESEARCH

ALLEGHENY CONFERENCE ON COMMUNITY DEVELOPMENT

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Population continues to be a paramount issue for the Pittsburgh region since growing our population increases the region's prospects for prosperity. A larger population base benefits the region in a variety of ways including a larger tax base to not only sustain an attractive quality of life and place but to fund enhancements to both – to the benefit of existing residents and others we want to attract here. Other pros of a population in growth mode include access to resources, cultural diversity, economic growth, increased demand for goods and services, and cost efficiency.

The Pittsburgh region's steady population decline creates a barrier to achieving its fullest economic potential. Understanding the underlying causes of the decline is critical to reversing this trend. Migration is one such cause.

This report explores the latest data released by the Federal Reserve and the IRS to understand where people are coming and going to/from Pittsburgh, and how the pandemic influenced these trends. It also evaluates other cities to understand whether the trends are unique to Pittsburgh, and similar cities, or are shared by cities of all sizes.

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Key Takeaways

Affordability and access to urban amenities is an important consideration for migrants. This is visible in the tendency of out-migrants from Pittsburgh and other cities **to choose affordable large and mid-size metros as their destinations.**

The pandemic saw people move to Pittsburgh and similar cities. This is likely due to the workplace flexibility provided by employers in other metros at that time. But this trend has seen some reversal since the economy reopened.

Low-income earners (individuals with low AGI) are more likely to move to other parts of Pennsylvania, including a **move to the more affordable rural counties in southwestern Pennsylvania.**

High-income earners (individuals with high AGI) are **moving to states with low to zero state income tax rates.** States with low to zero income tax rates **that also have affordable large metros** are receiving the greatest share of out-migrants from Pittsburgh.

About the Analysis

This brief analysis uses two data sources to explore migration trends and spatial patterns for Pittsburgh and other cities.

1. Urban and Regional Migration Estimates from the Federal Reserve Bank of Cleveland. These estimates are based on an anonymized random sample of credit histories called the Federal Reserve Bank of New York/Equifax Consumer Credit Panel.

Link: <https://shorturl.at/IsVW5>

2. Migration Data from the Internal Revenue Service. These data are based on year-to-year address changes reported on individual income tax returns filed with the IRS.

Link: <https://shorturl.at/ouYZ0>

Where are people going to from the Pittsburgh region?

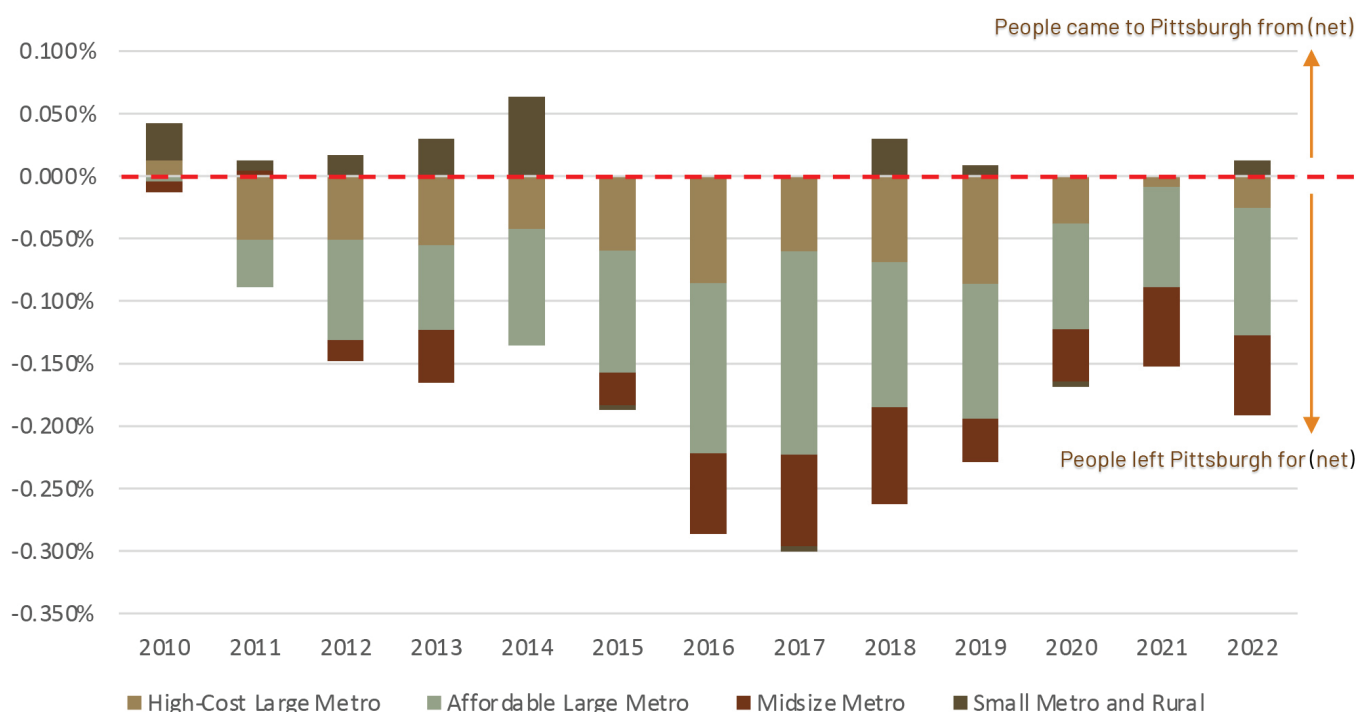
Though the rate of loss has been different over time, **Pittsburgh has seen a steady loss in population** from 2010 onwards.

