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GLENN WILLIAMSON, CEO & CHIEF RESEARCH OFFICER

Winter in the Desert: Why Canadian Snowbirds

Have Become a Strategic Economic Asset for AZ and the US

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Each winter, the United States experiences one of the largest and most consistent temporary migrations in the Western Hemisphere, yet this phenomenon remains largely invisible in federal and state policy frameworks. Between 350,000 and 450,000 Canadians relocate seasonally to the United States every winter with Arizona consistently ranking among the most significant destinations. This migration is not episodic, experimental, or marginal. It is a mature, decades-long system of seasonal residence that rivals established industries in economic scale, predictability, and stability. Despite this reality, Canadian snowbirds continue to be treated in law and policy as short-term tourists rather than as a distinct economic class whose contributions and low public cost profile warrant targeted, strategic policy consideration by the State of Arizona.

In times of political friction, economic uncertainty, or diplomatic tension between Canada and the United States, the resilience of

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this migration becomes even more apparent and needed. Canadian snowbirds, like water, have demonstrated an ability to adapt and find pathways regardless of obstacles. Exchange rate fluctuations, border restrictions, and regulatory, political uncertainty have periodically slowed the flow, but they have never reversed it. The underlying forces—demographics, climate, wealth distribution, and economic integration—continue to drive seasonal movement southward each winter. This persistence underscores that snowbird migration is not a discretionary luxury but a rational, deeply embedded economic behavior.

Arizona stands at the center of this system. During peak winter months, the state absorbs an estimated 100,000 Canadian households, resulting in a temporary population increase comparable to adding a mid-sized city each year. Unlike permanent population growth, this influx requires virtually no long-term public investment. Snowbirds do not enroll children in public schools, do not qualify for Medicaid or Medicare, and generally do not rely on public housing or income assistance programs. Instead, they arrive as self-funded residents who participate fully in the consumer economy while imposing minimal strain on public infrastructure.

The direct economic impact of this population is both substantial and measurable. Conservative estimates place average seasonal household spending between \$12,000 and \$18,000 per winter, excluding real estate purchases. Applied across approximately 100,000 Canadian households, this produces between \$1.4 and \$1.5 billion in direct seasonal spending annually in Arizona alone. When shorter-term Canadian tourism is included, (0 to 30 days) the total annual economic contribution exceeds \$2.4 billion. This scale rivals the economic output of several Arizona counties and approaches that of major export-driven industries, yet it arrives without subsidies, incentive packages, or publicly funded recruitment efforts.

What distinguishes snowbird spending from conventional tourism is its composition and distribution. Rather than concentrating primarily in entertainment or short-term hospitality, snowbird expenditures flow into essential, employment-intensive sectors. Grocery stores, pharmacies, healthcare providers, auto repair shops, utilities, property management firms, restaurants, and professional services all experience predictable winter demand increases. This pattern stabilizes revenue streams for local businesses, smooths seasonal employment cycles, and reduces reliance on volatile tourism peaks. In effect, snowbirds function as an imported consumer base that strengthens the winter economy counter-cyclically.

When standard economic multipliers are applied, the total impact grows significantly. Using conservative regional multipliers of 1.4 to 1.7, Arizona's \$1.4–\$1.5 billion in direct snowbird spending generates approximately \$2.1 to \$2.5 billion in total economic activity once supplier purchases, employee wages, and induced consumer spending are included. These secondary effects ripple outward, supporting wholesalers, logistics providers, service contractors, and local governments through expanded tax bases.

Employment effects further illustrate the structural importance of seasonal residents. Winter demand attributable to Canadian snowbirds supports an estimated 20,000 to 30,000 Arizona jobs across healthcare, retail trade, food services, construction, transportation, and real estate services. Many of these positions are not seasonal in name but depend on winter revenue to remain viable year-round. Snowbird-driven stability reduces layoffs, shortens unemployment spells, and allows employers to retain experienced

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workers, thereby strengthening labor market resilience.

Healthcare utilization represents a particularly valuable dimension of snowbird participation. Canadian seasonal residents disproportionately utilize privately insured or cash-pay healthcare services, including diagnostics, elective procedures, dental care, and pharmaceuticals. Arizona healthcare providers benefit from predictable winter patient volumes without corresponding increases in uncompensated care. Hospitals, clinics, and specialty practices often plan staffing levels around seasonal population increases, demonstrating how deeply integrated snowbirds have become within service delivery models.

