



Should I Stay or Should I Go? Trends in Out-Migration from Montgomery County

Stephen Roblin

This Office of Legislative Oversight (OLO) report responds to the County Council’s request to analyze out-migration and net out-migration trends from Montgomery County. The report draws on the latest data from the Census Bureau’s American Community Survey (ACS), Population Estimates Program (PEP), and the Internal Revenue Service (IRS) to describe where former County residents have relocated and their demographics. It compares Montgomery County’s trends in the out-migration of individuals and income to its suburban neighbors, including Frederick, Howard, and Prince George’s Counties in Maryland and Fairfax and Loudoun Counties in Virginia. The report concludes with key findings and discussion points for Council consideration.

Background on Internal Migration in the United States

Since the 1980s, internal migration has been steadily declining across the U.S., a trend that continued during the pandemic. Internal migration patterns have been shaped by housing, family, and employment considerations, along with demographic, racial, and political preferences. In recent years, states in the Sunbelt and Northwest have seen significant net gains, while California and states in the Northeast, Rust Belt, and Midwest have experienced substantial net losses. Additionally, there has been a notable shift toward exurban areas and smaller cities, likely driven by rising housing costs in large metropolitan areas and increased telework opportunities. This shift, which began before the pandemic, accelerated during it, as suburban counties saw net out-migration and exurban counties experienced net in-migration.

Internal Migration of Individuals

Recent County-to-County migration data provide detailed information on the movement of people and income but lack demographic variables, such as age, gender, and race. While this limits the ability to analyze *who* has out-migrated in terms of their personal attributes, the data allowed OLO to identify the states and counties *where* Montgomery County residents have relocated and how these trends compare across neighboring suburban counties.

To compare the counties, OLO examined *total levels* of out-migration, in-migration, and net internal migration and these variables as *percentages of each county’s population*. By examining internal migration from Montgomery County within a regional framework, this analysis reveals several ways in which the County's migration trends have been both distinct and part of a broader regional pattern. The key findings include:

- **Montgomery County has retained a larger share of its residents compared to neighboring suburban counties.** From 2012 to 2022, an average of 53,113 residents moved out annually, but out-migrants represented only 5.1% of the County's population each year, a lower percentage than most neighboring counties except Frederick.

- **Montgomery County attracted fewer new residents relative to its population size.** On average, 4.4% of Montgomery County’s population consisted of in-migrants each year, the lowest among its neighbors.
- **Montgomery County experienced modest net losses from internal migration,** with an average annual net loss of 7,409 residents. This ranks second behind Fairfax County. Frederick, Howard, and Loudoun Counties consistently saw net in-migration.
- **Recent trends show growing net out-migration over time in most counties in the region,** except Frederick County, where net in-migration has risen since 2021.
- **Interstate moves have primarily driven Montgomery County’s out-migration and in-migration patterns.** From 2017 to 2022, the County had moderate levels of *out-of-state* out-migration and in-migration. In contrast, it had the lowest levels of *in-state* out-migration and in-migration.
- **Montgomery County’s top out-migration destinations before and during the Pandemic** are identified below. Within the region, the County saw net gains from Washington, D.C., but net losses to Frederick, Howard, and Fairfax Counties.

| Most Popular Destinations for Montgomery County Residents | | Destination Resulting in Largest Net Losses for Montgomery County | |
|---|----------------------|---|----------------|
| <i>County/City, State</i> | <i>State</i> | <i>County/City, State</i> | <i>State</i> |
| Prince George's County, MD | Virginia | Frederick County, MD | Florida |
| Frederick County, MD | District of Columbia | Howard County, MD | Virginia |
| Howard County, MD | Florida | Anne Arundel County, MD | Texas |
| Fairfax County, VA | California | Washington County, MD | North Carolina |
| Anne Arundel County, MD | Texas | Fairfax County, VA | Delaware |
| Baltimore City, MD | New York | Sussex County, DE | South Carolina |
| Baltimore County, MD | Pennsylvania | Loudoun County, VA | Pennsylvania |

Internal Migration of Income

OLO used IRS data to examine the internal migration of income, measured as Real Adjusted Gross Income (AGI) in 2022 inflation-adjusted dollars.¹ To compare the counties, the analysis evaluates total outflows and inflows of Real AGI as well as percentages of Gross Domestic Product (GDP) and Total Personal Income. Key findings from this analysis include:

- **Montgomery County had low levels of Real AGI outflows and the lowest levels of inflows compared to its suburban neighbors.** From 2012 to 2022, the County averaged \$3.3 billion in

¹ AGI is defined as gross income from all sources minus certain adjustments or expenses not subject to taxation.

outflows and \$2.5 billion in inflows annually, with lower percentages relative to GDP than other counties.

- Montgomery County experienced the second-largest net losses of Real AGI, averaging \$800 million per year.** Net outflows grew by an average of \$80.3 million annually, with only Frederick County continuing to see increases in net inflows of Real AGI over time.
- Montgomery County experienced the largest net losses of Real AGI from internal migration relative to its GDP.** Montgomery County experienced the largest net losses, with an average annual net loss of 0.81% of GDP, compared to 0.79% and 0.77% for Prince George’s and Fairfax Counties, respectively.
- For all counties, per capita Real AGI for people leaving was higher than for people moving in, but lower than for residents who stayed.** Montgomery County had the second-largest gap in average per capita income. Out-migrants had an average per capita income of \$61,540, while in-migrants had \$54,636, resulting in a net loss of \$6,905. The County had the third-largest income gap between out-migrants and non-migrants, behind Fairfax and Howard Counties.
- Interstate moves were the primary driver of Montgomery County’s Real AGI outflows and inflows.** From 2017 to 2022, the County saw high levels of *out-of-state* Real AGI outflows and inflows. In contrast, Montgomery County had the lowest levels of *in-state* outflows and inflows.
- Montgomery County’s top destinations for Real AGI outflows before and during the Pandemic** are identified below. From 2020 to 2022, Montgomery experienced its largest net losses to Florida (\$930 million), Delaware (\$190 million), Texas (\$150 million), and Virginia (\$130 million).
- During the pandemic, high-income households from Montgomery County predominantly relocated to Florida,** with Palm Beach County seeing the largest influx, followed by Miami-Dade and Sarasota Counties.

| Most Popular Destinations for Montgomery County Real AGI Outflows | | Destination Resulting in Largest Net Losses in Real AGI for Montgomery County | |
|---|----------------------|---|----------------|
| <i>County/City, State</i> | <i>State</i> | <i>County/City, State</i> | <i>State</i> |
| District of Columbia | Virginia | Frederick County, MD | Florida |
| Frederick County, MD | Florida | Palm Beach County, FL | Delaware |
| Prince George’s County, MD | District of Columbia | Anne Arundel County, MD | Texas |
| Fairfax County, VA | California | Sussex County, DE | Virginia |
| Palm Beach County, FL | Texas | Howard County, MD | North Carolina |
| Howard County, MD | New York | Miami-Dade County, FL | California |
| Anne Arundel County, MD | Pennsylvania | Fairfax, VA | South Carolina |

OLO Discussion Items

OLO identified three discussion items for the Council to consider when evaluating the policy implications of the findings presented in this report.

1. Why has the County retained a higher share of its residents than other jurisdictions?
2. Why has the County attracted fewer new residents compared to its neighbors? And what policies could the Council pursue to make the County more attractive to households from elsewhere in the United States?
3. Why has the County struggled to attract Real AGI inflows compared to neighboring areas? And what are the tax and other implications of net outflows of Real AGI for the County?

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OLO Report 2024-15

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Introduction

Internal migration, or residents of one jurisdiction relocating to another jurisdiction within the same country, can be an important source of social, economic, and political change at the local level. In the United States, internal migration can affect local jurisdictions by shaping their demographic characteristics, local government revenues, demand for services, economic performance, and even outcomes of elections. Thus, local government leaders can gain valuable, policy-relevant insights by understanding who has been moving in and out of the jurisdictions they represent, along with the origins and destinations of these residents.

Internal migration has two main components: out-migration, where people move away from a specific jurisdiction, and in-migration, where people move into it. When more people leave a place than move in, this is called “net out-migration.” Conversely, “net in-migration” occurs when more people move into a jurisdiction than leave. This report focuses on out-migration and net out-migration from Montgomery County. The County Council requested the Office of Legislative Oversight (OLO) to use the latest data to describe the demographics of residents who moved out and where they relocated. To this end, this OLO report:

- Provides an overview of internal migration by defining core concepts related to this study and highlighting recent trends across the United States;
- Draws on the most recent data on county-to-county migration from the Census Bureau’s American Community Survey (ACS) and Population Estimates Program (PEP) and data from the Internal Revenue Service (IRS), which provides insight into the out-migration of *individuals* and *income*; and
- Performs statistical analyses on these data to compare how Montgomery County’s trends in the out-migration of individuals and income compared to its suburban neighbors, namely Frederick, Howard, and Prince George’s Counties in Maryland and Fairfax and Loudoun Counties in Virginia.

The report is organized as follows:

- **Chapter 1 – Background on Internal Migration:** Provides background on internal migration by defining key concepts in demography, reviewing patterns of internal migration across the United States, and exploring some of the common causes of internal migration from survey data and peer-reviewed literature.

- **Chapter 2 – Methodology:** Lays out the framework for comparing out-migration trends in individuals and income across the six counties in subsequent chapters by defining key concepts in statistics, explaining the data used in this analysis, highlighting their important similarities and differences, and describing the statistical methods and approaches used in the analysis.
- **Chapter 3 – Out-Migration of Individuals: Findings from Census Data:** Presents the data analysis on the out-migration of individuals, using the migration data from the Census’s ACS and PEP. The chapter describes the data tables and visualizations presented and outlines key findings, focusing on how Montgomery County compares with its neighbors.
- **Chapter 4 – Out-Migration of Individuals: Findings from IRS Data:** Presents the data analysis on the out-migration of individuals, using the migration data from the IRS. Again, the chapter describes the data tables and visualizations and outlines key findings with a focus on Montgomery County.
- **Chapter 5 – Out-Migration of Income: Findings from IRS Data:** Presents the data analysis on the out-migration of income, specifically real Adjusted Gross Income, using the migration data from the IRS.
- **Chapter 6 – Summary Findings and Discussion Items:** Synthesizes the findings from the data analyses on the migration of individuals and income and presents discussion items for Councilmembers to consider.

Office of Legislative Oversight staff member Stephen Roblin conducted this study, with assistance from Kristen Latham and Karen Pecoraro.

For access to the replication data for the data analysis performed in this report, please contact Stephen Roblin at stephen.roblin@montgomerycountymd.gov.

Chapter 1. Background on Internal Migration

In this chapter, OLO provides background on internal migration by defining key concepts in demography, such as internal migration, out-migration, and net out-migration. It then examines patterns of internal migration across the United States, highlighting the overall decline in migration in the country, disparities among demographic groups and regions, and the impacts of the pandemic. Finally, the chapter draws from survey data and empirical studies to explore the common drivers of internal migration.

A. Internal Migration Definitions

Demography is the statistical study of human populations. There are several concepts in the field that are essential for understanding and interpreting data on internal migration.

A **population** refers to the total number of individuals who live within certain political or geographic boundaries at a specific point of time.¹ Populations change through three components—fertility, mortality, and migration. Typically, the difference between births and deaths within a population is positive, meaning “more babies are being born than people are dying.”²

For advanced industrialized countries like the United States, migration has arguably become the predominant factor responsible for population change due to historic decreases in fertility and mortality.³ Migration differs from fertility and mortality in an important way: every migrant is both an in-migrant/immigrant and an out-migrant/emigrant, whereas those who were born or died can only be one of those things.

A common definition of **migration** used by demographers is the spatial movement of a person that involves both:

- Change in the place of usual residence (“residence”); and
- Crossing of a legally recognized geographic boundary.

¹ “Population,” World Health Organization, accessed November 8, 2023, <https://www.who.int/data/gho/indicator-metadata-registry/imr-details/1121>.

² Luke Rogers and Peter Borsella, “Growth or Decline: Understanding How Populations Change,” *Census Bureau* (blog), March 24, 2016, <https://www.census.gov/newsroom/blogs/random-samplings/2016/03/growth-or-decline-understanding-how-populations-change.html>.

³ Richard E. Bilsborrow, “Concepts, Definitions and Data Collection Approaches,” in *International Handbook of Migration and Population Distribution*, ed. Michael J. White (Dordrecht: Springer Netherlands, 2016), 109–56, https://doi.org/10.1007/978-94-017-7282-2_7.

Background on Internal Migration

Thus, migration is distinguished from other forms of human mobility, such as commuting or tourism, which do not involve, both a change of usual residence and movement across a border.⁴

In general, demographers distinguish between two broad categories of migration—international and internal migration. **International migration** refers to migration from one country to another—i.e., a change in residence that involves crossing national borders. **Internal migration**, also called “domestic migration,” refers to migration *within the same country*—i.e., a change in residence that involves crossing legally recognized boundaries within a country.

The U.S. Census Bureau refers to sub-national boundaries within the U.S. that are defined in official documents, such as charters, legislation, and ordinances as “legal/administrative geographic entities” or “legal/administrative areas.”⁵ They include regions, states, counties (and equivalents), municipalities, census tracts, etc.⁶ In this report, OLO uses “jurisdiction” in place of these terms for the sake of brevity.

As shown in **Figure 1.1**, migration includes additional subterms based on the movement of people across boundaries – for international migration, **emigration** refers to someone moving away from their country to settle in a different country, whereas **immigration** refers to someone moving into a different country.

The equivalent to these terms within the domain of internal migration are in-migration and out-migration. **In-migration** refers to movement of people away from a particular jurisdiction where they have resided to settle in a different jurisdiction within the same country. **Out-migration** refers to someone moving away from a jurisdiction where one has resided to settle in a different area within the same country.⁷ For the purposes of analyzing internal migration, individuals who engage in these migratory behaviors may be referred to as “in-migrants” and “out-migrants.”

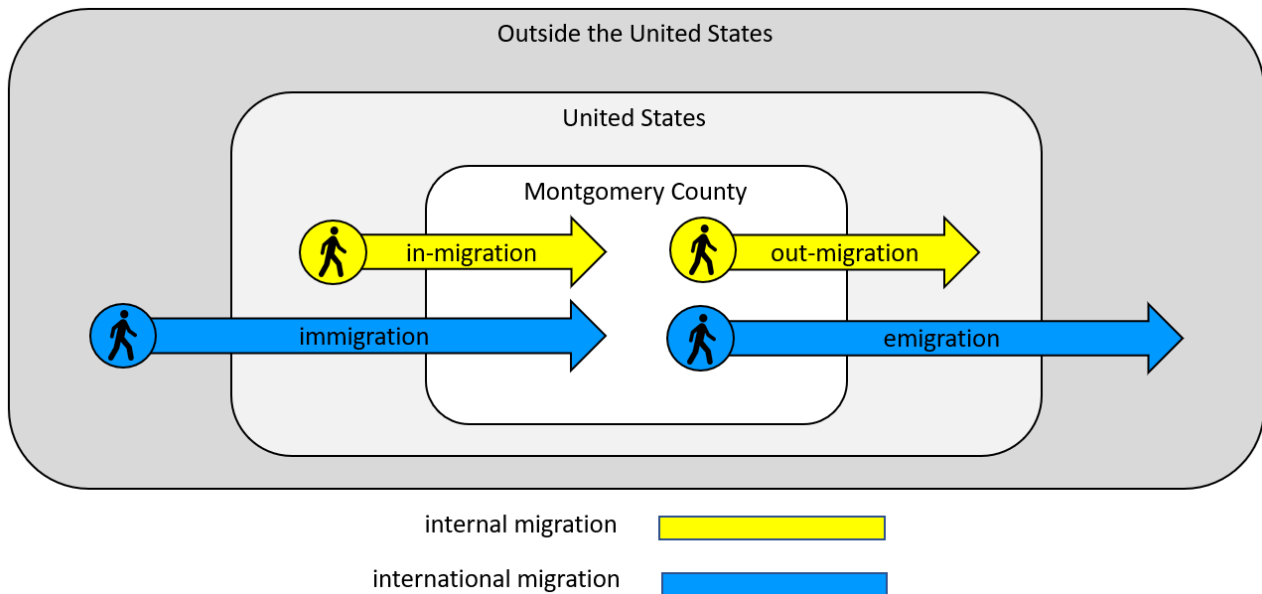
⁴ Ibid.

⁵ US Census Bureau, “Legal/Administrative and Statistical Geographic Entities,” Census.gov, October 8, 2021, <https://www.census.gov/programs-surveys/geography/about/training/legal-and-geographic-entities.html>.

⁶ “Hierarchy Diagrams,” U.S. Census Bureau, October 8, 2021, <https://www.census.gov/programs-surveys/geography/guidance/hierarchy.html>; and “Terms and Definitions,” U.S. Census Bureau, December 16, 2021, <https://www.census.gov/programs-surveys/popest/guidance-geographies/terms-and-definitions.html>.

⁷ Bilsborrow, “Concepts, Definitions and Data Collection Approaches.”

Figure 1.1. Differences in Terminology Between Internal and International Migration



Based on the above definition, internal migration includes **intra-county migration**. This form of migration refers to someone moving from one residence to another within the same county and crossing a sub-county boundary, like a municipal border.⁸ For example, intra-county migration would involve a Montgomery County resident who moves from outside an incorporated city like Silver Spring to a residence within the incorporated City of Rockville.

It should be noted that internal migration does not include migration with the same county in which no sub-county boundary is crossed. For example, a resident who moves from one residence within Rockville to another is definitionally excluded from internal migration (as well as intra-county migration as defined above).

For the purposes of this report, two additional concepts are essential to understand. Counties typically experience, both, in-migration and out-migration on an annual basis. **Net internal migration** is the difference between the number of individuals who move into a given jurisdiction and the number of individuals who move out of the jurisdiction during a specified time period. The formula is as follows:

$$\text{Net internal migrants} = \text{number of in-migrants} - \text{number of out-migrants}$$

When a jurisdiction sees more in-migrants than out-migrants during a specific period, the result is **net in-migration**, or positive net internal migration. Conversely, when a jurisdiction

⁸ Georg Grassmueck, "What Drives Intra-County Migration: The Impact of Local Fiscal Factors on Tiebout Sorting," *Review of Regional Studies* 41, no. 2,3 (June 1, 2011): 119–38, <https://doi.org/10.52324/001c.8152>.

sees more out-migrants than in-migrants, the result is **net out-migration**, or negative net internal migration.

Importantly, net internal migration does not account for international migration (i.e., County residents who move to different countries or citizens of different countries moving into the County) or intra-county migration (i.e., County residents who move within the jurisdiction).

It should be noted that the direction of net internal migration for a particular jurisdiction does not necessarily correspond with the direction of its total population growth. For example, a jurisdiction that has experienced net out-migration still may have an increase in total population due to an influx of international migrants or if the number of births significantly increased.

Another key concept relevant for this report is demographics. A common definition of **demographics** is information, typically quantitative, that describes the characteristics of a population. These characteristics may include age, sex, race, ethnicity, family size, civil status, income, employment, and location of residence.⁹

B. Internal Migration in the United States

Before analyzing out-migration from Montgomery County, it is informative to present patterns of internal migration for people in the United States over the last half century. This section reviews findings from peer-reviewed studies, white papers, and policy briefs on internal migration published over the last 15 years.

Historic Declines in Internal Migration

Internal migration in the U.S. has been steadily declining since the 1980s, as visualized in **Figure 1.2**. In his review of Census data, Riordan Frost, senior research analyst with Joint Center for Housing Studies of Harvard University, documents how the national mobility rate had decreased from around 18 percent in the mid-1980s to less than 10 percent in 2019, an almost 50 percent decline over 35 years.¹⁰

⁹ “Demographics,” Oxford Reference, accessed August 23, 2024, <https://doi.org/10.1093/oi/authority.20110803095709788>; Michael J. White and David P. Lindstrom, “15 Internal Migration,” in *Handbook of Population*, ed. Dudley L. Poston (Cham: Springer International Publishing, 2019), 383–419, https://doi.org/10.1007/978-3-030-10910-3_16.

¹⁰ Riordan Frost, “Are Americans Stuck in Place? Declining Residential Mobility in the US” (Joint Center for Housing Studies of Harvard University, May 4, 2020), <https://www.jchs.harvard.edu/research-areas/research-briefs/are-americans-stuck-place-declining-residential-mobility-us>.

In his analyses, Frost has also identified the segments of the population most likely to move in recent years. Young adults, college graduates, renters, low-income adults, and multi-racial adults.¹¹ (There have been only minor differences in the likelihood of moving by different racial and ethnic groups.) Interestingly, however, some of these segments have been simultaneously driving the steady decline in internal mobility.

- **Young People:** Compared to middle-aged and older adults, young adults have been much more likely to move. Between 2017 and 2018, 25 percent of individuals aged 18-24 moved compared to six percent of individuals aged 65 and older.¹²

Despite being more mobile than their older counterparts, young adults have experienced the sharpest declines in internal migration compared to other generations. The percentage of young adults (20-24 years old) who moved decreased from around 40 percent in 1976 to less than 25 percent in 2016.¹³

- **Renters:** Compared to homeowners, renters have been far more likely to move. In 2018, 24 percent of renter households moved in the last year, compared to six percent of homeowner households.¹⁴

Despite being more mobile than homeowners, renters have experienced sharper declines in internal migration compared to them. While the number of renters has grown by over seven million between 2006 and 2018, the share of renter households who moved each year dropped from 32 percent to 24 percent during this time.¹⁵

- **Local Movers:** Most moves occur over short distances. Between 2018 and 2019, 82 percent of all moves in the United States were either within the same county (65 percent) or between counties within the same state (17 percent). In contrast, 18 percent of moves were either interstate (14 percent) or abroad (four percent).¹⁶

Despite the prevalence of short moves over long-distance moves, there has been a decline in local mobility among people in the United States. Indeed, the percentage of people who moved locally decreased from around 15 percent in the 1980s to eight percent in 2019.¹⁷

¹¹ Ibid.

¹² Ibid.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Ibid.

The Geography of Internal Migration

As internal migration in the United States has been decreasing overall for four decades, important geographical differences in internal migration patterns at the state- and county-levels have emerged.

From 2015 to 2019, states in the Sunbelt and Northwest experienced significant gains in net in-migration, whereas California and states in the Northeast, Rust Belt, and Midwest experienced net out-migration. As highlighted in **Figure 1.3**, states that saw the largest net in-migration were: ¹⁸

- Florida
- North Carolina
- Texas
- Washington
- Arizona

In contrast, states that experienced the largest net out-migration were:

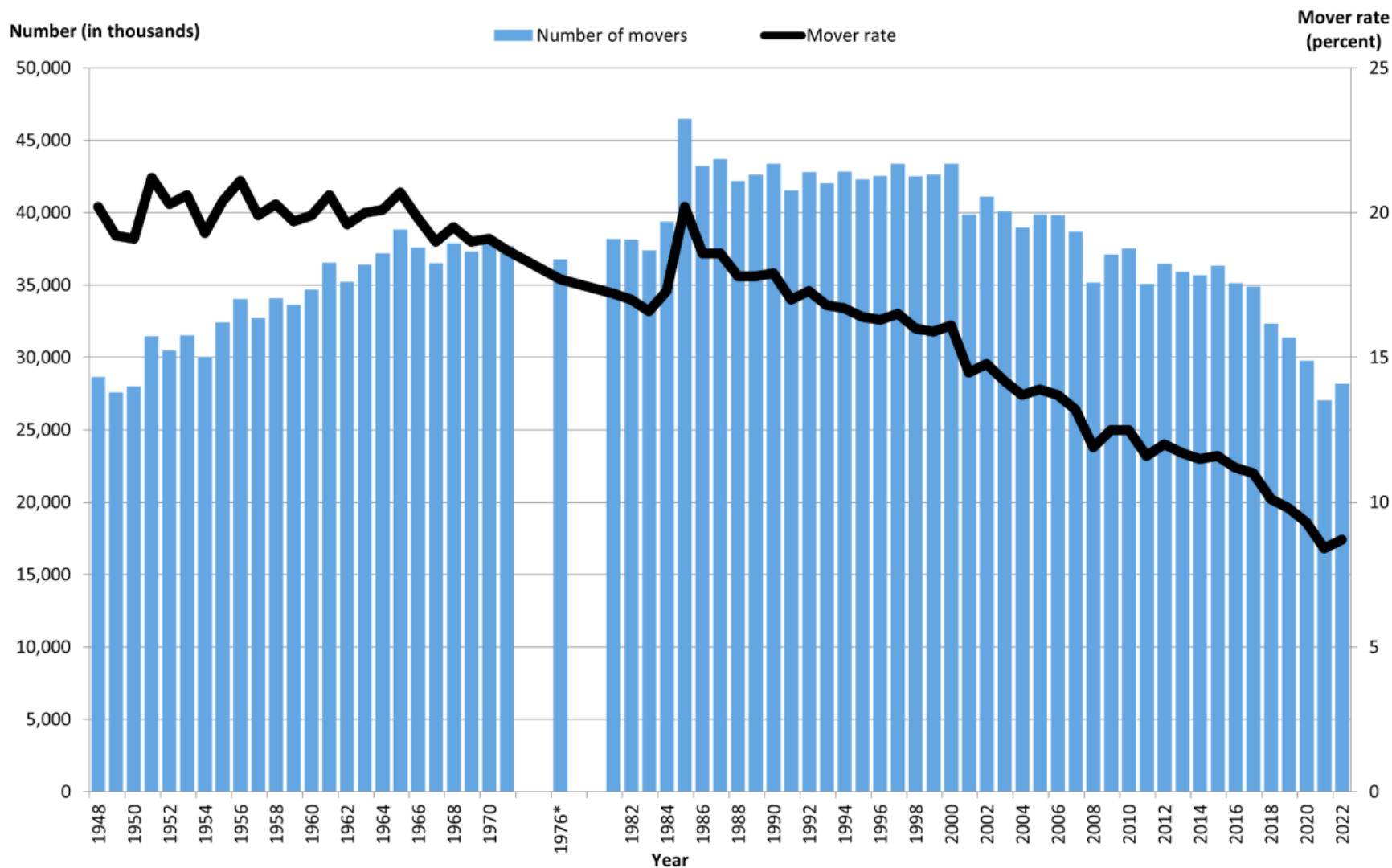
- New York
- New Jersey
- California
- Pennsylvania
- Illinois

At the county-level, medium and small metropolitan counties generally experienced net in-migration during this period. Counties that experienced net out-migration generally included suburban counties in large metropolitan areas as well as counties in largely rural areas.¹⁹

¹⁸ Riordan Frost, “Did More People Move During the Pandemic?” (Joint Center for Housing Studies of Harvard University, March 2023), <https://www.jchs.harvard.edu/blog/have-more-people-moved-during-pandemic>.

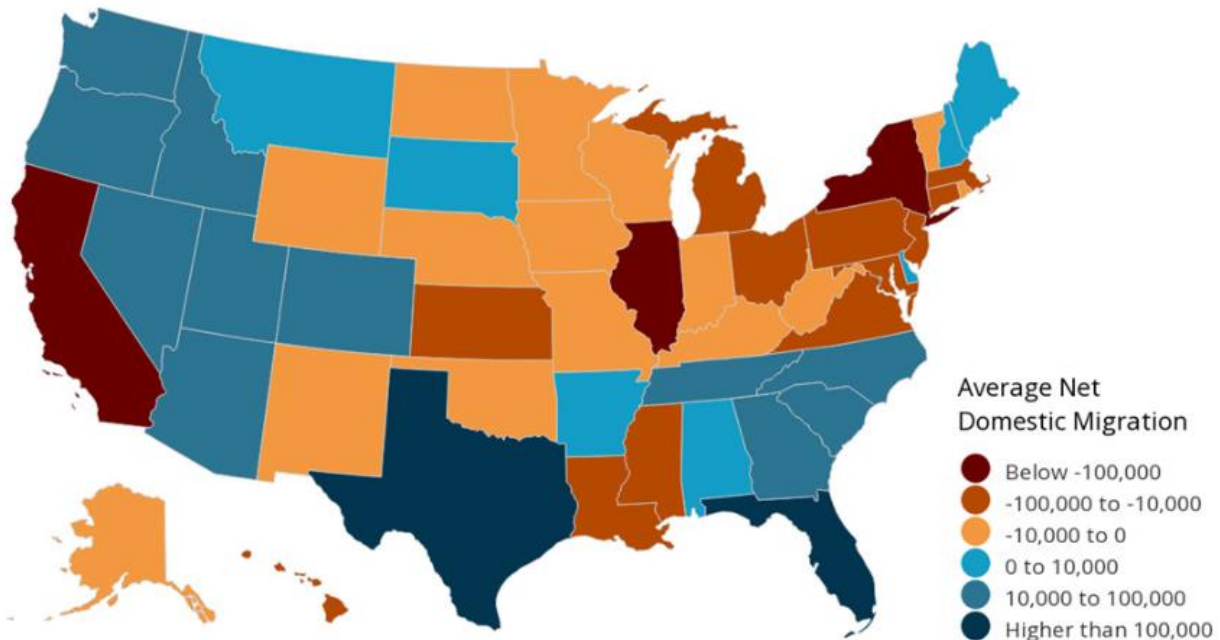
¹⁹ Ibid.; Frost, “Are Americans Stuck in Place?”

Figure 1.2. Number of Movers and Mover Rate



Source: “[Figure A-1.1. Number of Movers and Mover Rate: 1948-2022](#),” U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement (CPS ASES) 1948-202

Figure 1.3. Internal Migration at the State-Level from 2015-2019



Source: Frost (2023), “[Figure 4. Domestic Migration Gains Were Concentrated in the Sunbelt and Northwest Before the Pandemic,](#)” JCHS tabulations of US Census Bureau, 2015–2019 Population Estimates Program

Internal Migration During the Pandemic

Patterns of internal migration in the United States largely continued during the pandemic. Internal migration continued its long-term decline, falling from around 13 percent in 2019 to 12 percent in 2021.²⁰ Internal migration rates continued to decline during this period for the following segments of the population:

- Young adults;
- Renters;
- Low-income households (and middle-income households); and
- All racial and ethnic groups.²¹

The internal migration rate stayed steady for college graduates and households in the highest income quartile.²²

Also, Census data indicates that homeowner household internal migration dropped by one percentage point from 2022 to 2023. In this review of the data, Frost attributes this drop to

²⁰ Frost, “Have More People Moved During the Pandemic?”

²¹ Ibid.

²² Ibid.

rising interest rates and high home prices that priced out many would be homeowners and the “lock in effect” in which homeowners who purchased early in the pandemic with historically low interest rates have not moved due to the mismatch between previously low mortgage interest rates and recent rates.²³

The pandemic appears to have had a meaningful impact on the geography of internal migration, particularly on “exurban” jurisdictions. Exurban jurisdictions are considered “transitional” jurisdictions between suburban jurisdictions surrounding large cities and rural jurisdictions. They are largely residential, less dense than suburban jurisdictions, and have a mix of rural and urban uses.²⁴

Recently released Census data indicate that “the country’s fastest-growing places are increasingly likely to be far-flung exurban communities on the outer margins of metro areas.”²⁵ Meanwhile, growth slowed for inner suburbs near large cities.²⁶

In their review of this data, Lindsay Spell and Marc Perry from the Census Bureau identify two potential causes for the dramatic growth of exurban jurisdictions—increasing housing costs and opportunities to telework:

Multiple factors are likely behind the increased growth of exurbs. Among them: Rising housing costs after the start of the pandemic, which drove some people farther away from cities toward exurbs in search of cheaper homes. Greater opportunities to work from home also likely contributed. Before the pandemic, telework and remote work options were much less common.²⁷

In addition to exurban jurisdictions, other analysts from the Census have found that “many small and midsize U.S. cities with populations under 50,000 saw relatively higher growth rates in 2023 than in 2019 before the pandemic hit while large cities generally grew at slower rates.”²⁸

²³ Riordan Frost, “Homeowner Mobility Stalls Amid Rising Interest Rates,” *Joint Center for Housing Studies* (blog), December 13, 2023, <https://www.jchs.harvard.edu/blog/homeowner-mobility-stalls-amid-rising-interest-rates>.

²⁴ “Defining Exurbia,” Department of Agricultural, Environmental, and Development Economics, Ohio State University, accessed September 4, 2024, <https://aede.osu.edu/node/1534>.

²⁵ Lindsay Spell and Marc Perry, “More Exurban Communities Now Among Nation’s Fastest Growing Places,” *U.S. Census Bureau* (blog), May 16, 2024, <https://www.census.gov/library/stories/2024/05/exurbs-city-population.html>.

²⁶ *Ibid.*

²⁷ *Ibid.*

²⁸ Amel Toukabri et al., “New Estimates Show Population Recovered for Large Cities and Grew in Small Places on Outskirts of Urban Areas in 2023,” *U.S. Census Bureau* (blog), May 16, 2024, <https://www.census.gov/library/stories/2024/05/sun-belt-cities-and-towns.html>.

C. Explaining Internal Migration

For perspective on the causes of internal migration, this report summarizes findings from the Census's Current Population Survey (CPS) and several empirical studies on the topic. Overall, internal migration is shaped by various factors, including housing, family, and employment considerations. Demographic, racial, and political preferences also play a significant role, which have contributed to changes in racial segregation and political polarization at local levels.

The Current Population Survey sheds light on the primary reasons people moved, both before and during the pandemic. The survey asks respondents who lived in a different residence one year before about their primary reason for moving, which falls into four general categories: housing-related; family-related; employment-related; and other.²⁹

Figure 1.4 presents the share of reasons for moving as reported by respondents in the survey from 1999 to 2022. The most common reasons for moving were housing-related, which includes wanting a newer, better, or larger home; wanting cheaper housing; becoming a homeowner; and wanting a better neighborhood/less crime. Housing factors were especially common for local moves. The second most common reasons were family-related, which includes establishing one's own household, a change in marital status, etc. This was followed by job-related reasons, which includes getting or losing job, living closer to home, and looking for work. Employment factors were especially common for long-distance moves.³⁰

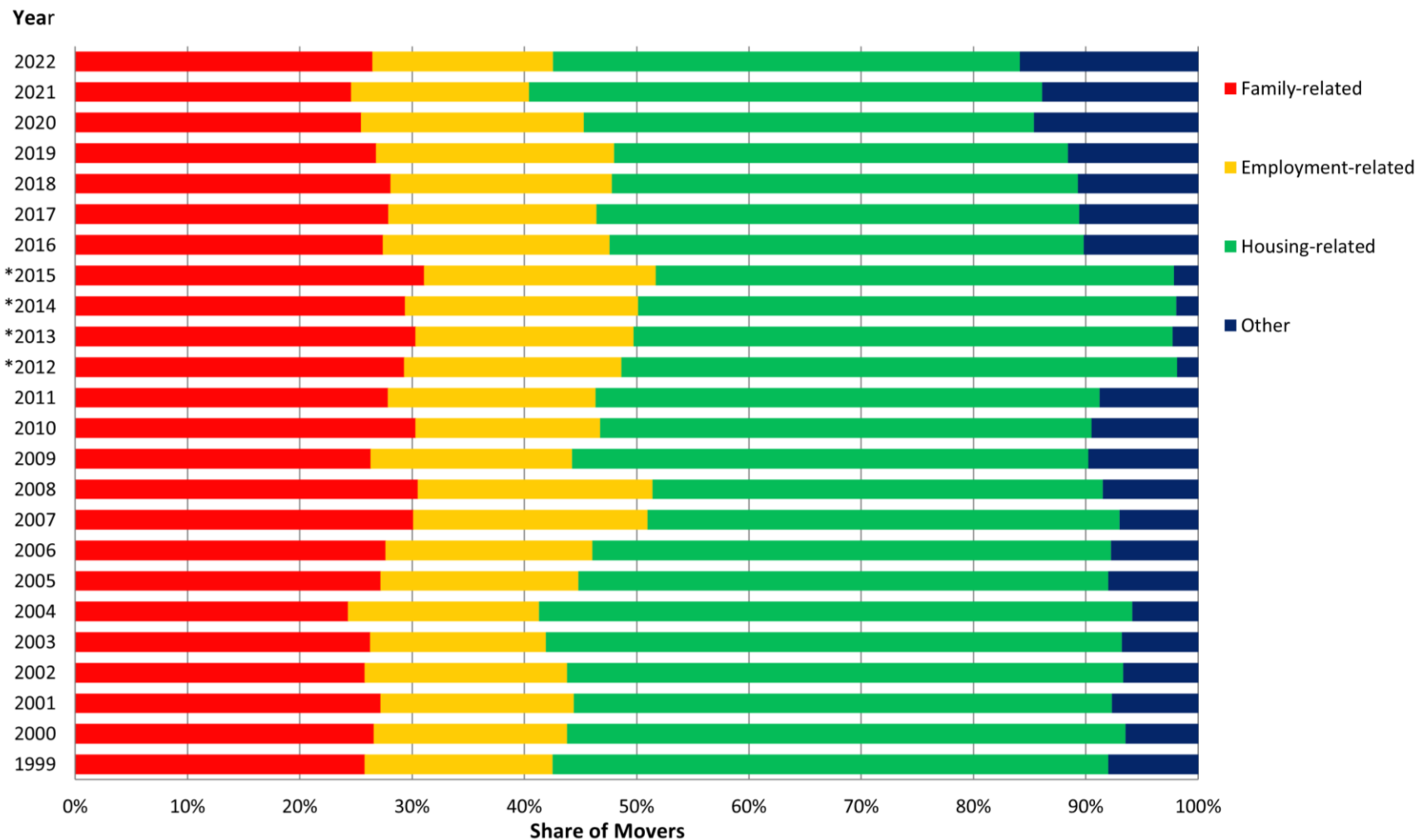
The CPS data reveal a minor shift in reasons for moving during the pandemic. Housing- and family-related reasons were still primary. However, the share of moves for job-related reasons fell from 20 percent of moves in 2019 to 17 percent in 2022 and was replaced by "other" reasons, particularly moving in with an unmarried partner.³¹

²⁹ Kristin Kerns-D'Amore, "Change in Marital Status Became More Common Reason for Moving from 2021 to 2022, Housing/Neighborhood Improvement Reasons Declined," *Census.Gov* (blog), September 19, 2023, <https://www.census.gov/library/stories/2023/09/why-people-move.html>.

