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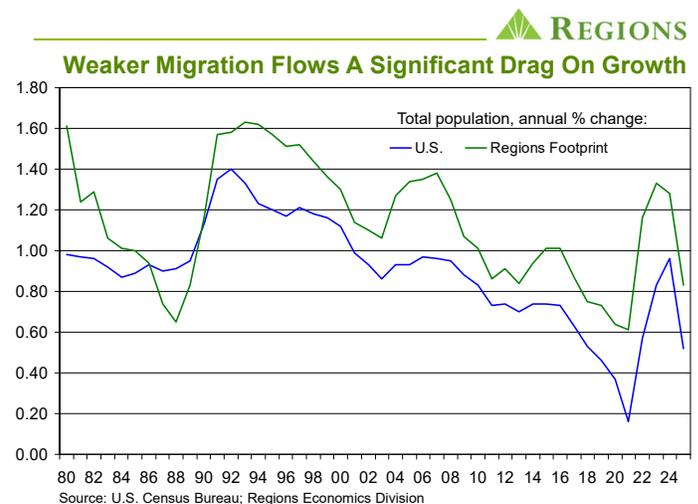
## 2025 State Population: Regions Footprint

The U.S. Census Bureau recently released comprehensive data on 2025 state level population, including the components of change in population. The pace of population growth slowed dramatically in 2025, both nationally and within the Regions footprint, as considerably weaker migration flows exposed the long-running weakness in natural population growth. Total U.S. population grew by just 0.5 percent in 2025 while the total population within the Regions footprint grew by 0.8 percent. The deceleration in population growth in 2025 ended a three-year run of marked acceleration in growth fueled by meaningfully faster migration flows – international in-migration for the U.S. as a whole and both domestic and international in-migration for the Regions footprint. That population growth slowed markedly in 2025 comes as no surprise; we produce these updates on the population data each year, and in last year's edition we pointed to what we expected would be a pronounced decline in international in-migration which would in turn act as a drag on total population growth, which very much proved to be the case. At the same time, cooling labor market conditions and diminished housing affordability curbed domestic in-migration within the Regions footprint, acting as an additional drag on overall population growth. The impacts of diminished migration flows have impacts beyond the population data. In late-2024 we began discussing how a likely slowdown in international in-migration would be a drag on job growth, and the monthly employment reports produced by the Bureau of Labor Statistics showed a significant decline in the size of the foreign born labor force over the course of 2025. We see little likelihood of either domestic or international in-migration increasing to any meaningful degree in 2026, and we do not think the possibility that international migration may, on net, actually turn negative should be dismissed out of hand which, if continued, could eventually lead to an outright decline in U.S. population given ongoing weakness in natural population growth. Before proceeding further, we'll note that comparable data on the metro area level are not yet available, so this discussion will be on the national and state levels and once the metro area data have been released we'll provide our usual summary table for the group of over one hundred in-footprint metro areas we routinely track.

