



## Population Trends in the 13-County Gulf Coast Region as of July 2016

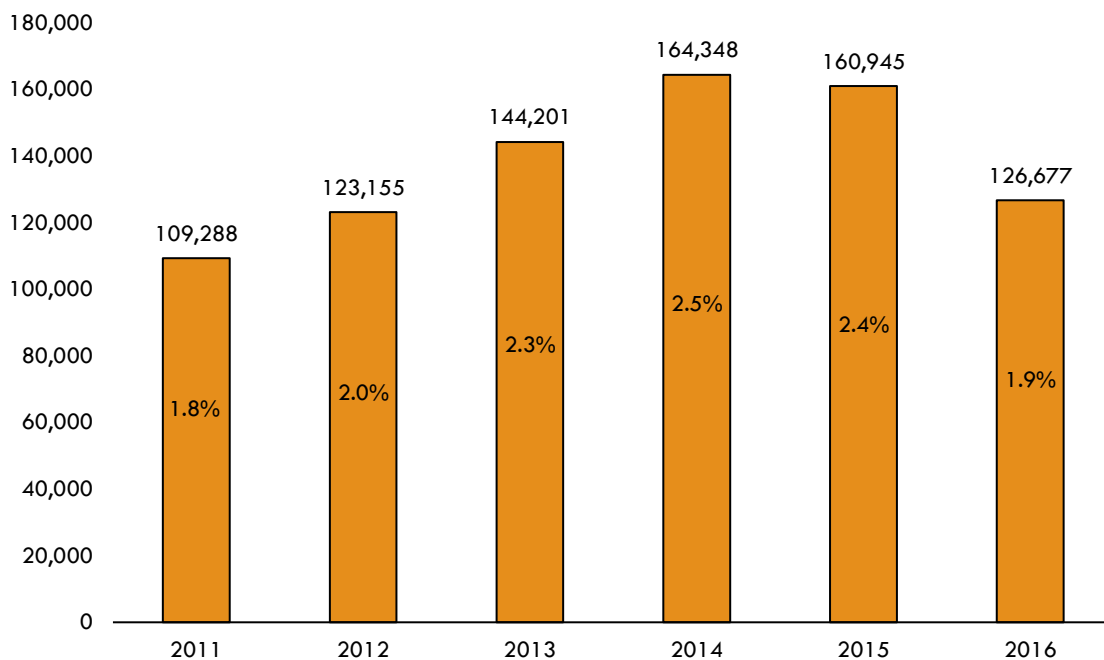
---

*Workforce Solutions is an affiliate of the Gulf Coast Workforce Board, which manages a regional system that helps employers solve their workforce problems and residents build careers so both can compete in the global economy. The workforce system serves the City of Houston and the surrounding 13 Texas Gulf Coast counties including: Austin, Brazoria, Chambers, Colorado, Fort Bend, Galveston, Harris, Liberty, Matagorda, Montgomery, Walker, Waller, and Wharton.*

## Population Growth across the 13-County Region

With the latest population estimates from the Census Bureau, the 13-County Gulf Coast Region is fast-approaching seven million residents with 6,943,895 reported as of July 2016. In the twelve months prior, the region added 126,677 new residents for a 1.9-percent growth rate. However, this was down from the previous two years, which were some of the region's fastest years for population growth in recent memory with 164,348 and 160,945 new residents added, respectively. Given that 2015 and 2016 were pivotal years for the region, it is important to put the above figures into context. This timeframe represents the bulk of the region's current economic downturn, thus far, that began in late-2014 due to falling oil prices. Ultimately, the subsequent lack of job growth has understandably resulted in fewer residents relocating to the region. (see Chart 1.)