³⁰ Ibid; Frost, "Have More People Moved During the Pandemic?"

³¹ Frost, "Have More People Moved During the Pandemic?"

Figure 1.4. Reasons for Moving in the Current Population Survey



Source: “Figure A-5. Collapsed Reason for Move: 1999-2022,” U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement (CPSa ASES) 1999-202

Empirical studies have also shed light on the causes of internal migration in the United States. Economics research on the topic generally has linked internal migration to labor market conditions, with economic incentives (like higher wages) driving migration decisions.³² Other economic factors that influence internal migration are regional differences in the cost-of-living, particularly housing costs.³³

Labor and housing market conditions may also explain declining internal mobility in the United States. After the Great Recession, there was a sharp decrease in intra-county mobility due to housing shortages and intensified competition, particularly among millennials, which exacerbated the affordable housing crisis. These conditions delayed and discouraged moving for housing-related reasons, thereby decreasing migration.³⁴

Other studies have pointed to factors beyond labor and housing market considerations, claiming intercounty migration has been more common among demographically, politically, and socially similar counties. For example, studies have found that internal migration is motivated by racial considerations, with lower levels of migration having occurred among counties with dissimilar racial compositions. This has contributed to county-level racial segregation.³⁵ Other studies have found partisan preferences influence internal migration, with migration more common among counties with similar partisan profiles, particularly among extreme partisan counties. This has contributed to more county-level political polarization over time.³⁶

³² Ning Jia et al., “The Economics of Internal Migration: Advances and Policy Questions,” *Journal of Economic Literature* 61, no. 1 (March 2023): 144–80, <https://doi.org/10.1257/jel.20211623>; Raven Molloy, Christopher L. Smith, and Abigail Wozniak, “Internal Migration in the United States,” *Journal of Economic Perspectives* 25, no. 3 (September 2011): 173–96, <https://doi.org/10.1257/jep.25.3.173>.

³³ Jia et al., “The Economics of Internal Migration.”

³⁴ Dowell Myers, JungHo Park, and Seongmoon Cho, “Housing Shortages and the New Downturn of Residential Mobility in the U.S.,” *Housing Studies* 38, no. 6 (July 3, 2023): 1088–1109, <https://doi.org/10.1080/02673037.2021.1929860>.

³⁵ Peng Huang and Carter T. Butts, “Rooted America: Immobility and Segregation of the Inter-County Migration Networks” (arXiv, September 14, 2023), <http://arxiv.org/abs/2205.02347>.

³⁶ Xi Liu, Clio Andris, and Bruce A. Desmarais, “Migration and Political Polarization in the U.S.: An Analysis of the County-Level Migration Network,” *PLOS ONE* 14, no. 11 (November 22, 2019): e0225405, <https://doi.org/10.1371/journal.pone.0225405>.

Chapter 2. Methodology

The previous chapter highlighted a recent trend in internal migration: Leading into the pandemic, suburban counties in large metropolitan areas across the country had experienced net out-migration while the pandemic induced net in-migration into exurban counties farther away from large cities, likely due to their relatively lower housing costs and the significant expansion of remote work.¹

This finding raises the importance of examining internal migration from Montgomery County—a suburban County in the seventh largest metro area in the country as of 2023²—within a regional context. Doing so will shed light on whether migration trends for the County are distinct or part of a larger regional story.

To provide this regional context, this OLO report compares internal migration for Montgomery County and its neighboring, suburban counties. They include:

- Frederick, Howard, and Prince George’s Counties in Maryland; and
- Fairfax and Loudoun Counties in Virginia.

This report analyzes the most recent data on county-to-county migration in the United States, using data from the Census’s American Community Survey and Population Estimates Program and data from the Internal Revenue Service.³

Importantly, while these datasets detail the movement of people and income, it is important to note they lack variables on several demographic characteristics such as age, gender, race, or education level. This limits the ability to analyze *who* has out-migrated in terms of their personal attributes. However, these data sources offer valuable insights into the destinations of out-migration, allowing us to identify the states and counties *where*

¹ Riordan Frost, “Did More People Move During the Pandemic?” (Joint Center for Housing Studies of Harvard University, March 2023), <https://www.jchs.harvard.edu/blog/have-more-people-moved-during-pandemic>; Riordan Frost, “Are Americans Stuck in Place? Declining Residential Mobility in the US” (Joint Center for Housing Studies of Harvard University, May 4, 2020), <https://www.jchs.harvard.edu/research-areas/research-briefs/are-americans-stuck-place-declining-residential-mobility-us>; Lindsay Spell and Marc Perry, “More Exurban Communities Now Among Nation’s Fastest Growing Places,” *U.S. Census Bureau* (blog), May 16, 2024, <https://www.census.gov/library/stories/2024/05/exurbs-city-population.html>; Amel Toukabri et al., “New Estimates Show Population Recovered for Large Cities and Grew in Small Places on Outskirts of Urban Areas in 2023,” *U.S. Census Bureau* (blog), May 16, 2024, <https://www.census.gov/library/stories/2024/05/sun-belt-cities-and-towns.html>.

² Annual Estimates of the Resident Population for Metropolitan Statistical Areas in the United States and Puerto Rico: April 1, 2020 to July 1, 2023, U.S. Census Bureau, June 25, 2024, <https://www.census.gov/data/tables/time-series/demo/popest/2020s-total-metro-and-micro-statistical-areas.html>.

³ Excluded from this analysis is data on the intra-county and international migration patterns for these counties.

Methodology

Montgomery County residents have relocated and how these trends compare across neighboring suburban counties.

While the primary focus of this report is on out-migration trends, this report also considers in-migration and net internal migration for a more comprehensive analysis. Failing to account for in-migration makes it impossible to determine whether the counties examined here have experienced *net* out-migration, that is, whether out-migration has outpaced in-migration.

The more comprehensive view enhances the policy significance of the data analyses presented in later chapters. For example, comparing out-migration with in-migration on individuals reveals whether internal migration has contributed to population growth or decline in the counties and region. Additionally, examining where residents have been moving to and where new residents have come from offers insights into the counties' appeal as places to live and work.

Furthermore, analyzing inflows and outflows of income highlights whether migration is increasing or reducing total income, with significant implications for local economies and government services. This is particularly important for Maryland Counties, which rely on local income taxes as a key revenue source, unlike their Virginia counterparts (including Fairfax City and Falls Church) where no local income tax is collected.⁴

In this chapter, OLO first describes and compares the sources of migration data used in this analysis to help understand how they provide different insights into the migratory patterns of the counties investigated here. This section defines basic concepts in statistics that are helpful for understanding the data analysis presented in subsequent chapters. In the second section of this chapter, OLO identifies some of the key differences between the counties examined and explains how OLO accounts for them in the data analyses presented in later chapters in order to conduct a more “apples-to-apples” comparison.

⁴ For local income tax rates, see “Maryland Income Tax Rates and Brackets,” Comptroller of Maryland, accessed September 6, 2024, <https://www.marylandtaxes.gov/individual/income/tax-info/tax-rates.php>.

A. Data Sources

This report draws on the following three sources for data on internal migration at the County-level: the American Community Survey (ACS) and Population Estimates Program (PEP) by the U.S. Census Bureau and the U.S. Internal Revenue Service (IRS). The remainder of this section summarizes and compares these two data sources.

ACS Migration Data

The ACS is an annual, nationwide survey with a representative sample of around 3.5 million households in the U.S.⁵ The ACS attains a representative sample by selecting a random sample of household addresses to survey. This method, in addition to making statistical adjustments to address sample imbalances,⁶ provide confidence that the ACS sample data produces estimates that accurately reflect a broad range of demographic, housing, social, and other characteristics of larger populations.⁷ ACS data is available at the federal, state, and local level.

This analysis focuses on the ACS's County-level data. One of the characteristics of county populations measured in the ACS is their migratory behavior. The ACS household surveys track the migration of individuals between counties in the U.S. by asking respondents whether each member of the household lived in their current home or apartment one year ago, and, if not, where they lived.⁸

Key Statistical Concepts

Sample refers to a sub-set of observations collected from a larger group that you want to draw conclusions about.

Population refers to all observations from the group.

Representative sample is a sample that accurately reflects the characteristics of the population.

⁵ "Understanding and Using American Community Survey Data: What All Data Users Need to Know" (U.S. Census Bureau, September 2020),

https://www.census.gov/content/dam/Census/library/publications/2020/acs/acs_general_handbook_2020.pdf.

⁶ ACS uses weighting to address imbalances in the sample. For more on weighting, see Andrew Mercer Kennedy Arnold Lau and Courtney, "1. How Different Weighting Methods Work," *Pew Research Center* (blog), January 26, 2018, <https://www.pewresearch.org/methods/2018/01/26/how-different-weighting-methods-work/>.

⁷ "Understanding and Using American Community Survey Data: What All Data Users Need to Know"; "Understanding and Using American Community Survey Data: What Researchers Need to Know" (U.S. Census Bureau, March 2020), https://www.census.gov/content/dam/Census/library/publications/2020/acs/acs_researchers_handbook_2020.pdf.

⁸ For example, see question 15 on page 13 here: "2024 American Community Survey Questionnaire" (U.S. Census Bureau, n.d.), <https://www2.census.gov/programs-surveys/acs/methodology/questionnaires/2024/quest24.pdf>.

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This analysis uses the “County-to-County Net and Gross Migration” datasets for the 2016-2020 period, the most current estimates available.^{9,10} For each county in this analysis, the dataset contains 5-year point estimates and their respective margins of error for the total population of internal migrants, where they out-migrated to, and where they in-migrated from during the 2016-2020 period. The 5-year point estimates have larger samples and lower margins of error than the 1-year estimates. As a result, the 5-year estimates have increased statistical reliability and precision, which is especially important when assessing data for smaller geographic areas, such as county-to-county migration flows.¹¹ (See “Methodology Detail for ACS Data” for a more detailed discussion.)

PEP Net Internal Migration Data

Every year, the Census Bureau’s PEP releases its county-level population estimates and components of change.¹² The data include annual figures on net internal migration for counties. However, the data does not provide figures on out-migration or in-migration, nor the destinations of out-migrants or origins of in-migrants.

To calculate net internal migration, the PEP uses four sources of information:

1. Internal Revenue Service tax return data for ages 0 to 64;
2. Medicare enrollment data for the population aged 65 and older;
3. Social Security Administration’s Numerical Identification File for all ages; and
4. Change in the Group Quarters population (e.g., nursing homes, college/university student housing, military barracks) from Census Group Quarters Reports.¹³

PEP has provided data on net internal migration at the county-level up to 2023. OLO uses the “County Population Totals and Components of Change: 2020-2023” to supplement its analysis on ACS data.

It should be noted that PEP does not provide margins of error.

⁹ For a more detailed description of the structure of the datasets, see “2016-2020 ACS Migration Flow Files Documentation” (U.S. Census Bureau, n.d.), <https://www.census.gov/content/dam/Census/topics/population/migration/guidance-for-data-users/acs-migration-tutorial/2016-2020-Migration-Flows-Documentation.pdf>.

¹⁰ The data can be found here: “County-to-County Migration Flows: 2016-2020 ACS,” U.S. Census Bureau, January 17, 2023, <https://www.census.gov/data/tables/2020/demo/geographic-mobility/county-to-county-migration-2016-2020.html>.

¹¹ “Understanding and Using American Community Survey Data,” March 2020.

¹² U.S. Census Bureau, “County Population Totals and Components of Change: 2020-2022,” Census.gov, accessed July 24, 2023, <https://www.census.gov/data/tables/time-series/demo/popest/2020s-counties-total.html>.

¹³ U.S. Census Bureau, “Methodology for the United States Population Estimates: Vintage 2023,” December 2023, <https://www.census.gov/programs-surveys/popest/technical-documentation/methodology.html>.

Methodological Detail for ACS Data

For each variable, the dataset includes a point estimate and margin of error. A **point estimate**, or **estimate**, is an approximate value of a population characteristic that is attained from a sample. For example, in the ACS sample data, the estimate for the number of individuals from Montgomery County who migrated to Frederick County during 2020 aims to approximate the value of all individuals who migrated in this manner during this time (those included and not included in the survey).

Margin of error is a measure of the precision or variability of an estimate.¹⁴ It indicates how far an estimate attained from a sample differs from the *real* population value. In other words, the margin of error can provide “a range of values within which the actual, ‘real-world’ value is likely to fall.”¹⁵ For example, the margin of error for the estimated number of individuals who out-migrated from Montgomery County to Frederick County during 2020 would indicate how far this estimate likely differs from the *actual* number of out-migrants in this period.

The Census includes margin of errors in the ACS sample data for users to measure the imprecision around its estimates.¹ As stated in an ACS users guide for researchers, “[b]ecause the ACS is based on a sample, rather than all housing units and people, ACS estimates have a degree of uncertainty associated with them, called sampling error.”¹⁶

In this report, OLO uses the estimates and margin of error provided in the ACS county-to-county migration data to calculate **range of values**, or **range**, for each of the migration variable estimates.¹⁷ The Census calculates margins of errors at the 90 percent confidence level. Thus, a range for a particular estimate tells readers that we can be 90 percent confident that the true population value lies within this range.

To illustrate, let’s consider again the estimated number of individuals who out-migrated from Montgomery County to Frederick County during 2020. If OLO calculated a range of 85 to 105, this would indicate that we can be 90 percent confident that the actual number of out-migrants to Frederick County during this time is somewhere within this range.

OLO presents the ranges for the ACS migration estimates for the following reasons: First, the ranges make explicit that there is error around the estimates, sometimes considerable error. Presenting the estimates without them may suggest to readers an inflated sense of precision that the data does not permit. Second, the ranges provide insight into whether there are actual differences between estimates. To illustrate, if the estimated range of out-migrants from Montgomery County were 1,000 to 1,250 and from Howard County were 1,100 to 1,350, we would not be confident that there is a meaningful difference in the number of out-migrants between the two counties.

¹⁴ Sirius Fuller, “Using American Community Survey Estimates and Margins of Error,” https://www.census.gov/content/dam/Census/programs-surveys/acs/guidance/training-presentations/20180418_MOE_Webinar_Transcript.pdf.

¹⁵ “Understanding and Using American Community Survey Data,” March 2020.

¹⁶ Ibid.

¹⁷ This is the same as “confidence intervals.” I use the term, “range,” to help minimize statistical jargon.

IRS Migration Data

The second data source used in this analysis is IRS migration data. The IRS Statistics of Income Division (SOI) collaborates with the Census to release migration data for the United States. SOI tracks migration based on year-to-year changes to mailing addresses reported on Forms 1040, which taxpayers use to file annual income tax returns.¹⁸ SOI matches year-to-year returns using taxpayer identification numbers (TIN) for primary, secondary (e.g., spouses), and dependent (e.g., children) filers.¹⁹

From this information, the migration status of each return is assigned as either:

- *Non-migrant* – individual returns where the state and county in one year match the state and county in another year;
- *Migrant, different state* – individual returns where the state and county in one year do not match the state and county in another year;
- *Migrant, same state, different county* – individual returns where the states match between the two years, but the county in one year differs from the county in another year; or
- *Migrant, foreign* – individual returns where the state is in the U.S. in one year and foreign in another year.²⁰

From the filed tax returns, SOI measures the migration of households, individuals, and adjusted gross income. *Household migration* is approximated by the number of returns filed. *Individual migration* is approximated by the number of personal exemptions claimed. *Adjusted gross income migration* for each return is calculated from Form 1040.²¹ **Adjusted gross income** (AGI) is defined as gross income, or total income from all sources (e.g., wages, capital gains, business and retirement income), minus “adjustments” or expenses

¹⁸ “About Form 1040, U.S. Individual Income Tax Return,” U.S. Internal Revenue Service, July 18, 2024, <https://www.irs.gov/forms-pubs/about-form-1040>.

¹⁹ Kevin Pierce, “SOI Migration Data: A New Approach” (U.S. Internal Revenue Service, Summer 2015), <https://www.irs.gov/pub/irs-soi/soi-a-inmig-id1509.pdf>; “Taxpayer Identification Numbers (TIN),” U.S. Internal Revenue Service, August 22, 2024, <https://www.irs.gov/individuals/international-taxpayers/taxpayer-identification-numbers-tin>.

²⁰ “Migration Data Users Guide, 2020-2021” (U.S. Internal Revenue Service, n.d.), <https://www.irs.gov/pub/irs-soi/2021inpublicmigdoc.pdf>.

²¹ See line 11 on Form 1040, <https://www.irs.gov/pub/irs-pdf/f1040.pdf>.

paid for that the government does not tax (e.g., student loan interest paid, contributions to certain retirement accounts).²²

This analysis uses “County-to-County Outflow” and “County-to-County Inflow” files for each year from 2011 to 2022, the most recent year available.²³ From these datasets, OLO created a yearly time series dataset that includes Montgomery County and its neighboring counties. It should be noted that OLO did not use IRS migration prior to 2011 because methodological improvements made that year make the pre- and post-2011 data “not directly comparable.”²⁴

For each county in this analysis, the dataset that OLO created includes six variables that measure internal migration on an annual basis:

- Out-Migration of Individuals
- In-Migration of Individuals
- Net Migration of Individuals
- Out-Migration of AGI
- In-Migration of AGI
- Net Migration of AGI

Critical Differences in Data

To understand how to properly interpret the findings from the data analyses performed in this report, it is important to highlight two ways that the ACS and IRS county-to-county migration data differ from each other.

First, the data represent different populations. As described above, the ACS sample data represent the population of *all* migrants. The IRS migration data, in contrast, represents the population *tax filing migrants*.

The population of tax filing migrants is a sub-set of all migrants. According to the IRS, “Generally, most U.S. citizens and permanent residents who work in the United States need to file a tax return if they make more than a certain [gross income] amount for the year.”²⁵ However, depending on their filing status and age, individuals who make less income than certain thresholds are not required to file. This results in the migration data under-

²² “Definition of Adjusted Gross Income,” IRS, February 28, 2024, <https://www.irs.gov/e-file-providers/definition-of-adjusted-gross-income>.

²³ The files for data years 2011 to 2022 can be found here: “SOI Tax Stats - Migration Data,” U.S. Internal Revenue Service, July 29, 2024, <https://www.irs.gov/statistics/soi-tax-stats-migration-data>.

²⁴ Pierce, “SOI Migration Data: A New Approach.”

²⁵ “Who Needs to File a Tax Return,” U.S. Internal Revenue Service, July 3, 2024, <https://www.irs.gov/newsroom/who-needs-to-file-a-tax-return>.

representing the poor and elderly.²⁶ SOI makes no statistical adjustments to correct for these biases.

Second, the data differ in how they account for their respective populations. ACS relies on a representative *sample* of household surveys to estimate the total number of individual migrants at the county-level. In contrast, SOI relies on the *population* of all annual income tax returns, from which SOI approximates the migration of households, individuals, and AGI at the county-level, as previously described.

B. County Comparisons

To provide regional context, this report compares out-migration trends from Montgomery County and its neighboring, suburban counties, namely Frederick, Howard, and Prince George's Counties in Maryland and Fairfax and Loudoun Counties in Virginia.

Accounting for County-Level Differences

In subsequent chapters, this report presents total levels of out-migration, in-migration, and net internal migration of individuals and AGI in dollars for each county. These figures demonstrate meaningful differences in the magnitude of internal migration across counties. However, alone they do not capture the whole context of migration. The counties differ significantly in the sizes of their total populations, Gross Domestic Product (GDP), Total Personal Income, and Per Capita Personal Income.

It is important to account for these differences when comparing internal migration trends across the counties. To illustrate, a net out-migration of 10,000 individuals for the largest county examined here, Fairfax, would amount to 0.8% of its total population in 2022. The same level of net out-migration, in contrast, would represent almost 3.5% of Frederick County's population that same year. Similarly, a net outflow of \$1 billion for Fairfax would amount to 0.7% of its total GDP that year, whereas the same outflow would represent 5.8% of Frederick County's total GDP.

The larger shares of net out-migration of individuals and income for Frederick County in this illustration would likely have more significant demographic, social, fiscal, economic, or political impacts. Thus, without accounting for the relative sizes of their populations and local economies, the potential implications of net out-migration could be overlooked.

²⁶ Emily Gross, "U.S. Population Migration Data: Strengths and Limitations" (Statistics of Income Division, Internal Revenue Service, n.d.), <https://www.irs.gov/statistics/soi-tax-stats-migration-data>.

Definitions from U.S. Bureau of Economic Analysis

Gross Domestic Product (GDP) by county and metropolitan area is the measure of the market value of all final goods and services produced within an area in a particular period of time. In concept, an industry's GDP by county and metropolitan area, referred to as its "value added", is equivalent to its gross output (sales or receipts and other operating income, commodity taxes, and inventory change) minus its intermediate inputs (consumption of goods and services purchased from other U.S. industries or imported). GDP by county and metropolitan area is the local area counterpart of the nation's GDP, BEA's featured measure of U.S. production.

Total Personal Income consists of the income that persons receive in return for their provision of labor, land, and capital used in current production as well as other income, such as personal current transfer receipts. In the state and local personal income accounts the personal income of an area represents the income received by or on behalf of the persons residing in that area. It is calculated as the sum of wages and salaries, supplements to wages and salaries, proprietors' income with inventory valuation (IVA) and capital consumption adjustments (CCAdj), rental income of persons with capital consumption adjustment (CCAdj), personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance plus the adjustment for residence.

Per Capita Personal Income is the personal income of a given area divided by the resident population of the area.

Source: U.S. Bureau of Economic Analysis, [Regional Glossary](#).

Tables 2.1 through 2.4 on pages 23 and 24 summarize various population and economic characteristics of each jurisdiction examined. Highlights include:

Total Population: Population varies significantly, ranging from 290,000 residents in Frederick County to 1.8 million residents in Fairfax County in 2023. Frederick County experienced the fastest population growth while Fairfax County was the only county to experience a decline. Montgomery County had the second most residents in 2023 and growth has been relatively stagnant.

Economic Output: The counties also vary significantly in terms of economic output. In 2022, economic output ranged from \$17 billion in Frederick County to \$152 billion in Fairfax County, which also had the highest average annual economic growth rate. Montgomery County had the second largest economic output but saw the slowest economic growth.

Total Personal Income: Personal income ranged from \$21 billion in Frederick County to \$119 billion in Fairfax County in 2022. From 2017 to 2022, Frederick County had the highest average annual growth of total personal income. Montgomery County had the second largest total personal income in 2023, but the County experienced the slowest growth in total personal income.

Per Capita Personal Income: Montgomery County had the second highest per capita personal income behind Fairfax County but had the slowest rate of growth. The Virginia Counties experienced the highest average annual growth rates.

Methods of Accounting for These Differences: To ensure a more accurate comparison of out-migration trends across the counties, this report accounts for the relative sizes of their populations, economic outputs, and total personal incomes. In addition to presenting the totals for the out-migration, in-migration, and net internal migration of individuals and AGI, subsequent chapters present the following indicators:

- Out-migration, in-migration, and net internal migration of individuals as *percentages of total population*; and
- Out-migration, in-migration, and net internal migration of AGI as *percentages of total economic output*, measured by Gross Domestic Product (GDP), and *percentages of total personal income*.

This approach provides a more direct “apples-to-apples” comparison, in which the impacts of out-migration are evaluated relative to the scale of the counties’ population and local economies. Focusing on proportional trends, rather than absolute numbers, provides deeper insights into the significance of out-migration for each county.

Table 2.1. Population by County (2018-2023)

| County | Total Population | | | | | | Percent Change from Preceding Year | | | | | |
|-------------------|------------------|-----------|-----------|-----------|-----------|-----------|------------------------------------|------|-------|-------|------|---------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2019 | 2020 | 2021 | 2022 | 2023 | Average |
| Montgomery | 1,048,478 | 1,050,688 | 1,060,904 | 1,056,193 | 1,053,067 | 1,058,474 | 0.21 | 0.97 | -0.44 | -0.30 | 0.51 | 0.19 |
| Frederick | 254,943 | 259,547 | 272,786 | 280,647 | 287,540 | 293,391 | 1.81 | 5.10 | 2.88 | 2.46 | 2.03 | 2.86 |
| Howard | 322,621 | 325,690 | 332,814 | 335,328 | 335,366 | 336,001 | 0.95 | 2.19 | 0.76 | 0.01 | 0.19 | 0.82 |
| Prince George's | 909,619 | 909,327 | 965,365 | 956,451 | 946,980 | 947,430 | -0.03 | 6.16 | -0.92 | -0.99 | 0.05 | 0.85 |
| Fairfax | 1,186,655 | 1,186,168 | 1,187,485 | 1,181,072 | 1,178,550 | 1,181,707 | -0.04 | 0.11 | -0.54 | -0.21 | 0.27 | -0.08 |
| Loudoun | 405,522 | 413,538 | 422,705 | 428,764 | 432,792 | 436,347 | 1.98 | 2.22 | 1.43 | 0.94 | 0.82 | 1.48 |

Source: Census

Table 2.2. Gross Domestic Product (GDP) by County (2017-2022)

| County | Total Real GDP (current year dollars, in thousands) | | | | | | Percent Change from Preceding Year | | | | | |
|-------------------|---|-------------|-------------|-------------|-------------|-------------|------------------------------------|------|-------|-------|-------|---------|
| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2018 | 2019 | 2020 | 2021 | 2022 | Average |
| Montgomery | 93,542,842 | 95,122,803 | 95,157,048 | 94,007,911 | 100,597,916 | 106,777,850 | 1.69 | 0.04 | -1.21 | 7.01 | 6.14 | 3.42 |
| Frederick | 13,461,065 | 14,156,698 | 14,711,564 | 14,328,878 | 15,831,265 | 17,123,433 | 5.17 | 3.92 | -2.60 | 10.49 | 8.16 | 6.29 |
| Howard | 26,193,676 | 27,161,213 | 28,506,041 | 28,707,349 | 31,194,471 | 32,403,984 | 3.69 | 4.95 | 0.71 | 8.66 | 3.88 | 5.47 |
| Prince George's | 44,874,740 | 47,042,761 | 48,578,207 | 47,589,181 | 51,403,580 | 55,894,241 | 4.83 | 3.26 | -2.04 | 8.02 | 8.74 | 5.70 |
| Fairfax | 114,188,029 | 120,738,631 | 129,015,685 | 130,155,397 | 141,142,785 | 151,888,956 | 5.74 | 6.86 | 0.88 | 8.44 | 7.61 | 8.87 |
| Loudoun | 26,813,789 | 28,526,449 | 30,410,096 | 29,892,427 | 33,614,262 | 37,558,714 | 6.39 | 6.60 | -1.70 | 12.45 | 11.73 | 7.38 |

Source: U.S. Bureau of Economic Analysis

Table 2.3. Total Personal Income by County (2017-2022)

| County | Total Personal Income (current year dollars, in thousands) | | | | | | Percent Change from Preceding Year | | | | | |
|-----------------|--|------------|-------------|-------------|-------------|-------------|------------------------------------|------|------|------|-------|---------|
| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2018 | 2019 | 2020 | 2021 | 2022 | Average |
| Montgomery | 86,645,875 | 88,559,517 | 89,885,661 | 90,565,341 | 96,133,196 | 98,300,546 | 2.21 | 1.50 | 0.76 | 6.15 | 2.25 | 2.57 |
| Frederick | 14,785,020 | 15,642,812 | 16,547,857 | 17,864,769 | 19,587,024 | 20,713,005 | 5.80 | 5.79 | 7.96 | 9.64 | 5.75 | 6.99 |
| Howard | 23,571,169 | 24,328,471 | 25,531,870 | 27,058,069 | 29,036,622 | 29,827,252 | 3.21 | 4.95 | 5.98 | 7.31 | 2.72 | 4.83 |
| Prince George's | 42,403,255 | 43,924,918 | 45,338,929 | 48,455,083 | 50,984,848 | 49,958,493 | 3.59 | 3.22 | 6.87 | 5.22 | -2.01 | 3.38 |
| Fairfax | 92,353,090 | 97,242,394 | 101,676,540 | 104,837,081 | 114,844,824 | 119,424,465 | 5.29 | 4.56 | 3.11 | 9.55 | 3.99 | 5.30 |
| Loudoun | 30,041,689 | 31,913,668 | 34,006,073 | 36,092,801 | 39,485,918 | 41,852,457 | 6.23 | 6.56 | 6.14 | 9.40 | 5.99 | 6.86 |

Source: U.S. Bureau of Economic Analysis

Table 2.4 Per Capita Personal Income by County (2017-2022)

| County | Per Capita Personal Income (current year dollars, in thousands) | | | | | | Percent Change from Preceding Year | | | | | |
|-----------------|---|--------|--------|--------|--------|---------|------------------------------------|------|------|-------|-------|---------|
| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2018 | 2019 | 2020 | 2021 | 2022 | Average |
| Montgomery | 82,175 | 83,790 | 84,779 | 85,373 | 91,042 | 93,395 | 1.97 | 1.18 | 0.70 | 6.64 | 2.58 | 2.61 |
| Frederick | 57,705 | 59,773 | 61,868 | 65,495 | 69,851 | 72,151 | 3.58 | 3.50 | 5.86 | 6.65 | 3.29 | 4.58 |
| Howard | 73,049 | 74,479 | 77,325 | 81,308 | 86,602 | 88,927 | 1.96 | 3.82 | 5.15 | 6.51 | 2.68 | 4.03 |
| Prince George's | 44,600 | 45,909 | 47,101 | 50,197 | 53,317 | 52,756 | 2.93 | 2.60 | 6.57 | 6.22 | -1.05 | 3.45 |
| Fairfax | 77,860 | 81,955 | 85,499 | 88,291 | 97,278 | 101,400 | 5.26 | 4.32 | 3.27 | 10.18 | 4.24 | 5.45 |
| Loudoun | 75,632 | 78,609 | 81,966 | 85,393 | 92,163 | 96,862 | 3.94 | 4.27 | 4.18 | 7.93 | 5.10 | 5.08 |

Source: U.S. Bureau of Economic Analysis

Chapter 3. Out-Migration of Individuals: Findings from Census Data

This chapter compares the internal migration of individuals from Montgomery County with its neighboring suburban counties, based on the latest county-to-county migration data from the Census Bureau’s American Community Survey (ACS)’s 2016-2020 five-year estimates. It supplements this analysis with net internal migration figures from the Census Bureau’s Population Estimates Program (PEP) from 2020 to 2023. The counties are compared for out-migration, in-migration, and net internal migration. As previously discussed, although out-migration is the primary focus of this report, examining in-migration and net internal migration is essential for assessing whether the counties have experienced *net* out-migration.

In comparing the counties using the ACS and PEP data, OLO uses the following approach:

- **Comparing Total Levels of Migration:** Using the ACS data, the analysis compares the *total levels* of out-migration, in-migration, and net internal migration to evaluate absolute differences in internal migration between counties from 2016 to 2020. Using PEP data, the analysis also compares net internal migration from 2020 to 2023. This highlights the overall magnitude of migration for each county.
- **Comparing Migration Relative to County Population Size:** Because the counties differ significantly in population size, the analysis examines the data as *percentages of each county’s population*. This provides a clearer picture of migration trends relative to population size and allows for a more accurate comparison.
- **Comparing Migration Ranges:** To highlight imprecision and uncertainty in the ACS sample estimates, OLO presents point estimates and their ranges. Comparing ranges provides insight into whether we can be confident that counties differ from each other on a particular indicator. Overlapping ranges suggest less certainty that the actual migration figures differ between counties, while non-overlapping ranges provide greater confidence that differences exist.¹

¹ As discussed in the previous chapter, the “ranges” are confidence intervals calculated at the 90% level, the standard threshold the Census uses in calculating margin of error for ACS estimates. Comparing the ranges on a particular indicator is not equivalent to performing a test of statistical significance. In fact, comparing ranges at the 90% confidence interval is a more conservative assessment than testing for statistical significance at the standard 95% level. For this reason, this chapters avoids using the term “statistically significant” when presenting the results. Toby Bolsen and Judd R. Thornton, “Overlapping Confidence Intervals and Null Hypothesis Testing,” *Newsletter of the APSA Experimental Section* 4, no. 1 (2014): 12--16; Mark E. Payton, Matthew H. Greenstone, and Nathaniel Schenker, “Overlapping Confidence Intervals or Standard Error Intervals: What Do They Mean in Terms

- **Identifying State and County Destinations:** The analysis examines trends in out-of-state and in-state internal migration and identifies the primary state and County destinations for Montgomery County residents.

This chapter is organized as follows:

- **Section A** examines the overall population and total internal out migration patterns of the six counties;
- **Section B** summarizes the in-migration patterns for the six counties;
- **Section C** provides an overview of net migration for the six counties; and
- **Section D** explores county-level and state-level destinations of out-migrants.

Summary of Key Findings

The analysis of internal migration data from the ACS for the 2016-2020 period and PEP for the 2020-2023 period reveals several important insights about trends for Montgomery County relative to its suburban neighboring counties.

Montgomery County retained a larger share of its residents compared to its neighboring suburban counties, with fewer residents moving away relative to its population size. From 2016 to 2020, the County had the second largest population among the six counties reviewed during this period. Similarly, it ranked second in the number of out-migrants, following Fairfax County. Between 56,916 and 63,116 residents left Montgomery County, with a point estimate of 60,016 out-migrants. Fairfax County had the highest number of out-migrants, with a point estimate of 86,301.

However, when adjusting for its population size, Montgomery County had relatively low levels of out-migration during this period. Between 5.4% and 6.0% of Montgomery County's population left during this period, with a point estimate of 5.7%. Fairfax, Howard, and Loudoun Counties saw larger shares of their populations leave. In contrast, Prince George's and Frederick Counties saw similar levels of out-migration as a percentage of population to Montgomery County.

