



Who Is Leaving Illinois and Why?

A review of data on migration patterns
in Illinois

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Executive Summary

Currently the widely held and oft-repeated claim that the 2011 "temporary" tax rate increases prompted Illinoisans to leave the state permeates Illinois public policy discourse. This report probes beyond this assertion by examining data from multiple federal sources - the Population Estimates Program (PEP), Internal Revenue Service (IRS) and the American Community Survey (ACS) - in an attempt to understand Illinois' migration patterns and trends.

Data show that net out-migration in Illinois is not a new phenomenon – it has been occurring since at least the 1920s as part of a national trend that has seen a movement of population from the Northeast and the Midwest to the West and South.

The data also indicate that while Illinois has experienced net out-migration for over 90 years, its magnitude is overstated if data reflecting international migration patterns are not included. This is because Illinois not only attracts more international in-migrants than the average state but the number of individuals moving into Illinois from other countries is significantly larger than international out-migration from Illinois. When international migration is included in net migration figures, Illinois had overall net out-migration of 67,635 in 2015 compared with 105,217 for domestic net out-migration only: a reduction in net outflows of one-third.

One factor we can identify from the data is that migration patterns follow the economic cycle - overall gross migration flow slows down during recessions and picks up once the economy starts to recover. Illinois had begun to pull out of the 2008-2009 great recession by 2011, the same time that the income tax rate increases were enacted. That has led some to conclude that the increase in the income tax rates was the reason net out-migration increased. This conclusion is not supported by the data; in fact we find that the out-migration *rate* actually fell in 2011.

A review of IRS data shows that the 10 states with which Illinois has had the largest gross migration flow were the same in 2012/2013 (most recent available data) as they were in 1994/1995 (a comparable year in terms of the economic cycle). Neighboring states, Indiana and Wisconsin, rank highly in terms of net out-migration from Illinois. In what may come as a surprise to many who follow media coverage of this issue – including us – we found that net out-migration to Indiana and Wisconsin was less in 2012/2013 compared to 1994/1995. We also found that net out-migration to Florida remained relatively unchanged when 2012/2013 is compared with 1994/1995. This had not been our perception before conducting this research.

We discovered that Illinois' migration pattern were relatively similar to those in Indiana and Wisconsin in terms of destination states. Texas is the second most popular destination for Illinois' out-migrants, fourth for Wisconsin, and sixth for Indiana. Florida is the third most popular destination for Illinois and Indiana out-migrants and second most popular for Wisconsin. California is the fourth most popular destination for Illinois out-migrants, the fifth highest for Wisconsin and the seventh highest for Indiana.

We note that many migrants do not move very far. Illinois' largest out-migration is to Indiana; Indiana's largest out-migration is to Illinois. Illinois fifth largest out-migration is to Wisconsin; Wisconsin's largest out-migration is to Illinois.

There are many ways to look at migration data. When we look at raw numbers, Illinois is a big state with a large population and as such has a larger absolute level of out-migration to smaller states than smaller states to Illinois. However, when these numbers are examined as a percentage of population, for example, Illinois draws a larger percentage of both Indiana's and Wisconsin's population than either state draws from Illinois.

Up to this point in the research we had looked at the number of people moving from one state to another. But we didn't know much about who these people were. The ACS allowed us to review that very issue, going back to 2007 (the earliest date ACS information is available). We used ACS data to examine Illinois migration by income, age, and education. We found that the rate of net domestic out-migration from Illinois was relatively stable between 2007 and 2013. However, it appears to have increased in 2014 across most age, income, and education cohorts.

While our research has helped us understand the context of migration trends in Illinois, it leaves us with many, as yet unanswered questions, such as:

- Is the increase in the 2014 net out-migration rate a state-wide phenomenon or is it concentrated in a few pockets?
- Why is the out-migration rate of the \$65k-\$75k income group slowing down?
- Where are young college-age Illinoisans moving to and for what reasons?
- Why has the rate of out-migration for 60-64 year old cohort slowed down?
- Why has the rate of out-migration in the age 70 or older increased? Where are they going?
- Why has there been an increase in the rate of out-migration of holders of graduate or professional degrees? Where are they going?
- Are mid-career professionals with young children who make an above average income more likely to leave Illinois now than was true in the past?

We will keep looking for answers and encourage our colleagues who are interested in the development of fact-based, data-driven research to join us in this quest.

Key Findings

- Illinois' net out-migration is nothing new. The state has seen net out-migration every year but one since 1925.
- Illinois' net out-migration is overstated if international migration is ignored. Otherwise migrants from other countries are not counted when they move to Illinois, but are counted when they move out of Illinois to other parts of the country. Including international migration reduces net migration out of Illinois by one-third.