**Chart 1. 13-County Gulf Coast Region, Over-the-year Population Net and Percent Change (July-July) 2011-2016**



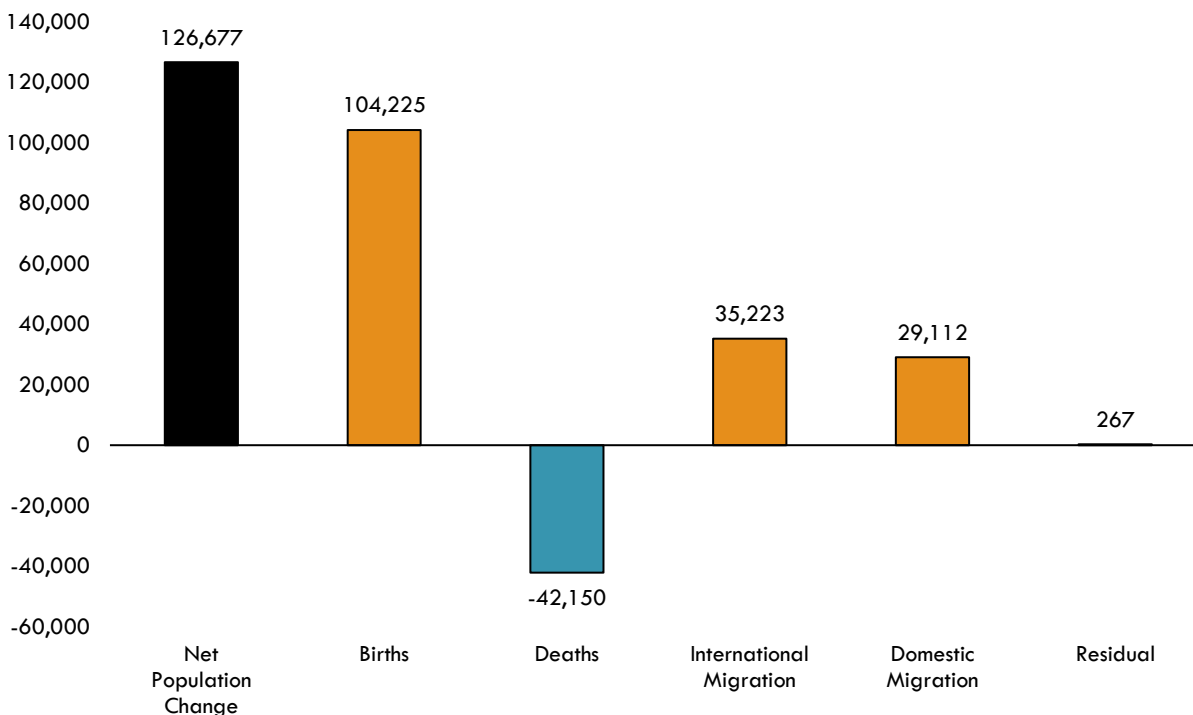
Source: U.S. Census Bureau - 2016 Vintage

## Drivers of Population Growth

The changes described above only tell part of the story as multiple components comprise the overall net change in population. During any given year there are births, which add to population totals, and deaths which subtract. Taken together these vital events are referred to as “natural increase” when the former exceeds the latter or “decrease” when the opposite is true. The next set of drivers of population change can be collectively referred to as “net in-migration,” which assumes two forms: net international migration (NIM) between the United States and other countries and net domestic migration (NDM) from elsewhere within the U.S. Lastly, we often observe a small “residual” population count, which is a statistical artifact that exists solely to ensure that the total net population change equals the sum of its individual components. As seen the following chart, there were 104,225 births, 42,150 deaths, 35,223 international migrants and

29,112 domestic migrants that as noted resulted in a net population increase of 126,677 between July 2015 and July 2016. (see Chart 2.)

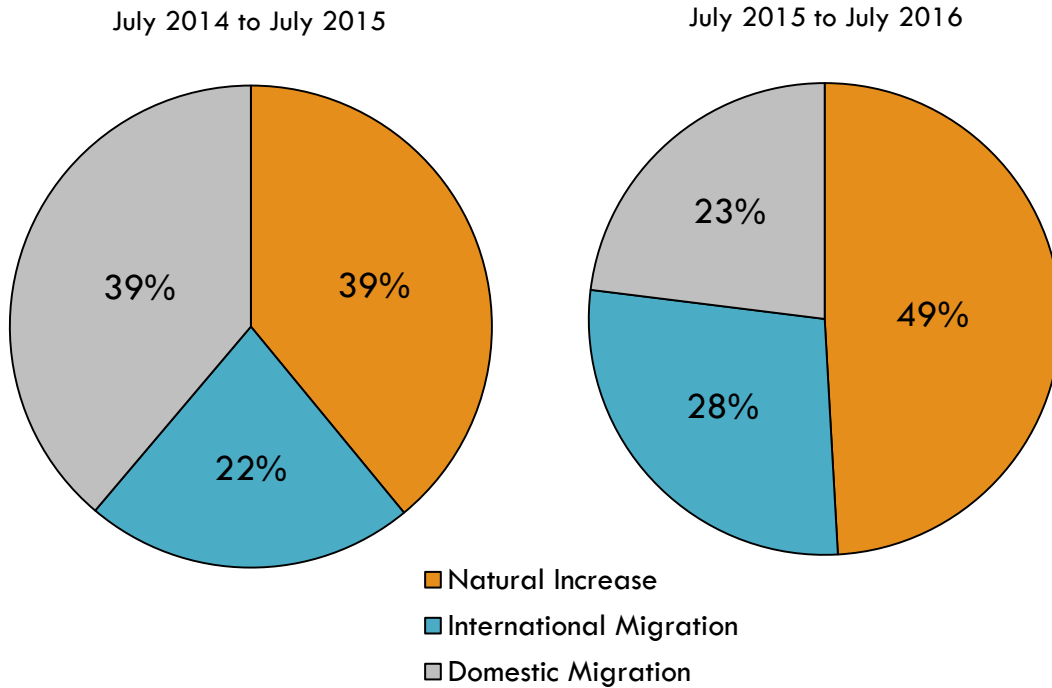
**Chart 2. 13-County Gulf Coast Region, Over-the-year Net Population Change and Sub-components July 2015 – July 2016**