Montgomery County attracted fewer new residents compared to neighboring suburban counties, with the lowest level of in-migration relative to its population size. From 2016 to 2020, Montgomery County, along with Prince George's County, had the second highest number of in-migrants, trailing only Fairfax County. Between 48,424 and 53,806 residents moved into Montgomery County during this period, with a point estimate of 51,115 in-

of Statistical Significance?," *Journal of Insect Science* 3, no. 1 (January 1, 2003): 34, <https://doi.org/10.1093/jis/3.1.34>.

migrants. Prince George's County had similar levels of in-migration. Both counties had fewer in-migrants than Fairfax County, with a point estimate of 70,409.

However, when adjusting for its population size, Montgomery County's had the lowest level of in-migration during this period, with Prince George's County having the second lowest. Between 4.6% and 5.1% of Montgomery County's population moved into the County during this period, with a point estimate of 4.9%. All other counties saw significantly higher levels of in-migration relative to their populations. Howard County had the highest influx of in-migrants, with a point estimate of 6.4%.

The region mostly saw net losses of residents from internal migration, with more residents leaving than those moving in. Net losses for Montgomery County have been moderate compared to other jurisdictions. From 2020 to 2023, the region experienced increasing net losses from internal migration. Prince George's County surpassed Montgomery County in net out-migration, recording the second largest net losses behind Fairfax County. On average, Montgomery County lost 10,366 residents from internal migration each year, while Prince George's and Fairfax Counties lost an average of 12,310 and 13,764 residents. Loudoun County also experienced net out-migration.

When adjusting for its population size, Montgomery County's had moderate net losses during this period, representing 1.0% of its population. Fairfax and Prince George's Counties net losses represented 1.2% and 1.3% of their populations, respectively. Loudoun and Howard Counties also had net losses relative to their respective populations.

Frederick County was the only jurisdiction to see net gains in residents from internal migration during this period.

Interstate moves were a key driver of Montgomery County's internal migration patterns. From 2016 to 2020, Montgomery County had the second-highest level of out-of-state out-migration, behind only Fairfax County, and the lowest level of in-state out-migration, followed by Frederick and Prince George's Counties. Interstate moves also contributed to migration into Montgomery County. Although it saw moderate levels of out-of-state in-migration, it recorded the lowest level of in-state in-migration, followed by Prince George's and Fairfax Counties.

Montgomery County, along with Howard and Fairfax Counties, was one of three counties that experienced net losses both in-state and out-of-state. Compared to Howard and Fairfax Counties, Montgomery County net losses in both categories were modest. Loudoun and Frederick Counties experienced net gains from within their respective states but net losses to other states. Prince George's County was unique in seeing net gains from other states, but net losses to other areas in Maryland.

Montgomery County, like other nearby jurisdictions, saw surrounding states and counties as the most popular destinations for its residents, but had varying net migration patterns with its neighbors. For Montgomery County, the top out-of-state destinations included nearby states like Virginia and Washington, D.C., along with states in the Northeast (Pennsylvania, New Jersey, and New York), the South (Florida, North Carolina, and Texas), and California. The county experienced its largest net losses to California, Florida, Washington, North Carolina, and Texas.

At the county level, the top destinations for Montgomery County residents were primarily local, with the District of Columbia, Frederick County, Fairfax County, Howard County, and Baltimore City ranking as the most popular. Similarly, Montgomery County consistently ranked as one of the top five destinations for residents from other counties, particularly those from Frederick and Prince George's Counties.

Montgomery County experienced varying net migration flows with local areas, seeing net gains from Washington, D.C., but net losses to Prince George's and Frederick Counties, as well as Baltimore City and Anne Arundel County. Migration between Montgomery and both Fairfax and Howard Counties was more balanced. Beyond the local region, Montgomery County saw substantial net losses to Bergen County (NJ), Sussex County (DE), and Los Angeles County (CA).

Key Findings for Montgomery County

| | |
|-------------------------------|--|
| <i>Out-Migration</i> | <ul style="list-style-type: none"> • Second Largest Number of Residents and Out-Migrants • Low Out-Migration Relative to Population |
| <i>In-Migration</i> | <ul style="list-style-type: none"> • Second Highest In-Migrant Total, Alongside Prince George’s County • Lowest In-Migration Relative to Population |
| <i>Net Internal Migration</i> | <ul style="list-style-type: none"> • Followed Regional Trends, Experiencing Net Losses from Internal Migration • Moderate Net Losses from Internal Migration Relative to its Population |
| <i>State Destinations</i> | <ul style="list-style-type: none"> • Interstate Moves Drove Out-Migration and In-Migration Patterns • One of Three Jurisdictions with Net Out-Migration Both In-State and Out-of-State • Most Popular Out-of-State Destinations Were Virginia, District of Columbia, California, and Texas |
| <i>County Destinations</i> | <ul style="list-style-type: none"> • Surrounding Counties Were Most Popular Destinations • Most Popular County Destinations for Montgomery County Were Prince George’s County, District of Columbia, Frederick County, Fairfax County, and Howard County • Montgomery County Had Net Out-Migration to Frederick and Prince George’s Counties and roughly balanced internal migration with the other counties. |

A. Summary of Out-Migration

This section provides the following tables and charts to summarize the out-migration patterns in Montgomery County and the five local comparison counties.

| Figure/Table | Description |
|---------------------|--|
| Figure 3.1 | Total population |
| Figure 3.2 | Total number of out-migrants |
| Figure 3.3 | Total out-migrants as a percentage of population |
| Table 3.1 | Total population |
| Table 3.2 | Point estimates and ranges for total number of out-migrants and total out-migrants as a percentage of population |

Regarding out migration patterns, OLO identified the following highlights:

Montgomery County Had the Second Largest Number of Residents and Out-Migrants:

With a population of 1.05 million, Montgomery County was the second largest County, (behind Fairfax County) during the 2016 to 2020 period (Figure 3.1 and Table 3.1). It should be noted that the ranking of counties by population is consistent with the 2018 to 2023 population figures presented in the previous chapter (Table 2.2).

In absolute terms, Montgomery County had the second largest estimated number of out-migrants (Figure 3.2 and Table 3.2). The ACS estimated that between 56,916 and 63,116 residents moved outside the County during this period, with a point estimate of 60,016 out-migrants. Fairfax County had the highest number of out-migrants, with an estimate ranging from 82,454 to 90,160 and a point estimate of 86,301.

Montgomery County Had Low Out-Migration Relative to its Population: When accounting for population size, Montgomery County ranked fourth in out-migration as a percentage of its population (Figure 3.3 and Table 3.2). Between 5.4% and 6.0% of Montgomery County’s population relocated outside the County during this period, with a point estimate of 5.7%. Fairfax and Howard Counties saw the largest shares of their populations leave, followed by Loudoun County. In contrast, Prince George’s and Frederick Counties had lower point estimates than Montgomery County. However, their ranges overlap, making it unclear whether there were real-world differences in the shares of their populations that left.

Figure 3.1. Total Population by County (2016-2022)

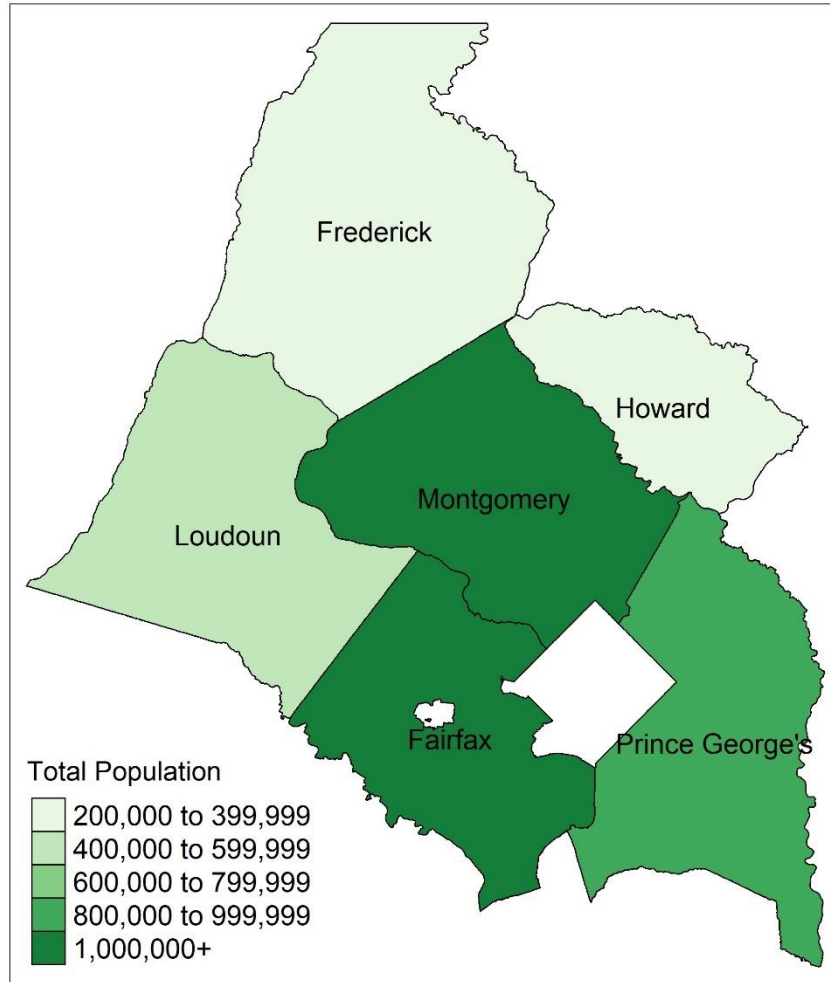


Table 3.1. Total Populations of Counties

| County | Total Population (Ranked) |
|-------------------|---------------------------|
| Fairfax | 1,149,439 |
| Montgomery | 1,047,661 |
| Prince George's | 910,551 |
| Loudoun | 405,312 |
| Howard | 322,407 |
| Frederick | 255,955 |

Figure 3.2. Total Out-Migrants by County (2016-2020)

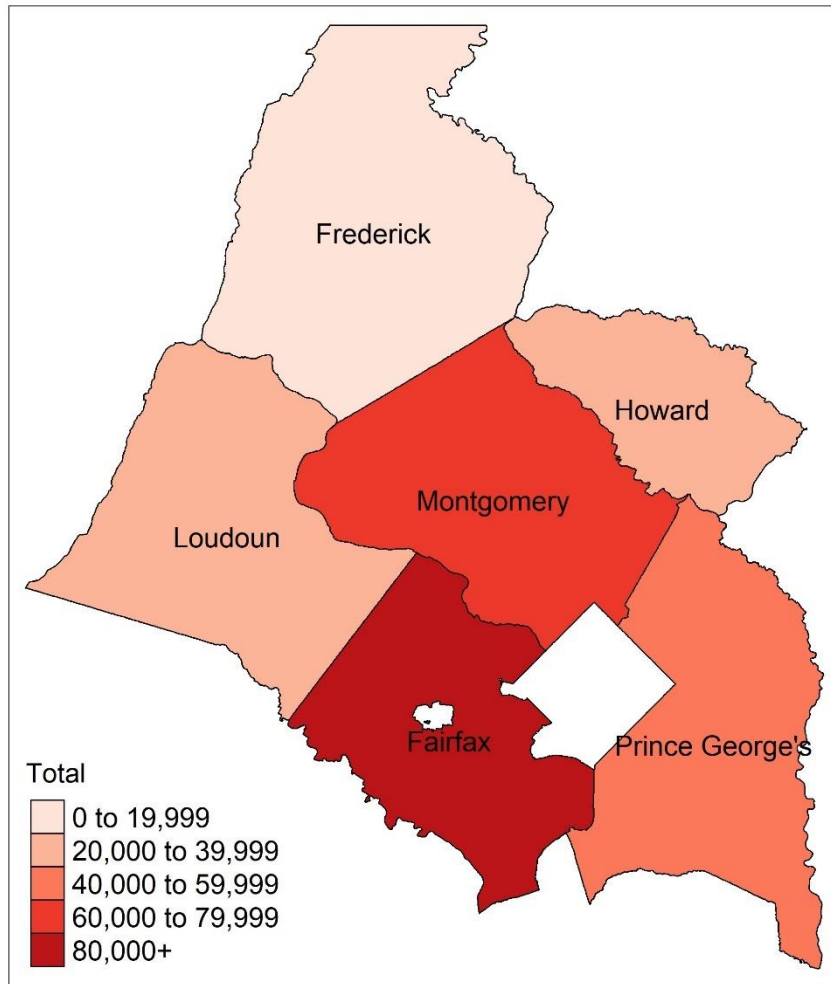


Figure 3.3. Out-Migrants as a Percentage of County Population (2016-2020)

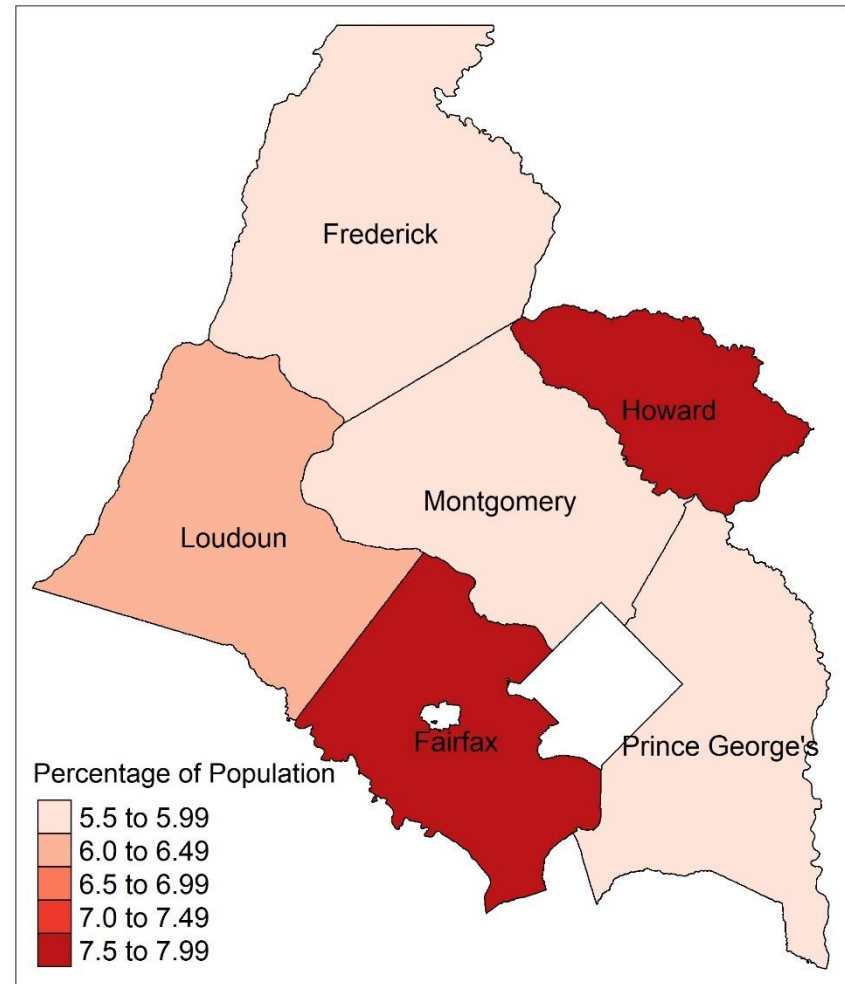


Table 3.2. Out-Migrants by County (2016-2020)

| County | Total Out-Migrants | | Percentage of Population (Ranked) | |
|-------------------|---------------------------|------------------|--|------------------|
| | <i>Estimate</i> | <i>Range</i> | <i>Estimate (%)</i> | <i>Range (%)</i> |
| Fairfax | 86,307 | 82,454 to 90,160 | 7.5 | 7.2 to 7.8 |
| Howard | 24,208 | 22,319 to 26,097 | 7.5 | 6.9 to 8.1 |
| Loudoun | 26,084 | 24,205 to 27,963 | 6.4 | 6.0 to 6.9 |
| Montgomery | 60,016 | 56,916 to 63,116 | 5.7 | 5.4 to 6.0 |
| Prince George's | 50,832 | 47,996 to 53,668 | 5.6 | 5.3 to 5.9 |
| Frederick | 14,149 | 12,692 to 15,606 | 5.5 | 5.0 to 6.1 |

B. Summary of In-Migration

This section provides the following tables and charts to summarize the in-migration patterns in Montgomery County and the five local comparison counties.

| Figure/Table | Description |
|--------------|--|
| Figure 3.4 | Total number of in-migrants |
| Figure 3.5 | Total in-migrants as a percentage of population |
| Table 3.3 | Point estimates and ranges for the total number of in-migrants and total in-migrants as a percentage of population |

Regarding in-migration patterns, OLO identified the following highlights:

Montgomery County Had the Second Largest Number of In-Migrants, Alongside Prince George’s County: In absolute terms, Montgomery and Prince George’s Counties had the second largest numbers of estimated in-migrants (Figure 3.4 and Table 3.3). Between 48,424 and 53,806 residents moved into Montgomery County during this period, with a point estimate of 51,115 in-migrants. Prince George’s County saw between 48,829 and 54,147 in-migrants, with a point estimate of 51,488. Both counties had fewer in-migrants than Fairfax County, which had the largest influx in the region, with estimates ranging between 67,567 and 73,351, and a point estimate of 70,409.

Montgomery County Had the Lowest In-Migration Relative to its Population: When accounting for population size, Montgomery County experienced the lowest level of in-migration, with Prince George’s County having the second lowest (Figure 3.5 and Table 3.3). Between 4.6% and 5.1% of Montgomery County’s population moved into the County during this period, with a point estimate of 4.9%. All other counties saw significantly higher levels of in-migration relative to their populations. Howard County saw the highest influx of in-migrants, with estimates ranging between 5.9% to 7.0% of its population, and a point estimates of 6.4%.

Figure 3.4. Total In-Migrants by County (2016-2020)

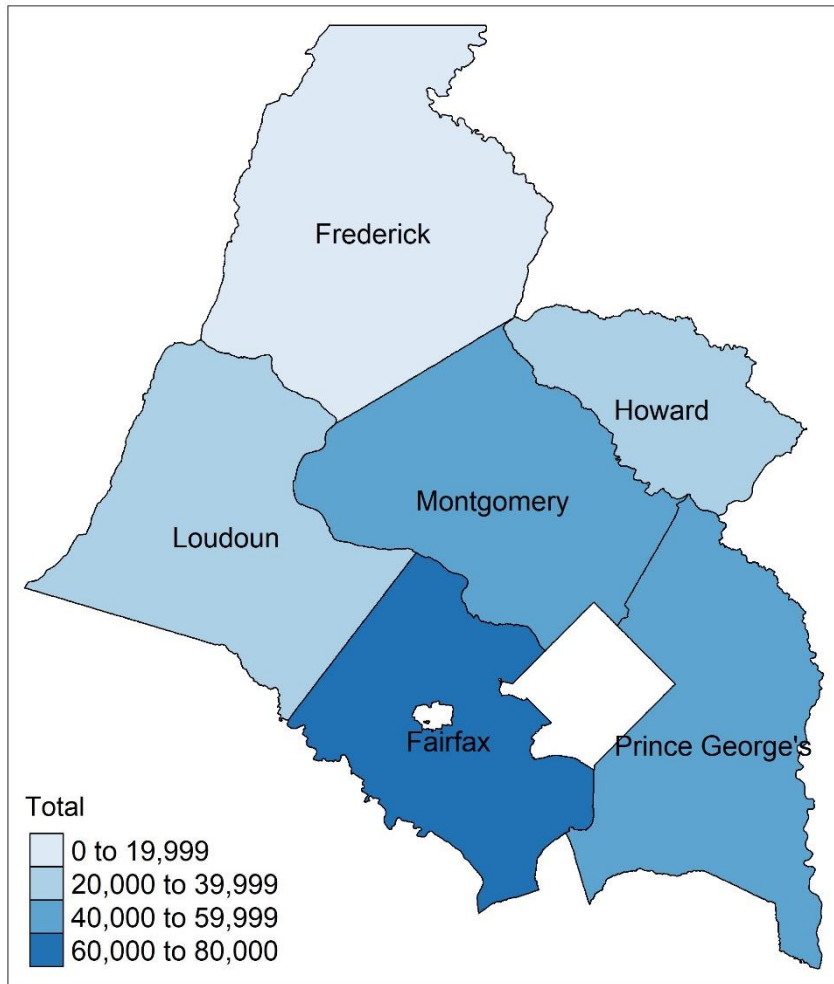


Figure 3.5. In-Migrants as a Percentage of County Population (2016-2020)

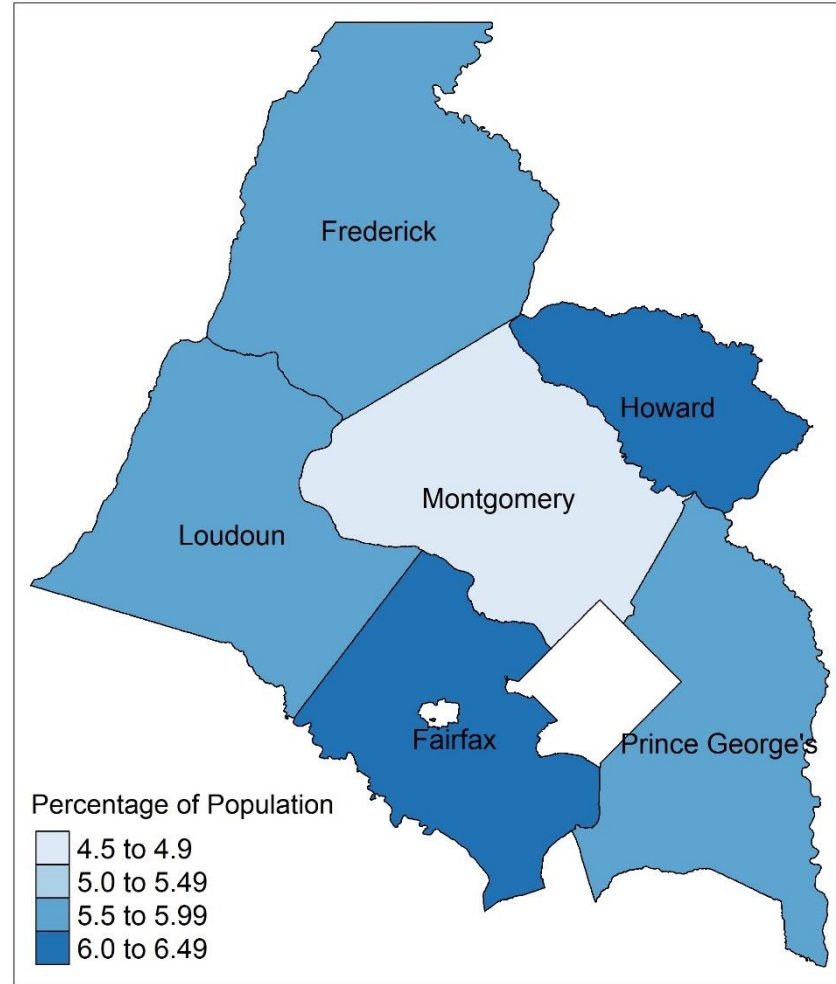


Table 3.3. In-Migrants by County (2016-2020)

| County | Total In-Migrants | | Percentage of Population (ranked) | |
|-------------------|--------------------------|------------------|--|------------------|
| | <i>Estimate</i> | <i>Range</i> | <i>Estimate (%)</i> | <i>Range (%)</i> |
| Howard | 20,768 | 18,894 to 22,642 | 6.4 | 5.9 to 7.0 |
| Fairfax | 70,409 | 67,467 to 73,351 | 6.1 | 5.9 to 6.4 |
| Loudoun | 24,018 | 22,015 to 26,021 | 5.9 | 5.4 to 6.4 |
| Frederick | 15,056 | 13,777 to 16,335 | 5.9 | 5.4 to 6.4 |
| Prince George's | 51,488 | 48,829 to 54,147 | 5.7 | 5.4 to 5.9 |
| Montgomery | 51,115 | 48,424 to 53,806 | 4.9 | 4.6 to 5.1 |

C. Summary of Net Internal Migration

This section provides the following tables and charts to summarize the net internal migration patterns in Montgomery County and the five local comparison counties.

| Figure/Table | Description |
|--------------|--|
| Figure 3.6 | Total net internal migrants (2016-2020) |
| Figure 3.7 | Net internal migrants as a percentage of population (2016-2020) |
| Figure 3.8 | Net internal migration by county (2020-2023) |
| Figure 3.9 | Net internal migration as a percentage of county population (2020-2023) |
| Table 3.4 | Point estimates and ranges for total net internal migrants and net internal migrants as a percentage of population (2016-2020) |
| Table 3.5 | Cumulative and average annual total net internal migrations (2020-2023) |

Regarding net migration patterns, OLO identified the following highlights:

Montgomery County Followed Regional Trends, Experiencing Net Losses from Internal Migration. The ACS data shows that from 2016 to 2022, Montgomery County experienced the second largest net losses from internal migration (Figure 3.6 and Table 3.4). Between 4,840 and 12,962 more residents left the County than moved in, with a point estimate of 8,901 net out-migrants. The data suggests Fairfax County experienced a larger net loss of residents, with a point estimate of 15,898 net out-migrants, though its range somewhat overlaps with Montgomery County’s range. Howard County was the other jurisdiction in which the data clearly indicate experienced net out-migration during this period.

Although the point estimates for Prince George’s and Frederick County are positive and the point estimate for Loudoun County is negative, their ranges span both positive and negative values. This makes it unclear whether these counties experienced a net gain or net loss of residents from internal migration during the period.

The PEP data shows that from 2020 to 2023, the region saw greater net losses from internal migration (Figure 3.8 and Table 3.5). Prince George’s County surpassed Montgomery County in net out-migration, recording the second largest net losses behind Fairfax County. On average, Montgomery County lost 10,366 residents from internal migration each year, while Prince George’s and Fairfax Counties lost an average of 12,310 and 13,764 residents. Loudoun County also experienced net out-migration. Frederick County was the only jurisdiction to see net gains in internal migrants during this period.

Montgomery County Had Moderate Net Losses from Internal Migration Relative to its Population. From 2020 to 2023, Montgomery County had the third largest net losses relative to its population, behind Fairfax and Prince George’s Counties (Figure 3.9 and Table 2.5). Montgomery County’s net losses represented 1.0% of its population, compared to 1.2% for Fairfax County and 1.3% for Prince George’s County. Loudoun and Howard Counties also had net losses relative to their respective populations. Frederick County was the only jurisdiction to experience net gains as a percentage of its population.

Figure 3.6. Net Internal Migrants by County (2016-2020)

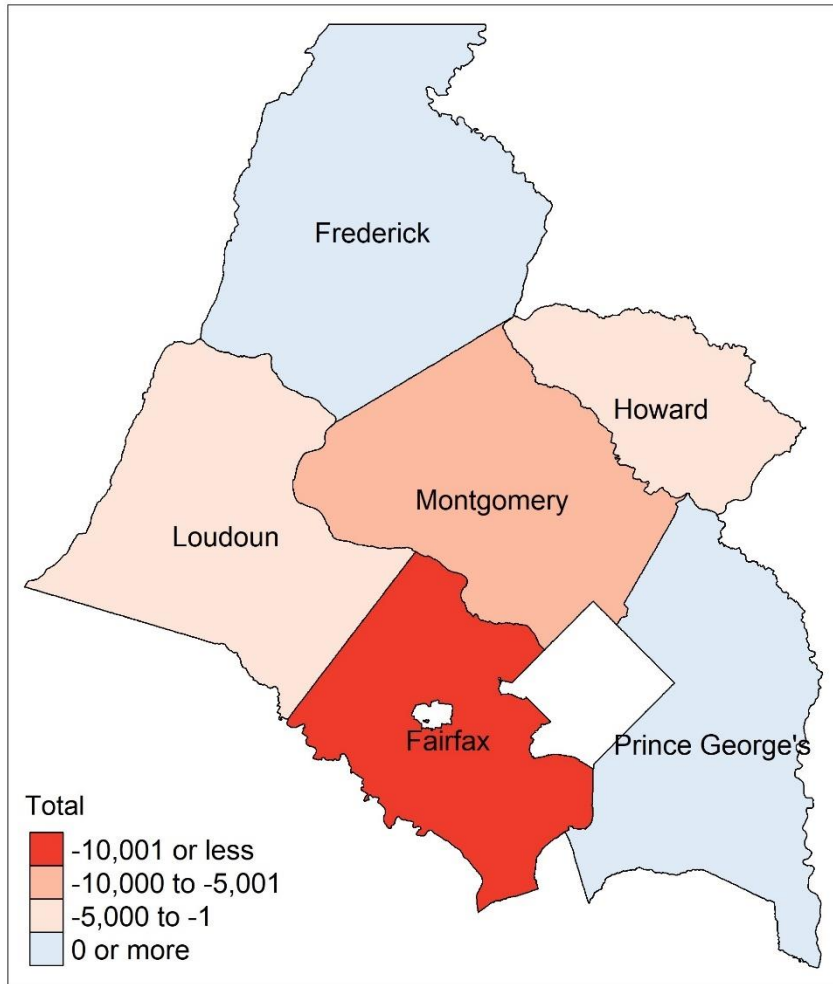


Figure 3.7. Net Internal Migrants as a Percentage of County Population (2016-2020)

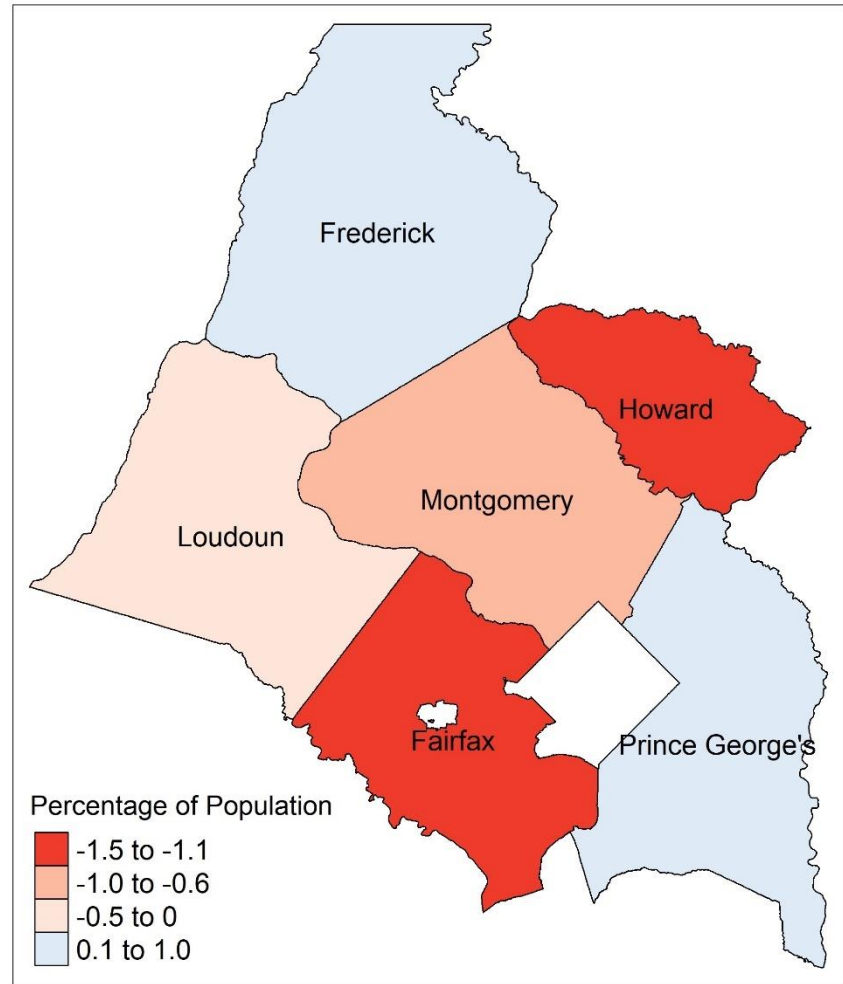


Figure 3.8. Net Internal Migration by County (2020-2023)

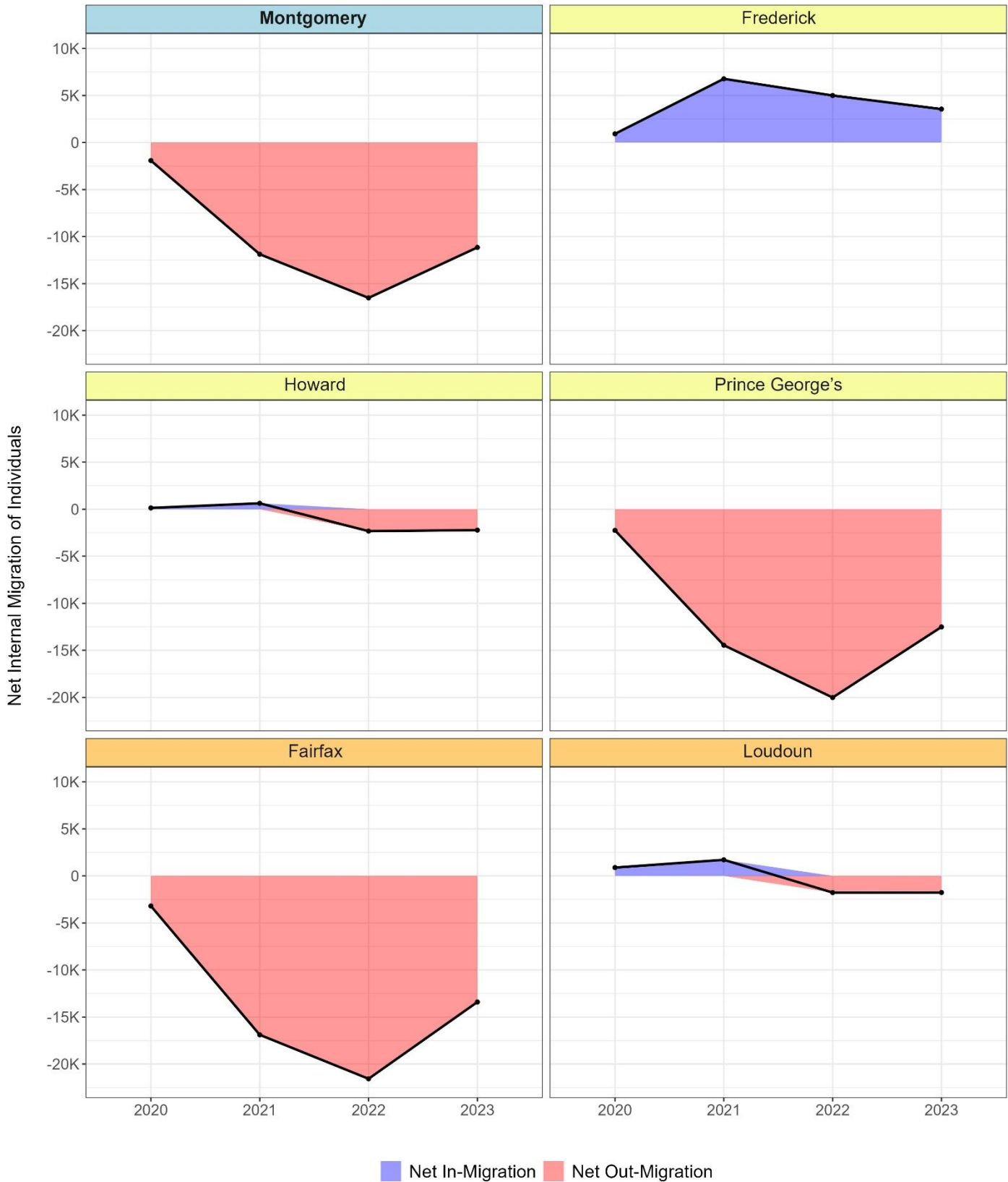


Figure 3.9. Net Internal Migration as a Percentage of County Population (2020-2023)