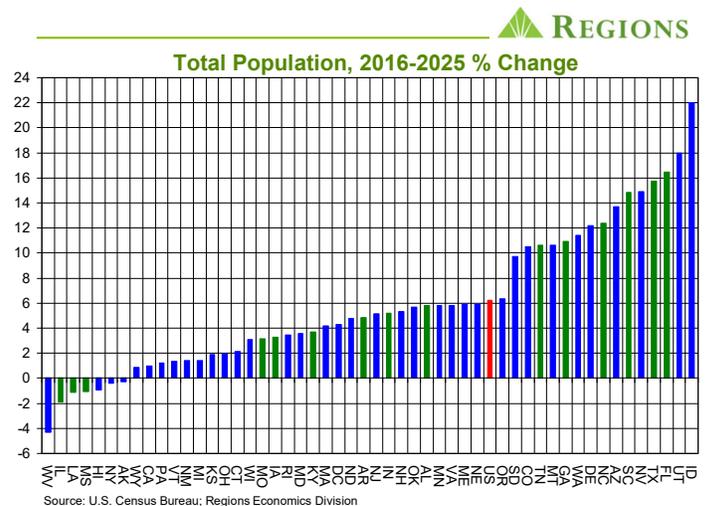
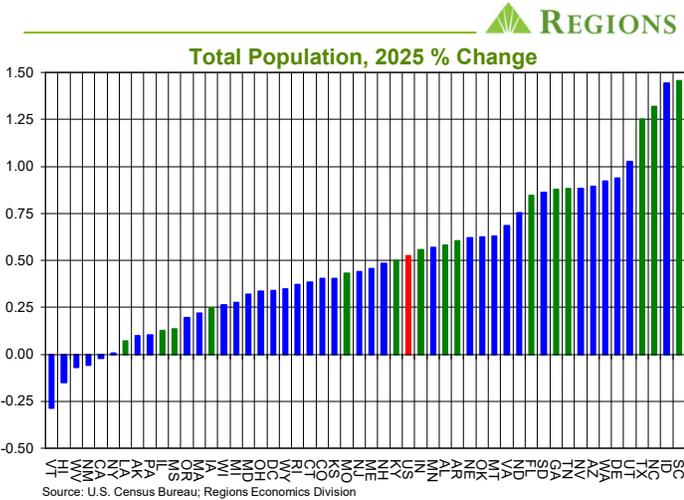
While in last year's update of the population data we noted that 2025 would likely see a pronounced deceleration in population growth, we also noted that we did not expect any change in the relative rates of growth between the Regions footprint and the U.S. as a whole, i.e., the footprint would continue to post a faster rate of population growth than the nation as a whole. As seen in the chart to the side, that wasn't exactly us going out on a limb, as the last year in which the footprint lagged the nation in the rate of population growth was 1989. As noted above, total U.S. population grew by 0.5 percent in 2025 while total population within the Regions footprint grew by 0.8 percent. Clearly, the pandemic took a heavy toll on population growth, with a sharp increase in mortality rates pushing the natural change in population, i.e., total births minus total deaths, down significantly in 2020 and then to a much greater extent in 2021. As mortality rates subsequently began to revert back toward pre-pandemic trends, migration flows picked

up, particularly international in-migration, which supercharged growth in the total population nationally and within the footprint over the 2022-2024 period. It follows, then, that with changes in immigration policy drastically curbing international in-migration, growth in total population would have slowed. That said, the 0.5 percent increase in total U.S. population in 2025 actually puts population growth back on the trajectory it was on prior to the onset of the pandemic and the subsequent three-year surge in international in-migration, a point that has been lost in the reaction to the 2025 data. Within the Regions footprint, the 0.8 percent increase in total population in 2025 tops the increases seen in both 2018 and 2019 as total international in-migration, despite slowing sharply from the flows seen over the 2022-2024 period, nonetheless remained stronger than in the years leading up to the pandemic. That is unlikely to persist, however.