Pittsburgh metro area's **greatest rates of loss were in 2016-2017**.

The **pandemic saw a slowing in the rate** of population loss due to migration, but the **rates of loss went up as the economy reopened in 2022**.

Most **out-migrants are destined for affordable large metro areas**.

Pittsburgh **receives migrants from small metros and rural areas**.



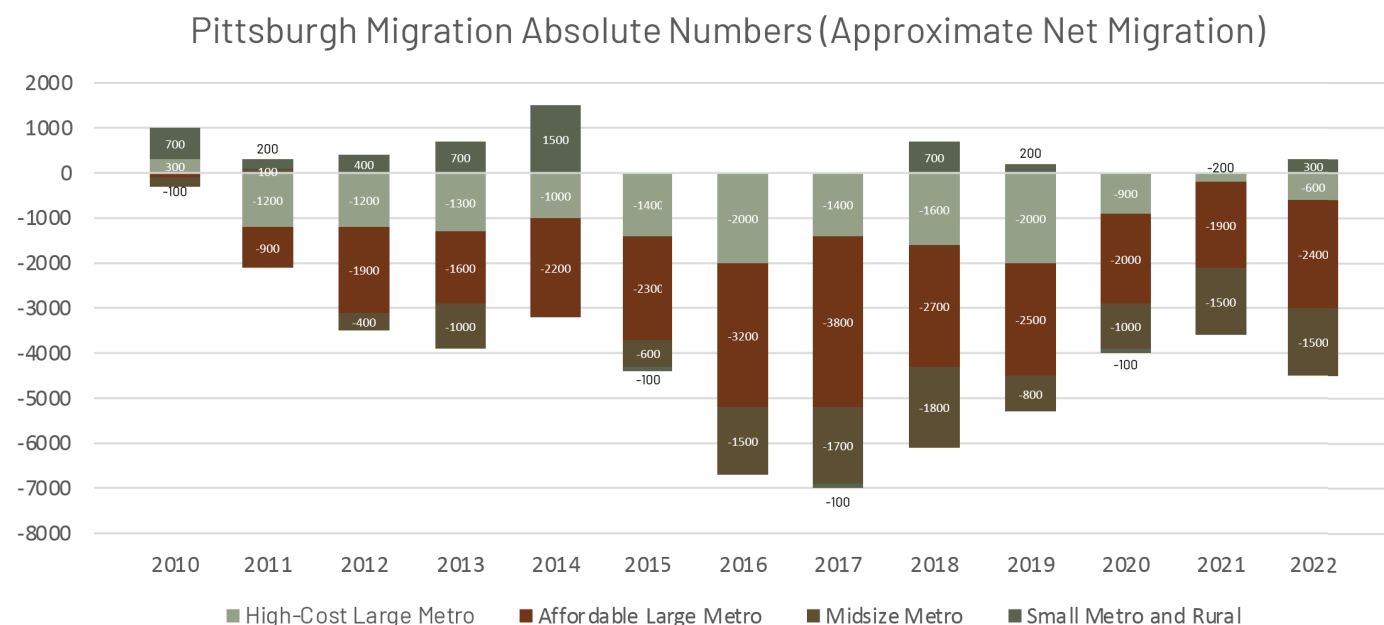
Note: The chart shows the percentage of Pittsburgh MSA population that migrated (in and out) for/from:

1. High-Cost Large Metros;
2. Affordable Large Metros;
3. Mid-size Metros; and
4. Small Metros and Rural areas.

Values below the red dashed line indicate the net percentage of people that left Pittsburgh for one of the four categories of destinations. Values above the red dashed line indicate the net percentage of people that came to Pittsburgh from one of the four categories of origins.

Where are people going to from the Pittsburgh region (in absolute numbers)?

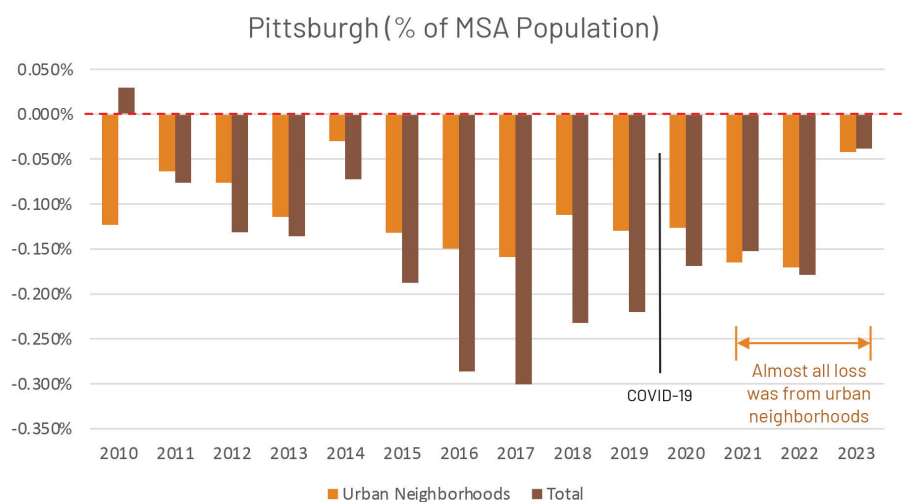
Affordable large and mid-size metros are the leading destination for Pittsburgh out-migrants.



Are people leaving from urban or rural areas in the region?

In the past, the proportion of people leaving the Pittsburgh metro area from urban neighborhoods has varied.

Since the onset of the pandemic, **nearly ALL people leaving the Pittsburgh metro area have been from Pittsburgh's urban neighborhoods.**