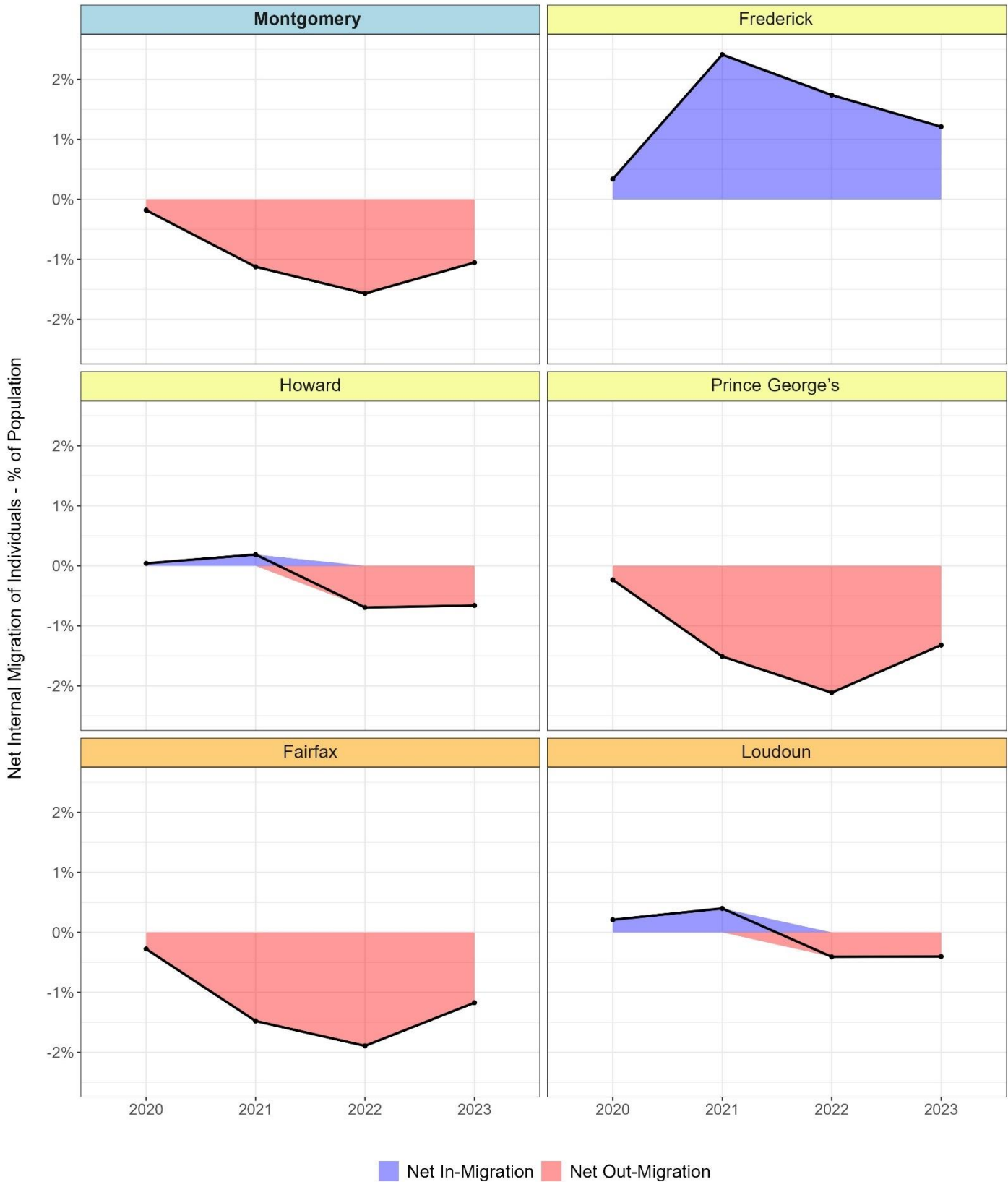


Table 3.4. Net Internal Migrants by County (2016-2020)

| County | Total Net Internal Migrants | | Percentage of Population (Ranked) | |
|-------------------|------------------------------------|--------------------------|--|---------------------|
| | <i>Estimate</i> | <i>Range</i> | <i>Estimate (%)</i> | <i>Range (%)</i> |
| Frederick | 907 | -1,041 to 2,855 | 0.4 | -0.4 to 1.1 |
| Prince George's | 656 | -3,233 to 4,545 | 0.1 | -0.4 to 0.5 |
| Loudoun | -2,066 | -4,831 to 699 | -0.5 | -1.2 to 0.2 |
| Montgomery | -8,901 | -12,962 to -4,840 | -0.8 | -1.2 to -0.5 |
| Howard | -3,440 | -6,131 to -749 | -1.1 | -1.9 to -0.2 |
| Fairfax | -15,898 | -20,757 to -11,039 | -1.4 | -1.8 to -1.0 |

Table 3.5. Net Internal Migration by County (2020-2023)

| County | Cumulative | Average Annual | Average Annual as a Percentage of Population (Ranked) |
|-------------------|-------------------|-----------------------|--|
| Frederick | +16,237 | +4,059 | +1.4 |
| Loudoun | -937 | -234 | -0.1 |
| Howard | -3,788 | -947 | -0.3 |
| Montgomery | -41,465 | -10,366 | -1.0 |
| Fairfax | -55,055 | -13,764 | -1.2 |
| Prince George's | -49,241 | -12,310 | -1.3 |

D. Destinations of Out-Migration

This section presents data on the primary destinations of out-migrants from the six counties relocated during the 2016-2020 period. The analysis references the following tables:

| Figure/Table | Description |
|--------------|--|
| Table 3.6 | Out-migration, in-migration, and net migration data at the <i>state level</i> ; levels of out-of-state and in-state migration by County. Includes point estimates with ranges and internal migrants as a percentage of County population. |
| Table 3.7 | Out-migration data at the <i>state level</i> ; top ten state destinations for out-migration and net out-migration for Montgomery County residents. Includes point estimates and ranges for the total number of out-migrants. |
| Table 3.8 | Out-migration data at the <i>county level</i> ; top ten county/city destinations for out-migration and net out-migration for Montgomery County residents. Includes point estimates and ranges for net out-migration. |
| Table 3.9 | Out-migration data at the <i>state level</i> ; top five destination states for out-migrants. Includes point estimates and ranges for the total number of out-migrants by state, the percentage of total out-migrants each state accounts for, and net internal migration figures for each state. |
| Table 3.10 | Out-migration data at the <i>county level</i> ; top five destination counties for out-migrants. Includes point estimates and ranges for total out-migrants by county, the percentage of total out-migrants each county accounts for, and net internal migration totals for each county. |

Regarding the *state-level destinations* of out-migrants in all six counties, OLO identified the following highlights (Tables 3.6, 3.7 and 3.9):

Interstate Moves Drove Montgomery County’s Out-Migration and In-Migration Patterns: Montgomery County had the second highest level of *out-of-state* out-migration, trailing only Fairfax County, while also having the lowest level of *in-state* out-migration, followed by Frederick and Prince George’s Counties. In Montgomery County, 3.6% of the population moved out of state, while 2.1% relocated within the state.

Interstate moves also drove migration into Montgomery County. While it had moderate levels of out-of-state in-migration, Montgomery County had the lowest level of in-state in-migration, followed by Prince George's and Fairfax Counties. In Montgomery County, 1.6% of its population arrived from within Maryland, while 3.3% came from outside the state.

Montgomery County Was One of Three Jurisdictions with Both In-State and Out-of-State Net Out-Migration: Montgomery County had moderate levels of in-state and out-of-state net out-migration, trailing behind Howard and Fairfax Counties. Loudoun and Frederick Counties had net gains from their respective states, while having net losses to other states. Prince George's County was the only jurisdiction to have net gains from other states, but net losses to other jurisdictions in Maryland.

Surrounding States Were Most Popular Out-of-State Destinations: For all counties, surrounding states, including Washington, D.C., were common destinations for out-migrants. For Montgomery County, the top out-of-state destinations included nearby states like Virginia and Washington, D.C., as well as states in the Northeast (Pennsylvania, New Jersey, and New York), the South (Florida, North Carolina, and Texas), and California. The County experienced the largest net losses to California, Florida, Washington, North Carolina, and Texas.

Regarding the *county/city-level destinations* of out-migrants in all six counties, OLO identified the following highlights (Tables 3.8 and 3.10):

Surrounding Counties Were Most Popular Destinations: For all counties, the majority of top five county destinations for out-migrants were within their respective states. The top destinations for Montgomery County residents were District of Columbia, Frederick County, Fairfax County, Howard County, and Baltimore City. Similarly, Montgomery County consistently ranked as one of the top five destinations for residents from other counties, especially those from Frederick and Prince George's Counties.

Montgomery County Had Varying Net Migration Patterns with Nearby Counties: While Montgomery was a popular destination, it experienced varying net migration flows with local areas. Montgomery County had net gains from Washington, D.C., but net losses to Prince George's and Frederick Counties, as well as Baltimore City and Anne Arundel County. Migration between Montgomery and both Fairfax and Howard Counties was more balanced, with net flows ranging between slight gains and losses. Beyond the region, Montgomery County experienced large net losses to Bergen County (NJ), Sussex County (DE), and Los Angeles County (CA).

Table 3.6. Out-of-State vs. In-State Internal Migration by County

| County | In-State | | | Out-of-State | | | Total | |
|---------------------|----------------------------|----------------------|-----------|----------------------------|----------------------|-----------|----------|---------------------------|
| | Estimate (Range) | % of Population | % Rank | Estimate | % of Population | % Rank | Estimate | % of Population (Rank) |
| Out-Migrants | | | | | | | | |
| Fairfax | 40,403 37,965 to 42,841 | 3.5% 3.3% to 3.7% | 2 | 45,904 42,051 to 49,757 | 4.0% 3.7% to 4.3% | 1 | 86,307 | 7.5% |
| Howard | 14,654 13,052 to 16,256 | 4.5% 4.0% to 5.0% | 1 | 9,554 7,665 to 11,443 | 3.0% 2.4% to 3.5% | 4 | 24,208 | 7.5% |
| Loudoun | 11,712 10,533 to 12,891 | 2.9% 2.6% to 3.2% | 3 | 14,372 12,493 to 16,251 | 3.5% 3.1% to 4.0% | 3 | 26,084 | 6.4% |
| Montgomery | 22,294 20,239 to 24,349 | 2.1% 1.9% to 2.3% | 6 | 37,722 34,622 to 40,822 | 3.6% 3.3% to 3.9% | 2 | 60,016 | 5.7% |
| Prince George's | 25,793 23,715 to 27,871 | 2.8% 2.6% to 3.1% | 4 | 25,039 22,203 to 27,875 | 2.7% 2.4% to 3.1% | 6 | 50,832 | 5.6% |
| Frederick | 6,811 5,833 to 7,789 | 2.7% 2.3% to 3.0% | 5 | 7,338 5,881 to 8,795 | 2.9% 2.3% to 3.4% | 5 | 14,149 | 5.5% |
| In-Migrants | | | | | | | | |
| Howard | 12,511 11,026 to 13,996 | 3.9% 3.4% to 4.3% | 1 | 8,257 6,383 to 10,131 | 2.6% 2.0% to 3.1% | 5 | 20,768 | 6.4% |
| Fairfax | 30,920 29,145 to 32,695 | 2.7% 2.5% to 2.8% | 4 | 39,489 36,547 to 42,431 | 3.4% 3.2% to 3.7% | 1 | 70,409 | 6.1% |
| Loudoun | 13,349 11,971 to 14,727 | 3.3% 3.0% to 3.6% | 3 | 10,669 8,666 to 12,672 | 2.6% 2.1% to 3.1% | 4 | 24,018 | 5.9% |
| Frederick | 8,577 7,591 to 9,563 | 3.4% 3.0% to 3.7% | 2 | 6,479 5,200 to 7,758 | 2.5% 2.0% to 3.0% | 6 | 15,056 | 5.9% |
| Prince George's | 20,956 19,039 to 22,873 | 2.3% 2.1% to 2.5% | 5 | 30,532 27,873 to 33,191 | 3.4% 3.1% to 3.6% | 2 | 51,488 | 5.7% |
| Montgomery | 16,937 15,358 to 18,516 | 1.6% 1.5% to 1.8% | 6 | 34,178 31,487 to 36,869 | 3.3% 3.0% to 3.5% | 3 | 51,115 | 4.9% |

Out-Migration of Individuals: Findings from ACS Migration Data

Table 3.6. cont.

| County | In-State | | | Out-of-State | | | Total | |
|---------------------|-----------------------------|-------------------------|--------|-----------------------------|-------------------------|--------|----------|-----------------|
| | Estimate | % of Population | % Rank | Estimate | % of Population | % Rank | Estimate | % of Population |
| Net Migrants | | | | | | | | |
| Frederick | +1,766 +355 to +3,177 | +0.7% +0.1% to +1.2% | 1 | -859 -2,807 to +1,089 | -0.3% -1.1% to +0.4% | 2 | +907 | +0.4% |
| Prince George's | -4,837 -7,688 to -1,986 | -0.5% -0.8% to -0.2% | 4 | +5,493 +1,604 to +9,382 | +0.6% +0.2% to +1.0% | 1 | +656 | +0.1% |
| Loudoun | +1,637 -212 to +3,486 | +0.4% -0.1% to +0.9% | 2 | -3,703 -6,468 to -938 | -0.9% -1.6% to -0.2% | 6 | -2,066 | -0.5% |
| Montgomery | -5,357 -7,913 to -2,801 | -0.5% -0.8% to -0.3% | 3 | -3,544 -7,605 to +517 | -0.3% -0.7% to 0.0% | 3 | -8,901 | -0.8% |
| Howard | -2,143 -4,369 to +83 | -0.7% -1.4% to 0.0% | 5 | -1,297 -3,988 to +1,394 | -0.4% -1.2% to +0.4% | 4 | -3,440 | -1.1% |
| Fairfax | -9,483 -12,535 to -6,431 | -0.8% -1.1% to -0.6% | 6 | -6,415 -11,274 to -1,556 | -0.6% -1.0% to -0.1% | 5 | -15,898 | -1.4% |

Table 3.7. Top 10 State Destinations for Out-Migration from **Montgomery County**

| State | Total Out-Migrants | | State | Net Out-Migrants | |
|----------------------|--------------------|------------------|----------------|------------------|--------------------|
| | Estimate | Range | | Estimate | Range ² |
| Maryland | 22,294 | 20,239 to 24,349 | Maryland | -5,357 | -7,913 to -2,801 |
| Virginia | 6,593 | 5,679 to 7,507 | California | -1,043 | -2,108 to +22 |
| District of Columbia | 4,380 | 3,798 to 4,962 | Florida | -798 | -1,464 to -132 |
| California | 3,117 | s2,269 to 3,965 | Washington | -651 | -1,222 to -80 |
| Texas | 2,625 | 1,790 to 3,460 | North Carolina | -623 | -1,196 to -50 |
| Florida | 2,443 | 1,901 to 2,985 | Texas | -620 | -1,795 to +555 |
| Pennsylvania | 2,303 | 1,901 to 2,705 | South Carolina | -584 | -870 to -298 |
| North Carolina | 1,676 | 1,246 to 2,106 | Virginia | -580 | -1,838 to +678 |
| New Jersey | 1,634 | 811 to 2,457 | Colorado | -543 | -1,025 to -61 |
| New York | 1,596 | 1,208 to 1,984 | Delaware | -534 | -809 to -259 |

² Note that the net out-migration ranges overlap with positive upper bound estimates for California, Texas, and Virginia, indicating uncertainty on whether Montgomery County actually experienced net out-migration to these states.

Table 3.8. Top 10 County/City Destinations for Out-Migration from **Montgomery County**

| County/City, State | Total Out-Migrants | | County/City, State | Net Out-Migrants | |
|----------------------------|--------------------|-----------------|----------------------------|------------------|--------------------|
| | Estimate | Range | | Estimate | Range ³ |
| Prince George's County, MD | 9,030 | 7,626 to 10,434 | Prince George's County, MD | -1,852 | -3,540 to -164 |
| District of Columbia | 4,380 | 3,798 to 4,962 | Frederick County, MD | -1,003 | -1,989 to -17 |
| Frederick County, MD | 3,204 | 2,533 to 3,875 | Baltimore City, MD | -933 | -1,449 to -417 |
| Fairfax County, VA | 2,195 | 1,663 to 2,727 | Anne Arundel County, MD | -902 | -1,626 to -178 |
| Howard County, MD | 2,167 | 1,538 to 2,796 | Bergen County, NJ | -844 | -1,583 to -105 |
| Baltimore City, MD | 2,021 | 1,586 to 2,456 | Sussex County, DE | -549 | -808 to -290 |
| Anne Arundel County, MD | 1,814 | 1,095 to 2,533 | Los Angeles County, CA | -420 | -757 to -83 |
| Baltimore County, MD | 1,617 | 909 to 2,325 | King County, WA | -407 | -945 to +131 |
| Bergen County, NJ | 913 | 174 to 1,652 | Washington County, MD | -396 | -643 to -149 |
| Harris County, TX | 858 | 366 to 1,350 | Fresno County, CA | -390 | -1,027 to +247 |

³ Note that the net out-migration ranges overlap with positive upper bound estimates for King County, WA and Fresno County, CA, indicating uncertainty whether Montgomery County saw net out-migration to these counties.

Table 3.9. Top 5 State Out-Migration Destinations by County (2016-2020)

| State | Total Out-Migrants (Rank) | | Percentage of Total Out-Migrants | | Net Internal Migration | |
|----------------------|---------------------------|------------------|----------------------------------|--------------|------------------------|------------------|
| | Estimate | Range | Estimate (%) | Range (%) | Estimate | Range |
| Montgomery | | | | | | |
| Maryland | 22,294 (1) | 20,239 to 24,349 | 37.1 | 33.7 to 40.6 | -5,357 | -7,913 to -2,801 |
| Virginia | 6,593 (2) | 5,679 to 7,507 | 11.0 | 9.5 to 12.5 | -580 | -1,838 to 678 |
| District of Columbia | 4,380 (3) | 3,798 to 4,962 | 7.3 | 6.3 to 8.3 | 1,238 | 355 to 2,121 |
| California | 3,117 (4) | 2,269 to 3,965 | 5.2 | 3.8 to 6.6 | -1,043 | -2,108 to 22 |
| Texas | 2,625 (5) | 1,790 to 3,460 | 4.4 | 3.0 to 5.8 | -620 | -1,795 to 555 |
| Total | 39,009 | | 65.0 | | -6,362 | |
| Frederick | | | | | | |
| Maryland | 6,811 (1) | 5,833 to 7,789 | 48.1 | 41.2 to 55.0 | 1,766 | 355 to 3,177 |
| Pennsylvania | 959 (2) | 697 to 1,221 | 6.8 | 4.9 to 8.6 | -192 | -565 to 181 |
| Virginia | 840 (3) | 578 to 1,102 | 5.9 | 4.1 to 7.8 | 424 | -11 to 859 |
| West Virginia | 716 (4) | 466 to 966 | 5.1 | 3.3 to 6.8 | -304 | -630 to 22 |
| New York | 579 (5) | 220 to 938 | 4.1 | 1.6 to 6.6 | -79 | -529 to 371 |
| Total | 9,905 | | 70.0 | | 1,615 | |
| Howard | | | | | | |
| Maryland | 14,654 (1) | 13,052 to 16,256 | 60.5 | 53.9 to 67.2 | -2,143 | -4,369 to 83 |
| Virginia | 1,388 (2) | 960 to 1,816 | 5.7 | 4 to 7.5 | 445 | -295 to 1,185 |
| Florida | 1,172 (3) | 831 to 1,513 | 4.8 | 3.4 to 6.2 | -759 | -1,162 to -356 |
| Pennsylvania | 856 (4) | 614 to 1,098 | 3.5 | 2.5 to 4.5 | -400 | -809 to 9 |
| District of Columbia | 608 (5) | 362 to 854 | 2.5 | 1.5 to 3.5 | -419 | -705 to -133 |
| Total | 18,678 | | 77.0 | | -3,276 | |

Out-Migration of Individuals: Findings from ACS Migration Data

Table 3.9. cont.

| State | Total Out-Migrants (Rank) | | Percentage of Total Out-Migrants | | Net Internal Migration | |
|------------------------|---------------------------|------------------|----------------------------------|--------------|------------------------|-------------------|
| | Estimate | Range | Estimate (%) | Range (%) | Estimate | Range |
| Prince George's | | | | | | |
| Maryland | 25,793 (1) | 23,715 to 27,871 | 50.7 | 46.7 to 54.8 | -4,837 | -7,688 to -1,986 |
| District of Columbia | 5,604 (2) | 4,625 to 6,583 | 11.0 | 9.1 to 13.0 | 5,126 | 3,635 to 6,617 |
| Virginia | 5,486 (3) | 4,555 to 6,417 | 10.8 | 9.5 to 12.6 | 852 | -462 to 2,166 |
| North Carolina | 1,541 (4) | 967 to 2,115 | 3.0 | 1.9 to 4.2 | -262 | -911 to 387 |
| Texas | 1,406 (5) | 990 to 1,822 | 2.8 | 1.9 to 3.6 | -595 | -1,109 to -81 |
| Total | 39,830 | | 78.3 | | 284 | |
| Fairfax | | | | | | |
| Virginia | 40,403 (1) | 37,965 to 42,841 | 46.8 | 44 to 49.6 | -9,483 | -12,535 to -6,431 |
| Maryland | 7,599 (2) | 6,416 to 8,782 | 8.8 | 7.4 to 10.2 | -1,976 | -3,332 to -620 |
| Florida | 4,453 (3) | 3,573 to 5,333 | 5.2 | 4.1 to 6.2 | -1,772 | -2,873 to -671 |
| Texas | 4,194 (4) | 3,302 to 5,086 | 4.9 | 3.8 to 5.9 | -2,446 | -3,434 to -1,458 |
| North Carolina | 2,702 (5) | 2,169 to 3,235 | 3.1 | 2.5 to 3.7 | -751 | -1,415 to -87 |
| Total | 59,351 | | 68.8 | | -16,428 | |
| Loudoun | | | | | | |
| Virginia | 11,712 (1) | 10,533 to 12,891 | 44.9 | 40.4 to 49.4 | 1,637 | -212 to 3,486 |
| Texas | 1,726 (2) | 1,150 to 2,302 | 6.6 | 4.4 to 8.8 | -545 | -1,423 to 333 |
| Florida | 1,648 (3) | 1,130 to 2,166 | 6.3 | 4.3 to 8.3 | -522 | -1,319 to 275 |
| Maryland | 1,362 (4) | 886 to 1,838 | 5.2 | 3.4 to 7.0 | 311 | -305 to 927 |
| North Carolina | 1,153 (5) | 749 to 1,557 | 4.4 | 2.9 to 6.0 | -623 | -1,084 to -162 |
| Total | 17,601 | | 67.4 | | 258 | |

Table 3.10. Top 5 County/City Out-Migration Destinations by County (2016-2020)

| County/City | Total Out-Migrants (Rank) | | Percentage of Total Out-Migrants | | Net Migrants | |
|----------------------------|---------------------------|-----------------|----------------------------------|--------------|---------------|----------------|
| | Estimate | Range | Estimate (%) | Range (%) | Estimate | Range |
| Montgomery | | | | | | |
| Prince George's County, MD | 9,030 (1) | 7,626 to 10,434 | 15.0 | 12.7 to 17.4 | -1,852 | -3,540 to -164 |
| District of Columbia | 4,380 (2) | 3,798 to 4,962 | 7.3 | 6.3 to 8.3 | 1,238 | 355 to 2,121 |
| Frederick County, MD | 3,204 (3) | 2,533 to 3,875 | 5.3 | 4.2 to 6.5 | -1,003 | -1,989 to -17 |
| Fairfax County, VA | 2,195 (4) | 1,663 to 2,727 | 3.7 | 2.8 to 4.5 | 92 | -648 to 832 |
| Howard County, MD | 2,167 (5) | 1,538 to 2,796 | 3.6 | 2.6 to 4.7 | 328 | -646 to 1,302 |
| Total | 20,976 | | 34.9 | | -1,197 | |
| Frederick | | | | | | |
| Montgomery County, MD | 2,201 (1) | 1,540 to 2,862 | 15.6 | 10.9 to 20.2 | 1,003 | 17 to 1,989 |
| Washington County, MD | 1,766 (2) | 1,287 to 2,245 | 12.5 | 9.1 to 15.9 | -1,014 | -1,545 to -483 |
| Baltimore County, MD | 652 (3) | 412 to 892 | 4.6 | 2.9 to 6.3 | 55 | -326 to 436 |
| Baltimore City, MD | 507 (4) | 272 to 742 | 3.6 | 1.9 to 5.2 | -211 | -504 to 82 |
| Mohave County, AZ | 458 (5) | 0 to 1,089 | 3.2 | 0.0 to 7.7 | -458 | -1,089 to 173 |
| Total | 5,584 | | 39.5 | | -625 | |
| Howard | | | | | | |
| Anne Arundel County, MD | 2,930 (1) | 1,960 to 3,900 | 12.1 | 8.1 to 16.1 | -980 | -2,095 to 135 |
| Baltimore County, MD | 2,655 (2) | 1,904 to 3,406 | 11.0 | 7.9 to 14.1 | -652 | -1,596 to 292 |
| Montgomery County, MD | 2,495 (3) | 1,754 to 3,236 | 10.3 | 7.2 to 13.4 | -328 | -1,302 to 646 |
| Prince George's County, MD | 2,103 (4) | 1,727 to 2,479 | 8.7 | 7.1 to 10.2 | 765 | -235 to 1,765 |
| Baltimore City, MD | 1,175 (5) | 928 to 1,422 | 4.9 | 3.8 to 5.9 | 427 | -66 to 920 |
| Total | 11,358 | | 47.0 | | -768 | |

Out-Migration of Individuals: Findings from ACS Migration Data

Table 3.10 cont.

| County/City | Total Out-Migrants (Rank) | | Percentage of Total Out-Migrants | | Net Migrants | |
|---------------------------|---------------------------|----------------|----------------------------------|--------------|---------------|------------------|
| | Estimate | Range | Estimate (%) | Range (%) | Estimate | Range |
| Prince George's | | | | | | |
| Montgomery County, MD | 7,178 (1) | 6,174 to 8,182 | 14.1 | 12.1 to 16.1 | 1,852 | 164 to 3,540 |
| Anne Arundel County, MD | 6,101 (2) | 4,983 to 7,219 | 12.0 | 9.8 to 14.2 | -3,175 | -4,628 to -1,722 |
| District of Columbia | 5,604 (3) | 4,625 to 6,583 | 11.0 | 9.1 to 13.0 | 5,126 | 3,635 to 6,617 |
| Charles County, MD | 3,352 (4) | 2,563 to 4,141 | 6.6 | 5.0 to 8.1 | -1,527 | -2,465 to -589 |
| Howard County, MD | 2,868 (5) | 2,006 to 3,730 | 5.6 | 3.9 to 7.3 | -765 | -1,765 to 235 |
| Total | 25,103 | | 49.3 | | 1,511 | |
| Fairfax | | | | | | |
| Loudoun County, VA | 8,358 (1) | 7,189 to 9,527 | 9.7 | 8.3 to 11.0 | -4,700 | -6,062 to -3,338 |
| Prince William County, VA | 7,823 (2) | 6,581 to 9,065 | 9.1 | 7.6 to 10.5 | -3,525 | -4,982 to -2,068 |
| Arlington County, VA | 4,513 (3) | 3,580 to 5,446 | 5.2 | 4.1 to 6.3 | 2,849 | 1,592 to 4,106 |
| Alexandria City, VA | 2,750 (4) | 2,237 to 3,263 | 3.2 | 2.6 to 3.8 | 1,337 | 465 to 2,209 |
| Montgomery County, MD | 2,287 (5) | 1,608 to 2,966 | 2.6 | 1.9 to 3.4 | -92 | -832 to 648 |
| Total | 25,731 | | 29.8 | | -4,131 | |
| Loudoun | | | | | | |
| Fairfax County, VA | 3,658 (1) | 3,010 to 4,306 | 14.0 | 11.5 to 16.5 | 4,700 | 3,338 to 6,062 |
| Prince William County, VA | 1,337 (2) | 906 to 1,768 | 5.1 | 3.5 to 6.8 | -548 | -1,109 to 13 |
| Frederick County, VA | 955 (3) | 392 to 1,518 | 3.7 | 1.5 to 5.8 | -840 | -1,414 to -266 |
| Albemarle County, VA | 568 (4) | 331 to 805 | 2.2 | 1.3 to 3.1 | -534 | -771 to -297 |
| Montgomery County, MD | 544 (5) | 167 to 921 | 2.1 | 0.6 to 3.5 | 198 | -271 to 667 |
| Total | 7,062 | | 27.1 | | 2,976 | |

Chapter 4. Out-Migration of Individuals: Findings from IRS Data

The previous chapter compared the internal migration of individuals from Montgomery County with its neighboring, suburban counties using the most recent ACS data. This chapter builds on that analysis by examining internal migration using the latest county-to-county migration data from the Internal Revenue Service (IRS) from 2012 to 2022.

Understanding two key differences between the ACS and IRS data is essential for interpreting the analysis of the IRS data accurately:

1. The IRS data that OLO presents includes annual figures on internal migration from 2012 to 2022, whereas the ACS data has five-year estimates for the 2016-2020 period.¹
2. The IRS data presented here does not include ranges. Unlike the ACS data, it is not based on a sample; instead, it includes counts of migration status of individuals based on all tax returns. Therefore, there is no “sampling error” to account for. (See “Methodological Detail for ACS Data” in Chapter 2.)

Due to these differences, OLO adopted a different approach to analyzing the IRS data. Like the previous chapter, the approach here involves:

- **Comparing Total Levels of Migration:** The analysis compares the *total levels* of out-migration, in-migration, and net internal migration to evaluate absolute differences in internal migration between counties.
- **Comparing Migration Relative to County Population Size:** The analysis also examines these dimensions as *percentages of each county’s population*.
- **Identifying State and County Destinations:** The analysis examines trends in out-of-state and in-state internal migration and identifies the primary state and County destinations for Montgomery County residents.

However, the approach differs in this way:

- **Assessing Migration Trends Over Time:** Because IRS data includes annual figures over the 2012 to 2022 period, OLO assessed how levels of internal migration have

¹ In other words, the IRS data is time series cross-sectional, whereas the ACS data is cross-sectional.

changed over time. This allows us to answer whether out-migration has increased, decreased, or remained stable over the period.

It should also be noted that to be consistent with the data sources presented in the subsequent chapter, Fairfax County, Fairfax City, and Falls Church are included in the analysis and described as “Fairfax County.”

This chapter is organized as follows:

- **Section A** summarizes the total levels of internal migration;
- **Section B** presents data on internal migration as percentages of counties’ populations; and
- **Section C** provides information on the top destinations, both in state and out of state, for out-migration.

Methodological Detail on Assessing Internal Migration Trends

OLO assessed trends in out-migration, in-migration, and net internal migration in two ways:

(1) OLO calculated **average annual changes** in migration variables from the previous year. This indicator measures how much, on average, the variables have changed over the 2012 to 2022 period. To illustrate, an average annual change in out-migration of +100 would mean the number of out-migrants, on average, increased by 100 per year, indicating an *upward trend*. In contrast, an average annual change of -100 would mean that the number of out-migrants, on average, decreased by 100 per year, indicating a *downward trend*.

(2) OLO performed statistical tests to determine whether there is **statistically significant** evidence that the migration variables trended downward or upward during this period. In statistics, an observed pattern in data is “statistically significant” if there is evidence that it is due to some causal factor of interest and unlikely a result of chance.² OLO tested whether there are statistically significant relationships between time and the migration indicators by performing linear regression and Mann-Kendal analyses.

In the data tables presented below, an asterisk (*) indicates that there is statistically significant evidence of an upward or downward trend. Figures without an asterisk indicate no evidence of an upward or downward trend.³

² For a non-technical discussion of statistical significance, see Amy Gallo, “A Refresher on Statistical Significance,” *Harvard Business Review*, February 16, 2016, <https://hbr.org/2016/02/a-refresher-on-statistical-significance>.

³ For simplicity, OLO does not adopt the convention providing one, two, or three asterisks depending on the p-value threshold ($P > 0.05$ *, $P \leq 0.05$ **, $P \leq 0.01$ ***).

Summary of Findings

The analysis of internal migration data from the IRS from 2012 to 2022 reveals several important insights about trends for Montgomery County relative to its suburban, neighboring counties.

Montgomery County retained a larger share of its residents compared to most of its neighboring suburban counties, with fewer residents moving away relative to its population size. From 2012 to 2022, Montgomery County consistently ranked second in total number of out-migrants, with a cumulative 584,240 out-migrants and an average of 53,113 residents relocating outside the County each year. Only Fairfax County had more out-migrants, with 950,990 people moving out over the period, averaging 86,454 per year.

However, when accounting for the size of its population, Montgomery County's had the second *lowest* levels of out-migration compared to the other counties, behind Frederick County. On average, 5.1% of Montgomery County's population moved out per year. Only Frederick County had a lower percentage at 4.8%. In contrast, Fairfax experienced the highest level of out-migration, with an annual average of 7.3% of its population leaving, followed by Howard and Loudoun Counties.

Montgomery County attracted fewer new residents compared to neighboring suburban counties, with the lowest level of in-migration relative to its population size. From 2012 to 2022, Montgomery County ranked second in total number of in-migrants, with an average 45,705 moving in each year. Fairfax County, in comparison, had 807,939 in-migrants, averaging 73,449 annually. When adjusting for its population size, Montgomery County had lowest level of in-migration compared to other counties, followed by Prince George's County. On average, 4.4% of Montgomery County's population moved in per year, compared to 4.9% for Prince George's County. In contrast, Loudoun had the highest in-migration as a percentage of its population at 7.2%, followed by Howard and Fairfax Counties.

Montgomery County experienced net losses of residents from internal migration, consistently recording the second-largest losses. However, in recent years, it was surpassed by Prince George's County, moving to third behind Fairfax and Prince George's Counties. From 2012 to 2022, Montgomery County experienced a net loss of 81,495 people over the period, with an average annual net loss of 7,409. Prince George's and Fairfax Counties also faced net out-migration, with Fairfax experiencing the largest net loss—143,051 individuals in total, or an average of 13,005 per year. In contrast, Frederick, Howard, and Loudoun Counties consistently saw net in-migration.

Out-Migration of Individuals: Findings from IRS Migration Data

However, from 2020 to 2022, Prince George's County surpassed Montgomery County in total net losses. Over the three years, Montgomery County had a net loss of 32,131, compared to 36,640 for Prince George's County and 44,814 for Fairfax County. Frederick and Loudoun Counties were the only jurisdictions to see net gains in internal migrants during this period.

Relative to its population size, Montgomery County had moderate net losses. However, net losses increased over time, meaning the gap between out-migrants and in-migrants grew as time went on. During the entire period, Montgomery County experienced the third highest level of net out-migration as a percentage of its population. On average, it had a net loss of 0.7% of its population from internal migration per year, compared to 1.1% and 0.8% for Fairfax and Prince George's Counties, respectively. In contrast, Loudoun, Frederick and Howard Counties experienced net gains in internal migration relative to their populations. From 2020 to 2022, Frederick and Loudoun Counties were the only jurisdictions to see net gains in residents from internal migration.

In Montgomery County, net losses increased from the previous year by an average of 904 individuals. Prince George's County was the only jurisdiction that had higher average annual increases in net out-migration, losing an average of 1,066 more residents than the previous year. Despite consistently experiencing net gains, Howard and Loudoun Counties saw significant declines in net gains. Only Frederick saw net gains increase over time.

Interstate moves drove Montgomery County's out-migration and in-migration patterns before and during the Pandemic. During the entire period (2017-2022), Montgomery County had the third highest level of out-of-state out-migration, trailing Fairfax and Loudoun Counties, and the lowest level of in-state out-migration, followed by Frederick and Prince George's Counties. While it had moderate levels of out-of-state in-migration, Montgomery County had the lowest level of in-state in-migration, followed by Prince George's and Fairfax Counties.