- Both in-migration and out-migration are tied to the economic cycle. People move when times are good and sit tight when they are bad. The 2011 income tax rate increases came as Illinois was moving out of recession, and migration could have been expected to increase.
- Illinois' migration pattern is similar to those of its neighboring states. Illinoisans tend to move to the same states as do residents of Indiana and Wisconsin.
- Many migrants don't move far. Illinois' largest out-migration is to Indiana. Indiana's and Wisconsin's largest out-migration is to Illinois.
- Illinois is a big state in terms of population so out-migration in absolute numbers is large. However, a larger percentage of both Indiana's and Wisconsin's population moves to Illinois than vice versa.
- Net out-migration from Illinois to Indiana and Wisconsin has declined.
- Illinois net out-migration rates fell in 2011, the first year of the income tax rate increase, but increased significantly in 2014.

Acknowledgements

The authors would like to thank Lyman Stone, who when trying to come up with explanations for Illinois' recent migration patterns, issued a challenge to Illinois policy researchers

“I'll leave it to experts in Illinois' governance to offer greater detail on what's going on in their state”¹

We are tax policy researchers, not migration experts. However, much of the media's attention has focused on IRS data and so we felt compelled to enter into the conversation. We reached out to Mr. Stone and he graciously offered to act as our “subject matter expert” – sharing with us his knowledge of the strengths and weaknesses of the various data sources and developing long term (over 100 years!!) Illinois specific migration estimates for us to use in this research. He shares his expertise with the reader in his article “Why People Use IRS Migration Data”, which can be found [here](#).

We would like to thank Carol Portman and the Illinois Fiscal Policy Council, the research organization that is associated with the Taxpayers' Federation of Illinois along with Ralph Martire and the staff at the Center for Tax and Budget Accountability for providing support for this project. We would also like to thank the individuals who provided us with feedback on various drafts of the report.

Finally, we would like to thank you the reader in advance. We hope you will take the time to read the report and recognize that what is needed in Illinois is a substantive conversation on Illinois migration that is much more complex than has been acknowledged up to this point. We invite you to join the conversation.

¹ <https://medium.com/migration-issues/north-dakota-illinois-and-delaware-a-boom-state-a-struggler-and-a-winner-a232496090d#.1csw549f>

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Introduction

Of the 315.1 million people living in the United States in 2014, some 46.9 million (14.9 percent) lived in a different home than they did in 2013.² Between 2013 and 2014, Illinois residents were slightly less mobile than the national average. Of the state's 12.7 million residents, 1.7 million (13.4 percent) changed residence.³ In general, there has been population movement in the United States from the Northeast and Midwest to the South, Southwest, and West, although what has been driving this trend is nuanced and geographically specific. There are a variety of factors that come into play when individuals make a decision to move. For example, the Census Bureau finds that people move in and out of states for reasons such as:⁴

- Employment changes, including unemployment
- Family reasons, including changes in marital status
- Housing (affordable, better, starting a new household, better neighborhood)
- Closer commute
- Retirement
- College
- Health

Taxes do not appear on this list because the Census Bureau does not offer it as an explicit option on the multiple choice questionnaire.⁵ This is unfortunate because taxes are frequently cited in survey results as one of the reasons why people move. Specifically, widespread claims have been made that people are moving out of Illinois because of the 2011 income tax rate increases. For the period January 2011 to December 2014, individual income tax rates increased from 3 percent to 5 percent, dropping to 3.75 percent on January 1, 2015. Rates for corporate income tax increased from 4.8 percent to 7.0 percent, falling to 5.25 percent on January 1, 2015. The purpose of this report is to analyze and disseminate findings on population and migration patterns in Illinois to develop a more comprehensive understanding of what is going on in Illinois.

Current Explanation of the Illinois Story

Currently, there is a widely held belief that Illinoisans are streaming out of Illinois as a result of the 2011 temporary tax increases. The critics of the temporary tax increase say:

- "Perhaps hurricanes are the only thing that drives out more residents than Illinois' high-tax environment".⁶

² Census Bureau's American Community Survey, 2014 1-year estimates. For more information click [here](#).

³ Census Bureau's American Community Survey, 2014 1-year estimates, For more information click [here](#).

⁴ For more information click [here](#).

⁵ For more information click [here](#).

⁶ Brian Costin, "[Illinois high-tax environment causes historical out-migration.](#)" January 9, 2013. Accessed July 21, 2015.

- “Illinoisans' migration likely linked to taxes.”⁷
- “The stunning data underscore an important point as power shifts to Governor-elect Bruce Rauner: Illinois cannot raise taxes on a population that is shrinking due to massive numbers of people leaving.”⁸
- “Illinois is particularly vulnerable to more out-migration because its neighbors — Wisconsin and Indiana — are busy lowering their taxes.”⁹
- “Not one but two national moving companies recently reported ushering enough households out of this state last year to make Illinois seem a draining bathtub.”¹⁰

The clear message being communicated is that higher taxes have provoked an exodus from Illinois. Our intention is to shed more light on Illinois’ net out-migration and help put the relative role of taxation in context.

Academic Literature

There is a growing body of literature attempting to measure the impact of taxes on migration. Taken as a whole, there does not appear to be consensus on whether or not state tax rates or burden are a major (statistically significant) factor in explaining state migration patterns. For details about academic literature in this area, we refer the reader to two relatively recently published articles that contain relevant literature reviews and illustrate that there is no current consensus.¹¹

Migration Defined – Net Domestic Migration vs. Net Overall Migration

Before we start, we need to define what we are talking about when we use the term migration.