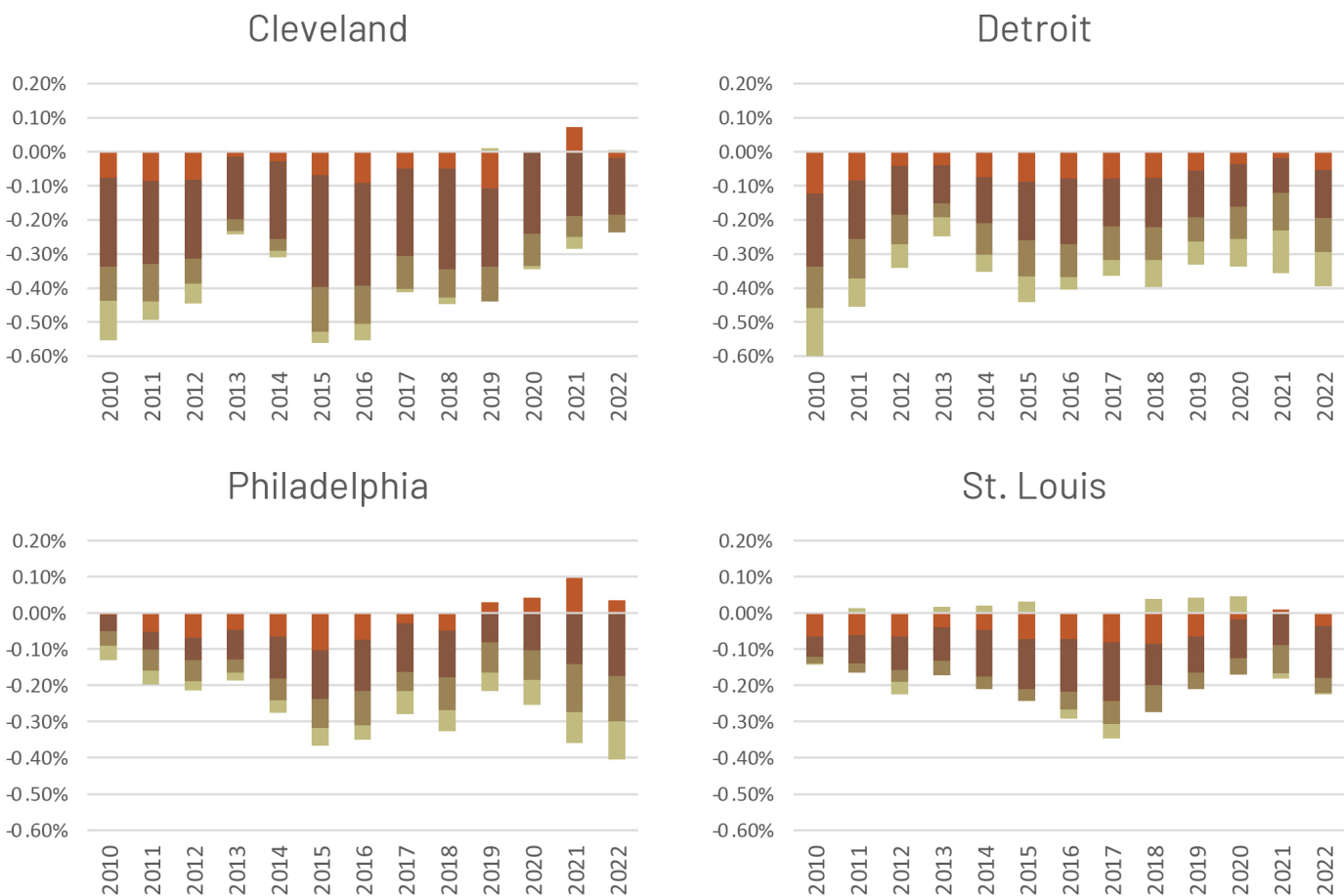
Note: The chart shows the percentage of Pittsburgh MSA's population that migrated each year, which was from Pittsburgh's urban neighborhoods and the total net migration. Total net migration is the sum of net migration to/from: High-Cost Large Metros; Affordable Large Metros; Mid-size Metros; and Small Metros and Rural areas. Underlying data are approximate numbers rounded to the nearest 100, as provided by the Federal Reserve.

2023 data is for Q1 only.

What are the patterns like for similar cities?

Similar cities are also experiencing an out-migration with a **strong preference for other affordable large metros**.

Philadelphia and Cleveland saw in-migration during the pandemic from high-cost large metros, but the trend has subsided as the economy reopened.



Note: Federal Reserve Bank of New York/Equifax Consumer Credit Panel data is only available for select cities. These cities were the only cities relatively similar to Pittsburgh in the available database.

The charts visualize the percentage of MSA population that migrated in/out from/for the four categories of cities.