Source: U.S. Census Bureau - 2016 Vintage

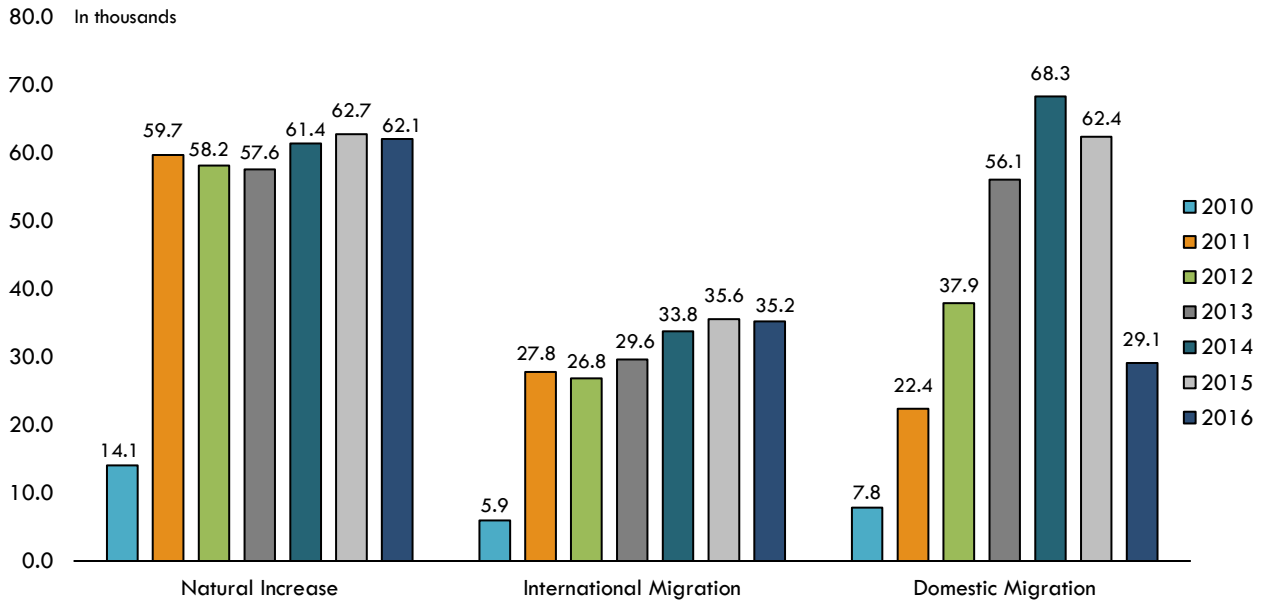
Having established that population growth in the Gulf Coast Region slowed over the past two years and given the various drivers of net population change, a look at the change in those components provides useful insight into local trends. Between July 2014 and July 2015, population growth saw nearly equal contribution from natural increase and domestic in-migration at 39 percent each with the remaining growth coming from international migration. In the following year those proportions shifted dramatically. Natural increase's share of growth jumped to nearly half of the total while domestic in-migration shrank to less than a quarter. The latter trend was the result of domestic migration falling from 62,386 in 2014-2015 to 29,112 in 2015-2016 for a 53-percent decline. Simultaneously, international migration's share grew to 28 percent despite absolute numbers of foreign migrants remaining fairly constant over the two-year period, which was also true of natural increase. In short, fewer people from elsewhere in the state and the nation moved to the region due to poor job prospects resulting from the downturn in oil however this does not appear to have been the case for international migrants. (see Chart 3. and Chart 4.)

