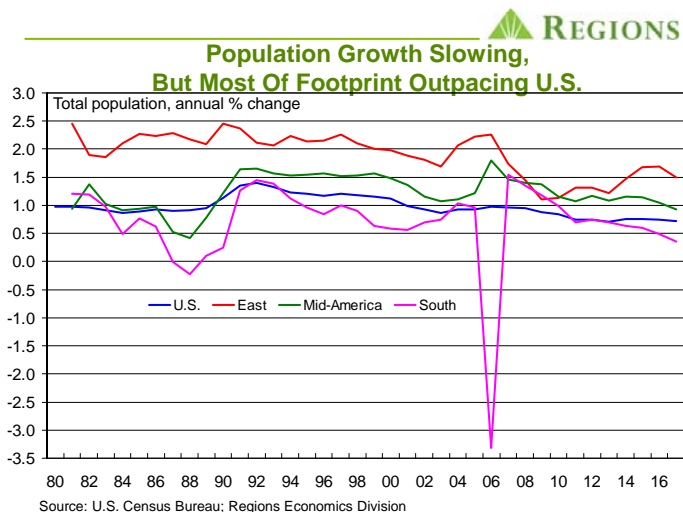


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Metro Area Population Trends: Regions Footprint

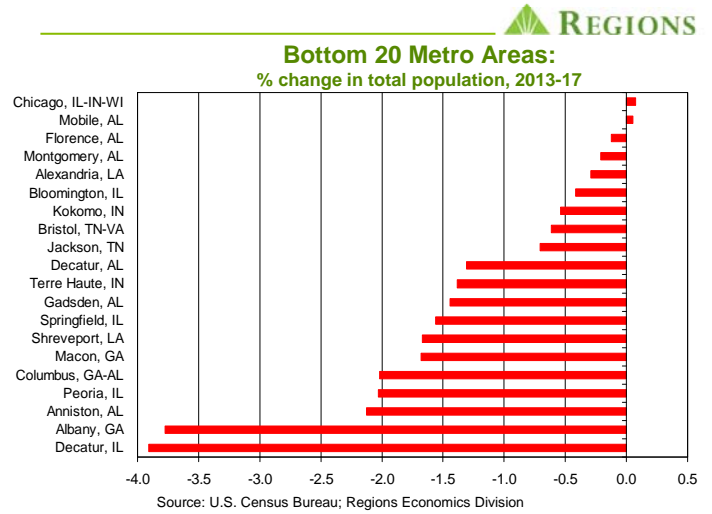
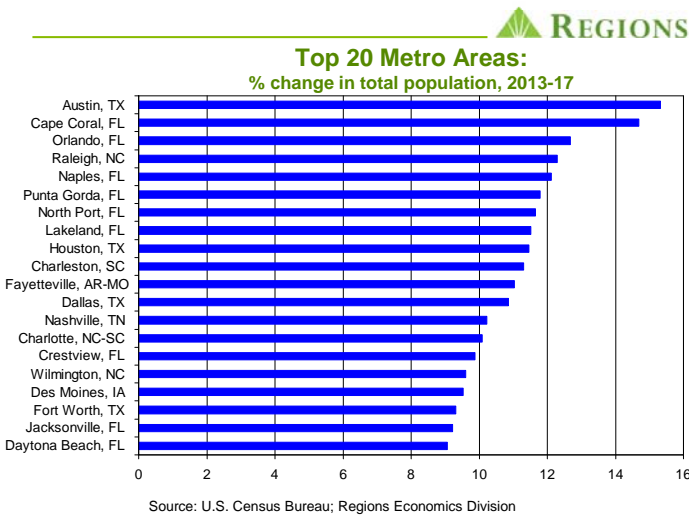
Back in January the U.S. Census Bureau released comprehensive 2017 data on state level population, including the components of the change in total population. We published our annual update of the state level data in January, but noted that at the time comparable metro area level data had not been made available. The metro area data are available now, however, and in what follows we cover some of the key points in the data. As with any other metric for which consistent data across geographies is available, rates of population growth differ amongst individual metro areas across the Regions footprint, in many cases significantly so. There are also a number of metro areas that have seen persistent declines in population over the past several years. This is where having data on the components of population change is useful, as the underlying detail allows us to isolate whether natural growth or migration is the main driver of population trends, and to further isolate between domestic and international net migration. Obviously demographic trends are a key driver of overall economic activity in any given market, and population is the most fundamental demographic metric there is.