High-Cost Large Metro Affordable Large Metro
Midsize Metro Small Metro and Rural

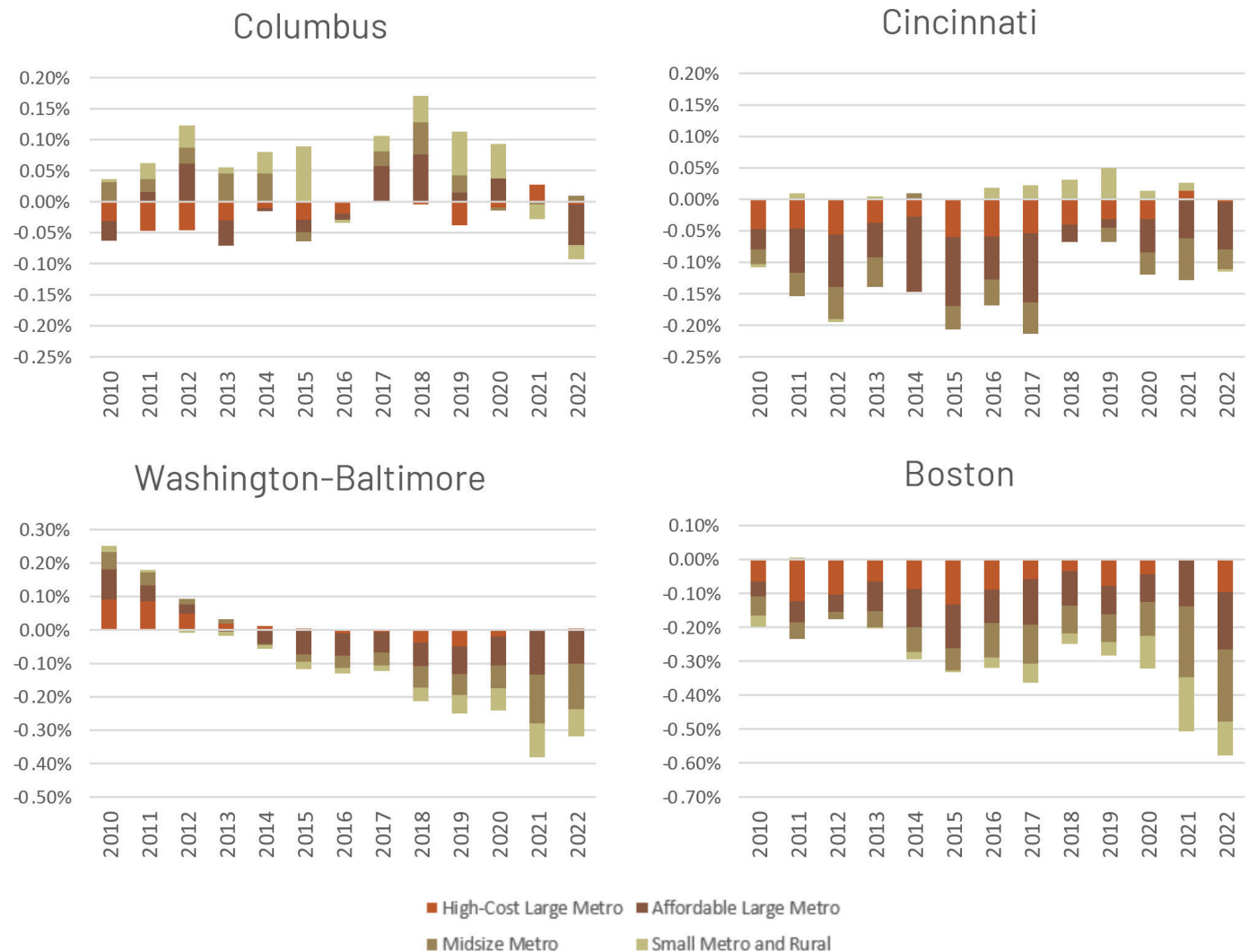
What are the patterns like for similar cities?

Larger metros have experienced a greater rate of **net out-migration**, particularly since the pandemic's onset.

Smaller metros like Columbus and Cincinnati have seen some population influx in the past, though the rates subsided during the pandemic.

Economic reopening has been accompanied by observed upticks in net out-migration rates for these **smaller metros**.

DC-Baltimore and Boston are seeing **out-migration to affordable large and mid-size metro areas at the greatest rates in recent history**.