**Chart 3. 13-County Gulf Coast Region, Net Population Change Component Share of Total  
July 2014 to July 2015 and July 2015 to July 2016**



Source: U.S. Census Bureau - 2016 Vintage

**Chart 4. 13-County Gulf Coast Region, Number of New Residents Resulting from Natural Increase, International Migration, and Domestic Migration  
July 2010 to July 2016**



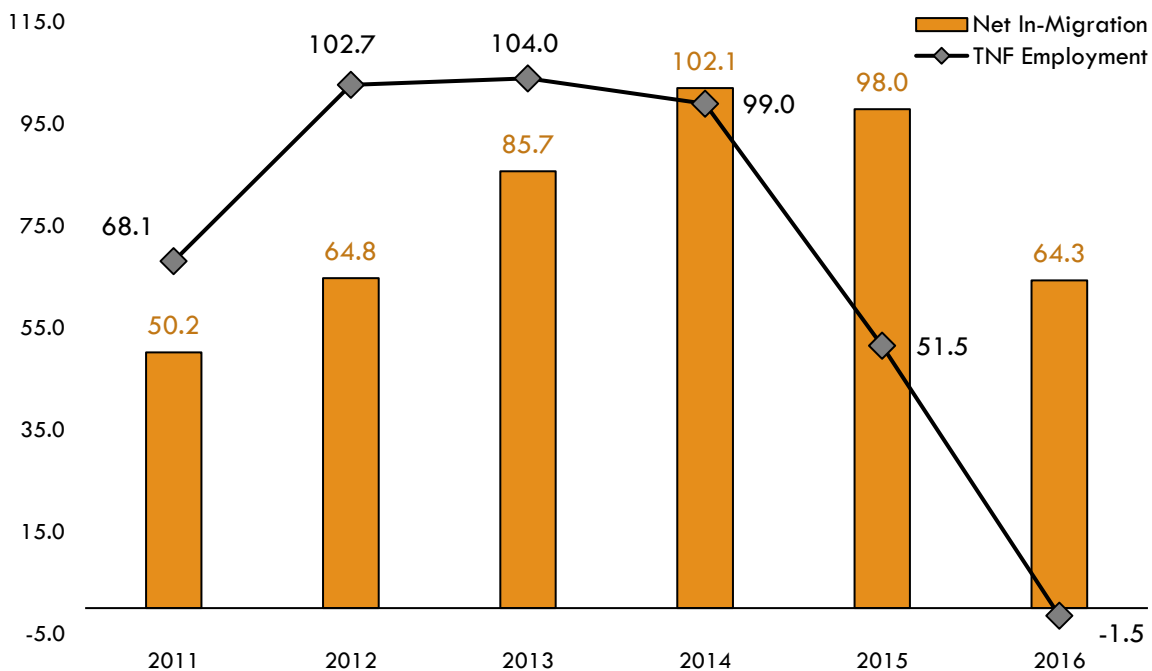
Source: U.S. Census Bureau - 2016 Vintage

## Net In-Migration vs. Job Growth

Strong employment growth between the end of the Great Recession and the start of the current local economic downturn was a driving force in attracting large numbers of new residents to the region. Given that job opportunities diminished considerably from late-2014 onward, it is worth examining just how much population growth, particularly net in-migration, slowed in response. As a reminder, net in-migration is the sum of domestic and international migration. Logically, this measure is more sensitive to changes in employment growth compared to natural increase as the former largely represents the relocation of working-age adults to the region. A look at July to July changes in net in-migration versus total nonfarm employment over the past few years revealed that population growth lagged job growth with the former peaking at 102,097 new residents in July 2014, a year after employment growth topped out at 104,000 new jobs added over the previous July. Such a lag is to be expected however given the speed and depth of job losses over 2015 and 2016, it can be argued that migration responded more slowly than might have been expected.

To illustrate, July 2012 saw strong over-the-year job growth at 102,700 while net in-migration stood at 64,769. In 2016 net in-migration was nearly the same as 2012 with 64,335 new residents however job growth was *negative* with a loss of 1,500 jobs year over year. In other words, during perhaps the most severe part of the current downturn, people continued to move to the Gulf Coast region at the same pace as during one of region's best years for job growth in recent history. This dynamic was made possible by a large drop in domestic migration, as noted earlier, without a corresponding drop in international migration. It is conceivable that some U.S. nationals on overseas assignments returned to the region and subsequently were included in the international migrant count. However, it is unlikely that there was a sufficient number of these individuals to offset the bulk of the expected decline in "true" international migration. (see Chart 5.)

