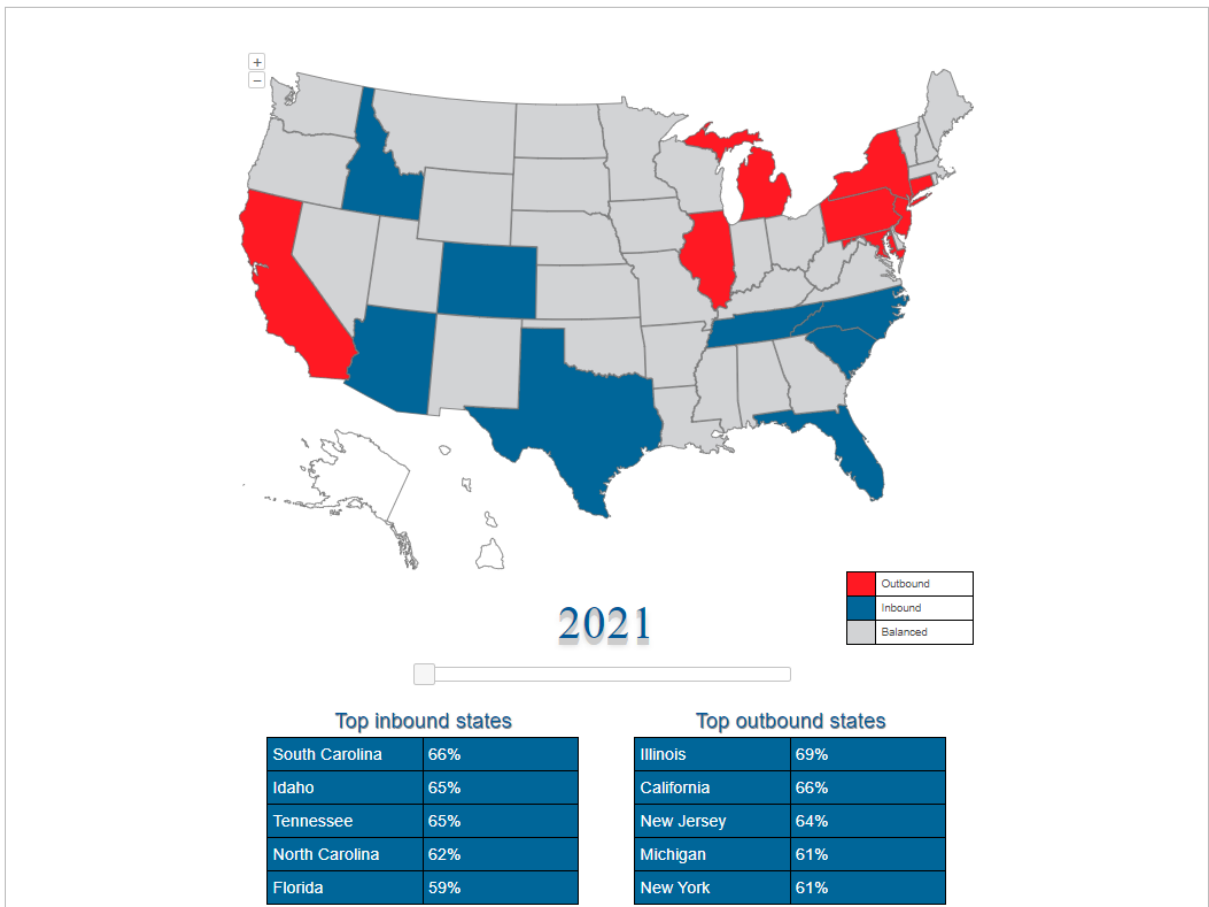




## Where Are Americans Moving in 2021?

### Americans Continue to Move from the Coasts and Midwest to the Southwest and South

2021 has seen the continuation of the trend of Americans moving from the most expensive states to those with a lower cost of living and lower taxes. With a major shift toward remote work for several occupations, along with continually rising housing costs, people are rapidly moving from the coasts and Midwest to the South and Southwest. In 2021, with many employers having limited to no requirements for onsite work, more Americans were free to move, and it even resulted in a jump of 20% more people moving compared to 2020.



### Key Takeaways from the 2021 Migration Report

- The Carolinas, Tennessee, Florida, Arizona and Texas are the top destinations for movers

<https://www.northamerican.com/migration-map/>

- The top five states for departures (IL, CA, NJ, MI and NY) are among the top 20 most densely populated states
- Over 20% more Americans are moving in 2021 compared to 2020
- New remote work opportunities enabled an estimated 14-23 million Americans to relocate in 2021
- The top three factors for moving in 2021 are: cost of living, proximity to family, work flexibility

### **The Coasts and Midwest Lead the Way for Outbound Moves**

Coastal states like New York, California and New Jersey are leading the way for outbound moves in 2021 along with Illinois and Michigan in the Midwest.