- **Domestic in-migration:** the number of people entering Illinois each year from other states
- **Domestic out-migration:** the number of people leaving Illinois each year for other states
- **Net domestic migration:** the difference between the numbers of people who move from another U.S. state to Illinois and vice versa. If more people are leaving, there is net domestic out-migration; if more people are coming into Illinois, there is net domestic in-migration
- **Net international migration:** the difference between number of people who move from another country to Illinois and vice versa
- **Net overall migration:** the combination of both net domestic migration and net international migration

⁷ Editorial, *Kankakee Daily Journal* March 7, 2015, Accessed November 19, 2015.

⁸ Michael Lucci. “[Illinois had record mass exodus in 2014.](#)” *The Illinois Policy Institute*, January 7, 2015. Accessed July 21, 2015.

⁹ Joseph Henchman, a vice president at the Tax Foundation, quoted on [IllinoisWatchdog.org](#) , March 11, 2014

¹⁰ Rosenthal, Phil. “[Cold truth: It's not winter that's driving people out of Illinois.](#)” *Chicago Tribune*, January 7, 2015. Accessed August 12, 2015.

¹¹ See http://cber.bus.utk.edu/confpapers/Bruc_Fox_Yang.pdf, pages 5-7 and <http://www.cbpp.org/research/state-budget-and-tax/state-taxes-have-a-negligible-impact-on-americans-interstate-moves> , pages 25-27

It is important to consider all migration when examining population trends and their impact on the tax base as a whole. Examining net domestic migration is more relevant when examining movements among the fifty states. The reader should pay careful attention to what measure is being presented to make sure it is the most appropriate measure for the question being addressed. For example, if one wants a full picture of who is moving in and out of a state to help understand what is driving population trends, it is important to include the number of people who move from outside the United States to Illinois, and vice versa. If international migration statistics are not included, you do not count migrants when they come into Illinois, but you do count them when they move to another state, overstating out-migration. Both sets of data will be included and analyzed in this report.

Sources of Migration Data

The federal government continues to enhance data systems that researchers use to track people as they migrate. Today, we have access to an unprecedented amount of data on this topic from the Census Bureau and IRS, who continue to improve their systems in this area. This report uses three different sources of migration-related data provided by the federal government. While each has its own strengths and weaknesses, they do track each other, and when taken together provide a fairly comprehensive picture of different migration trends.

- The U.S. Census, **Population Estimates Program (PEP)** provides basic population and migration data. This program combines data generated the American Community Survey, the IRS, along with data from other federal sources to generate estimates of population and migration figures on a state-by-state as well as a national basis. The PEP is the most reliable source of annual population data, as well as components of population change, including migration. Since 1990, the PEP has explicitly measured net domestic and foreign migration for each state. Data for 2015 was released in January 2016.
- The **American Community Survey (ACS)** is also administered by the U.S. Census Bureau. In 2014, the ACS surveyed 2.3 million people nationally, including almost 98,000 Illinois residents. Respondents are asked not only whether they have moved in the past year, but where they moved from. The ACS is the Census Bureau's primary program for generating detailed data on the characteristics of domestic migrants in the United States. We use the ACS to investigate some characteristics of individuals who moved in and out of Illinois from 2007 to 2014. At the time of writing most recent ACS data is for 2014.
- The **Internal Revenue Service (IRS) Statistics of Income (SOI)** division publishes state-to-state flows of income tax returns. At the time of writing, the IRS has published state-to-state data for 1990/91 through 2012/13.¹² The IRS data is not a direct count of the population; it is a direct count of income tax taxpayers. By way of example, the 2012/2013 IRS data can be understood as follows: A taxpayer files a 2011 tax return in 2012. The taxpayer moves to another state after filing the 2011 return. The taxpayer files his or her 2012 tax return in the new destination state.

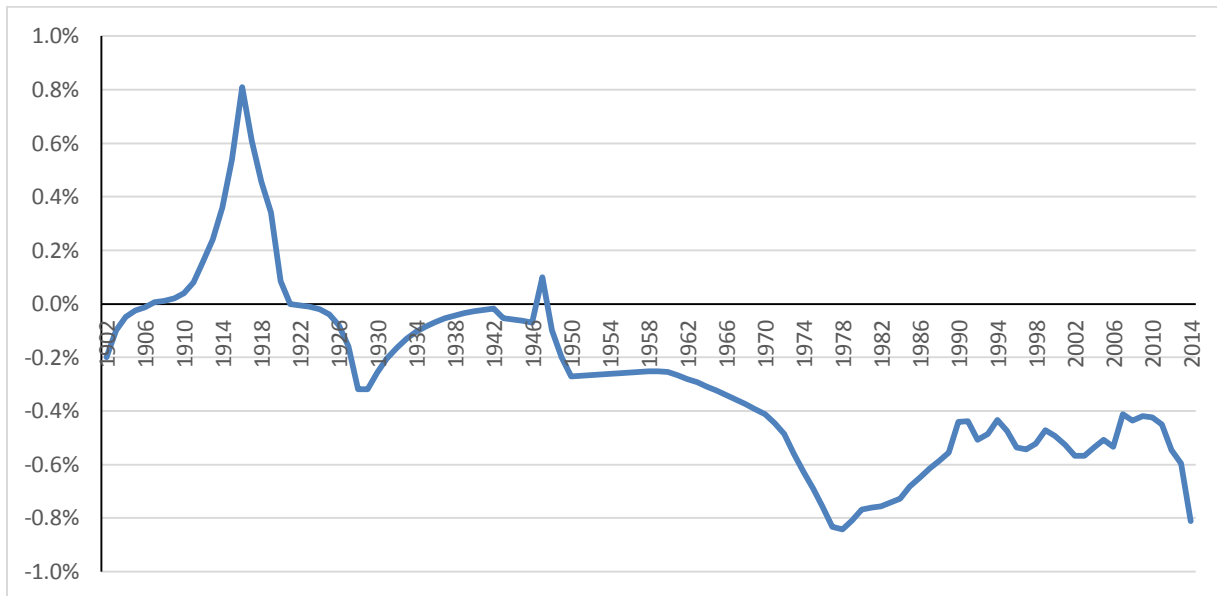
¹² For more information see Lyman Stone's article about changes in IRS methodology