**Chart 5. 13-County Gulf Coast Region, Over-the-year Change in Net In-Migration and Total Nonfarm Employment, July 2011 to July 2016**

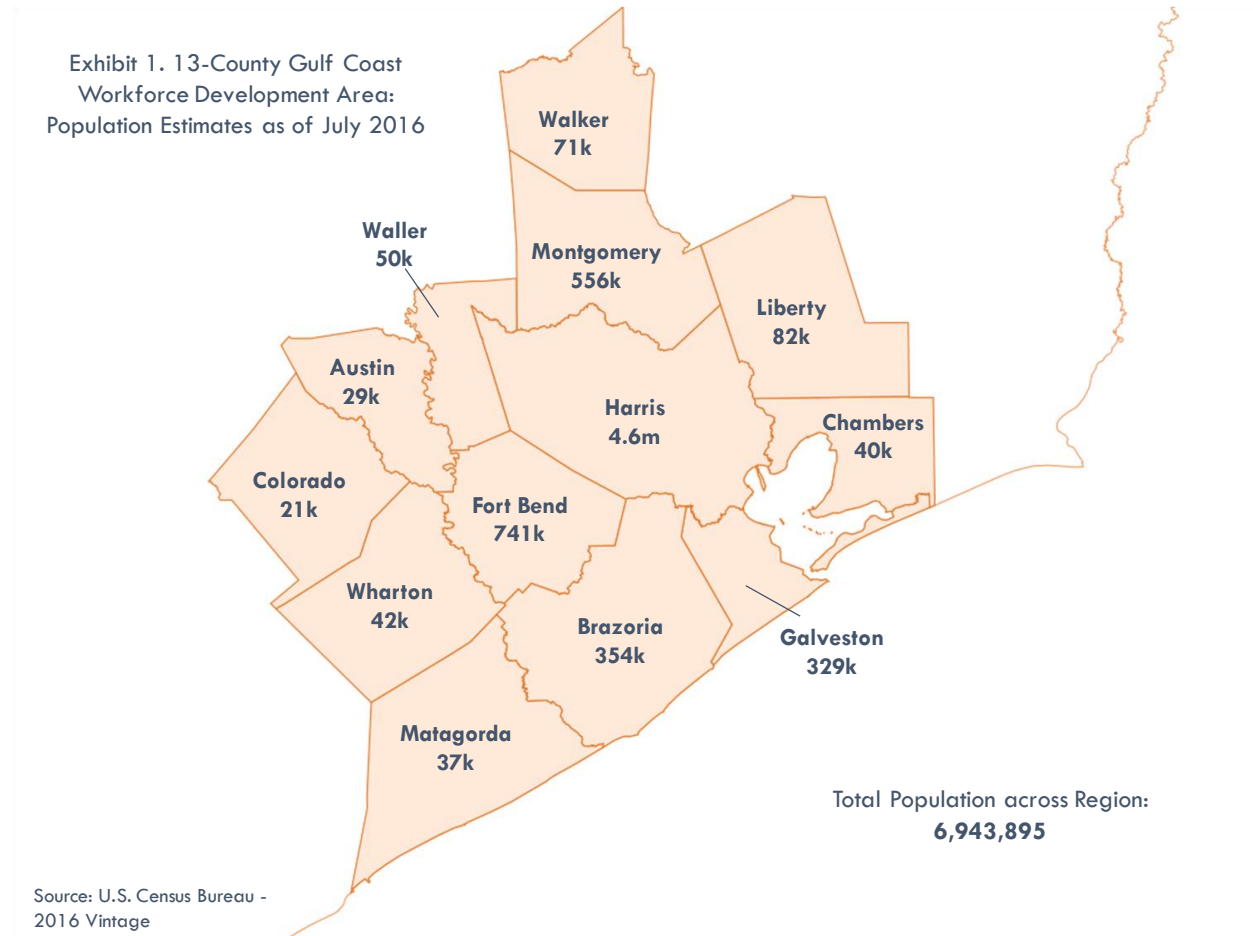


Sources: U.S. Census Bureau - 2016 Vintage and BLS/TWC Current Employment Statistics