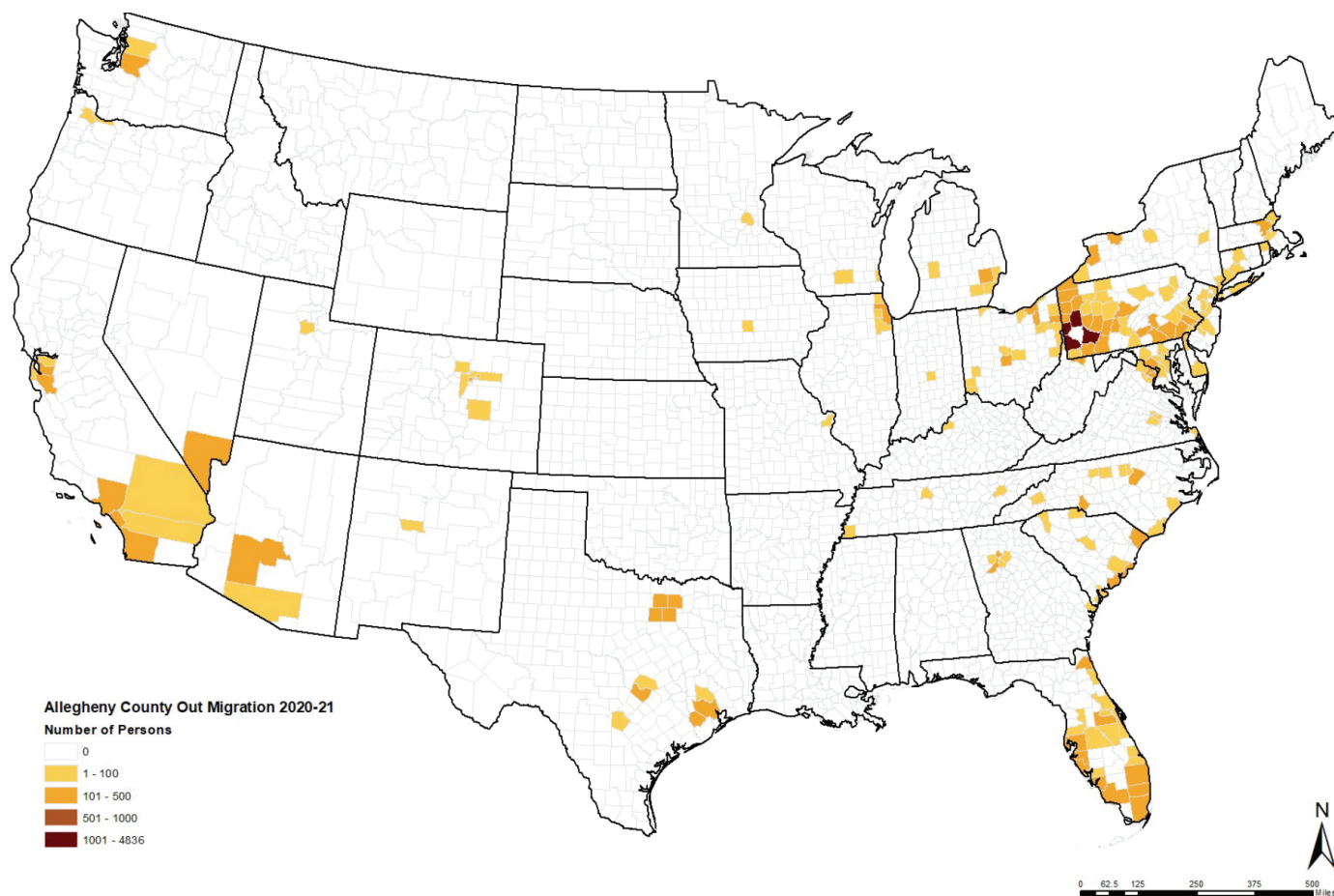


What regions is Pittsburgh losing population to?

Allegheny County saw a **large move out into adjacent counties** within southwestern Pennsylvania.

People also moved out **to other counties within Pennsylvania**.

Florida, California, Washington, Arizona, Texas, North and South Carolina, and Georgia were some of the destination states, as was the **Washington, D.C. metropolitan region**.



