

WSJ Print Edition

Migration powered Florida's economy for decades.



Lake Eola Park in Orlando, Fla. Roberto Reyes, above left, jumped at a job offer as an insurance agent in Knoxville, Tenn., last July, and left Orlando. Inflation in parts of Florida outpaced the national average over the past decade and home-insurance rates soared. THOMAS SIMONETTI FOR WSJ



BRANDON TIPTON

High Costs Drive Away Florida's Middle Class

BY ARIAN CAMPO-FLORES AND PAUL OVERBERG

ORLANDO, Fla.—Florida's migration patterns are changing dramatically. Residents in their prime working years are heading to other states, often citing affordability concerns. At the same time, the stream of people arriving from other states is shrinking.

Meanwhile, an influx of wealthy people from other states—turbocharged during the pandemic—has helped drive up home prices. Inflation in parts of Florida outpaced the national average over the past decade, and home-insurance rates soared.

Don

These side-by-side trends could spell trouble for a state whose economy relies on continued population growth and real-estate development.

“The affordability picture has changed in Florida almost more than anywhere else in the country,” said Eric Finnigan, vice president of demo --graphics research at John Burns Research & Consulting.

Florida lost one driver of population growth when deaths began to outnumber births in the state in 2020. Large flows of immigration fueled gains for years, but have waned under the Trump administration’s hard-line policies. Despite the influx of wealth, net domestic migration— people arriving from other states minus those leaving to other states—has overall slowed to a trickle in the past few years.

Stoking the change is a mismatch between the soaring cost of living in Florida and middling wages that haven’t kept up.

Roberto Reyes became fed up with rising rents and other spiraling costs in Orlando, and jumped at a job offer as an insurance agent in Knoxville, Tenn., last July.

He is now paying \$2,300 a month for a two-bedroom apartment with a garage in an amenity-rich complex—\$150 less than what he paid for a one-bedroom in downtown Orlando. He isn’t spending nearly as much for entertainment and eating out. And his commission-based income climbed to \$226,000 in the seven months he has been in Knoxville, he said, far exceeding the \$137,000 he earned in his best full year in Orlando.

“I came here to grow to the next level,” Reyes, 39 years old said. “I couldn’t be happier.”

Among the 25 most populous metro areas in the U.S., Orlando, Miami and Tampa ranked among the bottom five for median household income in 2024, according to a U.S. Census Bureau report last year.

The changing affordability situation has led to a shrinking supply of working- age newcomers, who are key to filling jobs and stoking demand for housing, retail and services. Florida depends heavily on such sectors, as it lacks big industries that generate an abundance of high-paying jobs. Though affluent arrivals generate economic benefits, such as higher tax collections, the broader trend is a concern.

“The collapse in domestic migration is a direct threat to jobs and paychecks for the state’s current residents,” Finnigan said. “It’s also a potential hit to home values and those with their wealth tied up in home equity.”

Migration powered Florida’s economy for decades, as the state lured people with its sunshine, lifestyle and once-affordable housing. Since 2019, that flow has been ebbing in the Miami area, where surging housing and other costs have led to a net loss of residents.

Miami and other parts of South Florida have drawn a wave of wealthy newcomers who have juiced the economy with demand for high-end construction and services. But their arrival hasn’t stemmed a sharp slowdown in job growth in the Miami area or outright declines in high- income employment in areas such as financial activities and professional and business services, according to data from John Burns Research & Consulting. The drop-off in domestic migration is now spreading to other parts of the state, according to an analysis of U.S. Census Bureau data by The Wall Street Journal. Metro areas including Orlando, Naples and Panama City experienced net losses of domestic migrants in 2024. The net losses often were clustered in lower age groups, mainly those 44 and under.

Comparing population flows in 2024 to those in 2019 showed that even though some other metro areas are still getting more domestic migrants than they are losing, the size of the gains has dropped significantly. That was the case in metro areas including Tampa, Sarasota and Cape Coral, according to the analysis.

Sydney Buckley and her husband, René Barajas Jr., moved out of the West Palm Beach area last September. Paying \$2,000 a month to rent a one-bedroom apartment, they searched for a house to buy, but couldn’t find any within their budget.

After researching cities around the country that were affordable and offered a good work-life balance, the couple decided to move to Greenville, S.C. They bought a newly built home for \$355,000—with a monthly mortgage payment

only \$100 more than what they were spending on rent— and they pay much less in property taxes and insurance than what they would have faced in Florida.

Their combined income of about \$160,000 a year—from her work as a speech pathologist and his as an employment coordinator—stretches farther in Greenville, allowing them to dine out regularly and vacation abroad. “We have more disposable income here,” Buckley, 31, said.

A poll last year by Florida Atlantic University’s Business and Economics Polling Initiative found that 80% of Florida residents were concerned about housing affordability and 43% said they lived paycheck to paycheck. Nearly half said they had considered leaving Florida because of the cost of living. Of the 20 most common occupations in the state, 13 paid on average less than \$20 an hour, including retail salespeople, cashiers and cooks, according to a 2025 study by United Way of Florida.

Soaring home prices, together with other factors like elevated mortgage rates, have depressed the housing market. In Tampa, the median sale price of homes was \$478,000 in February, compared with \$298,000 five years earlier, according to brokerage Redfin.

The Orlando-area workforce remains disproportionately concentrated in lowerwage occupations, according to a 2025 report by the Orlando Economic Partnership. Younger residents are leaving the state, likely due to cost considerations, and being replaced by older arrivals less attached to the labor force, the report said.

Cary Joe Davis, 34, left the Orlando area after working as an event operations coordinator at the ESPN Wide World of Sports Complex, earning about \$ 40,000 a year. He said he split the rent on a house with roommates, paying \$750 a month.

In 2024, he landed a job with the Montgomery Biscuits, a Minor League Baseball team in Alabama, as an equipment manager. He is now earning \$45,000 a year, and his living costs are much lower. The team provides housing during the season. Davis said he sometimes thinks about returning to Orlando. “I definitely miss it,” he said. “But I would definitely have to crunch the numbers.”

[Copyright \(c\)2026 Dow Jones & Company, Inc. All Rights Reserved. 4/21/2026](#)
[Powered by TECNAVIA](#)

The following is a digital replica of content from the print newspaper and is intended for the personal use of our members. For commercial reproduction or distribution of Dow Jones printed content, contact: Dow Jones Reprints & Licensing at (800) 843-0008 or visit djreprints.com.