Montgomery County, along with Fairfax and Prince George's Counties, was one of three counties that experienced, both, in-state and out-of-state net losses. During the entire period (2017-2022), Montgomery County had moderate levels of in-state and out-of-state net out-migration, alongside Fairfax and Prince George's Counties. From 2020 to 2022, Frederick, Howard, and Loudoun Counties had net gains from their respective states, while all counties had net losses to other states.

Montgomery County, like other nearby jurisdictions, saw surrounding states and counties as the most popular destinations for its residents, but had varying net migration patterns with its neighbors. For Montgomery County, the top destinations included nearby states like Virginia and Washington, D.C., as well as states in the Northeast (Pennsylvania, New Jersey, and New York), the South (Florida, North Carolina, and Texas),

and California. The County experienced the largest net losses to Florida, Virginia, Texas, and North Carolina.

At the county level, the top destinations for Montgomery County residents were Prince George’s County, Frederick County, District of Columbia, Howard County, and Fairfax County. Similarly, Montgomery County consistently ranked as one of the top five destinations for residents from other counties, especially those from Prince George’s and Frederick Counties.

Montgomery County experienced varying net migration flows with local areas, seeing net gains from Washington, D.C., Prince George’s County, and Arlington County, but net losses to Frederick, Howard, Anne Arundel, Fairfax, and Loudoun Counties. Beyond the local region, Montgomery County experienced large net losses to Sussex County (DE) and Palm Beach (FL).

Key Findings for Montgomery County

| | |
|-------------------------------|--|
| <i>Out-Migration</i> | <ul style="list-style-type: none"> • Second Largest Number of Residents and Out-Migrants • Second Lowest Out-Migration Relative to Population |
| <i>In-Migration</i> | <ul style="list-style-type: none"> • Second Largest Number of In-Migrants • Lowest In-Migration Relative to Population |
| <i>Net Internal Migration</i> | <ul style="list-style-type: none"> • Moved from Second to Third Highest Net Out-Migration • Third Highest Net Out-Migration Relative to Population • Net Out-Migration Grew Over time |
| <i>State Destinations</i> | <ul style="list-style-type: none"> • Interstate Moves Drove Montgomery County’s Out-Migration and In-Migration Patterns Before and During the Pandemic • Most Popular Out-of-State Destinations were Virginia, District of Columbia, Florida, and California • Largest Net Losses to Florida, Virginia, Texas, and North Carolina |
| <i>County Destinations</i> | <ul style="list-style-type: none"> • Most Popular County Destinations were Prince George’s County, Frederick County, District of Columbia, Howard County, and Fairfax County • Net Out-Migration to Frederick, Howard, Fairfax, and Loudoun Counties, with Net In-Migration from Prince George’s County |

A. Total Levels of Internal Migration

This section presents IRS data on the total levels on out-migration, in-migration, and net migration of individuals from 2012 to 2022. The analysis references the following figures and table:

| Figure/Table | Description |
|--------------|---|
| Figure 4.1 | Total number of out-migrants and in-migrants 2012-2022 |
| Figure 4.2 | Net internal migration 2012-2022 |
| Table 4.1 | Cumulative internal migration from 2012-2022 and 2020-2022 |
| Table 4.2 | Point estimates and ranges for the total number of out-migrants and total out-migrants as a percentage of population 2012-2022 |
| Table 4.3 | Average annual changes in migration from the previous year. An asterisk (*) is used to show that there is statistically significant evidence of an internal migration indicator increasing or decreasing as time went on. |

Some highlights from the data include:

From 2012 to 2022, Montgomery County Had the Second-Highest Total Out-Migrants, In-Migrants, and Net Out-Migrants, Behind Fairfax County. Montgomery County had 584,240 out-migrants, with an average of 53,113 relocating outside the County each year, and 502,745 in-migrants, with an average 45,705 moving in each year (Figure 4.1 and Table 4.1). Fairfax County, in comparison, had 950,990 out-migrants, with an average of 86,454 moving out per year, and 807,939 in-migrants, averaging 73,449 annually.

In terms of net migration, Montgomery County experienced a net loss of 81,495 people over the period, with an average annual net loss of 7,409. Prince George’s and Fairfax Counties also faced net out-migration, with Fairfax experiencing the largest net loss—143,051 individuals in total, or an average of 13,005 per year. In contrast, Frederick, Howard, and Loudoun Counties consistently saw net in-migration, with more people moving in than leaving throughout the period.

From 2020 to 2022, Montgomery County Moved from Second to Third Highest Net Out-Migration. Consistent with the PEP data presented in the previous chapter, Montgomery County was surpassed by Prince George’s County in net out-migration and moved from second to third highest net losses (Table 4.1). Over the three years, Montgomery County saw

a net loss of 32,131, compared to 36,640 for Prince George’s County and 44,814 for Fairfax County. Frederick and Loudoun Counties were the only jurisdictions to see net gains in internal migrants during this period.

Montgomery County saw net losses increase over time, meaning the gap between out-migrants and in-migrants grew as time went on. In Montgomery County, net out-migration increased from the previous year by an average of 904 individuals. The data suggest that this finding was driven by a stable divergence of out- and in-migration (as opposed to a significant increase in out-migration). Prince George’s County was the only jurisdiction that had higher average annual increases of net out-migration, losing an average of 1,066 more residents than the previous year. Fairfax County also experienced average annual increases in net out-migration, but due to the variability over time, as seen in Figure 4.2, the trend was statistically insignificant.

Despite having mostly positive net migration during this period, Howard and Loudon Counties saw significant declines in net gains. These trends were likely driven by significant increases in out-migration for the counties, which reduced net in-migration over time.

Frederick County was alone in experiencing a significant upward trend in net in-migration during the period.

Note: There were sharp increases in the out- and in-migration of individuals for all counties from 2015 to 2017 and subsequent decreases from 2017 to 2018 (Figures 4.1 and 4.2). OLO was unable to find an explanation for this phenomenon in IRS documentation. But OLO suspects this may be partly due to misclassifying individuals/tax returns during this time.

Figure 4.1. Total Out-Migration and In-Migration by County (2012-2022)

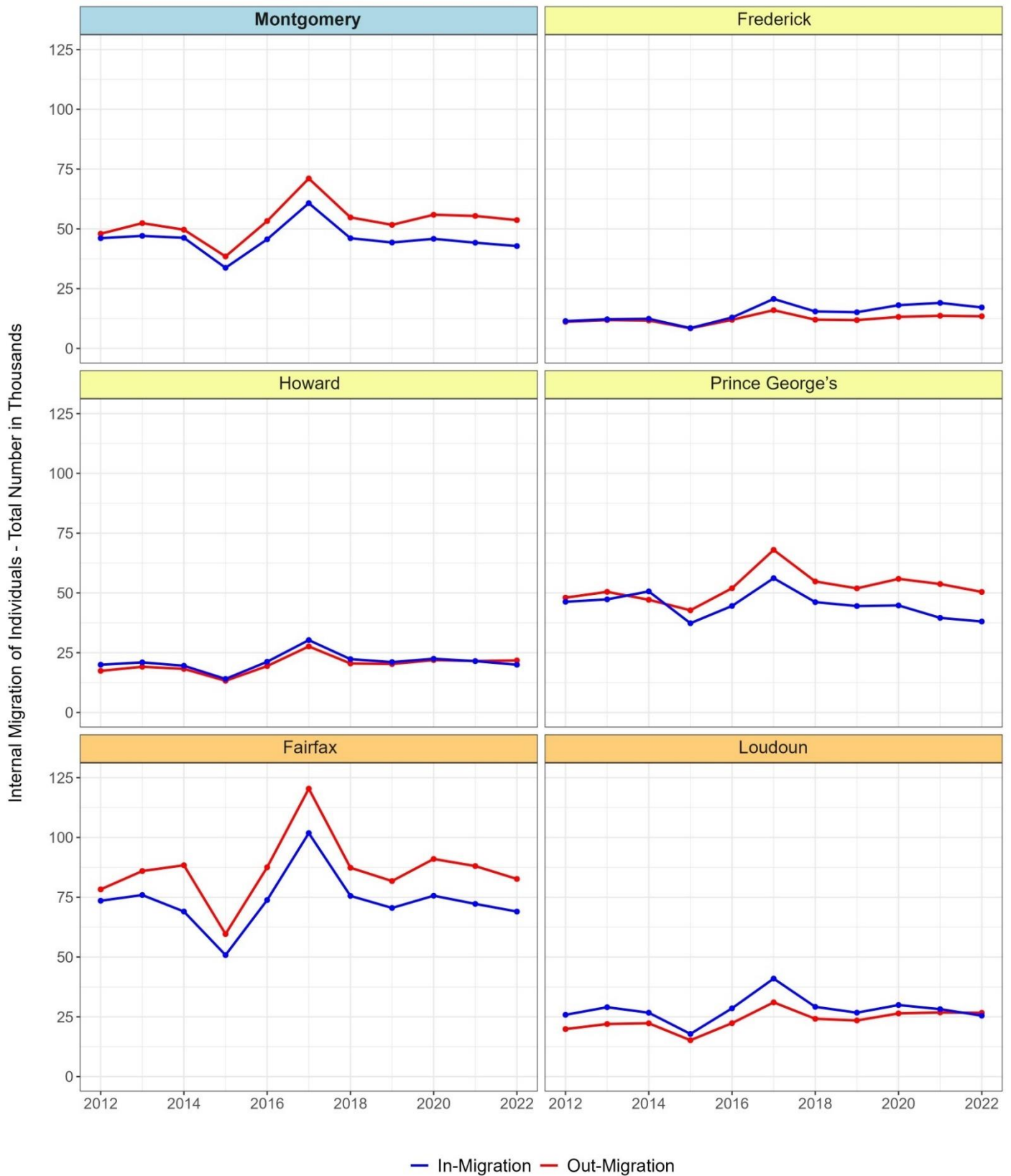


Figure 4.2. Net Internal Migration by County (2012-2022)

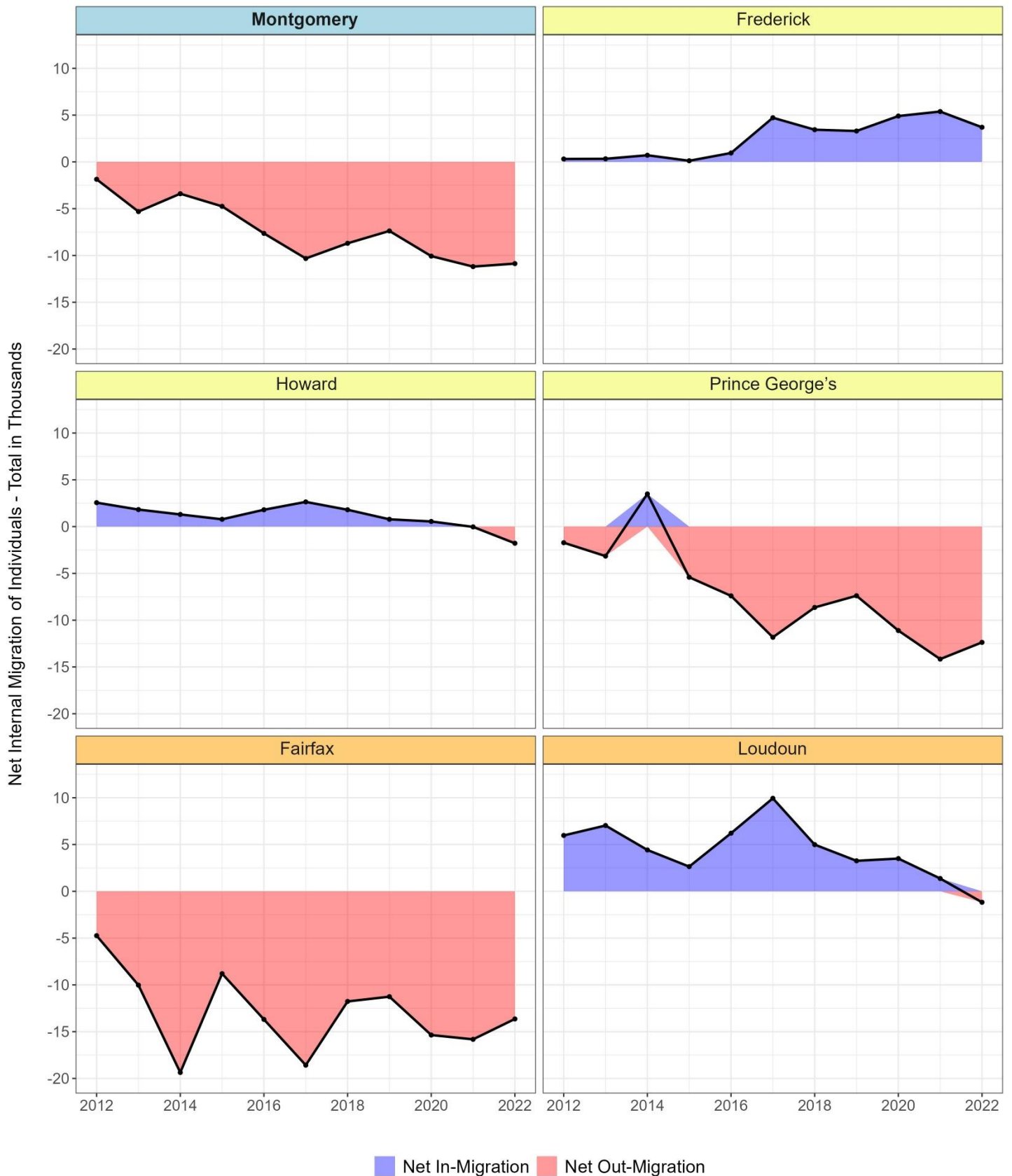


Table 4.1. Cumulative Internal Migration by County (2012-2022 & 2020-2022)

| 2012-2022 | | | | 2020-2022 | | | |
|-------------------|-------------|--------------|---------------------|-------------------|-------------|--------------|-----------------------|
| County | In-Migrants | Out-Migrants | Net Migrants (Rank) | County | In-Migrants | Out-Migrants | Net Migrants (Ranked) |
| Fairfax | 807,939 | 950,990 | -143,051 (1) | Fairfax | 216,867 | 261,681 | -44,814 (1) |
| Montgomery | 502,745 | 584,240 | -81,495 (2) | Prince George's | 122,411 | 160,051 | -37,640 (2) |
| Prince George's | 495,426 | 575,099 | -79,673 (3) | Montgomery | 132,838 | 164,969 | -32,131 (3) |
| Howard | 233,352 | 221,112 | +12,240 (4) | Howard | 63,948 | 65,188 | -1,240 (4) |
| Frederick | 162,979 | 135,119 | +27,860 (5) | Loudoun | 83,593 | 79,902 | +3,691 (5) |
| Loudoun | 308,389 | 260,247 | +48,142 (6) | Frederick | 54,262 | 40,281 | +13,981 (6) |

Table 4.2. Average Annual Internal Migration by County (2012-2022)

| County | In-Migrants | Out-Migrants | Net Migrants (Rank) |
|-------------------|-------------|--------------|---------------------|
| Fairfax | 73,449 | 86,454 | -13,005 |
| Montgomery | 45,705 | 53,113 | -7,409 |
| Prince George's | 45,039 | 52,282 | -7,243 |
| Howard | 21,214 | 20,101 | +1,112 |
| Frederick | 14,816 | 12,284 | +2,532 |
| Loudoun | 28,035 | 23,659 | +4,377 |

Table 4.3. Trend Analysis for Internal Migration (2012-2022)

| County | Average Annual Change from Previous Year | | |
|-------------------|---|----------------------|-----------------------------------|
| | <i>In-Migration</i> | <i>Out-Migration</i> | <i>Net Migration (ranked)</i> |
| Prince George's | -826 | 240 | -1,066 * |
| Montgomery | -330 | 571 | -901 * |
| Fairfax | -453 | 437 | -889 |
| Loudon | -34 | 680 * | -714 * |
| Howard | 0 | 434 * | -434 * |
| Frederick | 571 * | 233 * | +338 * |

*Statistically Significant

B. Internal Migration as a Percentage of Population

The analysis on internal migration as a percentage of County population references the following figures and tables:

| Figure/Table | Description |
|--------------|--|
| Figure 4.3 | Out-migrants and in-migrants as a percentage of county population |
| Figure 4.4 | Net internal migration as a percentage of the total county population |
| Table 4.4 | Average annual levels of internal migration as a percentage of county population |
| Table 4.5 | Average annual changes in migration as percentages of population from the previous year. An asterisk (*) is used to show that there is statistically significant evidence of an internal migration indicator increasing or decreasing as time went on. |

Some highlights from the data include:

Montgomery County Experienced the Second Lowest Out-Migration Relative to its Population: When accounting for the size of its population, Montgomery County experienced low levels of out-migration compared to the other counties (Figure 4.3). On average, 5.1% of its population moved out per year (Table 4.4). Only Frederick County saw a lower level of out-migration as a percentage of its population at 4.8%. In contrast, Fairfax had the highest level of out-migration as a percentage of its population, with annual average of 7.3% of its population leaving, followed by Howard and Loudoun Counties.

Montgomery County Had the Lowest In-Migration Relative to its Population: Montgomery County experienced the lowest level of in-migration as a percentage of its population compared to other counties (Figure 4.3). On average, 4.4% of its population moved in per year (Table 4.4). Prince George’s County saw the second lowest in-migration, with an average of 4.9% of its population moving in per year. In contrast, Loudoun had the highest in-migration as a percentage of its population at 7.2%, followed by Howard and Fairfax Counties.

Montgomery County Had the Third Largest Net Out-Migration as a Percentage of its Population: During the entire period, Montgomery County experienced the third highest level of *net out-migration* as a percentage of its population compared to other counties (Figure 4.4). On average, it had a net loss of 0.7% of its population (Table 4.4). Fairfax and Prince George’s Counties experienced greater net losses relative to their populations, with

averages of 1.1% and 0.8% of their populations moving out per year, respectively. In contrast, Loudoun, Frederick and Howard Counties experienced net gains in internal migration relative to their populations.

Montgomery County’s Net Out-Migration as a Percentage of Population Grew Over Time: During this period, Montgomery County saw net out-migration as a percentage of its population increase over time—meaning the percentage of residents who left increased over time (Table 4.5). Net out-migration as a percentage of population increased an average of 0.08 percent from the previous year. Loudoun, Howard, and Prince George’s Counties also saw net out-migration increase over time, relative to the size of their populations. In contrast, Frederick County saw increasing net in-migration as a percentage of its population during this period.

Figure 4.3. Out-Migration and In-Migration of Individuals as a Percentage of County Population (2012-2022)

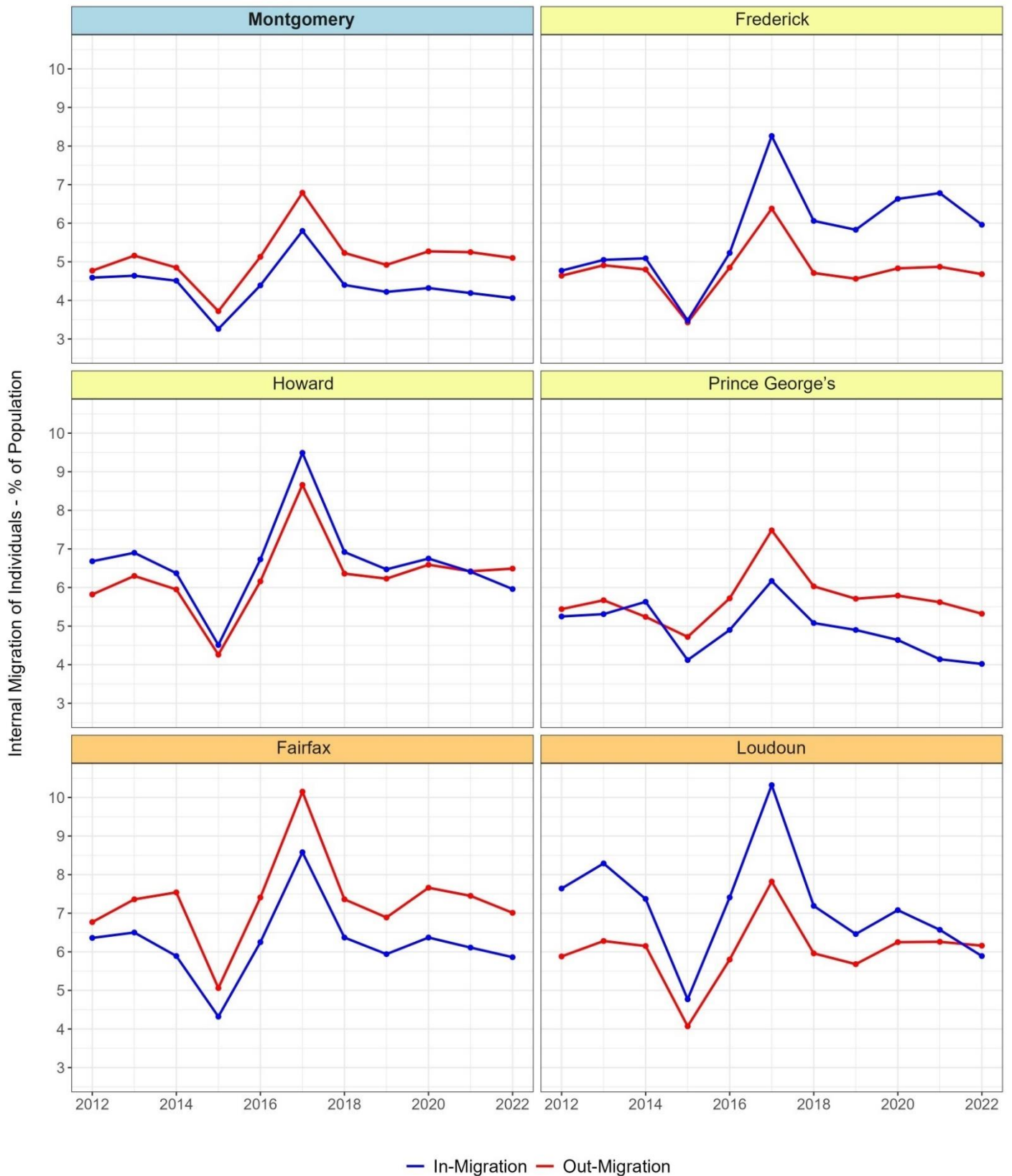


Figure 4.4. Net Internal Migration as a Percentage of County Population (2012-2022)

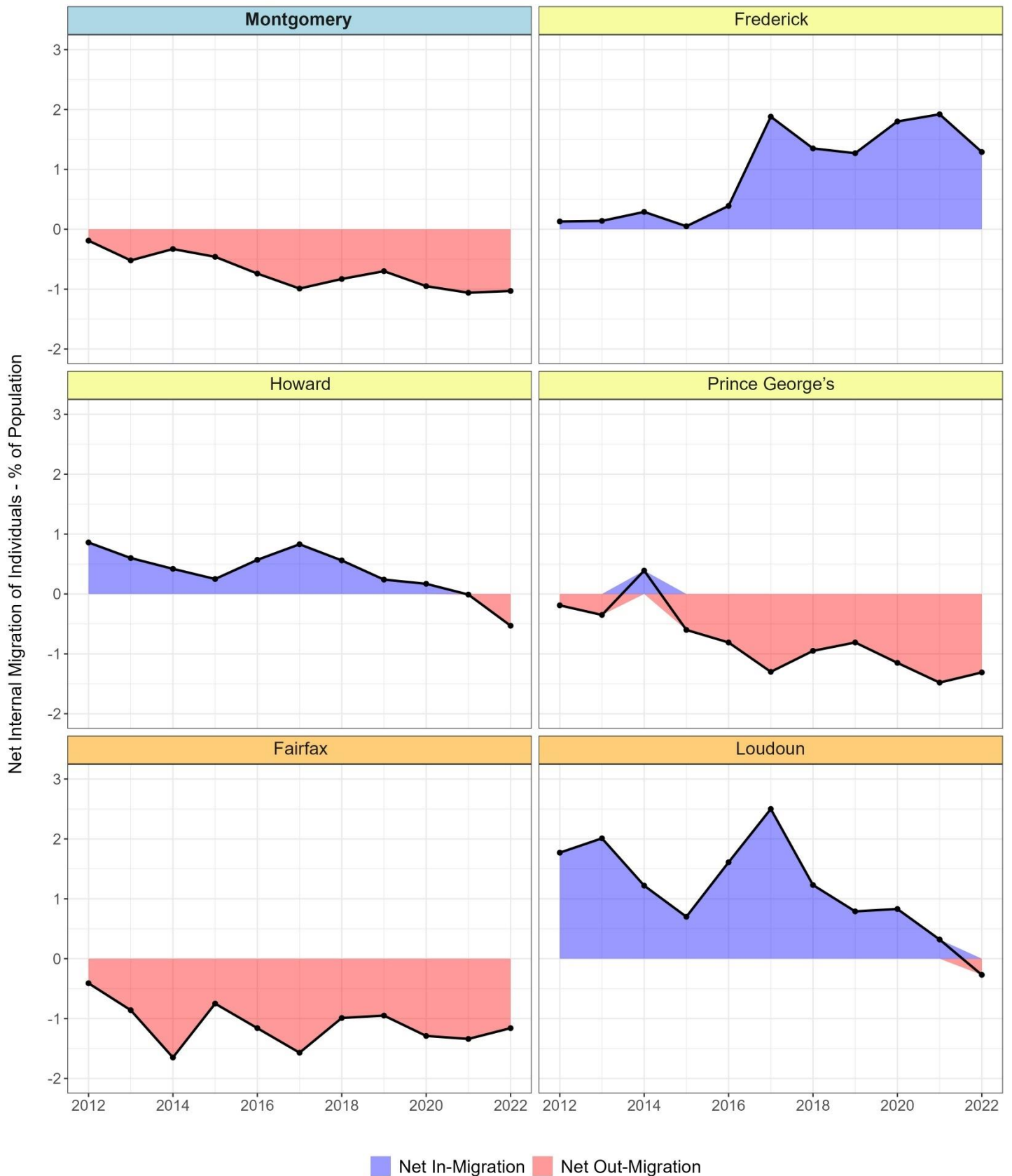


Table 4.4. Average Annual Levels of Internal Migration as a Percentage of Population (2012-2022 & 2020-2022)

| 2012-2022 | | | | 2020-2022 | | | |
|-------------------|-------------|--------------|-----------------------|-------------------|-------------|--------------|---------------------|
| County | In-Migrants | Out-Migrants | Net Migrants (ranked) | County | In-Migrants | Out-Migrants | Net Migrants (Rank) |
| Fairfax | 6.2 | 7.3 | -1.1 (1) | Prince George's | 4.3 | 5.6 | -1.3 (1) |
| Prince George's | 4.9 | 5.7 | -0.8 (2) | Fairfax | 6.1 | 7.4 | -1.3 (2) |
| Montgomery | 4.4 | 5.1 | -0.7 (3) | Montgomery | 4.2 | 5.2 | -1.0 (3) |
| Howard | 6.7 | 6.3 | +0.4 (4) | Howard | 6.4 | 6.5 | -0.1 (4) |
| Frederick | 5.7 | 4.8 | +1.0 (5) | Loudoun | 6.5 | 6.2 | +0.3 (5) |
| Loudoun | 7.2 | 6.0 | +1.2 (6) | Frederick | 6.5 | 4.8 | +1.7 (6) |

Table 4.5. Trend Analysis for Internal Migration as a Percentage of Population (2012-2022)

| County | Average Annual Change from Previous Year | | |
|-----------------|--|---------------|------------------------|
| | In-Migration | Out-Migration | Net Migration (ranked) |
| Loudoun | -0.18 | 0.03% | -0.20% (1) * |
| Howard | -0.07 | 0.07% | -0.14% (2) * |
| Prince George's | -0.12 | -0.01% | -0.11% (3) * |
| Montgomery | -0.05 | 0.03% | -0.08% (4) * |
| Fairfax | -0.05 | 0.02% | -0.07% (5) |
| Frederick | 0.12 | 0.00% | +0.12% (6) * |

*Statistically Significant

C. Destinations of Out-Migration

This section presents data on the primary destinations of out-migrants from the six counties relocated before and during the pandemic, specifically from 2017 to 2019 and 2020 to 2022. The analysis references the following tables:

| Figure/Table | Description |
|--------------|---|
| Table 4.6 | Comparison of out-of-state and in-state internal migration |
| Table 4.7 | Top five destination <i>states</i> for out-migrants and net out-migrants for each county |
| Table 4.8 | Top five destination <i>counties/cities</i> for out-migrants and net out-migrants for each county |
| Table 4.9 | Top ten counties/cities for out-migrants and net out-migrants for Montgomery County from 2020 to 2022 |

Regarding the *state-level destinations* of out-migrants in all six counties, OLO identified the following highlights (Tables 4.6 and 4.7):

Interstate Moves Drove Montgomery County’s Out-Migration and In-Migration Patterns Before and During the Pandemic: During the entire period (2017-2022), Montgomery County had the third highest level of *out-of-state* out-migration, trailing Fairfax and Loudoun Counties, while also having the lowest level of *in-state* out-migration, followed by Frederick and Prince George’s Counties (Table 4.6). From 2020 to 2022, 3.2% of Montgomery County’s population moved out of state, while 2.0% relocated within state.

Interstate moves also drove migration into Montgomery County. While it had moderate levels of out-of-state in-migration, Montgomery County had the lowest level of in-state in-migration, followed by Prince George’s and Fairfax Counties. From 2020 to 2022, 1.3% of Montgomery County’s population arrived from within Maryland, while 2.9% came from outside the state.

Montgomery County Was One of Three Jurisdictions with Both In-State and Out-of-State Net Out-Migration: During the entire period (2017-2022), Montgomery County had moderate levels of in-state and out-of-state net out-migration, alongside Fairfax and Prince George’s Counties. From 2020 to 2022, Frederick, Howard, and Loudoun Counties had net gains from their respective states, while all counties had net losses to other states.

Montgomery County has a Variety of Popular Out-of-State Destinations: In both periods, most out-migrants from Montgomery County relocated in Maryland, Virginia, District of

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Columbia, Florida, and California. From 2020 to 2022, the County saw the largest net out-migration losses to Maryland, Florida, Virginia, Texas, and North Carolina (Table 4.7).

Surrounding States Were Most Popular Out-of-State Destinations: For all counties, surrounding states, were common destinations for out-migrants. For Montgomery County, the top out-of-state destinations included nearby states like Virginia and Washington, D.C., as well as states in the Northeast (Pennsylvania, New Jersey, and New York), the South (Florida, North Carolina, and Texas), and California. The County experienced the largest net losses to Florida, Virginia, Texas, and North Carolina.

Regarding the *county/city-level destinations* of out-migrants in all six counties, OLO identified the following highlights (Tables 4.8 and 4.9):

Surrounding Counties Were Most Popular Destinations: For all counties, the majority of top five county destinations for out-migrants were within their respective states. The top destinations for Montgomery County residents were Prince George’s County, Frederick County, District of Columbia, Howard County, and Fairfax County. Similarly, Montgomery County consistently ranked as one of the top five destinations for residents from other counties, especially those from Prince George’s and Frederick Counties.

Montgomery County Had Varying Net Migration Patterns with Nearby Counties: While Montgomery was a popular destination, it experienced varying net migration flows with local areas. Montgomery County had net gains from Washington, D.C., Prince George’s County, and Arlington County, but net losses to Frederick, Howard, Anne Arundel, Fairfax, and Loudoun Counties. Beyond the region, Montgomery County experienced large net losses to Sussex County (DE), and Palm Beach (FL).