This taxpayer will show up as having migrated in the 2012/2013 and the associated adjusted gross income will be for tax year 2012. In general, income tax filers claim an exemption for themselves (*i.e.*, one for a single filer and two for joint filers) and one for each dependent child. This means that changes in the number of exemptions should track changes in population, making “flows” of exemptions a proxy for migration of people.

Overview of Illinois Migration

The trend of people moving out of Illinois is nothing new. Combining multiple sources to develop consensus estimates, migration expert Lyman Stone finds that the last time Illinois experienced meaningful net domestic in-migration was between 1910 and 1920 (**Chart 1**).¹³ In other words, Illinois has not seen net domestic in-migration since 1920. To give some perspective to the magnitude of migration when compared to population, the rate ranges from net out-migration of - 0.9 to + 0.8.¹⁴ Note that the last time Illinois experiences net in-migration of 0.8 percent was in 1916.

Chart 1: Migration Rate as a Percent of Population Estimates, 1910 to 2014



While net out-migration from Illinois has been occurring since at least 1925, the U.S. Census Bureau PEP’s actual estimates for net international migration and net domestic migration are only available since 1990. Using this PEP data, **Chart 2A** and **Chart 2B** illustrate that more people have moved out of Illinois than moved into Illinois for each year from 1991 through 2015, while, at the same time, Illinois’

¹³ Mr. Stone has developed a methodology to make consensus estimates by averaging different data sources for population and migration, as they became available (decennial census, population estimates program, Internal Revenue Service and the American Community Survey). He developed Illinois estimates for this project for the period 1900-2014. His methodology is fully documented [here](#).

¹⁴ Mr Stone’s annual estimates for 1900-2014 can be found [here](#)

population increased in every year except 2014 and 2015. Most recently published PEP migration data indicate that 2014-2015 have seen an increase in the rate of net out-migration in Illinois along with a cumulative two-year population loss of 32,166.¹⁵