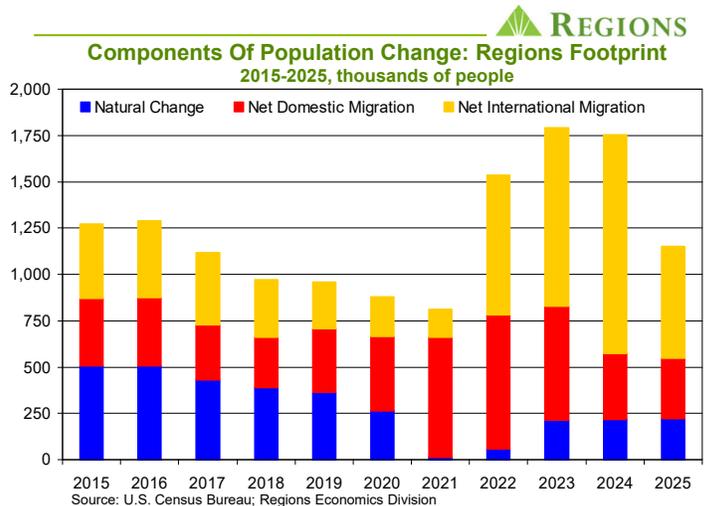
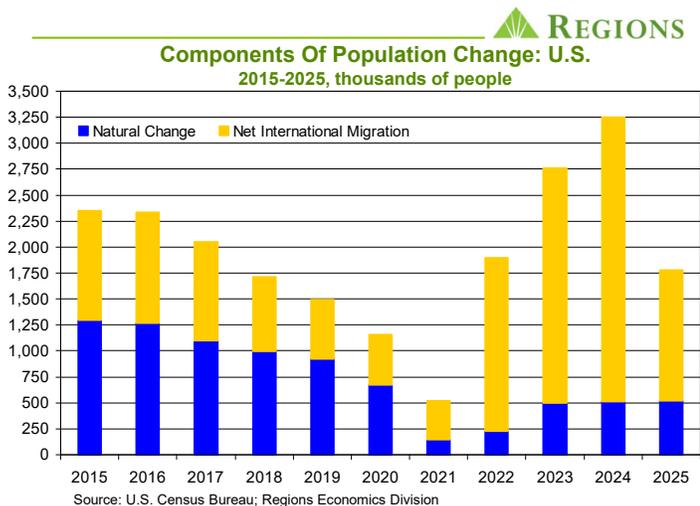
After having posted the nation's fourth fastest population growth in 2024, South Carolina vaulted to the top of the list in 2025, with the Palmetto State posting a 1.5 percent increase in total population, edging out the 1.4 percent increase in Idaho. North Carolina (1.3



percent) and Texas posted the nation’s third and fourth largest increases in total population in 2025, while Georgia and Tennessee tied Nevada for the ninth largest increase (0.9 percent). After having posted the nation’s second largest increase in 2024, Florida posted the nation’s thirteenth largest increase (0.8 percent) in total population in 2025, with marked drop-offs in domestic and international migration. At the other end of the spectrum, Louisiana saw its population basically flatline in 2025, an increase of 0.072 percent, with only six states lagging that, including outright population declines in California, New Mexico, West Virginia, Hawaii, and Vermont.



The second chart above shows the change in total population over the most recent ten-year period, with the U.S. population increasing by 6.21 percent over this span. With an increase of 22.02 percent, Idaho saw the nation’s largest increase over the past ten years. Despite slipping down the annual rankings in 2025, Florida still posted the nation’s third largest increase, 16.50 percent, over the past ten years as Texas was fourth with an increase of 15.75 percent, South Carolina sixth with an increase of 14.85 percent, and North Carolina eighth with an increase of 12.40 percent. Over this same span, Georgia and Tennessee posted increases that topped the U.S. increase. Conversely, Illinois (-1.88 percent), Louisiana (-1.12 percent), and Mississippi (-1.03 percent) saw their populations decline over the past ten years. For the Regions footprint as a whole, total population increased by 9.62 percent over the past ten years.