What follows is a high level summary of population trends on the metro area level across the Regions footprint. The final four pages present a table showing how population has changed over the past five years, including the components of change, for each of the 103 in-footprint metro areas for which we routinely monitor and report on the various economic data series. In what follows, we use the same geographic structure on which we have always reported the metro area level data, i.e., the three broad (East, Mid-America, and South) regions as we find this to still be a useful way of reporting such a high volume of data.



As we noted in our write-up of the state level data, population growth for the Regions footprint as a whole has consistently outpaced that of the U.S. as a whole over recent decades. The chart to the side shows the same thing, but highlights that the East and Mid-America regions have been the main drivers of growth in total population within the Regions footprint. With Florida, Georgia, and the Carolinas being four of the five states in the footprint with the most rapid population growth, it is no surprise that the East region metro areas have consistently posted the most rapid population growth. Texas and portions of Tennessee have been the main drivers of overall population growth in the Mid-America region. Obviously any time series of population for the South region will bear the mark of Hurricane Katrina, as can be seen in the chart to the side, but on the whole population growth in this region has over time consistently lagged that of the other two regions. It is worth noting that while the population of the New Orleans metro area is still below its pre-Katrina level, over the past five years New Orleans has posted population growth in excess of the national average.

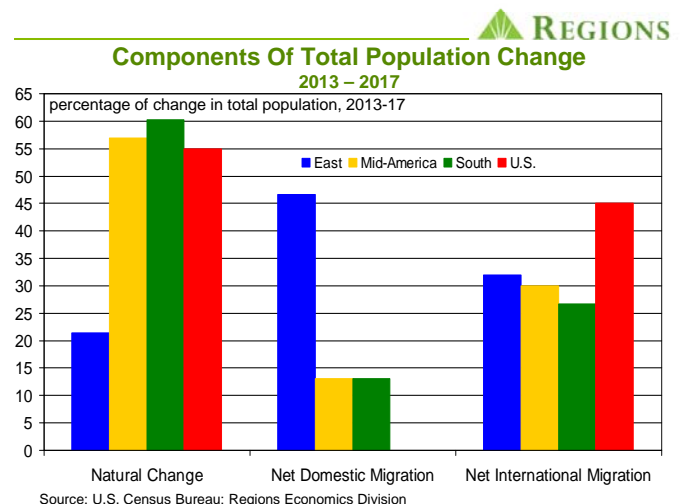
Over the 2013-17 period, Florida dominates the list of in-footprint metro areas with the fastest population growth, accounting for nine of the top 20, but Austin, TX posted the fastest population growth (15.33 percent) of any in-footprint metro area. Though obviously related to the level of population, we think it is nonetheless interesting to note that over the past five years the Houston metro area saw its population increase by just over 700,000 persons, easily the most of any in-footprint metro area. Of our group of 103 in-footprint metro areas, 52 saw population growth ahead of the U.S. average (3.73 percent) while 51 saw population growth lag the U.S. average. This latter group includes the 18 metro areas that have experienced a decline in total population over the past five years. On a percentage change basis, the Decatur, IL metro area saw its population decline by 3.91 percent, followed by a 3.77 percent decline in the Albany, GA metro area. The Chicago, IL metro area, with a population of just over 9.5 million people, is the largest in-footprint metro area but has seen virtually no population growth over the past five years. Moreover, the 0.08 percent increase in the metro area population over the 2013-17 period masks declines in population in each of the past three years which, along with the declines seen in the Bloomington, Decatur, and Peoria metro areas is reflective of what has been a persistent decline in the population of Illinois over recent years.



It comes as no surprise that, though not a one-for-one match, the list of metro areas with the most rapid population growth closely resembles the list of metro areas with the most rapid employment growth. It is a long-standing question of which comes first, the jobs or the people, though clearly the attraction runs both ways. Our argument has been that firms are concerned not so much with their ability to fully staff an expansion or a relocation today, but instead are more concerned with being able to fully staff expansions down the road. This then gives those metro areas with track records of healthy demographic trends a clear advantage in what basically become competitions, amongst metro areas/states, to attract new business. Though it is an extreme case, the ongoing story line of where Amazon will locate their second “headquarters” is a prime example. Only large metro areas with a sufficiently deep pool of qualified labor, or realistic prospects of sufficient in-migration, need apply, meaning the list of viable candidates is relatively short. The broader point is that healthy demographics support overall economic activity including not only job growth but residential demand, retail trade, and the provision of personal services.