Chart 2A: Illinois Net Overall Migration, PEP, 1990 to 2015

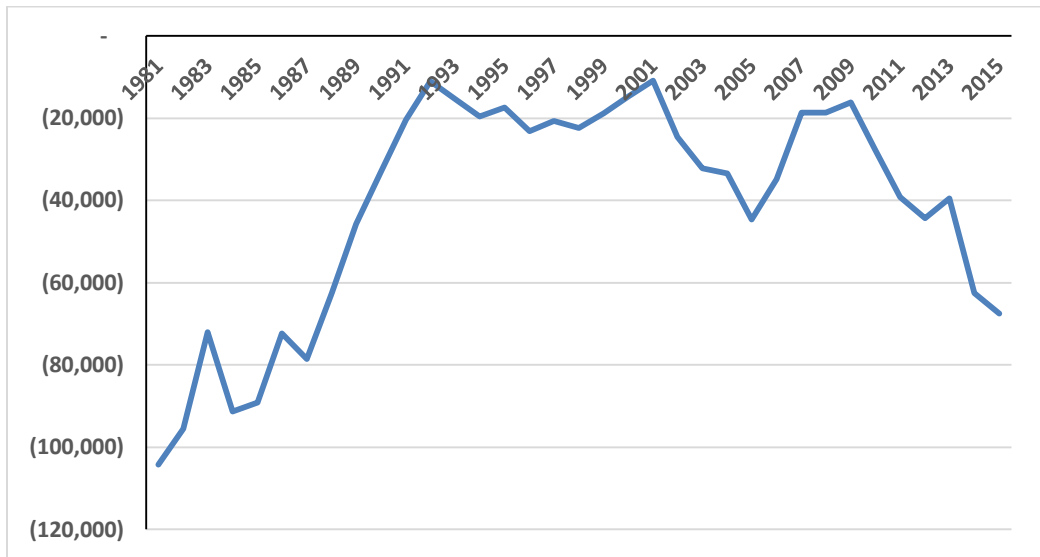
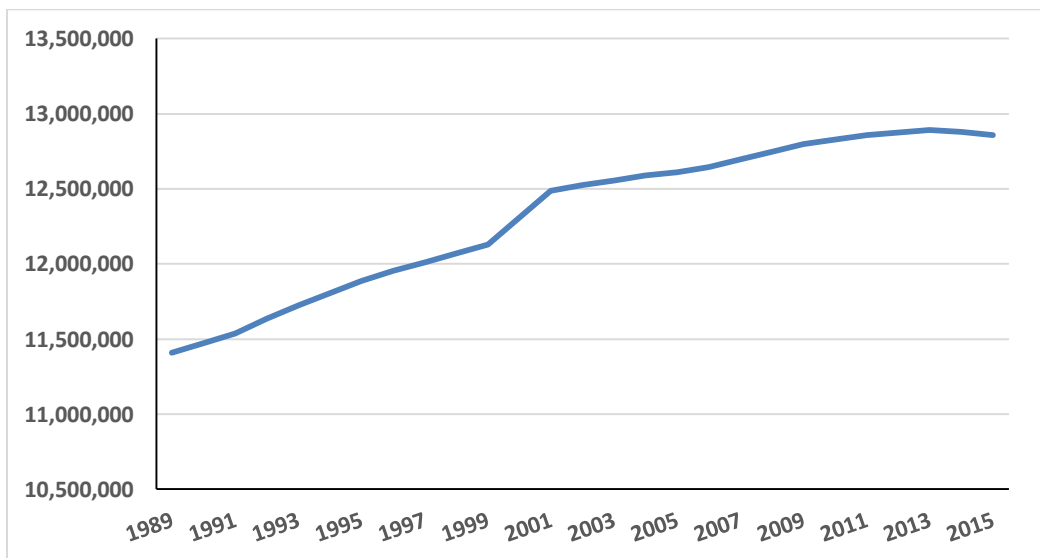


Chart 2B: Illinois Population, PEP, 1990 to 2015



¹⁵ For links to U.S. Census Bureau’s Population Estimates Program data click here [2010s](#), [2000s](#), [1990s](#), [1980s](#).

Chart 3 compares net domestic migration to net overall migration from 1991 to 2015. On average, annual net domestic out-migration during this period was about 65,000, while net overall out-migration was 28,000. Net international in-migration averaged 37,000 over the last 25 years. The data illustrate the contribution international in-migration makes to the Illinois population. On average, net overall out-migration is only about 43 percent of net domestic out-migration during this period.