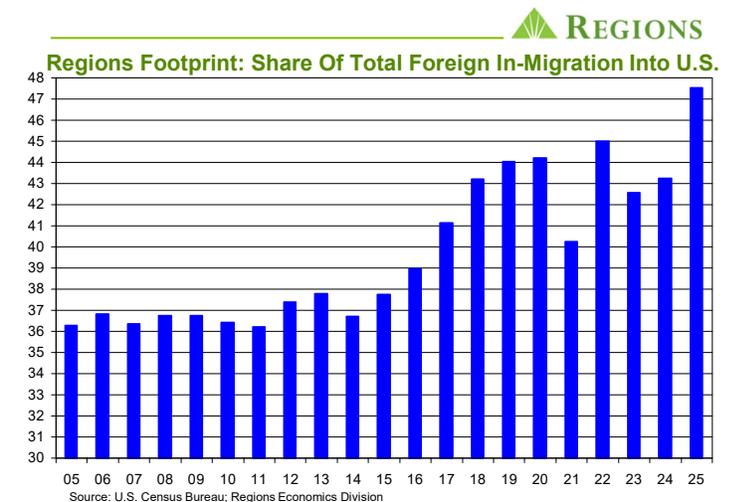
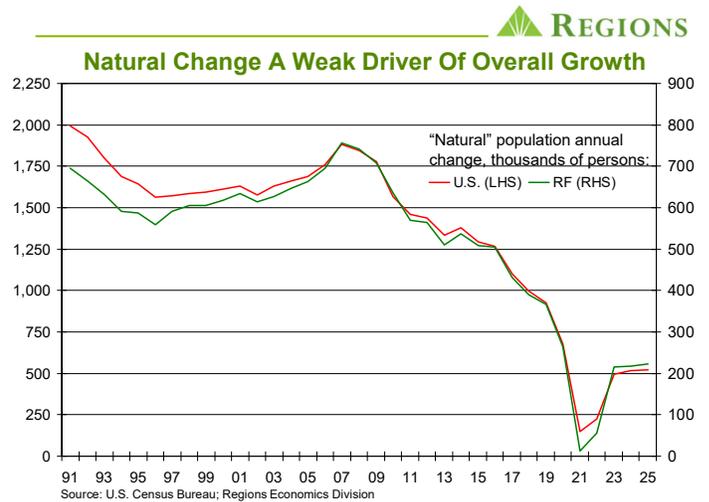


We think it important to break down changes in total population into their component parts – natural change which, again, is the difference between births and deaths in a given time period, net domestic migration, and net international migration. Note that for the U.S. as a whole, net domestic migration is by definition zero but this is an important component on the state and metro area levels. The charts above break the change in total population down into its individual components for the U.S. and the Regions footprint for each year going back to 2015. A few things immediately jump out, the first being the pronounced deterioration in natural population change after the onset of the pandemic, reflecting higher mortality rates stemming from the pandemic. Within the footprint, the jump in net domestic in-migration in 2021 and continued strong inflows from within the U.S. in both 2022 and 2023 stand out, which to some extent

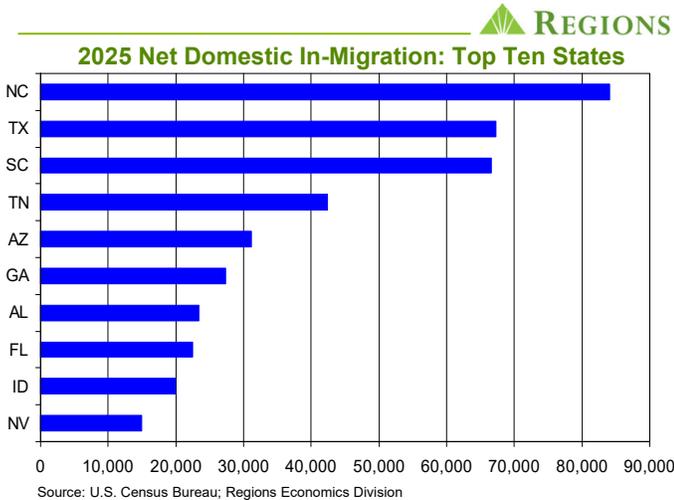
reflects what was a rising incidence of remote work which allowed people to move to what they saw as more desirable locations. To that point, the spike in domestic in-migration was not uniform across the Regions footprint, and a few states – Iowa, Illinois, Louisiana, and Mississippi – saw net domestic out-migration over the 2021-2023 period, perhaps reflecting shifting labor market dynamics and in the case of Illinois a less palatable state income tax framework. Note, however, that net domestic in-migration for the footprint as a whole tailed off sharply in 2024 and further still in 2025, reflecting a more broadly based softening in labor market conditions and a sharply lower rate of housing market turnover, as higher mortgage interest rates effectively “locked” significant numbers of homeowners in place and curtailed affordability for prospective buyers that held down mobility. Finally, the spike in net international in-migration over the 2022-2024 period and subsequent slowdown in 2025 are clearly visible for the U.S. and the footprint, reflecting changes in immigration policy, including the enforcement of immigration policy.