Table 4.6. Out-of-State and In-State Internal Migration by County (2017-2019 & 2020-2022)

| County | In-State | | | Out-of-State | | | County | In-State | | | Out-of-State | | |
|---------------------|----------------|----------|--------|----------------|----------|--------|-------------------|----------------|----------|--------|----------------|----------|--------|
| | Average Annual | % of Pop | % Rank | Average Annual | % of Pop | % Rank | | Average Annual | % of Pop | % Rank | Average Annual | % of Pop | % Rank |
| 2017-2019 | | | | | | | 2020-2022 | | | | | | |
| Out-Migrants | | | | | | | | | | | | | |
| Montgomery | 22,507 | 2.1 | 6 | 36,671 | 3.5 | 3 | Montgomery | 21,579 | 2.0 | 6 | 33,411 | 3.2 | 3 |
| Frederick | 5,669 | 2.2 | 5 | 7,609 | 2.9 | 6 | Frederick | 5,640 | 2.0 | 5 | 7,787 | 2.8 | 5 |
| Howard | 13,224 | 4.0 | 1 | 9,591 | 2.9 | 5 | Howard | 12,577 | 3.8 | 1 | 9,152 | 2.7 | 6 |
| Prince George's | 28,063 | 2.9 | 4 | 30,174 | 3.2 | 4 | Prince George's | 26,487 | 2.8 | 4 | 26,863 | 2.8 | 4 |
| Fairfax | 46,657 | 3.9 | 2 | 49,860 | 4.2 | 1 | Fairfax | 43,294 | 3.7 | 2 | 43,933 | 3.7 | 1 |
| Loudoun | 11,993 | 3.0 | 3 | 14,231 | 3.5 | 2 | Loudoun | 12,247 | 2.9 | 3 | 14,387 | 3.4 | 2 |
| In-Migrants | | | | | | | | | | | | | |
| Montgomery | 16,263 | 1.5 | 6 | 34,115 | 3.2 | 3 | Montgomery | 14,129 | 1.3 | 6 | 30,150 | 2.9 | 2 |
| Frederick | 10,014 | 3.8 | 3 | 7,084 | 2.7 | 6 | Frederick | 10,939 | 3.9 | 2 | 7,149 | 2.6 | 5 |
| Howard | 15,621 | 4.8 | 1 | 8,933 | 2.7 | 5 | Howard | 13,528 | 4.0 | 1 | 7,788 | 2.3 | 6 |
| Prince George's | 18,862 | 2.0 | 5 | 30,091 | 3.2 | 4 | Prince George's | 15,773 | 1.7 | 5 | 25,030 | 2.6 | 4 |
| Fairfax | 35,970 | 3.0 | 4 | 46,675 | 3.9 | 1 | Fairfax | 32,757 | 2.8 | 4 | 39,532 | 3.3 | 1 |
| Loudoun | 18,007 | 4.4 | 2 | 14,280 | 3.5 | 2 | Loudoun | 15,718 | 3.7 | 3 | 12,147 | 2.8 | 3 |
| Net Migrants | | | | | | | | | | | | | |
| Montgomery | -6,244 | -0.6 | 4 | -2,555 | -0.2 | 5 | Montgomery | -7,450 | -0.7 | 4 | -3,260 | -0.3 | 3 |
| Frederick | +4,345 | +1.7 | 1 | -525 | -0.2 | 4 | Frederick | +5,299 | +1.9 | 1 | -638 | -0.2 | 2 |
| Howard | +2,396 | +0.7 | 3 | -658 | -0.2 | 3 | Howard | +951 | +0.3 | 3 | -1,364 | -0.4 | 5 |
| Prince George's | -9,202 | -1.0 | 6 | -84 | -0.0 | 2 | Prince George's | -10,714 | -1.1 | 6 | -1,833 | -0.2 | 1 |
| Fairfax | -10,687 | -0.9 | 5 | -3,185 | -0.3 | 6 | Fairfax | -10,536 | -0.9 | 5 | -4,402 | -0.4 | 4 |
| Loudoun | +6,014 | +1.5 | 2 | +48 | +0.0 | 1 | Loudoun | +3,471 | +0.8 | 2 | -2,240 | -0.5 | 6 |

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Table 4.7. Top State Destinations for Out-Migration and Net Out-Migration by County (2017-2019 & 2020-2022)

| State | Out-Migrants | Percentage | State | Net Out-Migrants | State | Out-Migrants | Percentage | State | Net Out-Migrants |
|----------------------|----------------|-------------|----------------|------------------|----------------------|----------------|--------------|----------------|------------------|
| 2017-2019 | | | | | 2020-2022 | | | | |
| Montgomery | | | | | | | | | |
| Maryland | 67,154 | 42.7 | Maryland | -18,653 | Maryland | 64,424 | -44.6 | Maryland | -22,315 |
| Virginia | 21,924 | 13.9 | Virginia | -3,310 | Virginia | 18,799 | -13.0 | Florida | -4,788 |
| District of Columbia | 12,218 | 7.8 | Florida | -2,898 | District of Columbia | 9,674 | -6.7 | Virginia | -3,782 |
| Florida | 7,827 | 5.0 | California | -2,075 | Florida | 8,709 | -6.0 | Texas | -1,574 |
| California | 7,413 | 4.7 | North Carolina | -1,474 | California | 5,714 | -4.0 | North Carolina | -1,520 |
| Total | 116,536 | 74.1 | | -28,410 | Total | 107,320 | -74.3 | | -33,979 |
| Frederick | | | | | | | | | |
| Maryland | 16,367 | 63.8 | West Virginia | -639 | Maryland | 16,359 | -61.4 | West Virginia | -1,145 |
| Pennsylvania | 2,186 | 8.5 | Pennsylvania | -631 | Pennsylvania | 2,247 | -8.4 | Pennsylvania | -833 |
| Virginia | 1,912 | 7.5 | Florida | -491 | West Virginia | 2,067 | -7.8 | Florida | -685 |
| West Virginia | 1,725 | 6.7 | North Carolina | -228 | Virginia | 1,926 | -7.2 | North Carolina | -314 |
| Florida | 892 | 3.5 | Delaware | -226 | Florida | 1,077 | -4.0 | Delaware | -251 |
| Total | 23,082 | 90.0 | | 2,215 | Total | 23,676 | -88.9 | | -3,228 |
| Howard | | | | | | | | | |
| Maryland | 39,282 | 73.2 | Florida | -957 | Maryland | 37,356 | -72.9 | Florida | -1,499 |
| Virginia | 2,973 | 5.5 | Delaware | -455 | Virginia | 2,453 | -4.8 | Texas | -861 |
| Florida | 1,811 | 3.4 | Texas | -419 | Florida | 2,277 | -4.4 | Delaware | -728 |
| California | 1,313 | 2.5 | California | -301 | Texas | 1,533 | -3.0 | North Carolina | -512 |
| Texas | 1,246 | 2.3 | Pennsylvania | -203 | Delaware | 1,040 | -2.0 | Pennsylvania | -229 |
| Total | 46,625 | 86.9 | | 2,335 | Total | 44,659 | -87.1 | | -3,829 |

Table 4.7 cont.

| State | Out-Migrants | Percentage | State | Net Out-Migrants | State | Out-Migrants | Percentage | State | Net Out-Migrants |
|------------------------|----------------|-------------|----------------|------------------|----------------------|----------------|-------------|----------------|------------------|
| 2017-2019 | | | | | 2020-2022 | | | | |
| Prince George's | | | | | | | | | |
| Maryland | 83,884 | 54.3 | Maryland | -27,746 | Maryland | 79,133 | 56.1 | Maryland | -32,187 |
| District of Columbia | 21,040 | 13.6 | Florida | -1,478 | Virginia | 19,636 | 13.9 | Virginia | -3,939 |
| Virginia | 20,798 | 13.5 | Texas | -1,202 | District of Columbia | 16,824 | 11.9 | Florida | -1,986 |
| Florida | 3,690 | 2.4 | North Carolina | -873 | Florida | 3,895 | 2.8 | Texas | -1,602 |
| Texas | 3,207 | 2.1 | California | -849 | Texas | 3,341 | 2.4 | North Carolina | -1,312 |
| Total | 132,619 | 85.9 | | -32,148 | Total | 122,829 | 87.0 | | -41,026 |
| Fairfax | | | | | | | | | |
| Virginia | 136,764 | 53.9 | Virginia | -31,374 | Virginia | 126,594 | 55.1 | Virginia | -30,709 |
| Maryland | 25,443 | 10.0 | Florida | -4,329 | Maryland | 21,122 | 9.2 | Florida | -6,989 |
| Florida | 12,774 | 5.0 | North Carolina | -2,510 | Florida | 13,702 | 6.0 | North Carolina | -3,420 |
| California | 9,949 | 3.9 | Colorado | -1,524 | Texas | 8,732 | 3.8 | Texas | -2,853 |
| Texas | 8,784 | 3.5 | Texas | -1,434 | California | 7,806 | 3.4 | South Carolina | 1,779 |
| Total | 193,714 | 76.4 | | -41,171 | Total | 177,956 | 77.5 | | -45,750 |
| Loudoun | | | | | | | | | |
| Virginia | 34,003 | 58.1 | Florida | -1,311 | Virginia | 34,580 | 57.4 | Florida | -3,022 |
| Maryland | 4,775 | 8.2 | North Carolina | -1,161 | Florida | 4,741 | 7.9 | West Virginia | -1,645 |
| Florida | 3,502 | 6.0 | West Virginia | -1,075 | Maryland | 4,280 | 7.1 | North Carolina | -1,241 |
| California | 2,367 | 4.0 | Colorado | -673 | Texas | 2,559 | 4.3 | Texas | -1,064 |
| Texas | 2,222 | 3.8 | Texas | -578 | West Virginia | 2,486 | 4.1 | Colorado | -498 |
| Total | 46,869 | 80.0 | | -4,798 | Total | 48,646 | 80.8 | | -7,470 |

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Table 4.8. Top County Destinations for Out-Migration and Net Out-Migration by County (2017-2019 & 2020-2022)

| County, State | Out-Migrants | Percentage | County, State | Net Out-Migrants | County, State | Out-Migrants | Percentage | County, State | Net Out-Migrants |
|----------------------------|---------------|-------------|-------------------------|------------------|----------------------------|---------------|-------------|-------------------------|------------------|
| 2017-2019 | | | | | 2020-2022 | | | | |
| Montgomery | | | | | | | | | |
| Prince George's County, MD | 25,496 | 16.2 | Frederick County, MD | -10,653 | Prince George's County, MD | 19,718 | 13.7 | Frederick County, MD | -12,950 |
| Frederick County, MD | 15,727 | 10.0 | Howard County, MD | -3,467 | Frederick County, MD | 17,740 | 12.3 | Howard County, MD | -3,458 |
| District of Columbia | 12,218 | 7.8 | Anne Arundel County, MD | -2,282 | District of Columbia | 9,674 | 6.7 | Anne Arundel County, MD | -2,852 |
| Fairfax County, VA | 8,944 | 5.7 | Fairfax County, VA | -1,396 | Howard County, MD | 7,726 | 5.4 | Washington County, MD | -1,731 |
| Howard County, MD | 8,177 | 5.2 | Loudoun County, VA | -1,204 | Fairfax County, VA | 7,586 | 5.3 | Fairfax County, VA | -1,608 |
| Total | 70,562 | 44.9 | | -19,002 | Total | 62,444 | 43.2 | | -22,599 |
| Frederick | | | | | | | | | |
| Washington County, MD | 5,218 | 20.3 | Washington County, MD | -1,914 | Washington County, MD | 5,228 | 19.6 | Washington County, MD | -2,469 |
| Montgomery County, MD | 5,074 | 19.8 | Berkeley County, WV | -359 | Montgomery County, MD | 4,790 | 18.0 | Berkeley County, WV | -783 |
| Carroll County, MD | 1,983 | 7.7 | Adams County, PA | -308 | Carroll County, MD | 2,151 | 8.1 | Adams County, PA | -481 |
| Berkeley County, WV | 916 | 3.6 | Franklin County, PA | -301 | Berkeley County, WV | 1,277 | 4.8 | Jefferson County, WV | -362 |
| Howard County, MD | 865 | 3.4 | Jefferson County, WV | -280 | Howard County, MD | 915 | 3.4 | Sussex County, DE | -300 |
| Total | 14,056 | 54.8 | | -3,162 | Total | 14,361 | 53.9 | | -4,395 |

Table 4.8. cont.

| County, State | Out-Migrants | Percentage | County, State | Net Out-Migrants | County, State | Out-Migrants | Percentage | County, State | Net Out-Migrants |
|----------------------------|---------------|-------------|-------------------------|------------------|----------------------------|---------------|-------------|-------------------------|------------------|
| 2017-2019 | | | | | 2020-2022 | | | | |
| Howard | | | | | | | | | |
| Anne Arundel County, MD | 9,421 | 17.6 | Carroll County, MD | -21,51 | Anne Arundel County, MD | 9,020 | 17.6 | Frederick County, MD | -2,124 |
| Baltimore County, MD | 8,080 | 15.1 | Frederick County, MD | -14,74 | Baltimore County, MD | 7,376 | 14.4 | Carroll County, MD | -2,118 |
| Prince George's County, MD | 5,073 | 9.5 | Anne Arundel County, MD | -974 | Prince George's County, MD | 4,382 | 8.6 | Anne Arundel County, MD | -1,609 |
| Montgomery County, MD | 4,710 | 8.8 | Sussex County, DE | -495 | Montgomery County, MD | 4,268 | 8.3 | Sussex County, DE | -726 |
| Baltimore city, MD | 3,831 | 7.1 | Loudoun County, VA | -331 | Carroll County, MD | 3,427 | 6.7 | Wake County, NC | 268 |
| Total | 31,115 | 58.0 | | -5,425 | Total | 28,473 | 55.5 | | -6,845 |
| Prince George's | | | | | | | | | |
| Montgomery County, MD | 26,303 | 17.0 | Anne Arundel County, MD | -8,929 | Montgomery County, MD | 21,904 | 15.5 | Anne Arundel County, MD | -9,634 |
| District of Columbia | 21,040 | 13.6 | Charles County, MD | -7,939 | Anne Arundel County, MD | 17,734 | 12.6 | Charles County, MD | -7,447 |
| Anne Arundel County, MD | 18,196 | 11.8 | Howard County, MD | -4,591 | District of Columbia | 16,824 | 11.9 | Howard County, MD | -4,338 |
| Charles County, MD | 14,979 | 9.7 | Calvert County, MD | -1,458 | Charles County, MD | 14,270 | 10.1 | Montgomery County, MD | -2,186 |
| Howard County, MD | 9,664 | 6.3 | Montgomery County, MD | -807 | Howard County, MD | 8,720 | 6.2 | Baltimore city, MD | -1,723 |
| Total | 90,182 | 58.4 | | -23,724 | Total | 79,452 | 56.3 | | -25,328 |

Out-Migration of Individuals: Findings from IRS Migration Data

Table 4.8. cont.

| County, State | Out-Migrants | Percentage | County, State | Net Out-Migrants | County, State | Out-Migrants | Percentage | County, State | Net Out-Migrants |
|----------------------------|----------------|-------------|---------------------------|------------------|----------------------------|---------------|-------------|---------------------------|------------------|
| 2017-2019 | | | | | 2020-2022 | | | | |
| Fairfax | | | | | | | | | |
| Loudoun County, VA | 36,982 | 14.6 | Loudoun County, VA | -20,649 | Loudoun County, VA | 31,621 | 13.8 | Loudoun County, VA | -16,248 |
| Prince William County, VA | 32,878 | 13.0 | Prince William County, VA | -15,721 | Prince William County, VA | 30,704 | 13.4 | Prince William County, VA | -15,766 |
| Alexandria city, VA | 14,075 | 5.6 | Stafford County, VA | -2,489 | Arlington County, VA | 11,980 | 5.2 | Stafford County, VA | -3,568 |
| Arlington County, VA | 14,035 | 5.5 | Spotsylvania County, VA | -1,006 | Alexandria city, VA | 11,483 | 5.0 | Spotsylvania County, VA | -1,389 |
| Prince George's County, MD | 8,593 | 3.4 | Fauquier County, VA | -961 | Prince George's County, MD | 6,227 | 2.7 | Fauquier County, VA | -1,273 |
| Total | 106,563 | 42.0 | | -40,826 | Total | 92,015 | 40.0 | | -38,244 |
| Loudoun | | | | | | | | | |
| Fairfax County, VA | 15,738 | 26.9 | Frederick County, VA | -1,316 | Fairfax County, VA | 14,905 | 24.8 | Frederick County, VA | -1,965 |
| Prince William County, VA | 5,026 | 8.6 | Jefferson County, WV | -753 | Prince William County, VA | 5,504 | 9.1 | Prince William County, VA | -1,364 |
| Frederick County, VA | 2,031 | 3.5 | Clarke County, VA | -676 | Frederick County, VA | 2,620 | 4.4 | Jefferson County, WV | -935 |
| Arlington County, VA | 1,956 | 3.3 | Fauquier County, VA | -433 | Arlington County, VA | 1,578 | 2.6 | Clarke County, VA | -903 |
| Montgomery County, MD | 1,624 | 2.8 | Wake County, NC | -372 | Jefferson County, WV | 1,506 | 2.5 | Berkeley County, WV | -710 |
| Total | 26,375 | 45.0 | | -3,550 | Total | 26,113 | 43.4 | | -5,877 |

Table 4.9. Top 10 County/City Destinations for Out-Migration from Montgomery County (2020-2022)

| County/City, State | Out-Migrants | County/City, State | Net Out-Migrants |
|----------------------------|---------------------|---------------------------|-------------------------|
| Prince George's County, MD | 19,718 | Frederick County, MD | -12,950 |
| Frederick County, MD | 17,740 | Howard County, MD | -3,458 |
| District of Columbia | 9,674 | Anne Arundel County, MD | -2,852 |
| Howard County, MD | 7,726 | Washington County, MD | -1,731 |
| Fairfax County, VA | 7,586 | Fairfax County, VA | -1,608 |
| Anne Arundel County, MD | 5,874 | Sussex County, DE | -1,246 |
| Baltimore City, MD | 2,852 | Loudoun County, VA | -1,186 |
| Baltimore County, MD | 2,793 | Carroll County, MD | -969 |
| Washington County, MD | 2,484 | Palm Beach County, FL | -588 |
| Arlington County, VA | 2,464 | Baltimore City, MD | -568 |

Chapter 5. Out-Migration of Income: Findings from IRS Data

The previous chapters focused on the internal migration of individuals. This chapter compares the internal migration of *income* to and from Montgomery County with its neighboring suburban counties, using the most recent IRS data.

In this chapter, OLO measures “income” as inflation-adjusted Adjusted Gross Income, or “Real AGI.” This chapter adopts a similar approach to analyzing the IRS data in Chapter 4.

- **Comparing Migration of Total Real AGI:** To evaluate absolute differences in the internal migration of income between counties, the analysis compares out-migration, in-migration, and net internal migration of total Real AGI.
- **Comparing Migration of Per Capita Real AGI:** To shed light on differences in the levels of incomes of individuals moving in and out of the counties, this analysis examines the internal migration of per capita Real AGI, defined as the average amount of income earned per person in each county. This part of the analysis also examines per capita Real AGI of individuals who remain in the counties (“non-migrants”) to determine whether people leaving had higher or lower average incomes than those who stayed.
- **Comparing Migration of Total Real AGI Relative to County Economic Size:** To determine the economic significance of the internal migration of income for the counties, this analysis examines the out-migration, in-migration, and net internal migration of Real AGI as percentages of county Gross Domestic Product (GDP) and total personal income. This analysis uses data from the U.S. Bureau of Economic Analysis on county-level GDP (2017-2022) and total personal income (2012-2022). GDP and total personal income figures are inflation-adjusted to 2022 U.S. dollars.
- **Assessing Migration Trends Over Time:** This analysis examines whether patterns in the internal migration of income have changed over time, using the same approach in Chapter 4, as described in the “Methodological Detail on Assessing Internal Migration Trends.”
- **Identifying State and County Destinations of Real AGI:** The analysis examines trends in out-of-state and in-state internal migration of Real AGI and identifies the primary state and County destinations for Montgomery County real AGI outflows.

Methodological Detail on Measuring Income

In this chapter, “income” is measured as Real Adjusted Gross Income, or *Real AGI*. AGI is total income from all sources (gross income) minus expenses paid for that the government does not tax (adjustments).¹ The IRS provides nominal AGI figures in current year U.S. dollars. They are not adjusted for inflation, i.e., the “overall general upward price movement of goods and services in an economy.”² Inflation causes nominal AGI to lose its purchasing power over time, making it useful for comparing income across time. To accurately compare AGI across different years, it must be adjusted for inflation to ensure that income values reflect a consistent price level.³ OLO adjusted AGI to 2022 U.S. dollars, the latest IRS data year, using the World Bank’s global inflation data to ensure consistent comparison.⁴ The inflation-adjusted figures are called “Real AGI.”

This chapter is organized as follows:

- **Section A** examines trends in the total levels of internal migration of Real AGI;
- **Section B** presents data on internal migration of income as percentages of counties’ GDP and total personal income;
- **Section C** focuses on trends in per capita Real AGI; and
- **Section D** provides information on the top destinations, both in state and out of state, for the out-migration of income.

¹ “Definition of Adjusted Gross Income,” IRS, February 28, 2024, <https://www.irs.gov/e-file-providers/definition-of-adjusted-gross-income>.

² U.S. Department of Labor, “Inflation and Consumer Spending,” DOL, accessed October 4, 2024, <https://www.dol.gov/general/topic/statistics/inflation>.

³ Diego Mendez-Carbajo, “Adjusting for Inflation,” Federal Reserve Bank of St. Louis, January 2023, <https://research.stlouisfed.org/publications/page1-econ/2023/01/03/adjusting-for-inflation>.

⁴ “A Global Database of Inflation,” World Bank Group, April 23, 2024, <https://www.worldbank.org/en/research/brief/inflation-database>; Jongrim Ha, M. Ayhan Kose, and Franziska Ohnsorge, “One-Stop Source: A Global Database of Inflation,” *Journal of International Money and Finance* 137 (October 1, 2023): 102896, <https://doi.org/10.1016/j.jimonfin.2023.102896>.

Summary of Findings

The analysis of internal migration data on Real AGI from the IRS for the 2012-2022 period reveals several important insights about income trends for Montgomery County.

Montgomery County had low levels of Real AGI outflows relative to the size of its GDP and total personal income. From 2012 to 2022, Montgomery County consistently ranked second in total outflows of Real AGI, with an average outflow of \$3.3 billion per year. Only Fairfax County had larger outflows, with \$5.3 billion moving out over the period.

However, when accounting for its total economic output, Montgomery County had the lowest levels of Real AGI outflow from 2017 to 2022, the only years for which GDP data is available. On average, 3.4% of Montgomery County's total GDP moved out per year. Following the County was Prince George's and Frederick Counties, with average annual outflows accounting for 3.6% and 3.7% of GDP, respectively. In contrast, Loudoun County saw the largest outflows relative to its GDP at 5.1%, followed by Howard and Fairfax Counties.

Relative to total personal income, Montgomery County had the second lowest level of Real AGI outflow from 2012 to 2022, behind Frederick County. On average, 3.3% of Montgomery County's total personal income moved out per year, compared to 3.1% for Frederick County.

Montgomery County attracted the lowest levels of Real AGI relative to its GDP and total personal income. From 2012 to 2022, Montgomery County ranked second behind Fairfax County in total Real AGI inflows, with an average of \$2.5 billion moving in per year. Fairfax County averaged \$4.2 billion in Real AGI inflows annually.

However, when adjusting for its total economic output (2017-2022), Montgomery County had the lowest level of Real AGI inflows, followed by Prince George's County. On average, 2.5% of Montgomery County's total GDP moved in per year, compared to 2.8% for Prince George's County. In contrast, Loudoun had the largest Real AGI inflows as a percentage of its GDP at 5.3%, followed by Frederick and Howard Counties.

When considering total personal income (2012-2022), Montgomery County also had the lowest level of Real AGI outflow, followed by Prince George's County, with an average of 2.5% of Montgomery County's total personal income moving in per year, compared to 2.8% for Prince George's County.

Montgomery County had the second-largest net losses of Real AGI from internal migration, which grew over time. From 2012 to 2022, Montgomery County ranked second

behind Fairfax County in Real AGI net outflows, with an average net loss of \$800 million per year, compared to \$1.1 billion for Fairfax County. Prince George's and Howard Counties also faced net outflows, while Loudoun and Frederick Counties had Real AGI net inflows—an average annual of \$100 million, respectively.

Notably, by 2021, Frederick County was the only jurisdiction still experiencing net inflows of Real AGI, as Loudoun County's net gains gradually diminished over time.

In Montgomery County, net outflows of Real AGI increased over time by an average of \$80.3 million per year, marking the largest growth in net outflows among the counties. Loudoun County had the second-largest annual increase, averaging \$47.5 million. Frederick County was the only jurisdiction to experience growing net inflows of Real AGI, with an average annual increase of \$25.5 million.

Montgomery County experienced the largest net losses of Real AGI from internal migration relative to its GDP and second-largest relative to total personal income. When adjusting for its economic output (2017-2022), Montgomery County experienced the largest net losses, with an average annual net loss of 0.81% of GDP, compared to 0.79% and 0.77% for Prince George's and Fairfax Counties, respectively. When accounting for total personal income (2012-2022), Montgomery County had the second-largest net losses, behind Fairfax County, with an average of 0.8% of the County's total personal income per year, compared to 1.0% for Fairfax County.

For all counties, per capita Real AGI for people leaving was higher than people moving in, but lower than residents who stayed. Montgomery County had the second-largest gap in average per capita income between out-migrants and in-migrants. Out-migrants had an average per capita income of \$61,540, while in-migrants had \$54,636, resulting in a net loss of \$6,905. Howard County experienced the largest gap, with a net loss of \$8,147. Montgomery County had the third-largest gap in average per capita income between out-migrants and residents who remained, following Fairfax and Howard Counties. Non-migrants in Montgomery County had an average per capita income of \$71,080, creating a difference of \$9,539 compared to out-migrants.

Interstate moves drove Montgomery County's patterns of Real AGI outflows and inflows before and during the Pandemic, resulting in moderate net outflows outside and within Maryland. From 2017 to 2022, the County saw high levels of *out-of-state* Real AGI outflows and inflows, similar to Loudoun County. In contrast, Montgomery County had the lowest levels of *in-state* outflows and inflows. These trends led to moderate net outflows both outside and within Maryland. Fairfax and Prince George's Counties also saw net outflows for both categories, while Frederick, Howard, and Loudoun Counties had in-state net inflows alongside out-of-state net outflows.

Montgomery County, like other nearby jurisdictions, saw surrounding states and counties as the most popular destinations for Real AGI outflows, but had varying net flows with its neighbors. For Montgomery County, the top destinations of Real AGI outflows included nearby states like Virginia and Washington, D.C., as well as states in the Northeast (New Jersey and New York), the South (Florida, North Carolina, and Texas), and California. During the Pandemic (2020-2022), the County had the largest net losses of Real AGI to Florida, Delaware, Texas, and Virginia. Notably, there was a reversal in the flow of Real AGI with California, shifting from significant net outflows before the pandemic to net inflows during it.

At the county level, the top destinations of Real AGI outflows from Montgomery County were surrounding counties. Montgomery County had net losses to Frederick, Anne Arundel, Howard, Fairfax, and Loudoun Counties, and net inflows from Prince George's, Arlington County, and Alexandria City. Beyond the region, net losses to Palm Beach County (FL), Sussex County (DE), Miami-Dade County (FL), Travis County (TX).

High-income households from Montgomery County predominantly relocated to Florida, with Palm Beach, Collier, and Miami-Dade Counties being the top destinations during the Pandemic. Palm Beach and Collier Counties were top destinations for high earners from 2017 to 2019 as well.

Key Findings for Montgomery County

| | |
|----------------------------|---|
| <i>Out-Migration</i> | <ul style="list-style-type: none"> • Second Largest Real AGI Outflows • Lowest Real AGI Outflows as a Percentage of GDP • Second Lowest Real AGI Outflows as a Percentage of Total Personal Income |
| <i>In-Migration</i> | <ul style="list-style-type: none"> • Second Largest Real AGI Inflows • Lowest Real AGI Inflows as Percentages of GDP and Total Personal Income |
| <i>Net Migration</i> | <ul style="list-style-type: none"> • Second Largest Net Outflows of Real AGI • Net Outflows of Real AGI Increased Over Time • Led Counties in Real AGI Net Outflow as Percentage of GDP • Second Highest Real AGI Net Outflow as Percentage of Total Personal Income |
| <i>Per Capita Real AGI</i> | <ul style="list-style-type: none"> • Average Incomes Were Higher for People Leaving the Counties Than Those Moving In • Individuals Leaving Had Lower Average Incomes Than Residents Who Remained |
| <i>State Destinations</i> | <ul style="list-style-type: none"> • Interstate Moves Drove Montgomery County’s Real AGI Outflows and Inflows Before and During the Pandemic • Led in Out-of-State Real AGI Outflows and Inflows • Second Highest Out-of-State Net Real AGI Outflows • Highest Net Outflows of Real AGI to Florida, Delaware, Texas, and Virginia |
| <i>County Destinations</i> | <ul style="list-style-type: none"> • Largest Net Outflows of Real AGI to Frederick, Palm Beach, and Anne Arundel Counties • Highest Income Earners Primarily Moved to Palm Beach and Collier Counties in Florida |

A. Internal Migration of Total Real AGI

The analysis of the internal migration of *total Real AGI* from 2012 to 2022 references the following figures and tables:

| Figure/Table | Description |
|--------------|--|
| Figure 5.1 | Out-migration and in-migration of total Real AGI from 2012 to 2022 |
| Figure 5.2 | Net internal migration of total Real AGI from 2012 to 2022 |
| Table 5.1 | Cumulative internal migration of Real AGI over the entire period, ordered from highest net out-migrants to largest net in-migrants. |
| Table 5.2 | Average annual levels of internal migration of Real AGI over the period, ordered from highest net out-migrants to largest net in-migrants. |
| Table 5.3 | Changes in total real AGI over time. An asterisk (*) is used to show that there is statistically significant evidence of an internal migration indicator increasing or decreasing as time went on. |

Some highlights from the data include:

From 2012 to 2022, Montgomery County Had the Second Highest Total Out-Migration, In-Migration, and Net Out-Migration of Real AGI: The County averaged \$3.3 billion in Real AGI outflows per year and \$2.5 billion in inflows annually (Figure 5.1 and Table 5.2). Only Fairfax County saw larger outflows, averaging \$5.3 billion per year, and larger inflows, with \$4.2 billion annually. In terms of net migration, Montgomery County lost a net total of \$8.6 billion in Real AGI, trailing Fairfax County with a cumulative net loss of \$11.7 billion. In comparison, Fairfax County saw an average of \$46.2 billion flow in and \$57.9 billion flow out per year, resulting in a net loss of \$11.7 billion.

Fairfax, Prince George’s, and Howard Counties also experienced net out-migration of Real AGI, with Fairfax County experiencing the largest net losses. In contrast, Frederick and Loudoun Counties consistently experienced net in-migration of Real AGI during this period.

Montgomery County Saw Net Out-Migration of Total Real AGI Increase Over Time: Over the entire period, Montgomery County experienced the largest average annual increases in the net out-migration of Real AGI, with it increasing by an average of \$80.3 each year (Figure 5.2 and Table 5.3). Loudoun, Howard, and Prince George’s Counties also saw significant increases in Real AGI net out-migration over time. The only county that saw increasing net in-migration of Real AGI over time was Frederick County.

Figure 5.1. Total Out-Migration and In-Migration of Real AGI by County (2012-2022)

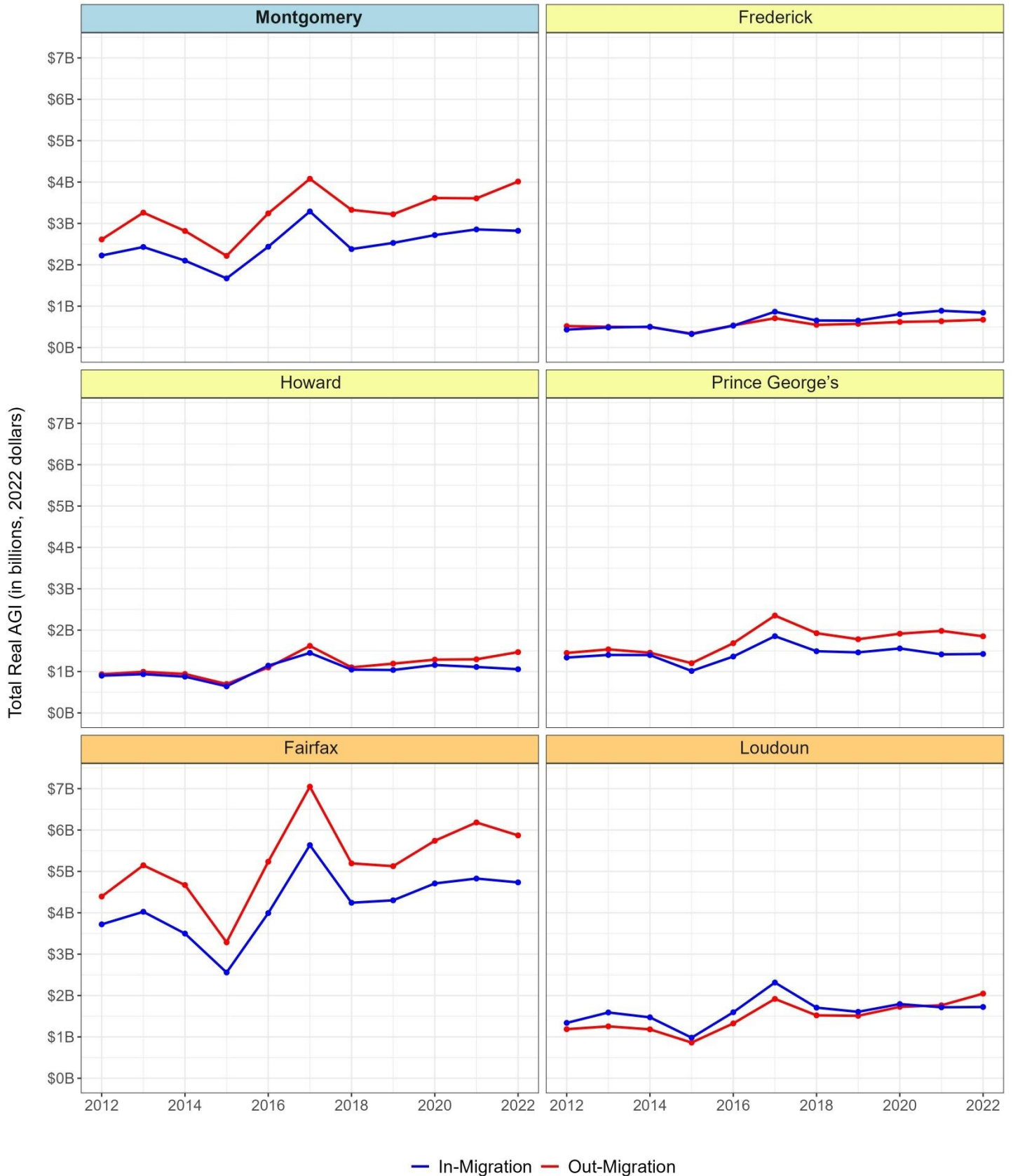


Figure 5.2. Net Internal Migration of Real AGI by County (2012-2022)

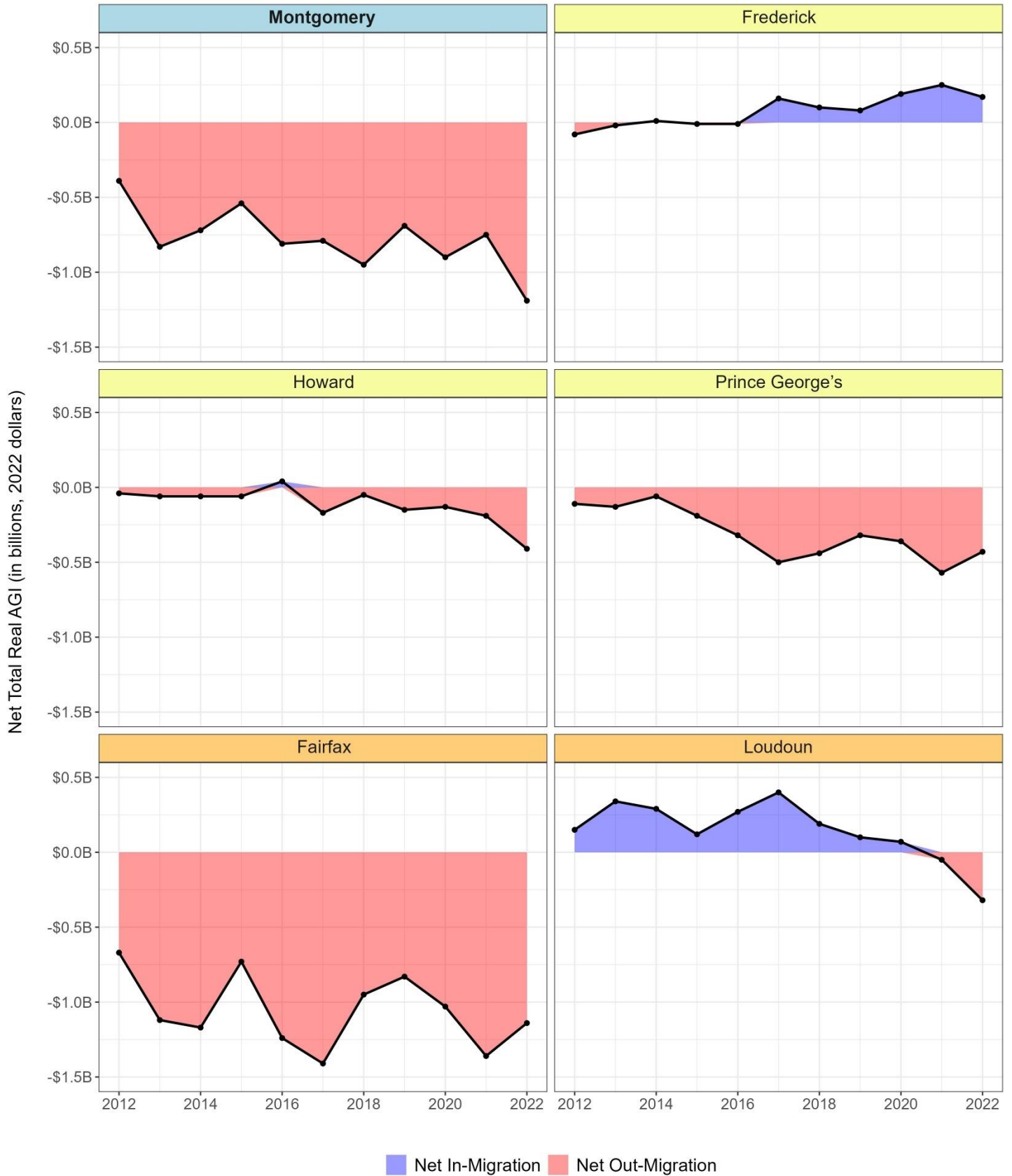


Table 5.1. Cumulative Internal Migration of Real AGI by County (in billions, 2022 US dollars)

| County | In-Migration | Out-Migration | Net Migration (Rank) |
|-------------------|---------------------|----------------------|---------------------------------|
| Fairfax | \$46.2 | \$57.9 | -\$11.7 |
| Montgomery | \$27.5 | \$36.0 | -\$8.6 |
| Prince George's | \$15.7 | \$19.1 | -\$3.4 |
| Howard | \$11.4 | \$12.6 | -\$1.3 |
| Frederick | \$7.0 | \$6.1 | +\$0.8 |
| Loudoun | \$17.8 | \$16.3 | +\$1.5 |

Table 5.2. Average Annual Levels of Internal Migration of Real AGI by County (in billions, 2022 US dollars)

| County | In-Migration | Out-Migration | Net Migration (Rank) |
|-------------------|---------------------|----------------------|---------------------------------|
| Fairfax | \$4.2 | \$5.3 | -\$1.1 |
| Montgomery | \$2.5 | \$3.3 | -\$0.8 |
| Prince George's | \$1.4 | \$1.7 | -\$0.3 |
| Howard | \$1.0 | \$1.1 | -\$0.1 |
| Loudoun | \$1.6 | \$1.5 | +\$0.1 |
| Frederick | \$0.6 | \$0.6 | +\$0.1 |

Table 5.3. Average Annual Change in Total Real AGI from Previous Year (in millions)

| County | <i>In-Migration</i> | <i>Out-Migration</i> | <i>Net Migration (Rank)</i> |
|-------------------|----------------------------|-----------------------------|------------------------------------|
| Montgomery | +\$59.7 | +\$140.0* | -\$80.3* (1) |
| Loudoun | +\$38.5 | +\$86.0* | -\$47.5* (2) |
| Fairfax | +\$101.0 | +\$148.0 | -\$46.4 (3) |
| Howard | +\$15.5 | +\$53.4* | -\$37.9* (4) |
| Prince George's | +\$8.7 | +\$40.3* | -\$31.6* (5) |
| Frederick | +\$41.0* | +\$15.5* | +\$25.5* (6) |

* Statistically Significant

B. Internal Migration of Real AGI as Percentages of County GDP and Total Personal Income

This section examines the economic significance of income flows for each county. It does so by presenting data on the out-migration, in-migration, and net internal migration of Real AGI as percentages of (1) County GDP from 2017 to 2022 and (2) total personal income from 2012 to 2022, using data from the U.S. Bureau of Economic Analysis.