[Neighbor](#) found that the top reason for moving is a high cost of living, especially for coastal states, combined with the arrival of new remote work opportunities.

With cost of living being the main priority, California, New York and New Jersey are less desirable for Americans in 2021 while states with a significantly lower cost of living such as Tennessee, Arizona, and the Carolinas have naturally seen the highest influx of movers.

California ranks as one of the least affordable states in the country, including owning the majority of the least affordable metro areas. [Los Angeles](#) ranks as the least affordable city for first time homebuyers in 2021.

### **Cost of Living is the Top Concern for Movers in 2021**

It may be counterintuitive, but COVID-19 was not the top motivating factor for movers in 2021. The top concerns for moving in 2021 as recorded by a Neighbor.com survey are:

- 1.) Desire for a lower cost of living
- 2.) Moving closer to family
- 3.) Increased work flexibility

Other important factors for moving Americans include:

- 4.) Looking for new job opportunities
- 5.) Better schools
- 6.) Better safety regarding the pandemic

### **Arizona Tennessee and the Carolinas are Top Destinations**

Since 2016, Arizona, Tennessee and North and South Carolina have remained in the top 5 destinations for movers. With millions of Americans now finding new remote work positions or contract work, opportunities have arisen to move to Southern states like these.

Americans are moving to these states in particular for a few likely reasons:

- 1.) [Desire for More Space](#) – Neighbor.com found that half of those who are moving in 2021 desire more space in their new home.

With home space also being such a major factor, states with lower median housing prices such as Arizona and Tennessee have become top destinations while California, New Jersey and New York have far higher median home prices.

For example, in California, the median home price is projected to [rise above \\$800,000](#) in 2022 while the national average is \$357,000.

In general, homebuyers who are moving will get far more square footage in states like the Carolinas, Arizona and Tennessee over coastal states at the same price or less.

2.) [Remote Work Opportunities](#) – With no obstacles to living anywhere in the United States due to remote work, millions of Americans have taken the opportunity to live in a city where they will have more disposable income.

In early 2021, [Redfin](#) found that a full two thirds of homebuyers or home sellers would consider moving to a different city if remote work became permanent. Since it has become permanent for many companies since that time, the trend of moving to states with more space will likely continue in 2022.

3.) [Taxes](#) – New York (12.7%), New Jersey (12.2%), Illinois (11.0%) and California (11.0%) all rank among the top five states with the highest local and state tax combinations based on research by the Tax Foundation.

Although taxes are not the only factor people consider when deciding where to live, they can certainly be a major consideration.

Meanwhile, the states with the highest number of inbound Americans are some of the most tax-friendly states in the US including Arizona with a 1.8% and Tennessee with no income tax while South Carolina has a graduated income tax from 0 to 7%.

### **A Desire for Less Expensive Housing and Smaller Cities**

Remote work drove an additional 14-23 million Americans to move 6 months after the pandemic began, and that likely contributed to the 20% overall uptick of movers in 2021. [Upwork](#) found that 52.5% of Americans planning to move at that time were seeking less expensive housing and 20.6% of those planning to move were currently living in a large city.

This trend is likely to continue in 2022 as more Americans find remote work and seek larger homes. Only 25% of movers desired to move into a home that was more expensive than their current home.

### **Midwestern States Continue to See an Exodus**

States like Illinois and Michigan are seeing a large exodus, both ranking in the top 5 outbound states for 2021. Illinois also ranked as the leading outbound state in 2020, while Michigan was ranked 6th.

IllinoisPolicy found that one of the top reasons why people are leaving Illinois is the [state's high taxes](#), combined with factors such as low job prospects and the desire for better housing.

People are [leaving Michigan](#) for similar reasons, primarily due to seeking better economic prospects, as it continues to be difficult for people to find jobs in the state.

The harsh winters in the Midwest certainly do not help, but weather alone is rarely stated as a top factor over more pressing priorities related to cost of living and employment.

### **20% More Americans are Moving in 2021 compared to 2020**

2021 has seen a 20% rise in movers for the year compared to 2020, with an estimated [56% of Americans moving in 2021](#) while just 35% moved in 2020.

The pandemic has accelerated moving plans for many Americans; the rapid shift to remote work for many professionals opened up a window of opportunity to move to a more desirable location.

### **Our Methodology**

For this report, we utilized 2021 data for household moves in and out of states. We focused our report on the states with the highest number of inbound or outbound moves. We statistically eliminated states that may have had a large proportion of moves but fewer overall moves than others. We also researched a range of supporting data and statistics to determine the underlying causes for 2021 moving trends.