Conversely, the lack of employment prospects is a key driver of out-migration from a given geography. For instance, many smaller and less economically diverse metro areas have not fully recovered from the 2007-09 recession, in many cases due to the loss of a, if not the, major employer during or in the aftermath of the recession. Ultimately a given metro area in this position will see outflows of those who feel they must move in order to find employment, contributing to either slower population growth or an outright decline in population. Another driver of out-migration could be state and local tax burdens. For instance, Illinois has been plagued by chronic budget issues over the past several years on top of which comes the prospect of dealing with significant unfunded pension obligations. It seems clear that higher taxes will be part of any prospective solution, but coming on top of an already heavy tax burden any further increases seem likely to add to the flow of state residents migrating to other states, particularly given the elimination of the deduction of state and local income taxes on federal tax returns.

Detail on the components of population change can help us isolate the factors behind differentials in population growth rates. There are basically three components of changes in total population over time. The first is what is referred to as the “natural change,” which is simply the difference between the number of births and deaths in any given period. The second is net domestic migration, or, the difference between the number of people who move into a given geography from another area of the U.S. and the number of people who move out of a given geography to another area of the U.S. (obviously for the U.S. net domestic migration always sums to zero). Finally, net international migration is the difference between the number of people who move into a given geography within the U.S. from abroad and the number of people who move out of a given geography within the U.S. and settle abroad. The chart to the side shows the contribution of each of the three components to total population growth over the 2013-2017 period for the three broad regions and the U.S. as a whole.



As seen in the chart, natural change contributed far less to overall population growth in the East region than was the case for the other two regions and for the U.S. as a whole. To the extent Florida dominates the East region, this makes sense given that Florida has a relatively high median age and, in turn, has persistently seen lower birth rates (live births per 1,000 residents) and higher death rates (deaths per 1,000 residents) than have other states. But, Florida has long been a magnet for in-migration, both domestic and foreign, meaning that net migration has accounted for an above-average share of Florida's population growth, which is reflected in the totals for the East region as a whole. It is interesting to note that the Miami FL Metropolitan Division (which along with the Fort Lauderdale and West Palm Beach Metropolitan Divisions is part of the Miami Metropolitan Area) has over the years seen persistent net domestic out-migration which has been more than offset by persistently strong net international in-migration. For instance, over the 2013-17 period the Miami Metropolitan Division saw net domestic out-migration of just under 160,000 persons and net international in-migration of just under 243,000 persons, thus leaving total migration positive. Other parts of the East region, including Georgia, North Carolina, and South Carolina, have also seen above-average population growth that has been considerably boosted by steady in-migration.

What is interesting that while the Mid-America and South regions have both been heavily reliant on natural change as a driver of population growth, it has been international in-migration, as opposed to domestic in-migration, that has been the next biggest driver of population growth in each region over recent years. Indeed, in both regions domestic in-migration has gotten progressively slower over the past three years, and in the South region saw net domestic out-migration in 2017. With many metro area economies in the South region still seeing very slow or very uneven growth this late into the economic expansion, it could be that more residents of these metro areas are leaving in search of better prospects or those in other parts of the U.S. looking to move no longer see these metro areas as a viable destination, though it is likely a combination of both. Though there are some metro areas in the Mid-America region which have seen domestic migration flows slow or even turn negative over the past few years, this is offset by net domestic in-migration across other parts of the region. The broader point here, however, is that many people simply do not appreciate the extent to which international in-migration has been a key driver of growth in the overall population of many metro areas not only within the Regions footprint but across the U.S., a point often lost in the "debate" over further restricting immigration into the U.S.

Changes in population, including detail on the components of change, are the most basic measuring stick of the vitality of any given geographic unit. As noted above, population growth is closely aligned with employment and income growth, and also helps drive growth in residential construction and demand for various personal services. When seeking to understand differentials in rates of job and income growth amongst the individual metro areas across the Regions footprint, population growth is often seen as a logical starting point. But, as we have seen, overall economic conditions can clearly impact population growth, both to the good (i.e., healthy net in-migration) and to the bad (persistent net out-migration). As such, we think it important to view population growth as another piece of a puzzle, with each demographic and economic data series representing a separate piece. In other words, no single piece yields a complete picture but each piece is necessary in order to see that complete picture. This summary, along with the others we provide, hopefully helps you visualize that picture for our group of in-footprint metro areas.



