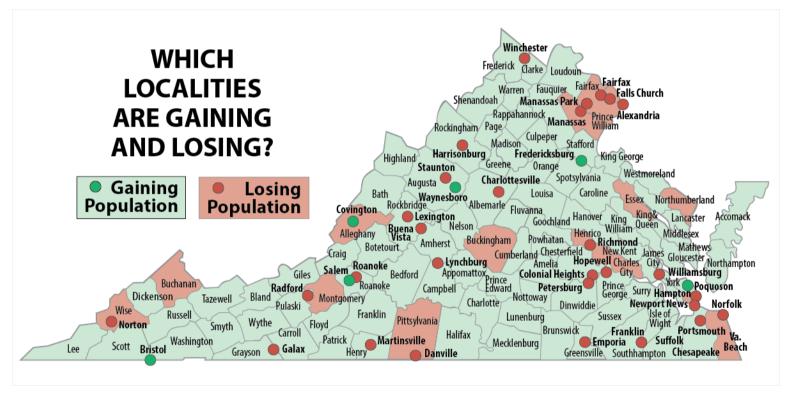


**OPINION** 

## Four lessons (and two questions) about Virginia's migration trends

The final part of a seven-part series on Virginia's migration trends.





This map shows which localities are gaining population through net in-migration or losing it through net out-migration. It does not show overall changes in population. A county may gain population through net in-migration but still lose population overall through deaths outnumbering births (and net in-migration). Likewise, a locality losing population through net out-migration might still gain population through births outnumbering deaths (and net out-migration). Most localities in Virginia are seeing more people move in than move out. The most notable exceptions are in Northern Virginia, the Richmond are and Hampton Roads. Migration data from IRS for 2020. Map by Robert Lunsford.

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It's widely agreed that the creators of "Game of Thrones" flubbed their series-ending finale. I'll try not to make the same mistake with this wrap-up of my recent columns on the Internal Revenue Service's

migration data.

On the plus side, I won't put the wrong Stark on the Iron Throne. On the minus side, I don't have any dragons. I do, though, have lots of data and here's what it's shown so far:

<u>Column 1:</u> More people are moving out of Northern Virginia than moving in. Indeed, more people are moving out of the whole urban crescent than are moving in, but Northern Virginia is where the biggest losses are.

Column 2: Most rural localities are seeing more people move in than move out.

Column 3: People are moving out of Lynchburg and Roanoke. Where are they going?

Column 4: Where are the people moving into rural Virginia coming from?

Column 5: Why aren't more people moving from Northern Virginia to Southwest and Southside?

Column 6: Some rural localities are seeing a big influx of affluent residents.

Here are some of the takeaways from all this data.

1. Virginia has a demographic problem. It's not a good thing that more people are moving out of the state than are moving in. Nor is it a good thing that those moving out make more money than those moving in. There appear to be multiple reasons for this: Virginia is aging out, and a lot of affluent retirees are turning into sunbirds who'd rather live on the coast. Housing prices are pricing people out of Northern Virginia. I'm not sure what we can do about those two things. Meanwhile, it seems clear that many people are finding job opportunities elsewhere. This is something we can do something about. This is also not a new revelation. This was the impetus for the creation of the GO Virginia economic development program in 2016. When Glenn Youngkin was running for governor, he claimed the state economy was "in the ditch." Democrats disputed him by pointing to low unemployment rates and so forth. Democrats weren't wrong but neither was Youngkin. Even when you factor in some natural campaign hyperbole, Youngkin clearly was onto something: If Virginia's economy were stronger, we wouldn't see more out-migration than in-migration. What makes this so unusual is that it's the urban crescent that people are moving out of, not necessarily rural areas – many of which are now seeing a modest influx.