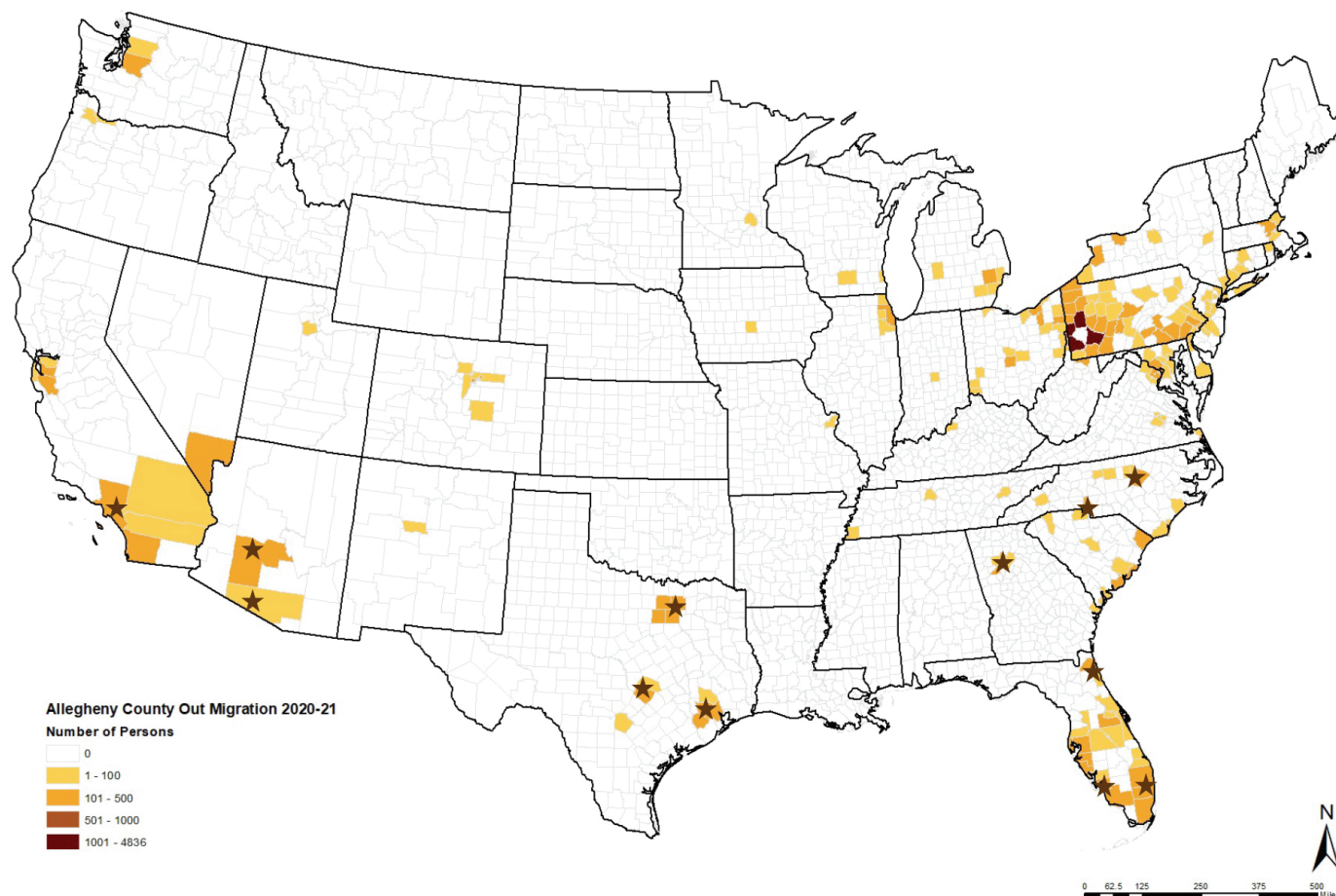
Source: Author's calculations using IRS income tax returns data.

What large metros are in these regions?