## Population Trends among the 13 Individual Gulf Coast Region Counties

### Total Population by County

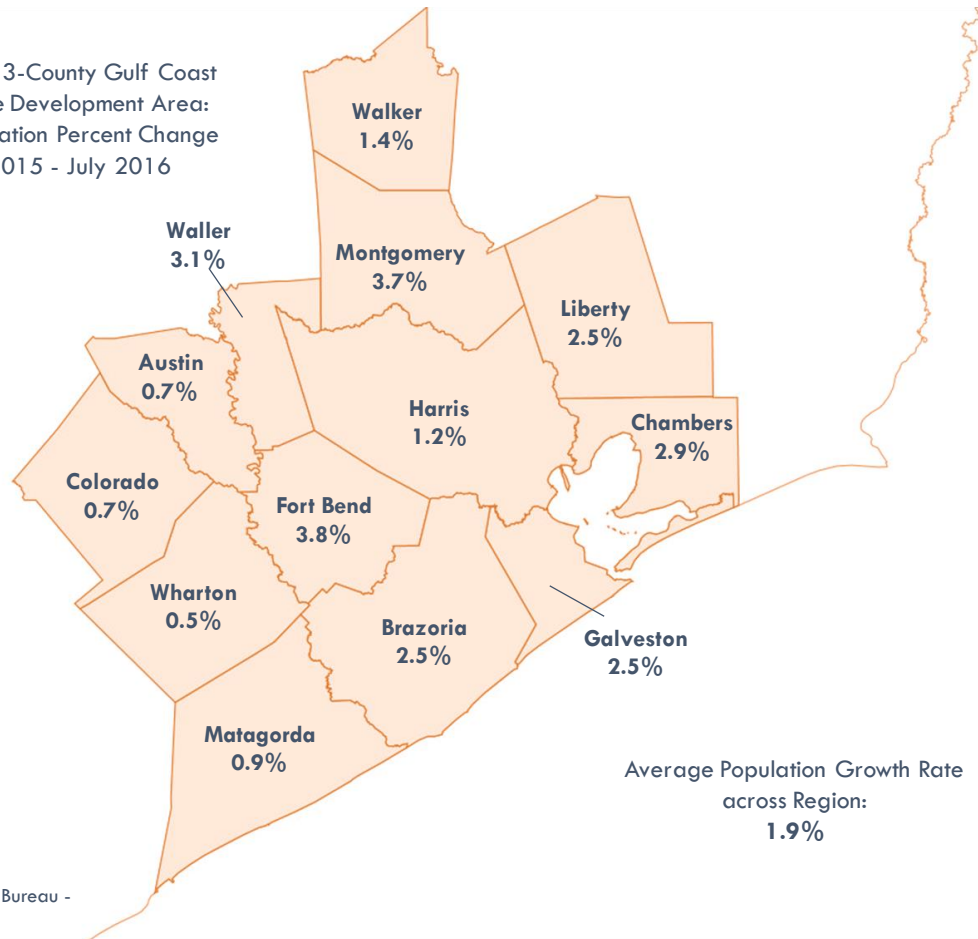
A look at relative population sizes at the individual county level reveals little change over the previous year's estimates. Harris County continues to be the largest county in the Gulf Coast by a large margin with 4,589,928 residents comprising fully two-thirds of the region's population. This was followed by Fort Bend and Montgomery Counties with 741,237 and 556,203 residents, respectively. (see Exhibit 1.)



### Total Population Growth Rates among Counties

Fort Bend continues to be the fastest growing county in the region with a 3.8-percent growth rate between July 2015 and July 2016, the same as its average rate from 2010 to present. Montgomery has frequently been the second-fastest growing county in region in recent years with the exception of 2015 where it fell to 3<sup>rd</sup> place behind Waller County. Currently, Waller is the third-fastest growing county at 3.1 percent. Outside of 2016, Waller has managed to rank third two other years: 2013 and 2014. As an aside, in 2011 Harris was the third-fastest growing county however it has since dropped to ninth place. (see Exhibit 2.)