Chart 3: Migration Components of Population Change in Illinois

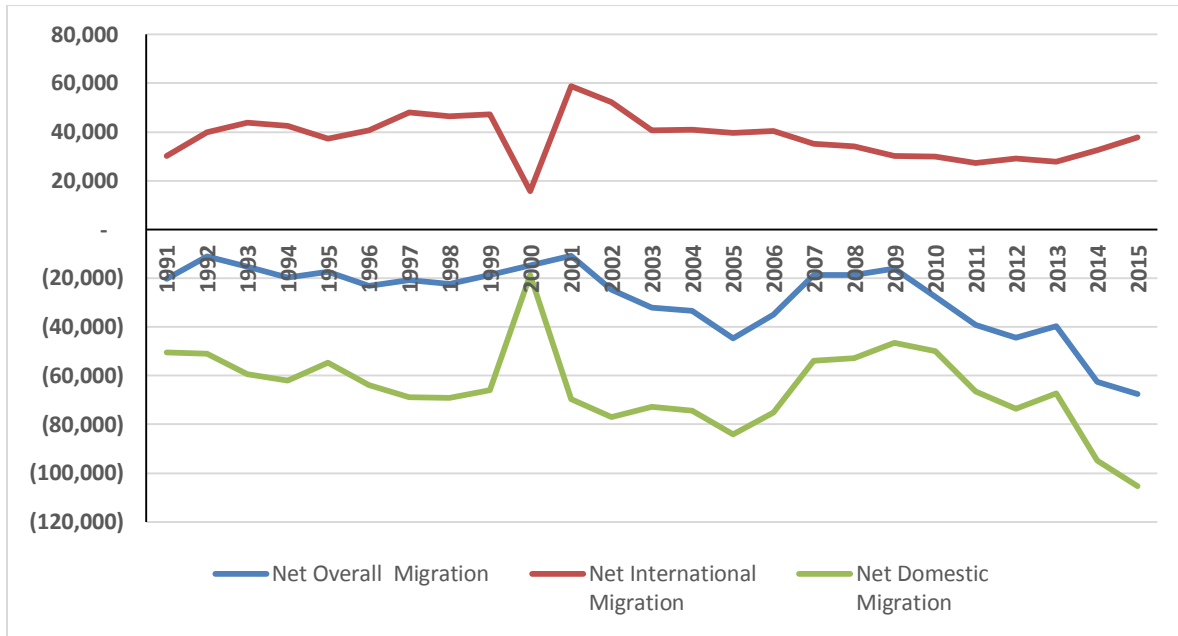
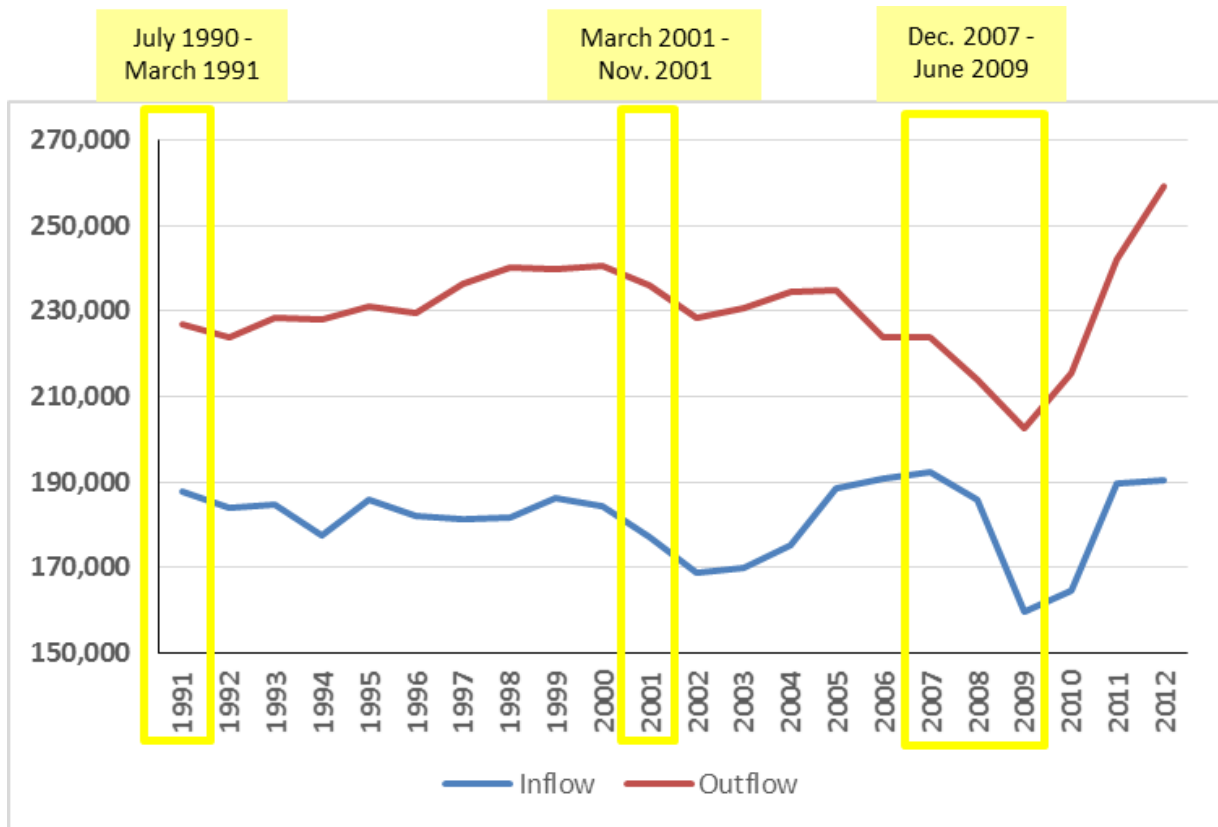


Chart 4 shows the total number of IRS tax exemptions entering and exiting Illinois each year. The approximate dates of the recessions are indicated. Note that everything being equal, more people migrate during good economic times.¹⁶ This phenomenon where people tend to move during times of economic prosperity and tend to stay put during and immediately after recessions is supported by PEP, IRS, and ACS data. Attributing increases in out-migration to the 2011 tax increase ignores this historic pattern that migration increases when the economy begins to recover from an economic downturn. Based on historic trends, some increase in both in- and out-migration after the great recession was to have been expected.

Chart 4: Illinois IRS Exemption Data, Tax Year 1991 to 2012



*The year represents the tax year for which income was earned, not the year when the tax return was filed.

State-to-State Migration: Where People Are Moving

As discussed earlier in the report, both IRS and ACS data allow us to see what states people are moving to and from. In general, there is strong correlation between the datasets.¹⁷ The following analysis uses both data sources as they provide different pieces of information allowing us to tell a more comprehensive story of who is moving to and from Illinois. This understanding is essential to begin thinking about what potential policies should be considered when trying to influence migration flows.

IRS State-to-State Migration

IRS data tells us that Illinois has long-standing, strong gross migration ties with California, Indiana, Florida, Wisconsin, Missouri, Texas, Michigan, Iowa, Ohio, and Arizona. In terms of net migration, during the period 1990/1991 to 2012/2013 Illinois tended to gain households from Michigan, New Jersey, New York, and Ohio, while losing households to Arizona, Florida, Georgia, Indiana, Missouri, Texas, and Wisconsin.¹⁸ On average, on an annual basis, Illinois has a net domestic in-migration rate with 12 states.