To the extent that 2026 sees further erosion in net international in-migration and, on the state level within the footprint, further slowing in net domestic in-migration, this year figures to see total population growth slow further, both nationally and within the Regions footprint. That simply reflects natural population, effectively by default, taking on a bigger role as a driver of change in the total population. Note that natural population growth had been eroding for years prior to the spike in mortality rates further depressing natural change in 2020 and 2021. To that point, within the footprint, the natural increase in population fell to just 13,162 persons in 2021, down from 365,948 persons in 2019. To lend some perspective on the longer-term patterns of natural population change, in 1991 the natural increase in population for the U.S. was just under two million persons, an increase which accounted for three-quarters of that year’s change in total U.S. population. In 2025, the natural increase in population for the U.S. was just 518,858 persons, accounting for twenty-nine percent of the change in total U.S. population. In 1991, natural change within the Regions footprint totaled 694,441 persons, accounting for 59.2 percent of the change in total population, whereas in 2025 natural change was 223,561 persons, accounting for 19.5 percent of the change in total population within the footprint. Though mortality rates have more or less returned to pre-pandemic patterns, birth rates have continued to decline in most states and are likely to continue to do so, meaning that going forward natural change will be an even weaker support for population growth, if not an outright drag in the form of negative natural changes in population at some point.

Net international in-migration for the U.S. fell from 2.734 million persons in 2024 to 1.262 million persons in 2025, with every state in the U.S. seeing a decline from 2024. Within the footprint, net international in-migration fell from 1.183 million persons in 2024 to 600,186 persons in 2025 but, as seen in the chart to the side, the decline within the footprint was less pronounced than that for the U.S. as a whole, as the footprint accounted for 47.6 percent of total international in-migration. California saw the largest drop-off in net international in-migration, with 203,483 fewer persons than in 2024, with Texas (down by 187,389 persons) posting the third largest drop-off and Florida (down by 104,990 persons) posting the fourth largest drop-off of any state. That the footprint’s share of total international in-migration rose sharply despite the sizable drop-offs in Florida and Texas to some extent reflects a greater concentration of immigrants in the states that have traditionally been stronger magnets for immigrants, whereas the surge in international in-migration over the 2022-2024 period was far more geographically dispersed. For instance, Florida still, on net, drew 178,674 foreign born persons in 2025 while Texas drew 167,475, and for that matter California drew 109,278. As such, even if 2026 brings another drop-off in net international in-migration, as we think to be highly likely, it could be that the footprint’s share of the U.S. total either stays somewhat steady or increases further. Over time, net international in-migration has been an important factor behind what has been faster population growth within the footprint than has been the case for the U.S. as a whole.

