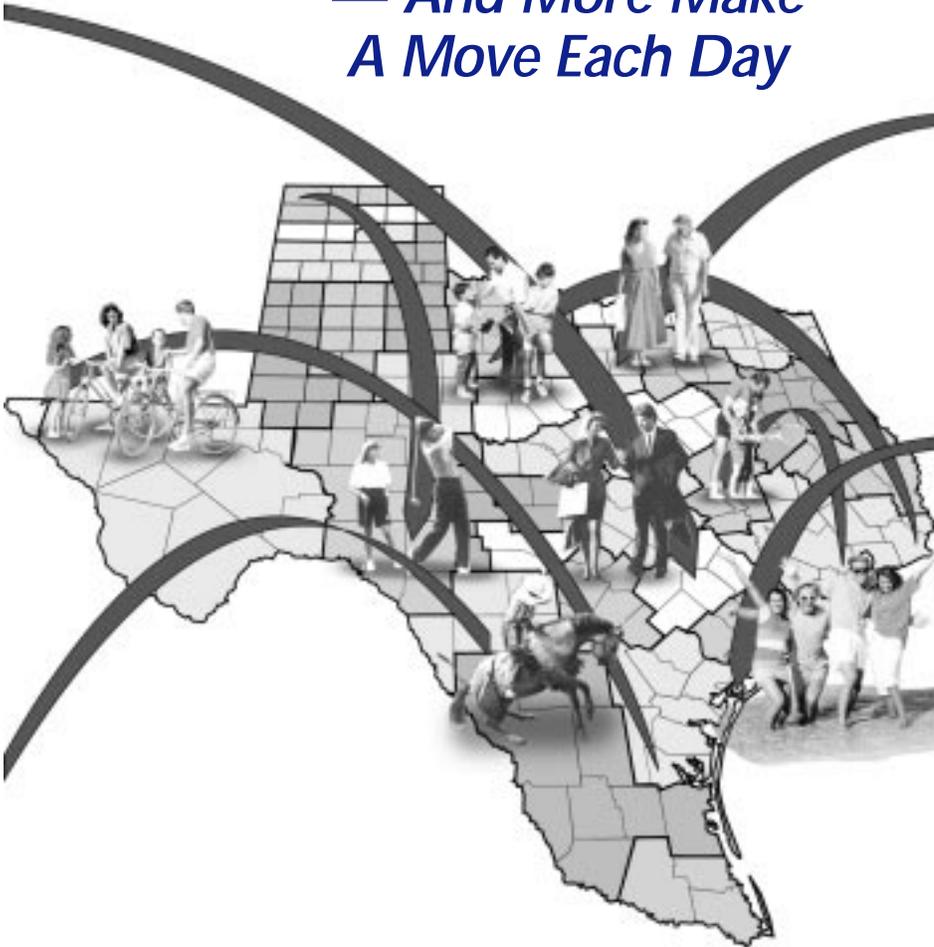


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Concentration Game

*Nearly 20 Million Players
— And More Make
A Move Each Day*



By Steve H. Murdock

People continue moving to Texas in large numbers, but a smaller percentage are moving from other states. There are several theories why this is happening. It may be in response to new immigration laws that increase the percentage of foreign-born residents. Perhaps it is the result of a stronger California economy that has reduced the number of residents seeking work in Texas. Or, the shift may signal the beginning of a slowdown in population growth. Whatever the reason, the socio-economic effects have already begun.

The most recent population estimates for July 1, 1997, show Texas among the nation's fastest-growing states. These data, together with those released earlier, however, suggest that such growth

is concentrated in the largest cities and that domestic immigration of persons from other states to Texas is the most important for real estate.

The latest numbers show Texas' population to be more than 19.4 million. This is an increase of nearly 2.5 million, or 14.4 percent, since the April 1990 census. More recently, the state's population increased by 348,000 from 1996 to 1997. This increase is like adding a city the size of Austin (in 1980) to the state's population in a single year. The 2.5 million increase is roughly equivalent to adding cities the size of Houston and San Antonio to Texas' population in just seven years.

Texas' 1990-97 numerical increase was the second largest of any state. Only California grew faster. In addition, Texas showed the eighth largest percentage

increase. For 1990-96, Dallas-Fort Worth and Houston-Galveston-Brazoria had the third and fourth largest numerical increases among U.S. metropolitan areas (behind Los Angeles and Atlanta), adding more than 537,000 and 522,000 respectively.

Texas had the second, third, seventh and tenth fastest-growing metropolitan areas, in percentage terms, in the nation from 1990 to 1996. Laredo has increased in population by 32.7 percent, McAllen-Edinburg-Mission 29.2 percent, Austin-San Marcos 23.1 percent and Brownsville-Harlingen-San Benito 21.1 percent.

Texas' population growth is extensive. The latest data suggest, however, that the sources of Texas population growth may be changing.

The role of **natural increase** in the determination of Texas' growth remained relatively stable during the 1990s, adding between a 185,000 and 192,000 Texans per year. **Domestic immigration** to Texas reached its maximum in 1994-95 when it was more than 88,000—25 percent of the state's population increase; it decreased to roughly 56,000, or 16 percent of all population growth in 1996-97.

On the other hand, **international immigration** was at its lowest level from 1994 to 1995 when it was slightly less than 78,000 persons (22.1 percent of the population growth). It increased substantially to more than 101,000 (29.1 percent of population growth) in 1996-97.

Population growth is occurring in a majority of Texas counties. Texas State Data Center estimates show that 215 counties had 1990-96 population increases compared to 156 counties in 1980-90. However, population growth is heavily concentrated. According to census bureau estimates, 24 counties had 80 percent of the state's 1990-96 population increase. Harris, Dallas, Tarrant, Bexar, Hidalgo, Collin, Travis and El Paso counties gained the most.

More than 80 percent of the state's 1990-96 natural increase occurred in 16 counties. Seven counties had more than

80 percent of the state's domestic immigration, and 12 counties accounted for 80 percent of the 1990-97 international immigration.

Overall, data suggest that Texas' population growth is substantial, and the state is among the most rapidly growing states in the nation this decade. Its relatively high level of natural increase promises continued

growth. However, that growth may be changing and becoming more concentrated in a relatively small number of Texas counties. Although any set of estimates must be carefully analyzed, these estimates suggest that domestic immigration, which provides an important stimulus for residential real estate demand, is slowing and becoming more concentrated in the largest Texas

cities. Such patterns clearly warrant careful monitoring by real estate professionals. ☐

Murdock is a research fellow with the Real Estate Center at Texas A&M University and chief demographer of the Texas State Data Center, Department of Rural Sociology, at Texas A&M University.

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