- 2. We really do have two different Virginias. We've known this all along, of course, but now here's some more data that underscores it. When people move out of the urban crescent, they're either moving to other major metros or to retirement havens along the Southeast coast. When people move out of Lynchburg and Roanoke, or out of rural areas, they're generally not moving to any of those places. They might move to Richmond or some cities in North Carolina. Part of that is simply a function of smaller numbers, of course, but it's also a function of having very different economies. The unusual thing is that right now both of these Virginias have problems. Southwest and Southside have long had their economic challenges, so that's nothing new. But now we're seeing the urban crescent, even Northern Virginia, suffer net out-migration.
- 3. Youngkin ought to be more enthusiastic about remote work. I explored this in more detail in an earlier column but it's worth reiterating here. We don't know exactly why people are moving into rural areas we'd have to interview all of them to know for sure. It's also worth noting that this IRS data comes from 2020, so pre-pandemic. That means it doesn't register any Zoom-era moves. But we know anecdotally that those moves have happened and they have turned net out-migration in many rural localities into net in-migration. They may still be losing population, of course, because in aging communities deaths outnumber births, but erasing net out-migration is still a big deal. We also don't know whether this uptick in people moving to rural areas is a temporary thing or not. However, we do know that Harrison Lombard, a demographer with the University of Virginia's Weldon Cooper Center for Public Service, says if there's anything that can dramatically change the migration patterns for rural Virginia, it's remote work. Can rural Virginia attract enough remote workers to mitigate the population declines driven by deaths over births? We don't know yet. But it seems worth trying the evidence shows it's working to some degree; now seems the time to encourage this nascent trend. Youngkin was elected on the strength of rural voters; he'd be doing their communities a favor if he were a bigger champion of remote work.
- 4. Someone should experiment with a remote worker incentive program. I wrote recently about the places that have launched such programs the two closest are in Johnson City, Tennessee, and Lewisburg, West Virginia. If there's any community in Virginia that tries such a thing it should be Buchanan County. In the 2020 census, Buchanan posted the sharpest decline of any county in the state down 15.5% during the decade. This IRS migration data shows that most counties in far Southwest are now seeing more people move in than out, but not Buchanan. Its population continues to fall, and that out-migration is accelerating. In 2020, the IRS says 350 people moved in while 652 moved out a net loss of 302. Moreover, those moving out made more than those moving in, so Buchanan County is becoming both smaller and poorer. Could a remote worker incentive program help change those demographics? The Ascend West Virginia program has attracted 33 people to Lewisburg (61 once you count family members), with an average annual salary of \$125,937. Now, Lewisburg isn't Grundy –

Lewisburg is Lewisburg. But the point remains: Could a remote worker incentive program help Buchanan's demographics – and economy? When all of the coal counties – indeed, almost all of rural Virginia – were seeing net out-migration, the problem seemed too big to fix. Now that we're seeing net in-migration in many places, that makes it easier to focus on the few that aren't. Is a remote worker incentive program something that GO Virginia or the Tobacco Commission should look at? If not, then what is the plan to turn around these numbers?

- 5. Should Southwest and Southside more specifically target future expatriates from Northern Virginia? Lots of people are moving out of Northern Virginia but very few are moving in. Realistically, we may not be in the market for the vast majority of the people moving out for the reasons cited above. If they have job opportunities in major metros, well, those job opportunities aren't here. And if someone really wants to retire by the coast, there's no coast here. But maybe there are others who just don't know much about Southwest and Southside and who might consider moving here either for remote work or retirement or something else. I hear this pretty often: Cardinal News has attracted a surprising number of readers from outside our target area. I like to tell people we've accidentally built a statewide audience. Whenever I hear from those readers I always ask them why they're reading us. Invariably the answer is some version of: "Because you're telling us about a part of the state we don't know much about." Localities in Southwest and Southside might want to bear that in mind. Is there a marketing opportunity here?
- 6. Should Lynchburg and Roanoke talk more about their net out-migration? Both communities have city council elections this fall, so that's a good opportunity. The problem with political campaigns, of course, is that it's often difficult to focus on big, complex problems. It's much easier for candidates, of all persuasions, to focus on simple slogans and simple solutions. If both communities want more residents, there have to be places for them to live and in Roanoke proposed development often stirs controversy. Still, this is what the numbers show: More people are moving out than moving in. For that matter, will we see the same conversation in, say, Fairfax County? Or perhaps even the General Assembly?

Coming tomorrow: Just kidding. This wraps up this series, but the numbers, and the questions they prompt, remain.

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