The findings on Real AGI as a Percentage of GDP references the following figures and tables:

| Figure/Table | Description |
|---------------------|---|
| Figure 5.3 | Out-migration and in-migration of Real AGI as a percentage of County GDP from 2017 to 2022. |
| Figure 5.4 | Net internal migration of Real AGI as a percentage of County GDP from 2017 to 2022. |
| Table 5.4 | Average levels of internal migration of Real AGI as a Percentage of GDP (2017-2022) |
| Table 5.5 | Average annual change in Real AGI as a Percentage of GDP from preceding year (2017-2022). An asterisk (*) is used to show that there is statistically significant evidence of an internal migration indicator increasing or decreasing as time went on. |

OLO did not perform trend analysis on Real AGI as a percentage of GDP, as there are only six years of data. Due to the small number of observations, there is a lack of statistical power required to determine statistically significant trends.

For this reason, OLO also presents findings on Real AGI as a Percentage of Total Personal Income from 2012 to 2022. This analysis references the following figures and tables:

| Figure/Table | Description |
|--------------|---|
| Figure 5.5 | Out-migration and in-migration of Real AGI as a percentage of total personal income (2012-2022) |
| Figure 5.6 | Net internal migration of Real AGI as a percentage of total personal income (2012-2022) |
| Table 5.6 | Average levels of internal migration of Real AGI as a Percentage of total personal income (2012-2022) |
| Table 5.7 | Average annual changes in Real AGI as a percentage of total personal income from the previous year for each county (2012-2022). An asterisk (*) is used to show that there is statistically significant evidence of an internal migration indicator increasing or decreasing as time went on. |

Some highlights from the data include:

Montgomery County Led in Real AGI Outflow Relative to GDP: Relative to the size of its economic output, the outflow of Real AGI was most significant for Montgomery County (Figures 5.3 and 5.4). Montgomery County had the highest average annual outflow of Real AGI relative to its GDP (0.81%), followed by Prince George’s (0.79%) and Fairfax (0.77%) Counties. Only Loudoun and Frederick Counties experienced net inflow levels (Table 5.4).

Montgomery County Had the Second Highest Real AGI Outflow Relative to Total Personal Income: The findings for Real AGI outflows as a percentage of total personal income are consistent with the findings on GDP (Figures 5.5 and 5.6). Relative to the size of its total personal income, Montgomery County had the second highest average annual outflow of Real AGI of -0.78% (Table 5.6). Only Fairfax County had a larger outflow, with an average annual Real AGI of -0.95% of total personal income. Again, only Loudoun and Frederick Counties saw average annual inflows.

Montgomery County Had Stable Levels of Real AGI Outflow as a Percentage of Personal Income: Although Montgomery County experienced negative average annual changes in Real AGI outflows relative to its total personal income (and economic output), the finding is statistically insignificant (Table 5.7). The counties that experienced significant increases in net outflow of Real AGI as a percentage of total personal income were Loudoun, Howard, and Prince George’s Counties. Frederick County was the only one that experienced a significant increase in net inflows.

Figure 5.3. Out-Migration and In-Migration of Real AGI as a Percentage of County GDP (2017-2022)

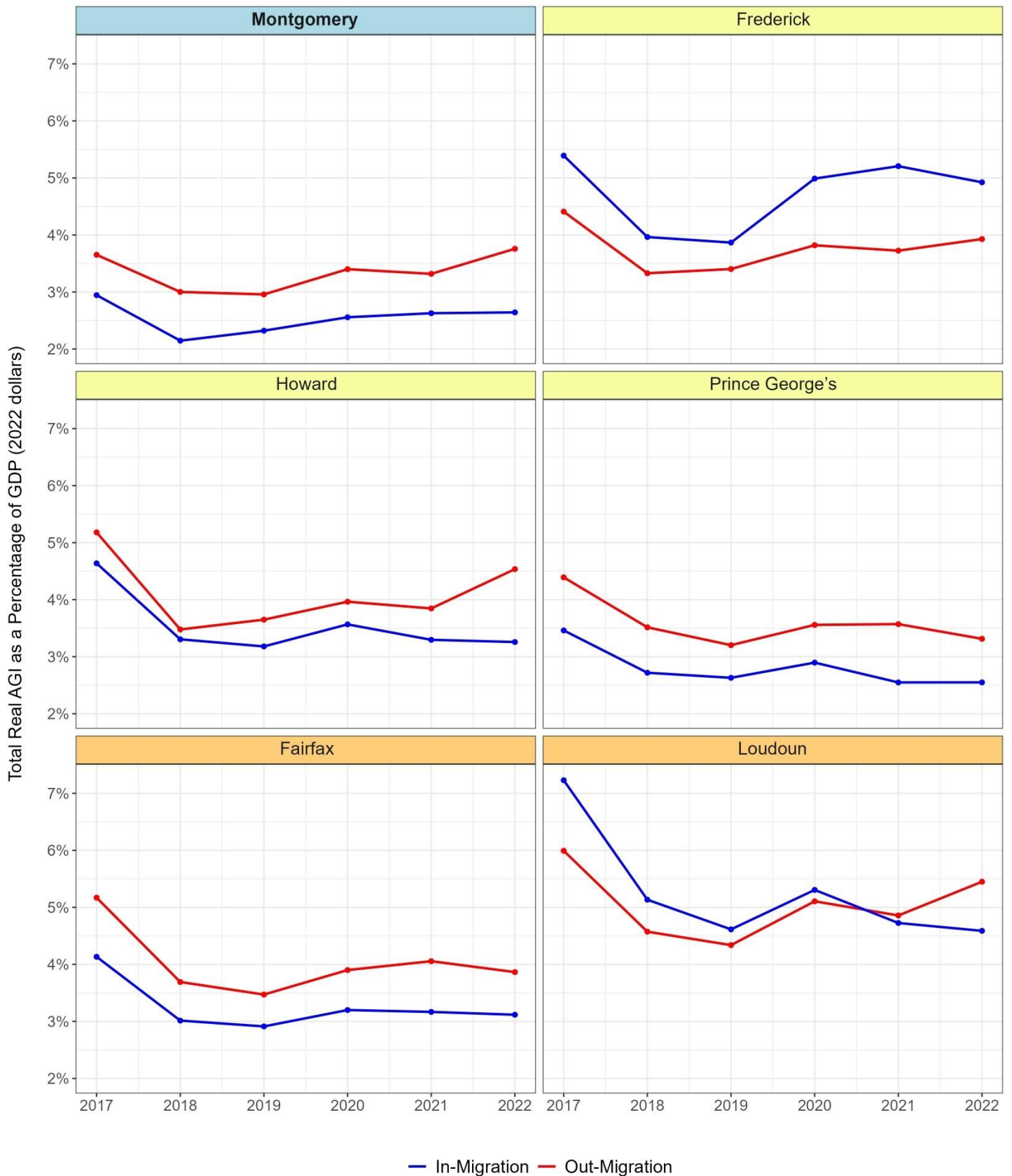


Figure 5.4. Net Internal Migration of Real AGI as a Percentage of Real GDP (2017-2022)

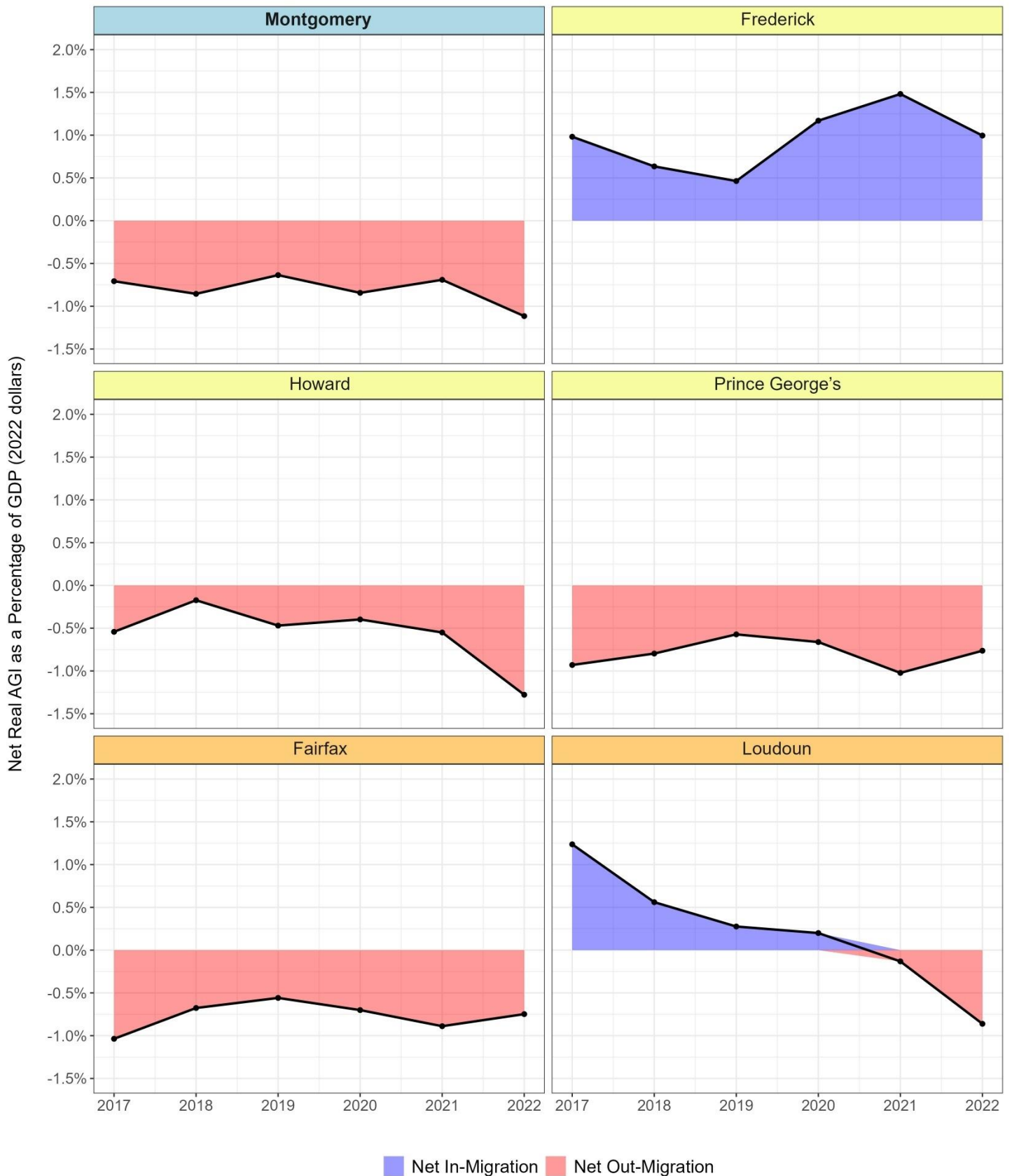


Table 5.4. Average Annual Real AGI as a Percentage of GDP (2017-2022)

| County | In-Migration | Out-Migration | Net Migration (Rank) |
|-------------------|--------------|---------------|----------------------|
| Montgomery | 2.54% | 3.35% | -0.81% (1) |
| Prince George's | 2.80% | 3.59% | -0.79% (2) |
| Fairfax | 3.26% | 4.03% | -0.77% (3) |
| Howard | 3.54% | 4.11% | -0.57% (4) |
| Loudoun | 5.27% | 5.05% | +0.21% (5) |
| Frederick | 4.72% | 3.77% | +0.95% (6) |

Table 5.5. Average Annual Change in Real AGI as a Percentage of GDP from Preceding Year (2017-2022)

| County | In-Migration | Out-Migration | Net Migration (Rank) |
|-------------------|--------------|---------------|----------------------|
| Loudoun | -0.53 | -0.11 | -0.42 (1) |
| Howard | -0.28 | -0.13 | -0.15 (2) |
| Montgomery | -0.06 | +0.02 | -0.08 (4) |
| Frederick | -0.09 | -0.10 | 0.00 (4) |
| Prince George's | -0.18 | -0.22 | +0.03 (5) |
| Fairfax | -0.20 | -0.26 | +0.06 (6) |

Note: OLO did not calculate statistical significance due to the small number of observations

Figure 5.5. Out-Migration and In-Migration of Real AGI as a Percentage of Total Personal Income (2012-2022)

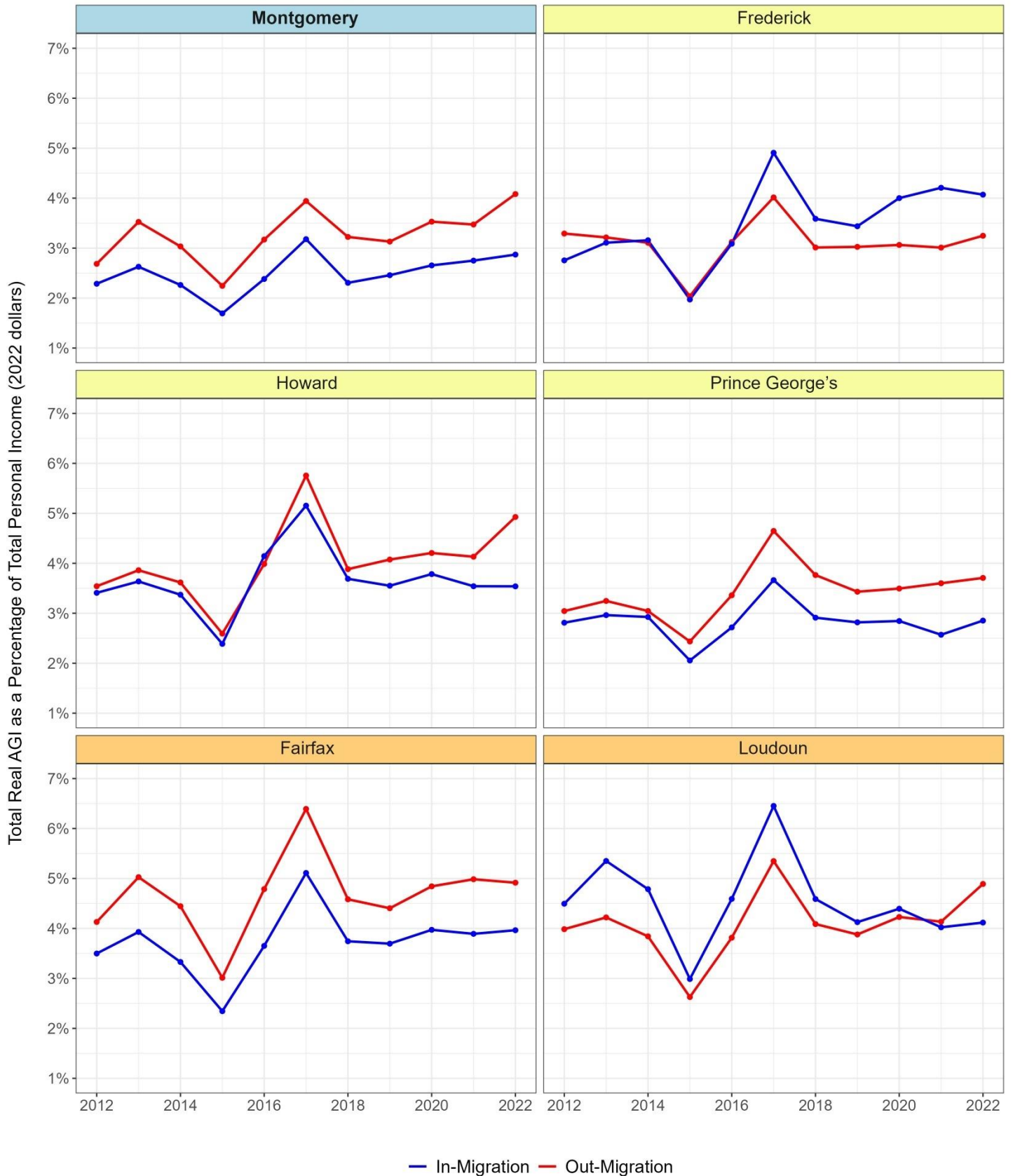


Figure 5.6. Net Internal Migration of Real AGI as a Percentage of Total Personal Income (2012-2022)

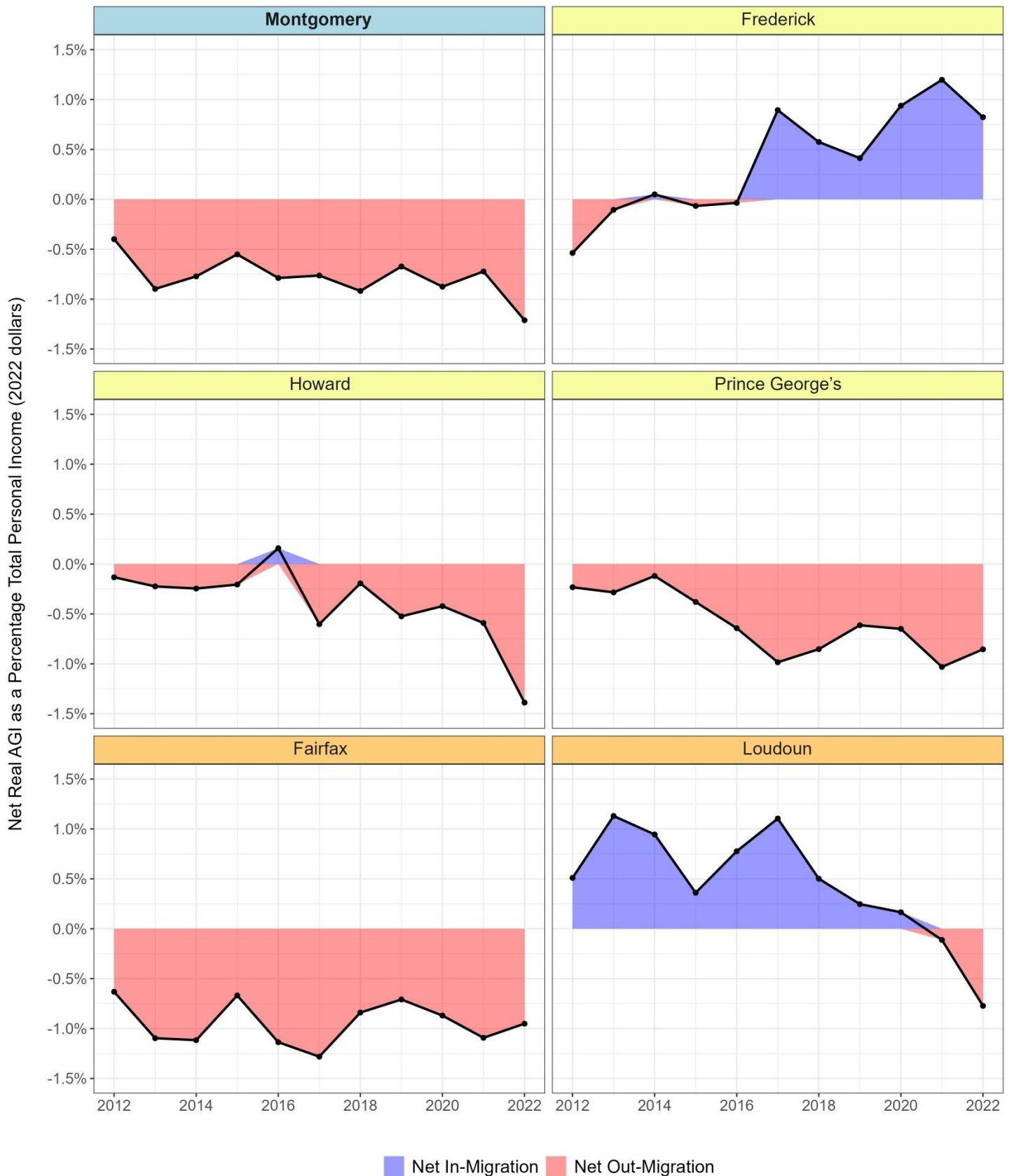


Table 5.6. Average Annual Real AGI as a Percentage of Total Personal Income (2012-2022)

| County | In-Migration | Out-Migration | Net Migration (Rank) |
|-------------------|--------------|---------------|----------------------|
| Fairfax | 3.74% | 4.68% | -0.95% (1) |
| Montgomery | 2.50% | 3.28% | -0.78% (2) |
| Prince George's | 2.83% | 3.43% | -0.60% (3) |
| Howard | 3.66% | 4.05% | -0.40% (4) |
| Frederick | 3.48% | 3.10% | +0.38% (5) |
| Loudoun | 4.54% | 4.10% | +0.44% (6) |

Table 5.7. Average Annual Change in Real AGI as a Percentage of Total Personal Income from Preceding Year (2012-2022)

| County | In-Migration | Out-Migration | Net Migration (Rank) |
|-------------------|--------------|---------------|----------------------|
| Loudoun | -0.04% | +0.09% | -0.13%* (1) |
| Howard | +0.01% | +0.14% | -0.13%* (2) |
| Montgomery | +0.06% | +0.14% | -0.08% (3) |
| Prince George's | +0.00% | +0.07% | -0.06%* (4) |
| Fairfax | +0.05% | +0.08% | -0.03% (5) |
| Frederick | +0.13%* | -0.00% | +0.14%* (6) |

* Statistically Significant

C. Internal Migration of Per Capita Real AGI

This analysis of the internal migration of per capita Real AGI from 2012 to 2022 references the following figures and tables:

| Figure/Table | Description |
|--------------|---|
| Figure 5.7 | Out-migration and in-migration of per capita Real AGI from 2012 to 2022 |
| Figure 5.8 | Net internal migration of per capita Real AGI from 2012 to 2022 |
| Table 5.8 | Average annual per capita Real AGI for out-migrants and in-migrants |
| Table 5.9 | Average annual per capita Real AGI between out-migrants and non-migrants in each county |
| Table 5.10 | Average annual changes in per capita real AGI from the previous year for each county. An asterisk (*) is used to show that there is statistically significant evidence of an internal migration indicator increasing or decreasing as time went on. |

Some highlights from the data include:

Montgomery County Had the Second Largest Net Loss of Per Capita Real AGI: During this period, out-migrants had higher per capita Real AGI than in-migrants, resulting in consistent net losses in average income for the counties (Figures 5.7 and 5.8). Every County experienced an average annual net loss in per capita Real AGI (Table 5.4). Montgomery County experienced the second largest net losses. In-migrants had a per capita real AGI of \$54,646 per year, while it was \$61,540 for out-migrants, resulting in a net loss of \$6,904 (Table 5.8). Only Howard County experienced a larger net per capita loss (\$8,147).

Individuals Leaving Had Lower Average Incomes Than Residents Who Remained in the Counties: In every county, out-migrants had lower average annual per capita Real AGI than individuals who remained (“non-migrants”) (Table 5.9). Montgomery County had the third-largest gap in average per capita income between out-migrants and residents who remained, following Fairfax and Howard Counties. Non-migrants in Montgomery County had an average per capita income of \$71,080, creating a difference of \$9,539 compared to out-migrants.

Montgomery County Experienced Stable Trends in Net Per Capita Real AGI: Per capita real AGI decreased from the previous year by an average of \$261 in Montgomery County (Table 5.10). Per capita Real AGI also decreased on average, while Prince George’s, Fairfax, and Frederick Counties saw average annual increases. However, trends are statistically insignificant (except for Fairfax County). This appears to be a result of significant upward trends in both the in- and out-migration of per capita Real AGI, which offset each other.

Figure 5.7. Out-Migration and In-Migration of Per Capita Real AGI by County (2012-2022)

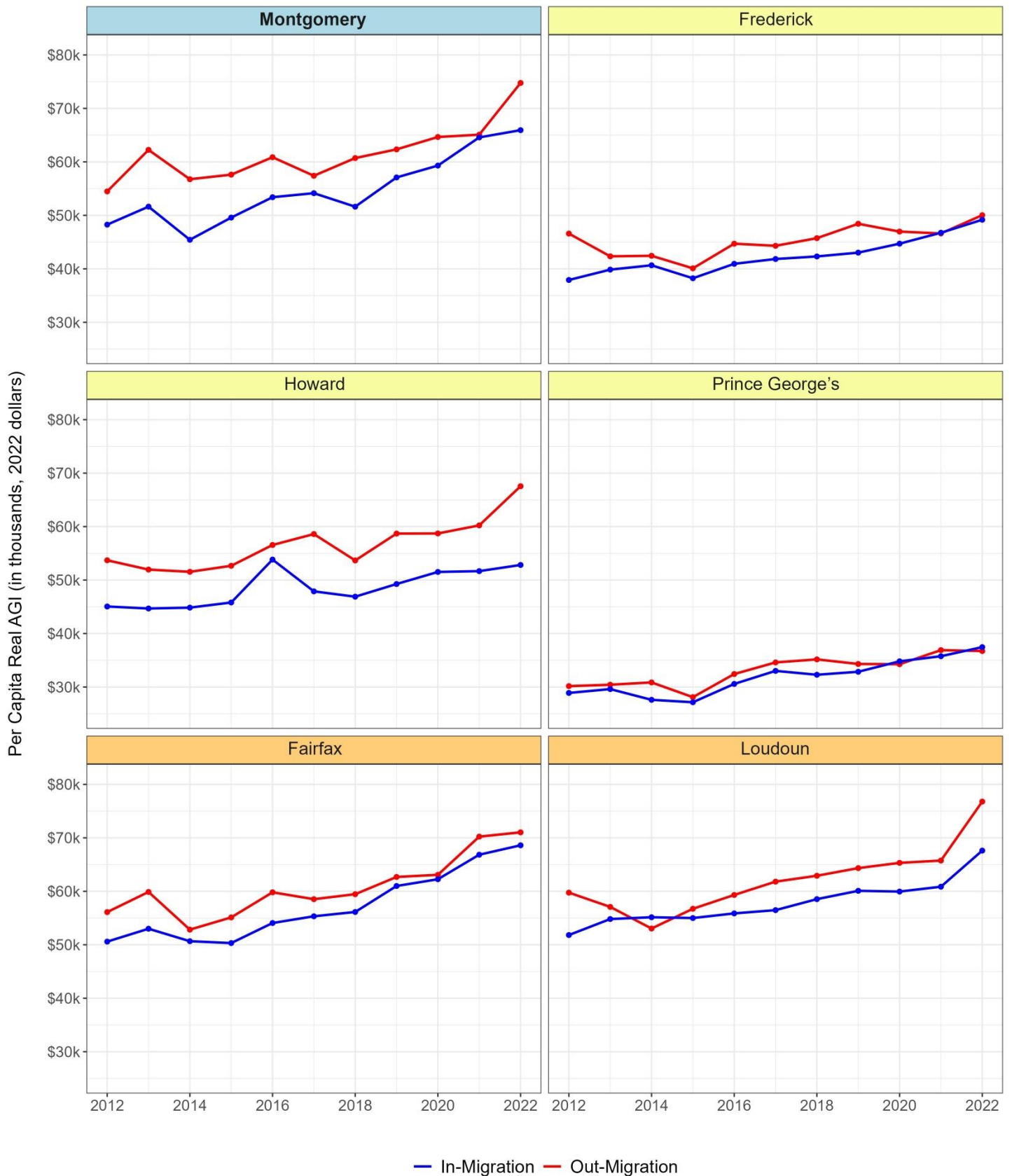


Figure 5.8. Net Internal Migration of Per Capita Real AGI by County (2012-2022)

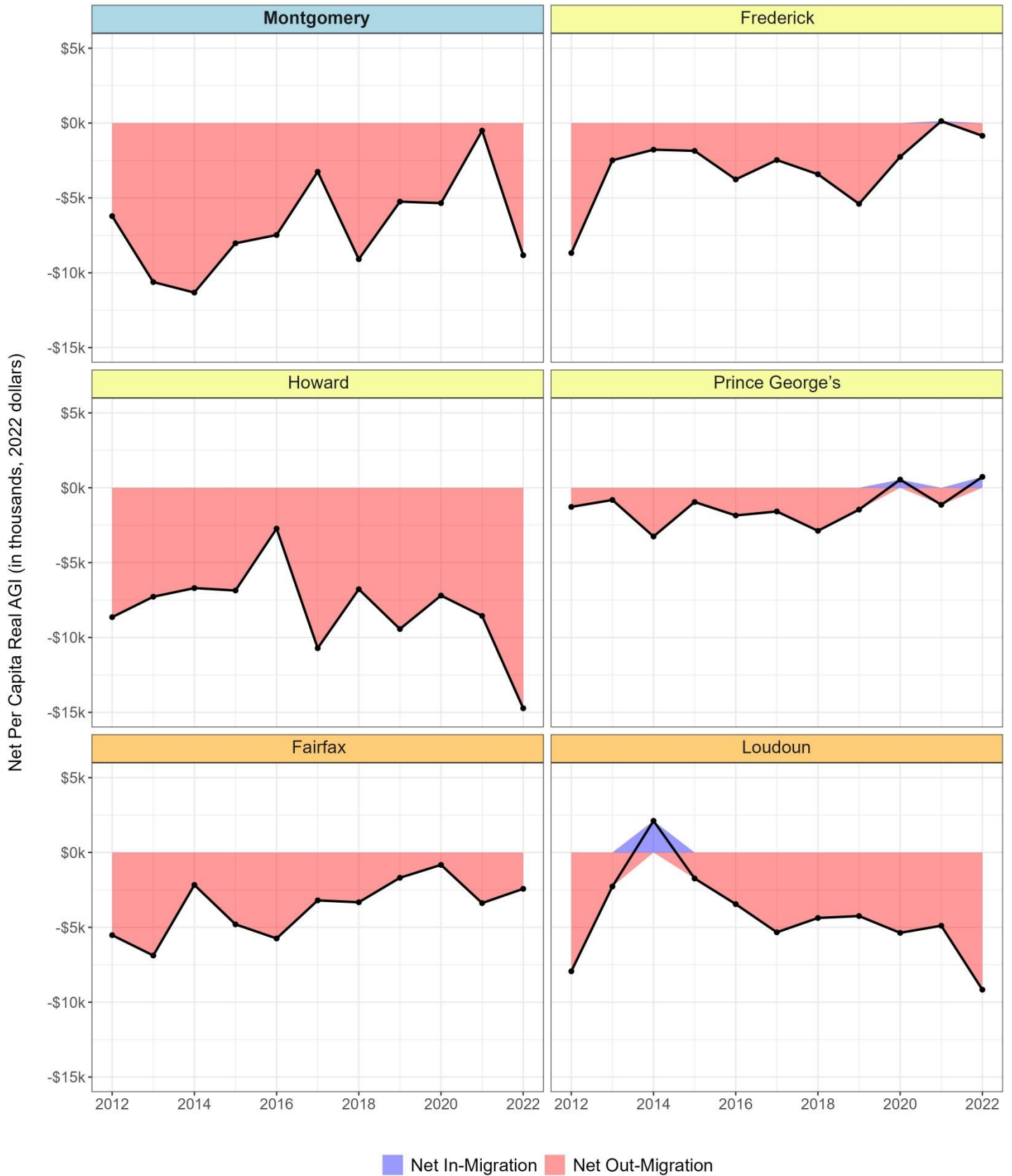


Table 5.8. Average Annual Per Capita Real AGI for In-Migrants and Out-Migrants

| County | In-Migration | Out-Migration | Net Migration (Rank) |
|-------------------|---------------------|----------------------|---------------------------------|
| Howard | \$48,572 | \$56,719 | -\$8,147 (1) |
| Montgomery | \$54,636 | \$61,540 | -\$6,904 (2) |
| Loudoun | \$57,836 | \$62,077 | -\$4,241 (3) |
| Fairfax | \$57,166 | \$60,798 | -\$3,633 (4) |
| Frederick | \$42,311 | \$45,295 | -\$2,984 (5) |
| Prince George's | \$31,820 | \$33,086 | -\$1,266 (6) |

Table 5.9. Average Annual Per Capita Real AGI for Non-Migrants and Out-Migrants

| County | Non-Migrants | Out-Migrants | Net (Rank) |
|-------------------|---------------------|---------------------|-------------------|
| Frederick | \$48,660 | \$45,295 | +\$3,364 (1) |
| Loudoun | \$66,335 | \$62,077 | +\$4,258 (2) |
| Prince George's | \$39,242 | \$33,086 | +\$6,156 (3) |
| Montgomery | \$71,080 | \$61,540 | +\$9,539 (4) |
| Howard | \$66,475 | \$56,719 | +\$9,756 (5) |
| Fairfax | \$75,568 | \$60,798 | +\$14,769 (6) |

Table 5.10. Average Annual Change in Per Capita Real AGI from Previous Year

| County | In-Migration | Out-Migration | Net Migration (Rank) |
|-------------------|---------------------|----------------------|-----------------------------|
| Howard | +\$777* | +\$1,385* | -\$608 (1) |
| Montgomery | +\$1,767* | +\$2,208* | -\$261 (2) |
| Loudoun | +\$1,580* | +\$1,702* | -\$123 (3) |
| Prince George's | +\$857* | +\$656* | +\$201 (4) |
| Fairfax | +\$1,801* | +\$1,492* | +\$310* (5) |
| Frederick | +\$1,127* | +\$344* | +\$783 (6) |

* Statistically Significant

D. Destinations and Origins of Real AGI

This section examines the state- and county-level destinations and origins of the internal migration of income. The analysis references the following figures and tables:

| Figure/Table | Description |
|--------------|--|
| Table 5.11 | Internal migration of Real AGI by out-of-state and in-state (2022 US Dollars, in billions) |
| Table 5.12 | Top states for net migration of Real AGI for Montgomery County (2022 US dollars, in billions) |
| Table 5.13 | Top counties for net migration of Real AGI for Montgomery County (2022 US dollars, in million) |
| Table 5.14 | Top counties for out-migration of wealthy households in Montgomery County |
| Table 5.15 | Top counties for net out-migration of wealth households in Montgomery County |

Some highlights from the data include:

Interstate Moves Drove Montgomery County’s Patterns of Real AGI Outflows and Inflows Before and During the Pandemic: From 2017 to 2022, the County saw high levels of *out-of-state* Real AGI outflows and inflows, similar to Loudoun County (Table 5.11). In contrast, Montgomery County had the lowest levels of *in-state* outflows and inflows.

Montgomery County Had Moderate In-State and Out-of-state Real AGI Net Outflows: Montgomery County followed Fairfax County in having the second highest out-of-state net outflows of Real AGI, with a net loss of \$820 million from 2020 to 2022 and \$1.16 billion from 2017 to 2019 (Table 5.11). However, when accounting for GDP, they amounted to moderate net outflows both outside and within Maryland. Fairfax and Prince George’s Counties also saw net outflows for both categories, while Frederick, Howard, and Loudoun Counties had in-state net inflows alongside out-of-state net outflows.