Exhibit 2. 13-County Gulf Coast Workforce Development Area: Total Population Percent Change July 2015 - July 2016

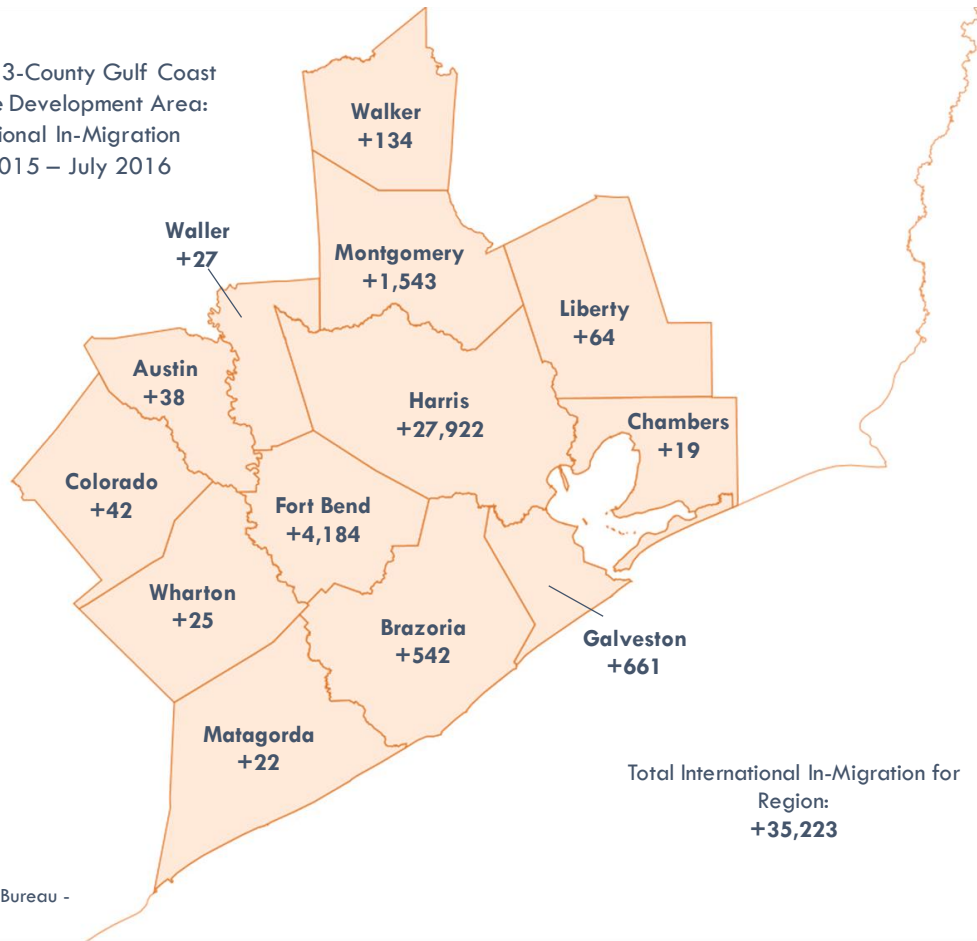


Source: U.S. Census Bureau - 2016 Vintage

### International and Domestic In-Migration among Counties

The relative amounts of international in-migration to individual Gulf Coast counties mirrors the relative sizes of the counties themselves. Accordingly, Harris saw the largest absolute number of international migrants with 27,922 between July 2015 and July 2016. This was followed by Fort Bend (4,184) and Montgomery (1,543). As seen in Chart 4 earlier, international migration to the overall region has not varied widely in recent years, which was also true of individual Gulf Coast counties. Harris county saw the largest decline from 2015 to 2016, seeing 248 fewer international relocations than the year prior. Some counties saw decreases of 60 or less while others saw single-digit gains (see Exhibit 3.)

Exhibit 3. 13-County Gulf Coast Workforce Development Area: International In-Migration July 2015 – July 2016