Analysis of Illinois Migration Using IRS Data

This next section examines and compares IRS data for 1994/1995 and 2012/2013.¹⁹ We chose these years for comparison because 2012/2013 is the most recent publicly available IRS data and 1994/1995 is a comparable year in terms of the economic cycle. As we have noted earlier in this report, migration trends can be explained in part by the economic cycle.

In 1994/1995, Illinois experienced a total net domestic out-migration of 48,460 (**Table 1**). The total flow of migration (both into and out of Illinois) was 401,254. Wisconsin, Indiana, and Florida were the top three states to which Illinoisans moved. We also present information on the average adjusted gross income (AGI) of net migrants after they move. It is important to note that this data is the total AGI for the filer after migration and does not say anything about how much money they earned prior to departure (click [here](#) for more information). One point of interest is that, on average, the income per migrant in their destination state was slightly higher than that for whom Illinois was their destination (\$19,290 compared with \$17,950).

¹⁷ On average, 10 states account for 61 percent of the total migration of exemptions to and from Illinois in the IRS data. Similarly, these 10 states account for 72 percent of the total migration of people to and from Illinois in the ACS data.

¹⁸ IRS SOI state-to-state data can be found [here](#).

¹⁹ 2012/2013 data represents changes in address that occurred on tax returns filed in 2012 (income earned in 2011) and 2013 (income earned in 2012).

Table 1: Illinois Net Domestic Migration, IRS 1994/1995*

	In - Exemptions	Out- Exemptions	Net Exemptions	AGI Per In- Exemption	AGI Per Out- Exemption
Wisconsin	10,828	18,848	(8,020)	\$17,160	\$17,420
Florida	10,279	17,851	(7,572)	\$15,890	\$21,330
Indiana	12,523	19,599	(7,076)	\$16,040	\$16,840
Arizona	3,835	9,107	(5,272)	\$14,910	\$20,620
Texas	11,758	15,553	(3,795)	\$17,310	\$18,940
Missouri	12,030	14,831	(2,801)	\$15,470	\$16,530
Michigan	7,911	9,302	(1,391)	\$21,290	\$21,000
Kentucky	3,109	4,060	(951)	\$14,950	\$15,400
Ohio	7,054	7,441	(387)	\$21,870	\$21,470
Iowa	7,593	7,425	168	\$15,560	\$14,790
New York	5,661	4,621	1,040	\$25,710	\$30,360
California	19,477	13,985	5,492	\$17,730	\$20,570
Total Domestic Migrants	176,397	224,857	(48,460)	\$17,950	\$19,390

*We use one tax exemption as a measure for one person.

Source: IRS Statistics of Income

In 2012/2013 Illinois experienced a net domestic out-migration of 66,922 (**Table 2**). The total flow of in- and out-migration was 438,756. Compared to the earlier period, Texas jumps to first place when we look at the states with which Illinois had the largest net domestic out-migration. Clearly what is happening in Texas deserves closer examination. Wisconsin, Indiana, and Florida remain top states to which Illinoisans moved. One state that deserves closer scrutiny is Florida, where the net out-migration AGI is \$74,880 compared with a net in-migration AGI of \$37,440.

Table 2: Illinois Net Domestic Migration, IRS 2012/2013

	In - Exemptions	Out- Exemptions	Net Exemptions	AGI Per In- Exemption	AGI Per Out- Exemption
Texas	12,365	22,858	(10,493)	\$35,110	\$34,530
Florida	13,903	21,652	(7,749)	\$37,440	\$74,880
Indiana	17,035	23,596	(6,561)	\$22,920	\$24,100
Wisconsin	13,203	18,116	(4,913)	\$27,530	\$29,840
California	14,152	18,866	(4,714)	\$40,110	\$45,780
Arizona	5,151	8,852	(3,701)	\$29,230	\$43,900
Missouri	11,603	15,190	(3,587)	\$24,370	\$27,670
Iowa	7,465	10,158	(2,693)	\$22,610	\$22,900
Michigan	8,311	10,432	(2,121)	\$36,030	\$37,950
Kentucky	3,100	4,042	(942)	\$22,650	\$24,840
Ohio	6,146	6,642	(496)	\$37,060	\$34,470
New York	7,091	6,138	953	\$57,800	\$64,160
Total Domestic Migrants	185,917	252,839	(66,922)	\$33,040	\$39,180

Source: IRS Statistics of Income

Comparing data for the two periods, with a focus on Indiana, Wisconsin, and Florida, it was eye-opening for us to discover that net out-migration to Indiana and Wisconsin was actually less in 2012/2013 when compared with 1994/1995, while the figure for Florida had not changed much. This was certainly not the result we expected based on reports in the media. While the absolute level of out-migration from Illinois to Indiana and Wisconsin was greater than out-migration from Indiana and Wisconsin to Illinois, that actual percent of Illinois taxpayers moving to Indiana and Wisconsin was smaller (0.22 percent and 0.17 percent respectively) compared with Indiana and Wisconsin taxpayers moving to Illinois (0.32 percent and 0.26 percent respectively).