Top Out-of-State Destinations for Real AGI Net Outflows from Montgomery County: From 2020 to 2022, the states where Montgomery County experienced the largest net losses of Real AGI due to internal migration were Florida, Delaware, Texas, and Virginia (Table 5.12). The County saw net gains from the District of Columbia, followed by New York, Illinois, New Jersey, and California. The patterns were largely similar from 2017 to 2019, with the notable exception of California being a top state for net losses in these years.

Top County Destinations for Real AGI Net Outflows from Montgomery County: From 2017 to 2022, Montgomery County had the largest net outflows of Real AGI to Frederick, Palm Beach (Florida), Anne Arundel, Fairfax, Loudoun, Sussex (Delaware), Howard, and Miami-Dade (Florida) Counties. The counties in the region where Montgomery County experienced net inflows were Prince George’s County, Arlington County, and Alexandria City.

Households from Montgomery County with the Highest Average Incomes Mostly Moved to Florida: From 2020 to 2022, the top three destinations that received the highest average income earners from Montgomery County were Palm Beach, Collier, and Miami-Dade Counties in Florida, with average household incomes of \$610,272, \$415,976, and \$316,083, respectively. Palm Beach and Collier Counties were also in the top three from 2017 to 2019.

Table 5.11. Out-of-State and In-State Internal Migration of Real AGI by County (2022 US Dollars, in millions)

| County | In-State | | | Out-of-State | | | County | In-State | | | Out-of-State | | |
|------------------|----------------|----------|--------|----------------|----------|--------|------------------|----------------|----------|--------|----------------|----------|--------|
| | Average Annual | % of GDP | % Rank | Average Annual | % of GDP | % Rank | | Average Annual | % of GDP | % Rank | Average Annual | % of GDP | % Rank |
| 2017-2019 | | | | | | | 2020-2022 | | | | | | |
| Outflows | | | | | | | | | | | | | |
| Montgomery | \$936 | 0.9 | 6 | \$2,606 | 2.4 | 2 | Montgomery | \$998 | 0.9 | 6 | \$2,746 | 2.6 | 2 |
| Frederick | \$240 | 1.5 | 5 | \$371 | 2.3 | 4 | Frederick | \$244 | 1.5 | 5 | \$399 | 2.4 | 3 |
| Howard | \$673 | 2.1 | 1 | \$631 | 2.0 | 5 | Howard | \$661 | 2.0 | 2 | \$689 | 2.1 | 5 |
| Prince George's | \$964 | 1.8 | 4 | \$1,056 | 1.9 | 6 | Prince George's | \$934 | 1.7 | 3 | \$982 | 1.8 | 6 |
| Fairfax | \$2,556 | 1.8 | 3 | \$3,233 | 2.3 | 3 | Fairfax | \$2,513 | 1.7 | 4 | \$3,418 | 2.3 | 4 |
| Loudoun | \$703 | 2.1 | 2 | \$947 | 2.8 | 1 | Loudoun | \$759 | 2.1 | 1 | \$1,086 | 3.0 | 1 |
| Inflows | | | | | | | | | | | | | |
| Montgomery | \$655 | 0.6 | 6 | \$2,077 | 1.9 | 2 | Montgomery | \$597 | 0.6 | 6 | \$2,201 | 2.1 | 1 |
| Frederick | \$434 | 2.6 | 2 | \$290 | 1.8 | 4 | Frederick | \$504 | 3.0 | 1 | \$343 | 2.0 | 2 |
| Howard | \$727 | 2.3 | 3 | \$451 | 1.4 | 6 | Howard | \$667 | 2.0 | 3 | \$441 | 1.3 | 6 |
| Prince George's | \$642 | 1.2 | 5 | \$960 | 1.8 | 5 | Prince George's | \$556 | 1.0 | 5 | \$910 | 1.7 | 5 |
| Fairfax | \$2,137 | 1.5 | 4 | \$2,589 | 1.8 | 3 | Fairfax | \$2,149 | 1.4 | 4 | \$2,608 | 1.7 | 4 |
| Loudoun | \$1,065 | 3.2 | 1 | \$810 | 2.4 | 1 | Loudoun | \$1,012 | 2.8 | 2 | \$732 | 2.0 | 3 |
| Net Flows | | | | | | | | | | | | | |
| Montgomery | -\$281 | -0.3 | 4 | -\$529 | -0.5 | 4 | Montgomery | -\$401 | -0.4 | 5 | -\$545 | -0.5 | 3 |
| Frederick | +\$194 | +1.2 | 1 | -\$81 | -0.5 | 5 | Frederick | +\$260 | +1.5 | 1 | -\$56 | -0.3 | 2 |
| Howard | +\$54 | +0.2 | 2 | -\$180 | -0.6 | 6 | Howard | +\$6 | +0.0 | 3 | -\$249 | -0.8 | 5 |
| Prince George's | -\$322 | -0.6 | 6 | -\$96 | -0.2 | 1 | Prince George's | -\$378 | -0.7 | 6 | -\$72 | -0.1 | 1 |
| Fairfax | -\$419 | -0.3 | 5 | -\$644 | -0.5 | 3 | Fairfax | -\$364 | -0.2 | 4 | -\$810 | -0.5 | 4 |
| Loudoun | +\$363 | +1.1 | 3 | -\$137 | -0.4 | 2 | Loudoun | +\$253 | +0.7 | 2 | -\$355 | -1.0 | 6 |

For Tables 5.12 & 5.13, red indicates counties with net out-migration from Montgomery County and blue indicates net in-migration.

Table 5.12. Top States for Net Migration of Real AGI for Montgomery County (2022 US dollars, in billions)

| State | Net Migration | | Out-Migration | | | In-Migration | | |
|----------------------|---------------|------|---------------|-------|-------|--------------|-------|--------|
| | \$ billion | Rank | \$ billion | % | %Rank | \$ billion | % | % Rank |
| 2020-2022 | | | | | | | | |
| Maryland | -\$1.20 | 1 | \$2.97 | 31.4% | 1 | \$1.77 | 23.8% | 1 |
| Florida | -\$0.93 | 2 | \$1.21 | 12.8% | 3 | \$0.28 | 3.8% | 6 |
| Delaware | -\$0.19 | 3 | \$0.24 | 2.5% | 9 | \$0.05 | 0.6% | 16 |
| Texas | -\$0.15 | 4 | \$0.31 | 3.3% | 6 | \$0.16 | 2.2% | 10 |
| Virginia | -\$0.13 | 5 | \$1.23 | 12.9% | 2 | \$1.10 | 14.7% | 3 |
| California | +\$0.02 | 33 | \$0.45 | 4.8% | 5 | \$0.47 | 6.3% | 5 |
| New Jersey | +\$0.03 | 34 | \$0.17 | 1.8% | 12 | \$0.19 | 2.6% | 8 |
| Illinois | +\$0.06 | 35 | \$0.07 | 0.8% | 17 | \$0.13 | 1.7% | 11 |
| New York | +\$0.19 | 36 | \$0.31 | 3.2% | 7 | \$0.50 | 6.7% | 4 |
| District of Columbia | +\$0.84 | 37 | \$0.92 | 9.7% | 4 | \$1.76 | 23.7% | 2 |
| 2017-2019 | | | | | | | | |
| Maryland | -\$0.83 | 1 | \$2.77 | 30.1% | 1 | \$1.94 | 26.8% | 1 |
| Florida | -\$0.52 | 2 | \$0.82 | 8.9% | 4 | \$0.30 | 4.2% | 6 |
| Virginia | -\$0.35 | 3 | \$1.43 | 15.5% | 2 | \$1.08 | 14.9% | 3 |
| California | -\$0.17 | 4 | \$0.53 | 5.8% | 5 | \$0.36 | 5.0% | 5 |
| North Carolina | -\$0.12 | 5 | \$0.22 | 2.4% | 9 | \$0.11 | 1.5% | 12 |
| Illinois | +\$0.03 | 33 | \$0.10 | 1.1% | 16 | \$0.13 | 1.8% | 11 |
| Connecticut | +\$0.04 | 34 | \$0.05 | 0.5% | 19 | \$0.09 | 1.2% | 14 |
| New Jersey | +\$0.04 | 35 | \$0.18 | 2.0% | 10 | \$0.22 | 3.0% | 8 |
| New York | +\$0.09 | 36 | \$0.32 | 3.4% | 6 | \$0.40 | 5.6% | 4 |
| District of Columbia | +\$0.38 | 37 | \$1.08 | 11.7% | 3 | \$1.46 | 20.1% | 2 |

Table 5.13. Top Counties/Cities for Net Migration of Real AGI for **Montgomery County** (2022 US dollars, in millions)

| County/City | State | Net Migration | | Out-Migration | | | In-Migration | | |
|------------------------|-------|---------------|------|---------------|--------|--------|--------------|--------|--------|
| | | \$ million | Rank | \$ million | % | % Rank | \$ million | % | % Rank |
| 2020-2022 | | | | | | | | | |
| Frederick County | MD | -\$586 | 1 | \$812 | 9.1% | 2 | \$226 | 3.06% | 6 |
| Palm Beach County | FL | -\$355 | 2 | \$429 | 4.81% | 5 | \$74 | 1.01% | 17 |
| Anne Arundel County | MD | -\$233 | 3 | \$391 | 4.38% | 7 | \$158 | 2.15% | 9 |
| Sussex County | DE | -\$182 | 4 | \$210 | 2.36% | 8 | \$28 | 0.38% | 41 |
| Howard County | MD | -\$173 | 5 | \$413 | 4.63% | 6 | \$241 | 3.26% | 5 |
| Miami-Dade County | FL | -\$143 | 6 | \$190 | 2.13% | 10 | \$47 | 0.64% | 24 |
| Fairfax County | VA | -\$86 | 7 | \$551 | 6.18% | 4 | \$466 | 6.32% | 3 |
| Loudoun County | VA | -\$78 | 8 | \$148 | 1.66% | 11 | \$71 | 0.96% | 18 |
| Travis County | TX | -\$56 | 9 | \$80 | 0.89% | 21 | \$24 | 0.32% | 48 |
| Washington County | MD | -\$54 | 10 | \$77 | 0.87% | 22 | \$23 | 0.31% | 49 |
| Prince George's County | MD | +\$24 | 165 | \$661 | 7.4% | 3 | \$685 | 9.3% | 2 |
| Alexandria City | VA | +\$29 | 166 | \$84 | 0.95% | 19 | \$113 | 1.54% | 12 |
| Baltimore City | MD | +\$29 | 167 | \$144 | 1.62% | 13 | \$173 | 2.35% | 8 |
| Queens County | NY | +\$31 | 168 | \$20 | 0.23% | 75 | \$51 | 0.7% | 23 |
| Kings County | NY | +\$38 | 169 | \$48 | 0.54% | 34 | \$86 | 1.17% | 16 |
| Cook County | IL | +\$50 | 170 | \$65 | 0.72% | 26 | \$115 | 1.56% | 11 |
| San Francisco County | CA | +\$52 | 171 | \$40 | 0.45% | 44 | \$92 | 1.25% | 14 |
| New York County | NY | +\$80 | 172 | \$146 | 1.63% | 12 | \$225 | 3.06% | 7 |
| Arlington County | VA | +\$105 | 173 | \$192 | 2.15% | 9 | \$296 | 4.02% | 4 |
| District of Columbia | DC | +\$840 | 174 | \$922 | 10.32% | 1 | \$1762 | 23.91% | 1 |

Table 5.13 cont.

| County/City | State | Net Migration | | Out-Migration | | | In-Migration | | |
|------------------------|-------|---------------|------|---------------|--------|--------|--------------|--------|--------|
| | | \$ million | Rank | \$ million | % | % Rank | \$ million | % | % Rank |
| 2017-2019 | | | | | | | | | |
| Frederick County | MD | -\$459 | 1 | \$697 | 7.84% | 3 | \$238 | 3.33% | 6 |
| Fairfax County | VA | -\$227 | 2 | \$676 | 7.61% | 4 | \$450 | 6.3% | 3 |
| Palm Beach County | FL | -\$180 | 3 | \$238 | 2.68% | 7 | \$58 | 0.81% | 16 |
| Anne Arundel County | MD | -\$144 | 4 | \$311 | 3.49% | 6 | \$167 | 2.33% | 7 |
| Howard County | MD | -\$129 | 5 | \$406 | 4.57% | 5 | \$277 | 3.88% | 4 |
| Sussex County | DE | -\$108 | 6 | \$126 | 1.41% | 13 | \$18 | 0.25% | 67 |
| Loudoun County | VA | -\$94 | 7 | \$182 | 2.05% | 9 | \$88 | 1.24% | 13 |
| San Diego County | CA | -\$53 | 8 | \$103 | 1.16% | 16 | \$50 | 0.7% | 21 |
| King County | WA | -\$45 | 9 | \$87 | 0.98% | 17 | \$41 | 0.58% | 26 |
| Los Angeles County | CA | -\$44 | 10 | \$131 | 1.48% | 12 | \$88 | 1.23% | 14 |
| Nassau County | NY | +\$11 | 182 | \$13 | 0.15% | 105 | \$25 | 0.35% | 49 |
| Arlington County | VA | +\$12 | 183 | \$230 | 2.58% | 8 | \$242 | 3.38% | 5 |
| Queens County | NY | +\$12 | 184 | \$24 | 0.27% | 61 | \$36 | 0.5% | 30 |
| Baltimore County | MD | +\$14 | 185 | \$121 | 1.37% | 14 | \$135 | 1.89% | 10 |
| Kings County | NY | +\$15 | 186 | \$42 | 0.48% | 39 | \$57 | 0.8% | 17 |
| Cook County | IL | +\$21 | 187 | \$82 | 0.93% | 18 | \$103 | 1.45% | 12 |
| Prince George's County | MD | +\$21 | 188 | \$798 | 8.97% | 2 | \$819 | 11.46% | 2 |
| Fairfield County | CT | +\$24 | 189 | \$23 | 0.26% | 62 | \$47 | 0.66% | 24 |
| Alexandria City | VA | +\$25 | 190 | \$105 | 1.18% | 15 | \$130 | 1.83% | 11 |
| District of Columbia | DC | +\$376 | 191 | \$1,082 | 12.17% | 1 | \$1,458 | 20.41% | 1 |

Table 5.14. Top Counties/Cities for Out-Migration of Wealthy Households in **Montgomery County**

| County/City | State | Out-Migration (Rank) | | | In-Migration | | | Net Out-Migration | |
|------------------------|-----------|----------------------|----------------|------|-----------------|----------------|------|-------------------|------|
| | | # of Households | Average Income | Rank | # of Households | Average Income | Rank | Net Income Loss | Rank |
| 2020-2022 | | | | | | | | | |
| Palm Beach County | FL | 703 | \$610,272 | 1 | 446 | \$166,168 | 11 | -\$444,104 | 1 |
| Collier County | FL | 111 | \$415,976 | 2 | 54 | \$285,299 | 2 | -\$130,678 | 5 |
| Miami-Dade County | FL | 601 | \$316,083 | 3 | 421 | \$111,716 | 51 | -\$204,367 | 2 |
| Sarasota County | FL | 118 | \$296,004 | 4 | 42 | \$233,953 | 4 | -\$62,050 | 17 |
| Charleston County | SC | 213 | \$287,739 | 5 | 101 | \$88,369 | 100 | -\$199,370 | 3 |
| Barnstable County | MA | 25 | \$259,080 | 6 | 20 | \$127,350 | 34 | -\$131,730 | 4 |
| Sussex County | DE | 882 | \$238,399 | 7 | 194 | \$144,291 | 21 | -\$94,108 | 10 |
| Pinellas County | FL | 259 | \$228,701 | 8 | 119 | \$106,280 | 58 | -\$122,421 | 8 |
| Queen Anne's County | MD | 191 | \$219,898 | 9 | 75 | \$95,450 | 81 | -\$124,448 | 7 |
| Lee County | FL | 192 | \$217,418 | 10 | 109 | \$92,751 | 88 | -\$124,668 | 6 |
| 2017-2019 | | | | | | | | | |
| Collier County | FL | 145 | \$407,745 | 1 | 88 | \$274,252 | 1 | -\$133,493 | 2 |
| Palm Beach County | FL | 593 | \$401,398 | 2 | 432 | \$133,178 | 24 | -\$268,220 | 1 |
| Ventura County | CA | 32 | \$269,529 | 3 | 24 | \$269,032 | 2 | -\$497 | 134 |
| Sarasota County | FL | 191 | \$216,408 | 4 | 76 | \$109,215 | 38 | -\$107,194 | 3 |
| Lee County | FL | 203 | \$200,236 | 5 | 93 | \$98,312 | 60 | -\$101,924 | 5 |
| Sussex County | DE | 652 | \$192,843 | 6 | 151 | \$116,671 | 29 | -\$76,171 | 8 |
| Talbot County | MD | 77 | \$192,400 | 7 | 58 | \$159,282 | 10 | -\$33,117 | 43 |
| Chester County | PA | 164 | \$188,575 | 8 | 130 | \$157,113 | 12 | -\$31,463 | 46 |
| Plymouth County | MA | 25 | \$180,665 | 9 | 21 | \$139,235 | 20 | -\$41,430 | 33 |
| Delaware County | PA | 115 | \$168,459 | 10 | 147 | \$95,483 | 66 | -\$72,977 | 11 |

Note: Bold **counties/states** indicate they are not included in Table 5.15 below because they fall outside the top 10 for net out-migration.

Table 5.15. Top Counties/Cities for Net Out-Migration of Wealthy Households in **Montgomery County**

| County/City | State | Net Out-Migration (Rank) | | In-Migration | | | Out-Migration | | |
|--------------------------|-----------|--------------------------|------|-----------------|----------------|------|-----------------|----------------|------|
| | | Net Loss | Rank | # of Households | Average Income | Rank | # of Households | Average Income | Rank |
| 2020-2022 | | | | | | | | | |
| Palm Beach County | FL | -\$444,104 | 1 | 446 | \$166,168 | 11 | 703 | \$610,272 | 1 |
| Miami-Dade County | FL | -\$204,367 | 2 | 421 | \$111,716 | 51 | 601 | \$316,083 | 3 |
| Charleston County | SC | -\$199,370 | 3 | 101 | \$88,369 | 100 | 213 | \$287,739 | 5 |
| Barnstable County | MA | -\$131,730 | 4 | 20 | \$127,350 | 34 | 25 | \$259,080 | 6 |
| Collier County | FL | -\$130,678 | 5 | 54 | \$285,299 | 2 | 111 | \$415,976 | 2 |
| Lee County | FL | -\$124,668 | 6 | 109 | \$92,751 | 88 | 192 | \$217,418 | 10 |
| Queen Anne's County | MD | -\$124,448 | 7 | 75 | \$95,450 | 81 | 191 | \$219,898 | 9 |
| Pinellas County | FL | -\$122,421 | 8 | 119 | \$106,280 | 58 | 259 | \$228,701 | 8 |
| Travis County | TX | -\$111,374 | 9 | 228 | \$103,194 | 64 | 371 | \$214,567 | 11 |
| Sussex County | DE | -\$94,108 | 10 | 194 | \$144,291 | 21 | 882 | \$238,399 | 7 |
| 2017-2019 | | | | | | | | | |
| Palm Beach County | FL | -\$268,220 | 1 | 432 | \$133,178 | 24 | 593 | \$401,398 | 2 |
| Collier County | FL | -\$133,493 | 2 | 88 | \$274,252 | 1 | 145 | \$407,745 | 1 |
| Sarasota County | FL | -\$107,194 | 3 | 76 | \$109,215 | 38 | 191 | \$216,408 | 4 |
| Centre County | PA | -\$102,961 | 4 | 37 | \$53,340 | 184 | 23 | \$156,301 | 18 |
| Lee County | FL | -\$101,924 | 5 | 93 | \$98,312 | 60 | 203 | \$200,236 | 5 |
| Charleston County | SC | -\$79,036 | 6 | 101 | \$79,263 | 124 | 209 | \$158,299 | 14 |
| Knox County | TN | -\$76,790 | 7 | 55 | \$75,950 | 133 | 54 | \$152,740 | 21 |
| Sussex County | DE | -\$76,171 | 8 | 151 | \$116,671 | 29 | 652 | \$192,843 | 6 |
| Snohomish County | WA | -\$73,858 | 9 | 20 | \$37,668 | 191 | 34 | \$111,527 | 74 |
| Chatham County | GA | -\$73,338 | 10 | 47 | \$83,915 | 107 | 42 | \$157,252 | 17 |

Note: Bold counties/states indicate that they are not included in Table 5.14 above because they fall outside the top 10 for out-migration.

Chapter 6. Findings and Discussion Items

This chapter summarizes the major findings of this report and presents discussion items developed by the Office of Legislative Oversight (OLO). This chapter includes two sections:

- Section A. Major Report Findings; and
- Section B. OLO Discussion Items for Council Consideration.

In Section A, OLO synthesizes the findings from the IRS and Census’s American Community Survey (ACS) and Population Estimates Program (PEP). The findings from the data sources are largely consistent with each other. However, there are some minor discrepancies between the ACS estimates and IRS data. In such cases, OLO places greater emphasis on the IRS findings due to the error in the ACS survey data, as explained in detail in Chapter 2. There are no notable discrepancies between the IRS and PEP findings.

A. Major Report Findings

Background on Internal Migration

Finding #1. Since the 1980s, internal migration has been steadily declining across the United States. During the pandemic, internal migration continued its long-term decline, with decreases seen across young adults, renters, low- and middle-income households, and all racial and ethnic groups.

Internal migration is shaped by various factors, including housing, family, and employment considerations along with demographic, racial, and political preferences. The following patterns emerged from internal migration trends since the 1980s:

- Specific groups, such as young adults, renters, and local movers, have historically been more mobile, but have seen declines in recent decades.
- Geographic patterns reveal that states in the Sunbelt and Northwest (i.e., Florida, Texas, Arizona, North Carolina, and Washington) have seen significant net gains from internal migration, while California and states in the Northeast, Rust Belt, and Midwest (i.e., Illinois, New Jersey, and Pennsylvania) have experienced substantial net losses.
- Notable shifts occurred toward exurban areas and smaller cities, likely driven by rising housing costs in large metropolitan areas and greater telework opportunities.

These patterns of internal migration in the United States largely continued during the pandemic.

Internal Migration of Individuals

Finding #2. Compared to its neighboring suburban counties, Montgomery County has retained a larger share of its residents, with fewer moving away relative to its population size.

Among the six counties reviewed, Montgomery County has had the second largest population and has consistently ranked second in the number of out-migrants, following Fairfax County. From 2012 to 2022, an average of 53,113 residents moved out of Montgomery County annually, while Fairfax County saw an average of 86,454 residents leave each year. Prince George's County recorded the third highest out-migrants, followed by Howard, Loudoun, and Frederick Counties.

However, when adjusting for its population size, Montgomery County's out-migration levels were relatively low. On average, out-migrants represented 5.1% of Montgomery County's population each year. Only Frederick County had a lower share, with out-migrants representing 4.8% of its population. Fairfax County saw the highest levels of out-migration relative to its population (7.3%), followed by Howard and Loudoun Counties.

Finding #3. Montgomery County has attracted fewer new residents compared to neighboring suburban counties, with the lowest level of in-migration relative to its population size.

Montgomery consistently ranked second in the largest number of in-migrants, behind Fairfax County. From 2012 to 2022, an average of 45,705 individuals moved into Montgomery County each year, while Fairfax County saw an average of 73,449 new residents annually. Prince George's County recorded the third highest number of in-migrants, followed by Loudoun, Howard, and Frederick Counties.

However, Montgomery County recorded the lowest levels of in-migration relative to its population size, followed by Prince George's County. On average, in-migrants accounted for 4.4% of Montgomery County's population each year, compared to 4.9% in Prince George's County. Loudoun County recorded the highest levels of in-migration at 7.2%, followed by Howard and Fairfax Counties.

Finding #4. Like Fairfax and Prince George’s Counties, Montgomery County has experienced a net loss of residents from internal migration, with more residents leaving than those moving in. Relative to its population, Montgomery County’s net out-migration has been modest. In contrast, Frederick, Howard, and Loudoun Counties have seen net in-migration, with more residents moving in than leaving.

Montgomery County consistently recorded the second largest net losses, trailing only Fairfax County. From 2012 to 2022, Montgomery County had an average net loss of 7,409 residents from internal migration each year, while Fairfax saw a larger average net loss of 13,005 residents per year. In recent years, Prince George’s County surpassed Montgomery County in net out-migration. Between 2020 and 2022, Prince George’s County recorded a cumulative net loss of 37,640 residents from internal migration, compared to 32,131 for Montgomery County.

Relative to its population size, Montgomery County consistently ranked third in net out-migration, behind Fairfax and Prince George’s Counties. On average, Montgomery County’s net loss represented 0.7% of its population, compared to 0.8% for Prince George’s County and 1.1% for Fairfax County.

In contrast, Frederick, Howard, and Loudoun Counties consistently recorded net gains from internal migration. Loudoun County saw an average net gain of 4,377 new residents each year, compared to 2,532 for Frederick County and 1,112 for Howard County.

Finding #5. In recent years, most counties in the region have faced growing net out-migration, as the number of residents leaving has surpassed those moving in. Frederick County is the exception, where net in-migration has consistently risen.

Overall, the region has trended towards more residents leaving than moving in. From 2012 to 2022, Montgomery and Prince George’s Counties experienced statistically significant annual increases in net out-migration. Montgomery and Prince George’s Counties experienced statistically significant annual increases in net out-migration. On average, Montgomery County lost 901 additional residents each year, while Prince George’s County lost an additional 1,066 residents.

Although Loudoun and Howard Counties generally saw net gains from internal migration, those net gains steadily declined over time. By 2022, they joined Montgomery, Prince George’s, and Fairfax Counties in recording net losses from internal migration.

Findings and Discussion Items

Frederick County stands out for its increasing net in-migration over time. On average, it gained 338 more residents each year due to internal migration. Since 2021, Frederick has been the only county in the region where more residents have moved in than out. This trend aligns with national studies showing a post-pandemic shift of individuals moving from metropolitan areas to exurban counties.

Finding #6. Interstate moves drove Montgomery County’s out-migration and in-migration patterns before and during the Pandemic. Montgomery County, along with Fairfax and Prince George’s Counties, experienced both in-state and out-of-state net losses.

From 2017 to 2022, Montgomery County had moderate levels of *out-of-state* out-migration and in-migration. In contrast, it had the lowest levels of *in-state* out-migration and in-migration, followed by Prince George’s and Fairfax Counties. In terms of net out-migration, Montgomery County had moderate in-state and out-of-state net losses, alongside Fairfax and Prince George’s Counties. From 2020 to 2022, Frederick, Howard, and Loudoun Counties had net gains from their respective states, while all counties experienced net losses to other states.

Finding #7. Before and during the Pandemic, Montgomery County, like other nearby jurisdictions, saw surrounding states and counties as the most popular destinations for its residents. However, it had varying net migration patterns with its neighboring jurisdictions.

The top destinations for Montgomery County included nearby states like Virginia and Washington, D.C., as well as states in the Northeast (Pennsylvania, New Jersey, and New York), the South (Florida and Texas), and California. The County experienced the largest net losses to Florida, Virginia, Texas, and North Carolina.

At the county level, the top destinations for Montgomery County residents were Prince George’s County, Frederick County, District of Columbia, Howard County, and Fairfax County. Similarly, Montgomery County consistently ranked as one of the top five destinations for residents from other counties, especially those from Prince George’s and Frederick Counties.

Montgomery County experienced varying net migration flows with local areas, seeing net gains from Washington, D.C., Prince George’s County, and Arlington County, but net losses to Frederick, Howard, Anne Arundel, Fairfax, Washington, as well as Loudoun Counties. Beyond the local region, Montgomery County experienced large net losses to Sussex County (DE) and Palm Beach (FL).

| Most Popular Destinations for Montgomery County Residents | | Destination Resulting in Largest Net Losses for Montgomery County | |
|---|----------------------|---|----------------|
| County/City, State | State | County/City, State | State |
| Prince George's County, MD | Virginia | Frederick County, MD | Florida |
| Frederick County, MD | District of Columbia | Howard County, MD | Virginia |
| Howard County, MD | Florida | Anne Arundel County, MD | Texas |
| Fairfax County, VA | California | Washington County, MD | North Carolina |
| Anne Arundel County, MD | Texas | Fairfax County, VA | Delaware |
| Baltimore City, MD | New York | Sussex County, DE | South Carolina |
| Baltimore County, MD | Pennsylvania | Loudoun County, VA | Pennsylvania |

Internal Migration of Income

Finding #8. Relative to its GDP and total personal income, Montgomery County had low levels of Real AGI *outflows* and the lowest levels of Real AGI *inflows* compared to its suburban neighboring counties.

From 2012 to 2022, Montgomery County consistently ranked second behind Fairfax County in, both, total Real AGI *outflows*, with an average outflow of \$3.3 billion per year, as well as total Real AGI *inflows*, with an annual average of \$2.5 billion. Fairfax County had larger outflows, with \$5.3 billion moving out over the period, and inflows, with an annual average of \$4.2 billion.

However, when accounting for its total economic output, Montgomery County had the lowest levels of Real AGI outflows from 2017 to 2022.¹ On average, 3.4% of Montgomery County's total GDP moved out per year. Relative to total personal income, Montgomery County had the second lowest level of Real AGI outflows from 2012 to 2022, behind Frederick County.

Montgomery County also had the lowest levels of Real AGI inflows as percentages of GDP and total personal income, followed by Prince George's County. On average, 2.5% of Montgomery County's total GDP moved in per year.

¹ 2017 to 2022 are the only years for which GDP data is available.

Finding #9. Montgomery County had the second-largest net losses of Real AGI from internal migration, which grew over time. The County experienced the largest net losses of Real AGI from internal migration relative to its GDP and second-largest relative to total personal income.

From 2012 to 2022, Montgomery County ranked second behind Fairfax County in Real AGI net outflows, with an average net loss of \$800 million per year, compared to \$1.1 billion for Fairfax County. Prince George's and Howard Counties also faced net outflows, while Loudoun and Frederick Counties had Real AGI net inflows—an average annual of \$100 million, respectively. Notably, by 2021, Frederick County was the only jurisdiction still experiencing net inflows of Real AGI, as Loudoun County's net gains gradually diminished over time.

In Montgomery County, net outflows of Real AGI increased over time by an average of \$80.3 million per year, marking the largest growth in net outflows among the counties. Loudoun County had the second-largest annual increase, averaging \$47.5 million. Frederick County was the only jurisdiction to experience growing net inflows of Real AGI, with an average annual increase of \$25.5 million.

Relative to GDP, Montgomery County experienced the largest net losses, with an average annual net loss of 0.81% of GDP, compared to 0.79% and 0.77% for Prince George's and Fairfax Counties, respectively. Additionally, relative to total personal income, Montgomery County had the second-largest net losses, behind Fairfax County, with an average of 0.8% of the County's total personal income per year, compared to 1.0% for Fairfax County.

Finding #10. For all counties, per capita Real AGI for people leaving was higher than for people moving in, but lower than for residents who stayed.

While per capita Real AGI was higher for out-migrants than in-migrants across all counties, Montgomery County had the second-largest gap in average per capita income. Out-migrants had an average per capita income of \$61,540, while in-migrants had \$54,636, resulting in a net loss of \$6,905. Howard County experienced the largest gap, with a net loss of \$8,147.

Montgomery County also had the third-largest gap in average per capita income between out-migrants and residents who remained, following Fairfax and Howard Counties. Non-migrants in Montgomery County had an average per capita income of \$71,080, creating a difference of \$9,539 compared to out-migrants.

Finding #11. Interstate moves drove Montgomery County’s patterns of Real AGI outflows and inflows before and during the Pandemic, resulting in moderate net outflows outside and within Maryland.

From 2017 to 2022, the County saw high levels of *out-of-state* Real AGI outflows and inflows, similar to Loudoun County. In contrast, Montgomery County had the lowest levels of *in-state* outflows and inflows. These trends led to moderate net outflows both outside and within Maryland. Fairfax and Prince George’s Counties also saw net outflows for both categories, while Frederick, Howard, and Loudoun Counties had in-state net inflows alongside out-of-state net outflows.

Finding #12. Montgomery County, like other nearby jurisdictions, saw surrounding states and counties as the most popular destinations for Real AGI outflows, but had varying net flows with its neighbors.

The top destinations of Real AGI outflows from Montgomery County included nearby states like Virginia and Washington, D.C., in addition to states in the Northeast (New York and Pennsylvania), the South (Florida and Texas), and California. From 2020 to 2022, the County had the largest net losses of Real AGI to Florida (\$930 million), Delaware (\$190 million), Texas (\$150 million), and Virginia (\$130 million). Notably, there was a reversal in the flow of Real AGI with California, shifting from significant net outflows before the pandemic to net inflows during it.

At the county level, the top destinations of Real AGI outflows from Montgomery County were surrounding counties. The County had net losses to Frederick (\$588 million), Anne Arundel (\$233 million), Howard (\$173 million), Fairfax (\$86 million), and Loudoun Counties (\$78 million), and net inflows from Prince George’s (\$24 million), Arlington County (\$105 million), and Alexandria City (\$29 million). The County saw \$840 million in inflows from the District.

Beyond the region, the County had significant net losses to Palm Beach County, Florida (\$355 million), Sussex County, Delaware (\$182 million), Miami-Dade County, Florida (\$143 million), Travis County, Texas (\$56 million).

Findings and Discussion Items

| Most Popular Destinations for Montgomery County Real AGI Outflows | | Destination Resulting in Largest Net Losses in Real AGI for Montgomery County | |
|---|----------------------|---|----------------|
| <i>County/City, State</i> | <i>State</i> | <i>County/City, State</i> | <i>State</i> |
| District of Columbia | Virginia | Frederick County, MD | Florida |
| Frederick County, MD | Florida | Palm Beach County, FL | Delaware |
| Prince George’s County, MD | District of Columbia | Anne Arundel County, MD | Texas |
| Fairfax County, VA | California | Sussex County, DE | Virginia |
| Palm Beach County, FL | Texas | Howard County, MD | North Carolina |
| Howard County, MD | New York | Miami-Dade County, FL | California |
| Anne Arundel County, MD | Pennsylvania | Fairfax, VA | South Carolina |

Finding #13. During the Pandemic, high-income households from Montgomery County predominantly relocated to Florida.

Wealthy households from Montgomery County primarily relocated to several counties in Florida. Palm Beach County saw the largest influx, with 703 households moving and an average household income of \$610,272. Collier County attracted 111 households, with an average income of \$415,976, followed by Miami-Dade County, which received 601 households with an average income of \$316,083. Sarasota County also attracted 118 households, with an average income of \$296,004. These moves highlight a trend of high-income households relocating to affluent areas in Florida.

B. Discussion Items for Council Consideration

This section provides OLO’s discussion issues based on the findings of the report.

Discussion 1: Why has Montgomery County retained a higher share of its residents than other jurisdictions?

Compared to its neighboring suburban counties, Montgomery County has retained a larger share of its residents, with fewer residents moving away relative to its population size. This raises the question of what factors contribute to the County’s strong resident retention compared to nearby areas.

Discussion 2: Why has Montgomery County attracted fewer new residents compared to its neighbors? And what policies could the Council pursue to make the County more attractive to households from elsewhere in the U.S.?

Despite its strong retention, Montgomery County has drawn fewer new residents than neighboring counties, with the lowest levels of in-migration relative to its population size. This prompts an exploration of why the County has seen lower inflows of new residents in comparison to other suburban jurisdictions.

Discussion #3. Why has Montgomery County struggled to attract Real AGI inflows compared to neighboring areas? And what are the tax and other implications of net outflows of Real AGI for the County?

Compared to its suburban neighboring counties, Montgomery County has attracted lower levels of Real AGI inflows. While it saw some inflows from nearby areas like the District of Columbia, Arlington County, and Prince George's County, overall inflows were low relative to its GDP. The County also faced substantial net outflows to counties like Frederick, Anne Arundel, and Howard, and states, such as Florida, Delaware, and Texas. This raises the question of what factors are contributing to Montgomery County's difficulties in attracting Real AGI inflows compared to neighboring areas.