New Hampshire Demographic Trends Reflect Impact of the Economic Recession

Recently released U.S. Census Bureau estimates reflect the impact of the slowing economy on population change in New Hampshire counties. A key driver of such population change is domestic migration—people moving from one U.S. county to another. New Hampshire has long benefited from an inflow of people from other states, but as the recession deepened migration to the state dwindled. Last year, more people left New Hampshire than moved to it. As a result, nine of New Hampshire’s ten counties either lost population or grew more slowly last year.

Growth Slows, Except in Hillsborough County

New Hampshire’s population growth slowed last year compared to earlier in the decade. Estimates place New Hampshire’s population at 1,324,575 as of July 1, 2009. The state’s population grew by only 2,700 between 2008 and 2009. Much of New Hampshire’s growth in recent years occurred because more people move to the state than left it. This changed last year. From 2008 to 2009, nearly 2,600 more people left New Hampshire for other states than moved to it. The state grew last year because the excess of births over deaths and immigration were sufficient to offset this domestic migration loss.

In all, some 14,000 babies were born in New Hampshire from July 2008 to July 2009 compared to only 10,400 deaths. This natural increase together with a gain of 1,700 immigrants was sufficient to offset the migration loss to other states.

Only Hillsborough County grew more last year than it did the year before. The state’s nine other counties either lost population or grew less than in the previous year. Hillsborough’s greater population gain occurred because fewer people moved out of the county. Because this domestic migration loss was smaller, natural increase and immigration caused the county to grow more rapidly. In the nine other New Hampshire counties, migration gains were smaller or losses were greater in 2009 than they were in 2008.

Population growth slowed even among historically fast-growing New Hampshire counties. Rockingham and Strafford counties are situated on the outer fringe of the Boston metropolitan area. As such, they enjoyed significant in-migration from the sprawling Boston area. However, migration gains in these counties have diminished sharply recently. In 2006, both Rockingham and Strafford counties gained more than 1,000 domestic migrants. Last year, Rockingham lost domestic migrants and Strafford had only a minimal gain. As a result, the population growth rate in each county was cut in half.

Even in New Hampshire counties known as centers of recreation and retirement, migration has slowed significantly. The natural amenities of Belknap and Carroll counties have attracted substantial numbers of amenity migrants for decades. Yet last year, Carroll lost migrants to other U.S. destinations, and Belknap gained less than a 100 domestic migrants. Without this steady stream of domestic migrants, Belknap County experienced only a minimal population gain last year, while Carroll actually lost population.

Most of New Hampshire’s net migration loss is because fewer people moved to the state. Migration data from the Internal Revenue Service show that the number of migrants moving to New Hampshire diminished by 13 percent from 2006 to 2008. In contrast, migrants leaving the state only slowed by 6 percent. New Hampshire has traditionally depended on a substantial inflow of migrants to fuel its population growth. Massachusetts has provided many of these migrants, but in the last several years, migration from Massachusetts to New Hampshire has declined by 34 percent.

Key Findings

- Nine of ten New Hampshire counties grew slower or lost population last year.
- Slower growth is due to less migration to New Hampshire from other states.
- Only Hillsborough County showed a larger population gain last year.
Boston Metropolitan Area Growth

Reduced out-migration from Massachusetts slowed growth in New Hampshire, but it accelerated growth in the Boston area. Last year, Suffolk County in Massachusetts, with Boston at its core, gained nearly 11,000 residents. This large population gain occurred because the number of people leaving the county for other U.S. destinations roughly equaled the number moving in. With minimal domestic migration change, natural increase and immigration combined to produce a significant population gain. The situation was quite different as recently as 2006. Suffolk County grew by only 3,600 that year because the net domestic migration loss of 13,200 was so great that natural increase and immigration could barely offset it. The upturn in population in the Boston area is not limited to just Suffolk County. Both Essex and Middlesex counties also enjoyed substantial population gains last year because they gained domestic migrants rather than losing them.

Big Urban Cores Retain More Domestic Migrants, but Fringe Counties Lose

Demographic trends evident in New Hampshire and the Boston area are consistent with national trends where the key driver of population change is also domestic migration. The overall volume of migration has slowed in the last two years nationwide, but the impact of the slowdown has not been the same everywhere. The other drivers of U.S. population growth have not changed as dramatically. Immigration to the United States slowed modestly from 2006 to 2009 (from 1,006,000 to 855,000). Natural increase (births minus deaths) remained relatively unchanged. It is domestic migration that is driving the demographic changes underway in the country.