Arizona: Phoenix, Tucson | **California:** San Bernadino, Pasadena, Santa Ana-Irvine

Florida: Jacksonville, Orlando, Tampa, St. Petersburg, Ft. Lauderdale | **Georgia:** Atlanta

North Carolina: Raleigh, Charlotte | **South Carolina:** Charleston | **Texas:** Austin, Dallas, Houston



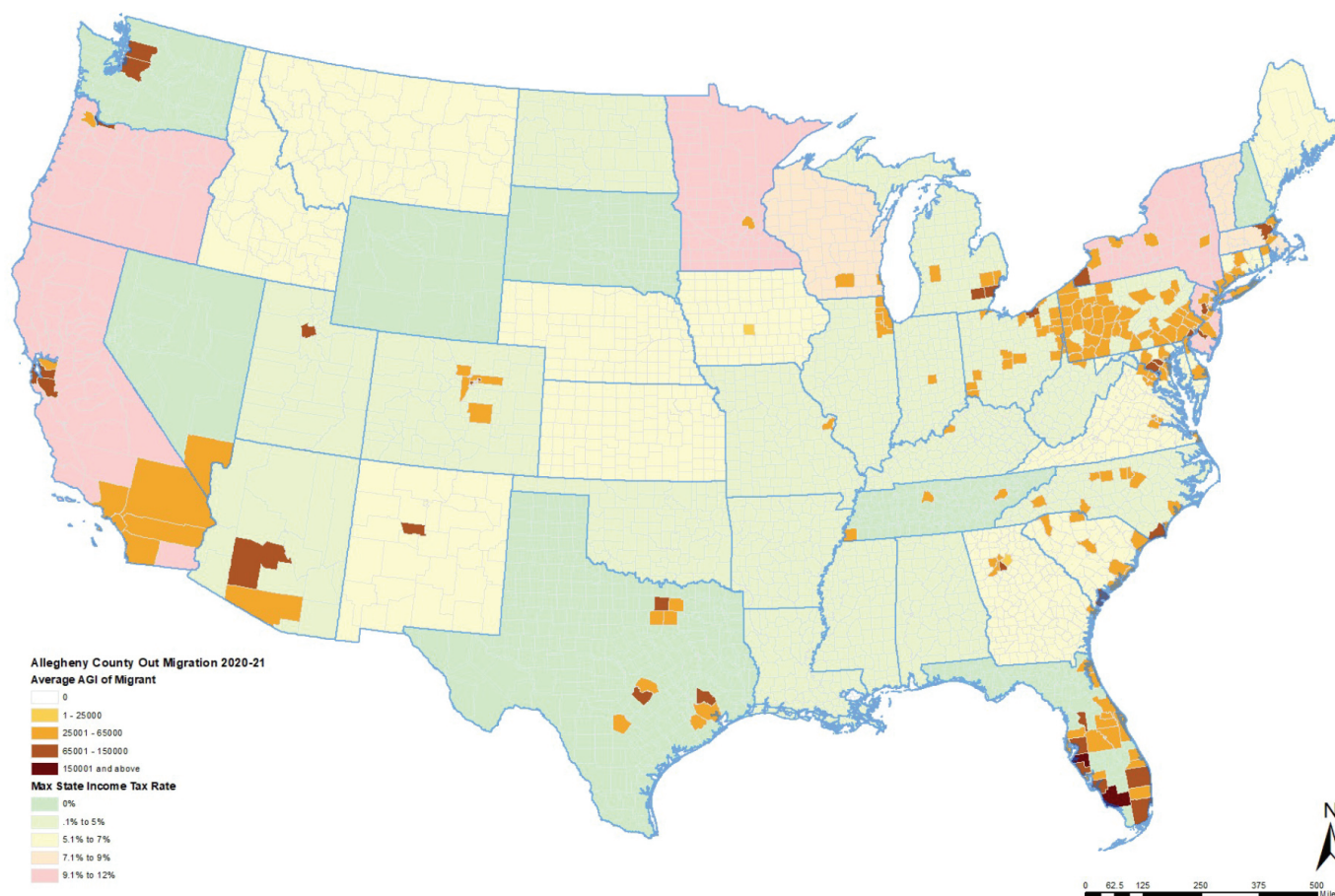
Source: Author's calculations using IRS income tax returns data.

What is the Annual Gross Income (AGI) of migrants by destination

Out-migrants with higher AGI tend to show a preference for relocating to states with lower state income tax rates.

Florida, Texas, Washington are **0% state income tax states which receive the highest income earners from the Pittsburgh region.**

Other low-income tax states that are destinations for high income earners are Arizona, Utah, Michigan and North Carolina.



Source: Author's calculations using IRS income tax returns data.

Give us your feedback.

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