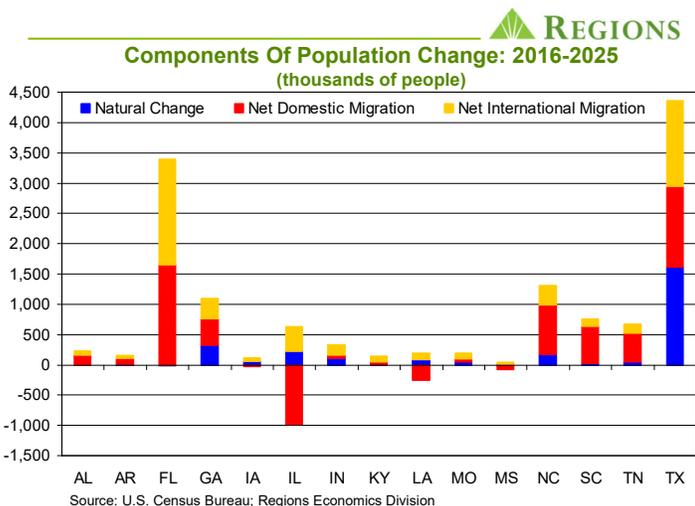


One point worth making here is that we think the 2025 figures for net international in-migration are overstated. Keep in mind that Census reports the annual population changes not on a calendar year basis but on a July/July basis, and our sense is that the latter months of 2025 likely saw further outflows of foreign-born persons that have not yet been picked up in the Census estimates. If we are correct on this point, then it follows that the 2026 vintage population estimates will show a more severe drop-off in net international in-migration than that reported in the 2025 vintage data.



Domestic migration flows also slowed markedly in 2025 which, as noted above, to a large extent reflected softening labor market conditions, firms pushing back on remote working, and challenging housing market conditions. Florida saw, on net, 35,894 fewer domestic in-migrants in 2025 than in 2024, the largest drop-off in the U.S., with Texas seeing, on net, 18,768 fewer domestic in-migrants, the second largest decline in the U.S. That said, of the ten states with the largest net domestic in-migration in 2025, seven are within the Regions footprint, with North Carolina’s net inflow of 84,064 persons the largest in the U.S. and, despite the large drop-offs from 2024, both Texas (second largest inflow) and Florida (eighth largest inflow) are still on the list. Much has been made of how better housing affordability was a draw for the Midwest region in terms of net domestic in-migration, far too much in our view. On the whole, the Midwest was no more or no less of a draw in 2025, than at any other time, and while on the surface looking at the region as a whole may show improved net domestic in-migration,

part of that reflects addition via less subtraction, as Illinois lost considerably fewer people to domestic out-migration (40,017 persons) in 2025 than was the case in 2024 (53,080 persons) while Michigan went from net domestic out-migration in 2024 (8,065 persons) to slight net domestic in-migration in 2025 (1,796 persons). While Indiana and Minnesota did see strong inflows from other parts of the U.S. in 2025, most states in the Midwest region continue to experience either net domestic outflows or only tepid inflows, pretty much debunking the whole “housing affordability as a magnet for domestic in-migration” narrative. Much as was the case with international in-migration, though down from 2024, domestic in-migration was still a decided advantage for the Regions footprint in 2025. That this has long been the case is another factor behind the footprint consistently posting faster population growth than the U.S. as a whole.



The chart to the side summarizes the components of total population change for each in-footprint state over the past ten years. It is striking that natural change is, for the most part, so weak, which simply illustrates the importance of positive migration flows as a driver of total population growth. Even in Georgia and Texas, natural change had diminished over the years and will likely continue to do so. While the footprint has natural advantages that act as a draw for domestic in-migration, these flows tend to be highly cyclical and will ebb and flow in accordance with labor market and housing market conditions, amongst other economic factors.

This leaves international in-migration as somewhat of a swing factor in terms of total population growth. It seems that the pendulum has swung from one extreme – virtually unchecked inflows – to the other – sharp curbs on inflows, stepped-up deportation efforts – over the past few years, with a more feasible approach lying somewhere in

between. That has yet to be determined, but a look at the longer-term trends in natural population change should bring some sense of urgency to finding that middle ground. Demographics may or may not be destiny but, either way, they do have significant implications for economic growth, both in the present and over time. We’ve pointed to diminished international in-migration as one factor behind the slowing trend rate of job growth. While we’ve also argued that the acceleration in the trend rate of labor productivity growth has much further to run, the beneficial impacts on economic growth and inflation will be blunted by meaningfully slower labor supply growth, and where all of this nets out remains to be seen. That we frequently return to the role of demographics as a key driver of longer-term economic growth reflects the importance of understanding and accounting for the implications of shifting population growth patterns.