NUMBER OF PEOPLE

	Total Population:	Net			
	<u>% change 2013-17</u>	<u>Natural Change</u>	<u>Domestic Migration</u>	<u>International Migration</u>	<u>Total Change</u>
Deltona-Daytona Beach-Ormond Beach, FL	9.06	-11,718	57,144	8,029	53,455
Gainesville, FL	6.01	4,948	4,686	6,527	16,161
Jacksonville, FL	9.21	28,856	77,211	20,431	126,498
Ocala, FL	6.09	-6,930	23,960	3,234	20,264
Palm Bay-Melbourne-Titusville, FL	7.65	-8,582	43,438	6,832	41,688
Tallahassee, FL	1.96	6,681	-3,623	4,295	7,353
Fort Lauderdale-Pompano Beach-Deerfield Beach, FL	6.55	35,623	-382	84,810	120,051
Miami-Miami Beach-Kendall, FL	5.52	60,215	-159,781	242,909	143,343
Orlando-Kissimmee-Sanford, FL	12.68	56,642	122,543	102,484	281,669
West Palm Beach-Boca Raton-Delray Beach, FL	8.47	1,206	62,451	51,024	114,681
Cape Coral-Fort Myers, FL	14.68	-757	79,867	14,543	93,653
Lakeland-Winter Haven, FL	11.51	5,120	50,934	14,502	70,556
Naples-Immokalee-Marco Island, FL	12.13	287	27,595	12,194	40,076
North Port-Sarasota-Bradenton, FL	11.66	-14,456	87,039	10,493	83,076
Punta Gorda, FL	11.79	-7,397	24,421	1,890	18,914
Tampa-St. Petersburg-Clearwater, FL	8.58	7,285	171,941	63,889	243,115
Albany, GA	-3.77	2,781	-9,470	672	-6,017
Athens-Clarke County, GA	6.68	4,154	6,360	2,520	13,034
Atlanta-Sandy Springs-Roswell, GA	7.95	184,886	153,402	94,896	433,184
Augusta-Richmond County, GA-SC	4.17	10,584	9,940	3,477	24,001
Charleston-North Charleston, SC	11.31	19,390	54,183	4,531	78,104
Columbia, SC	5.31	13,642	20,618	7,394	41,654
Columbus, GA-AL	-2.02	8,364	-19,104	4,123	-6,617
Dalton, GA	1.34	3,522	-2,284	712	1,950
Gainesville, GA	8.10	5,693	8,164	1,052	14,909
Greenville-Anderson-Mauldin, SC	6.49	11,831	35,397	7,233	54,461
Macon-Bibb County, GA	-1.68	2,539	-7,635	1,161	-3,935
Rome, GA	1.68	654	306	685	1,645
Savannah, GA	7.02	11,076	9,702	4,592	25,370
Spartanburg, SC	5.62	2,624	14,310	860	17,794
Valdosta, GA	0.86	4,159	-4,257	1,272	1,174
Warner Robins, GA	3.42	4,608	-354	2,100	6,354
Charlotte-Concord-Gastonia, NC-SC	10.09	60,672	140,692	29,067	230,431



NUMBER OF PEOPLE

	Total Population:		Net	Net	
	<u>% change 2013-17</u>	<u>Natural Change</u>	<u>Domestic Migration</u>	<u>International Migration</u>	<u>Total Change</u>
Chattanooga, TN-GA	3.43	4,006	12,260	2,291	18,557
Cleveland, TN	3.95	657	3,360	644	4,661
Johnson City, TN	0.90	-1,671	2,902	624	1,855
Kingsport-Bristol-Bristol, TN-VA	-0.61	-4,845	3,099	-33	-1,779
Knoxville, TN	3.52	977	25,195	3,765	29,937
Morristown, TN	2.76	-257	2,703	760	3,206
Raleigh, NC	12.29	42,804	81,880	20,773	145,457
Richmond, VA	4.94	22,594	20,962	17,375	60,931
Wilmington, NC	9.61	2,404	21,470	1,141	25,015
Fayetteville-Springdale-Rogers, AR-MO	11.02	18,254	28,251	6,602	53,107
Fort Smith, AR-OK	0.38	2,755	-3,166	1,534	1,123
Hot Springs, AR	1.74	-1,206	2,939	-21	1,712
Jonesboro, AR	5.75	2,896	3,431	813	7,140
Little Rock-North Little Rock-Conway, AR	2.99	15,673	549	5,424	21,646
Alexandria, LA	-0.29	2,137	-3,313	761	-415
Longview, TX	0.36	3,455	-3,829	1,187	813
Monroe, LA	0.38	3,594	-3,461	605	738
Shreveport-Bossier City, LA	-1.67	8,440	-18,503	2,528	-7,535
Texarkana, TX-AR	0.45	1,879	-1,307	143	715
Tyler, TX	6.06	5,376	5,793	1,870	13,039
Bloomington, IN	3.18	2,130	-1,709	4,776	5,197
Bloomington, IL	-0.41	4,630	-8,602	3,089	-883
Champaign-Urbana, IL	1.98	5,255	-10,074	9,403	4,584
Chicago-Naperville-Elgin, IL-IN-WI	0.08	239,954	-366,503	133,453	6,904
Decatur, IL	-3.91	646	-5,306	328	-4,332
Evansville, IN-KY	0.71	2,381	-1,189	1,153	2,345
Indianapolis-Carmel-Anderson, IN	5.16	53,694	24,667	21,616	99,977
Kokomo, IN	-0.54	46	-578	119	-413
Lafayette-West Lafayette, IN	5.73	6,227	-3,112	8,784	11,899
Louisville/Jefferson County, KY-IN	3.32	18,184	9,867	13,959	42,010
Peoria, IL	-2.03	5,206	-15,208	2,269	-7,733
Springfield, IL	-1.56	1,435	-5,889	1,168	-3,286
Terre Haute, IN	-1.38	517	-3,618	730	-2,371