Real estate investment magnifies these effects further. Canadians rank among the largest foreign property owners in Arizona, with significant concentrations in Scottsdale, Paradise Valley, Desert Mountain, Mesa, Phoenix, Surprise, Glendale, Casa Grande, Tucson, Superior, and Yuma. And many other locations in Maricopa, Pima and Pinal counties. Tens of thousands of residential properties are owned or leased by Canadians, many purchased outright without mortgage financing. The cumulative value of Canadian-owned real estate in Arizona is estimated in the billions of dollars, generating sustained property tax revenue, construction activity, and demand for legal, financial, and maintenance services. The presence of Canadian financial institutions such as RBC and BMO within the state along with 500 Canadian companies operating in the State reflects this enduring cross-border investment and business relationship.

From a fiscal perspective, snowbirds represent a net positive for state and local governments. They contribute sales taxes, property taxes, fuel taxes, and various user fees while consuming relatively few public services. Multiple state-level analyses consistently show that seasonal residents generate thousands of dollars per household annually in tax revenue while drawing minimally on public safety nets. This fiscal asymmetry is rare and highly advantageous.

At the national level, Canadian travelers constitute the single largest source of international travel spending in the United States. In strong travel years, Canadians account for roughly one quarter of all international visitors and an even larger share of long-duration stays. Arizona's reliance on this market is therefore not an outlier but a concentrated example of a broader bilateral economic relationship that supports hundreds of thousands of U.S. jobs nationwide.

The demographic profile of snowbirds is also evolving. While retirees remain a core segment, a growing share of seasonal residents are working-age professionals who maintain employment remotely while residing in the United States. These individuals import income earned abroad and spend it domestically, strengthening local economies without competing for U.S. jobs. This form of economic arbitrage delivers many of the benefits of population growth without the long-term fiscal obligations typically associated with permanent migration, and influence Canadian companies to move and or expand into Arizona.

Several structural trends suggest that the importance of snowbirds will increase in the coming decade. Canada's population over age 55 is expanding rapidly, with higher average wealth levels and longer healthy life expectancy. Remote and hybrid work arrangements have permanently altered residence patterns.

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Climate variability is reinforcing the appeal of seasonal living as a rational adaptation strategy. Arizona's infrastructure, housing stock, and service industries are already optimized for this model, giving the state a durable competitive advantage.

Despite these benefits, immigration and tax policies continue to treat snowbirds as short-term visitors subject to rigid stay limits of 6 months that do not reflect modern economic realities. Current rules force many high-value seasonal residents to ration their stays despite their low public cost and substantial contributions. Legislative efforts such as the U.S.-Canadian Snowbirds Act (182) seek to modernize these frameworks not as an expansion of immigration, but as an optimization of an existing, proven system from the existing 182 days to 240 days.

The costs of policy neglect are tangible. Periods of reduced Canadian travel due to border closures, political tensions, or currency shocks have produced immediate economic contractions in Arizona's winter economy, with visitation declines of up to 20 percent in 2026 tourism much lower in Snowbirds. Businesses dependent on seasonal residents experience revenue losses, workforce reductions, and real estate softening. These episodes reveal both the depth of snowbird integration and the vulnerability created by regulatory and attitudinal uncertainty.

From a governance perspective, Canadian snowbirds represent an unusually efficient economic constituency. They are fiscally positive, behaviorally predictable, geographically concentrated, and politically low-risk. They do not vote in U.S. elections, do not rely on entitlement programs, and do not generate long-term infrastructure strain. Few economic development strategies offer comparable returns with such minimal public investment.

Looking forward, current tensions should be understood as transitional rather than structural. The U.S.–Canada relationship has repeatedly demonstrated an ability to recalibrate and recover. Trade disputes ease, borders reopen, and economic logic reasserts itself. When that occurs, jurisdictions that have adopted thoughtful, evidence-based policies toward seasonal residents will capture disproportionate benefits.

This moment therefore presents an opportunity. By recognizing snowbirds as a distinct category of long-term seasonal residents, lawmakers can align regulation with reality. Modest reforms—such as clearer tax residency guidance, adjusted stay flexibility for compliant visitors, and improved healthcare coordination—would enhance transparency, compliance, and economic stability without weakening border controls.

Ultimately, the Canadian snowbird phenomenon challenges traditional definitions of mobility, residence, and economic contribution. Arizona's winter economy is no longer sustained solely by transient visitors but by a recurring population that lives, spends, invests, and integrates at scale. Once the full scope of this contribution is understood, the question for policymakers is no longer whether snowbirds matter, but whether existing policy adequately reflects their importance.

Ignoring a \$1.4-billion annual economic Snowbird engine does not preserve the status quo. It risks

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undermining one of the most reliable, low-cost sources of economic stability the region possesses. For policymakers focused on growth, resilience, and fiscal responsibility, Canadian snowbirds are not a peripheral concern. They are an opportunity hiding in plain sight—and one that, with thoughtful policy alignment, can deliver shared prosperity well into the future.