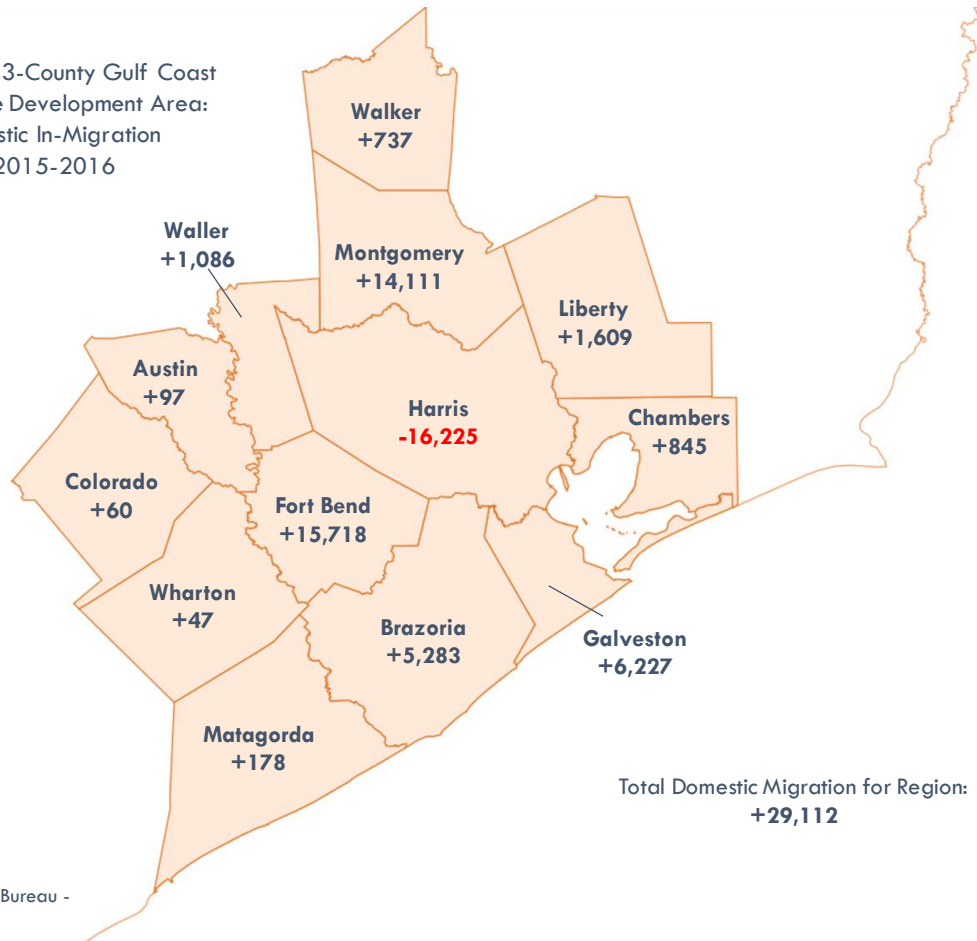


Source: U.S. Census Bureau - 2016 Vintage

Domestic in-migration saw one significantly different trend compared to international in-migration, namely within Harris County. The region's largest county by population saw net *negative* domestic migration of -16,225. This was the only county in the region to experience a net loss of domestic residents between July 2015 and July 2016. Given that all surrounding counties saw net positive domestic migration, it is plausible that some Harris County residents relocated to other counties in the region seeking more affordable housing and better schools. However, in the previous year spanning July 2014 to July 2015, Harris County saw net *positive* domestic migration of 17,101. Furthermore, since 2011 Harris County has experienced net positive domestic migration registering 6,295 in that year and peaking at 23,508 in 2014. Thus, it is unlikely that out-migration from Harris County in 2016 can be attributed simply to urban-suburban migration patterns, but rather the downturn in oil and subsequent job losses prompted some residents to leave the area entirely in search of employment opportunities. (see Exhibit 4. and Table 1.)



Exhibit 4. 13-County Gulf Coast Workforce Development Area: Domestic In-Migration 2015-2016



Source: U.S. Census Bureau - 2016 Vintage

Table 1. 13-County Gulf Coast Region, Net Domestic Migration July 2010 to July 2016

County	2010	2011	2012	2013	2014	2015	2016
Austin	3	81	-150	64	161	445	97
Brazoria	559	1,663	2,170	2,696	4,536	4,507	5,283
Chambers	273	-50	577	570	636	452	845
Colorado	19	-131	-82	21	-87	126	60
Fort Bend	3,509	7,068	9,877	18,362	19,811	18,394	15,718
Galveston	694	857	3,195	3,416	4,557	5,435	5,566
Harris	-88	6,295	14,544	20,147	23,508	17,101	-16,225
Liberty	107	-140	-47	176	805	1,092	1,609
Matagorda	-20	-192	-341	-143	-204	141	178
Montgomery	2,414	6,930	8,479	9,585	13,484	12,821	14,111
Walker	238	-81	-14	529	259	335	737
Waller	91	270	11	747	1,022	1,427	1,086
Wharton	45	-206	-299	-75	-162	110	47
<b>13-County Region</b>	<b>7,844</b>	<b>22,364</b>	<b>37,920</b>	<b>56,095</b>	<b>68,326</b>	<b>62,386</b>	<b>29,112</b>

Source: U.S. Census Bureau - 2016 Vintage