Domestic migration losses from urban core counties of metro areas with more than one million diminished from 765,000 in 2006 to 204,000 out-migrants in 2009. The renewed growth in the inner core of the Boston metropolitan area reflects this national trend. Those leaving metro cores tend to be in their thirties and forties with children, so the housing market, particularly selling houses, has a big influence on them. The slowdown of the housing market has essentially frozen them in place. As a result, big metro cores are losing fewer migrants and many have started to grow again.

In contrast, on the outer edge of urban areas and in rural areas just beyond, widespread migration gains during the boom have turned to domestic migration losses. The trend noted above for Rockingham and Stafford counties is occurring nationwide on the urban fringe. Such areas received considerable migration growth from urban sprawl when the housing market was booming, but that growth slowed dramatically when the recession hit. At the national level, such counties had a net domestic migration gain of 127,000 in 2006, but a net domestic migration loss of 64,000 last year.

The migration slowdown is not limited to fringe counties of metropolitan areas. Many Sunbelt areas that grew rapidly during the boom because of migration are now experiencing dramatically reduced population growth. Maricopa County (Phoenix), Arizona, exemplifies these traditionally fast-growing urban core counties. Maricopa’s net domestic migration gain dropped from 69,400 in 2006 to just 4,600 in 2009. Without as much migration to fuel growth, Maricopa’s population gain was cut in half from 129,000 in 2006 to 64,900 in 2009. Clark County (Las Vegas), Nevada, gained 44,600 domestic in-migrants in 2006 but lost 1,300 last year. As a result, its population gain of 69,300 in 2006 dropped to only 23,700 last year.

Fast-growing counties in Florida were hit even harder. Flagler County, which grew faster than any other county in the United States through most of the decade, has seen its net inflow from domestic migration drop from 6,900 in 2006 to only 900 last year. And Lee County, home to Fort Myers and Cape Coral, went from a net domestic migration gain of 21,800 in 2006 to a migration loss of 4,600 last year.

Migration Gains End in Rural Areas

Nationwide, rural areas grew by about 91,000 between 2008 and 2009. This compares to a population gain of 280,000 in 2006 near the peak of the boom. Rural areas suffered a net domestic migration loss in 2009 of nearly 94,000. In contrast, domestic migration was a significant source of rural growth earlier. For example, rural areas gained 122,000 domestic migrants as recently as 2006.

This changing structure of domestic migration has had a dramatic impact on fast-growing rural areas. Traditionally recreational and retirement destination counties have grown faster than other rural counties. But both of these fast-growing county types experienced much slower migration gains in 2009. Domestic inflows to rural recreation counties dropped from 72,500 in 2006 to a loss of 500 in 2009, and those to retirement destination counties dropped from 123,200 in 2006 to 10,000 in 2009. So the traditional fast-growing rural areas experienced slower growth—although they did still grow. The migration slowdown occurred because fewer people are moving to these counties and the number of people leaving either held stable or slowed less.

In traditionally slow-growing rural counties, like farming or mining counties, things were a little more stable. Farm counties experienced slightly less out-migration in 2009 than in prior years. This is because fewer people left rural areas. The number coming was also down but not as much. This is typical in hard times, as people tend to stay put.

Rural manufacturing counties, like Coos County in New Hampshire, had a particularly tough time with migration. They have traditionally gained migrants, but things have changed recently. In 2006, manufacturing counties in rural areas gained 20,200 domestic migrants, but in 2009 they lost more than 59,600. This is the twin fallout of the slowdown in the U.S. domestic manufacturing industry and globalization.

The data released by the U.S. Census Bureau are estimates of the demographic changes underway in the country between July 2008 and July 2009. As such, they must be interpreted with caution. Definitive conclusions about population changes will be possible when the results of the 2010 census are released late this year and in early 2011.

About the Author

Kenneth M. Johnson is a professor of sociology and the senior demographer at the University of New Hampshire’s Carsey Institute (ken.johnson@unh.edu).