NUMBER OF PEOPLE

	Total Population:	Net			
	<u>% change 2013-17</u>	<u>Natural Change</u>	<u>Domestic Migration</u>	<u>International Migration</u>	<u>Total Change</u>
Austin-Round Rock, TX	15.33	83,740	157,673	37,493	278,906
Dallas-Plano-Irving, TX	10.87	198,862	177,234	104,742	480,838
Fort Worth-Arlington, TX	9.32	86,290	90,230	35,696	212,216
Houston-The Woodlands-Sugar Land, TX	11.46	305,244	203,764	197,552	706,560
Cedar Rapids, IA	3.27	5,728	1,038	1,890	8,656
Columbia, MO	5.69	5,377	764	3,491	9,632
Des Moines-West Des Moines, IA	9.52	22,603	24,883	8,504	55,990
Iowa City, IA	8.07	5,858	1,968	5,002	12,828
Jefferson City, MO	0.74	2,458	-1,955	650	1,153
Springfield, MO	4.09	7,571	9,077	1,601	18,249
St. Louis, MO-IL	0.40	37,680	-45,621	19,501	11,560
Waterloo-Cedar Falls, IA	0.69	2,901	-3,453	1,769	1,217
Clarksville, TN-KY	4.03	15,767	-9,004	4,092	10,855
Nashville-Davidson--Murfreeseboro--Franklin, TN	10.21	49,510	100,583	25,256	175,349
Jackson, TN	-0.71	1,351	-2,593	340	-902
Memphis, TN-MS-AR	0.60	34,942	-34,789	7,729	7,882
Auburn-Opelika, AL	8.96	4,158	6,309	2,752	13,219
Dothan, AL	0.32	467	-73	139	533
Montgomery, AL	-0.21	6,165	-9,165	2,212	-788
Decatur, AL	-1.31	452	-2,773	332	-1,989
Florence-Muscle Shoals, AL	-0.12	-1,440	1,248	69	-123
Huntsville, AL	5.95	7,084	15,807	2,708	25,599
Anniston-Oxford-Jacksonville, AL	-2.13	-437	-2,367	338	-2,466
Birmingham-Hoover, AL	1.45	13,207	-1,499	5,124	16,832
Gadsden, AL	-1.44	-1,067	-402	14	-1,455
Tuscaloosa, AL	4.08	3,810	4,005	1,669	9,484
Crestview-Fort Walton Beach-Destin, FL	9.87	6,026	15,879	2,317	24,222
Mobile, AL	0.05	6,044	-8,180	2,491	355
Panama City, FL	6.51	1,971	8,530	1,588	12,089
Pensacola-Ferry Pass-Brent, FL	5.66	5,619	16,392	4,125	26,136
Baton Rouge, LA	2.54	21,414	-7,365	6,601	20,650
Houma-Thibodaux, LA	0.77	5,067	-4,723	1,336	1,680
Lafayette, LA	3.64	14,091	-484	3,650	17,257



	Total Population: <u>% change 2013-17</u>	<u>Natural Change</u>	NUMBER OF PEOPLE		<u>Total Change</u>
			<u>Net Domestic Migration</u>	<u>Net International Migration</u>	
New Orleans-Metairie, LA	3.90	25,120	5,747	16,734	47,601
Gulfport-Biloxi-Pascagoula, MS	4.14	5,694	6,598	3,437	15,729
Hattiesburg, MS	1.61	3,434	-1,604	497	2,327
Jackson, MS	0.39	11,102	-11,830	2,890	2,162
REGIONS FOOTPRINT	6.19	1,982,292	1,573,224	1,600,397	5,155,913
United States	3.73	6,441,814	N/A	5,284,092	11,725,906

SOURCE: U.S. Census Bureau; Regions Economics Division