In terms of comparison over this time period, the change in migration to and from Texas and California was significant and requires further examination. Specific observations from the most recent 2012/2013 data include:

- Illinois' migration pattern is similar to those in Indiana and Wisconsin. Texas is the second most popular destination for Illinois' out-migrants, fourth for Wisconsin, and sixth for Indiana. Florida is the third most popular destination for Illinois and Indiana out-migrants and second most popular for Wisconsin. California is the fourth most popular destination for Illinois out-migrants, the fifth highest for Wisconsin and the seventh highest for Indiana.

- Many migrants do not move very far. Illinois' largest out-migration is to Indiana; Indiana's largest out-migration is to Illinois. Illinois' fifth largest out-migration is to Wisconsin; Wisconsin's largest out-migration is to Illinois.
- Illinois is a big state and as such has a larger absolute level of out-migration to smaller states than smaller states have to Illinois. However, when these numbers are examined as a percentage of taxpayer population, for example, Illinois draws a larger percentage of both Indiana's and Wisconsin's taxpayer population than either state draws from Illinois.

The Illinois-Texas Relationship

The tables below illustrate that Texas has experienced a huge change in net in-migration from Illinois during the study period. However, Illinois does not have a unique relationship with Texas in this regard. If we look at the top 10 states from which Texas experienced net in-migration, we see that this phenomenon is true for most other states. Note that many states appearing in the top 10 list for 2012/2013 were not in the top 10 for 1994/1995. This means that over the time period, Texas has had a significant change in the mix of states from which it is attracting migrants.

One thing is clear – migration (from nearly all states) to Texas has exploded during the study period. In 1994/1995 Texas had a net domestic in-migration of 31,447 (**Table 3**). In 2012/2013, this figure had jumped to 148,166, an increase of more than 370 percent (**Table 4**).

Had Illinois' net out-migration to Texas increased by the average for all states (370 percent), Illinois would have had a net out-migration with Texas of 14,085 in 2012/2013. The actual figure is 10,493 (an increase of 176 percent). In other words, Illinois' net out-migration growth rate to Texas was less than half that of the average state over the study period.

Table 3: Texas Net Domestic Migration, IRS 1994/1995

	In-Exemptions	Out- Exemptions	Net Exemptions
California	55,266	28,368	26,898
New York	11,502	6,657	4,845
Illinois	15,553	11,758	3,795
Louisiana	21,104	18,280	2,824
Oklahoma	22,255	20,400	1,855
New Jersey	5,124	3,473	1,651
Virginia	11,594	10,103	1,491
Florida	23,518	22,151	1,367
Massachusetts	3,974	2,768	1,206
Hawaii	3,985	2,794	1,191
Total	372,584	341,137	31,447

Source: IRS Statistics of Income

Table 4: Texas Net Domestic Migration, IRS 2012/2013

	In-Exemptions	Out-Exemptions	Net Exemptions
California	64,053	42,764	21,289
Florida	53,818	37,441	16,377
New York	23,044	12,260	10,784
Illinois	22,858	12,365	10,493
Louisiana	30,214	21,889	8,325
Georgia	26,270	18,186	8,084
New Jersey	10,737	5,167	5,570
Pennsylvania	12,183	7,520	4,663
Virginia	17,660	13,769	3,891
North Carolina	18,008	14,181	3,827
Total	572,347	424,181	148,166

Source: IRS Statistics of Income

In sum, Texas is an anomaly, attracting net overall in-migration from 47 out of 50 states.

The Illinois-California Relationship

In 1994/1995 California had a net domestic in-migration relationship with only two state (**Table 5**). At the time California's economy was being described as follows: "A decade ago, California and the East Coast were booming; today, they lag behind the rest of the country. The Midwest, then known as the Rust Belt, buckled. Now an industrial revival is restoring much of the original finish to the region."²⁰ As shown below, in 1994/1995, Illinois had net overall in-migration from California of 5,492.

Table 5: California Net Domestic Migration, IRS 1994/1995

	In-Exemptions	Out-Exemptions	Net Exemptions
New York	16,920	15,790	1,130
Massachusetts	8,063	7,872	191
DC	1,508	1,531	(23)
New Jersey	7,654	7,778	(124)
Delaware	645	791	(146)
Vermont	504	706	(202)
Maine	1,173	1,391	(218)
Rhode Island	1,225	1,450	(225)
West Virginia	592	970	(378)
New Hampshire	1,279	1,663	(384)
Connecticut	3,634	4,068	(434)
Illinois	13,985	19,477	(5,492)

Source: IRS Statistics of Income

²⁰ <http://www.nytimes.com/1995/01/03/business/outlook-1995-the-economy-california-starts-to-chase-the-blues.html>

For the 2012/2013 period we find that Illinois' relationship with California reversed, with a net out-migration from Illinois to California of 4,714 (**Table 6**).

Table 6: California Net Domestic Migration, IRS 2012/2013

California Migration	In -Exemptions	Out- Exemptions	Net Exemptions
New York	27,211	19,362	7,849
Illinois	18,866	14,152	4,714
New Jersey	10,885	7,215	3,670
Florida	27,892	24,609	3,283
Massachusetts	10,652	8,114	2,538
Pennsylvania	9,977	8,076	1,901
Connecticut	4,626	3,258	1,368
Maryland	8,234	7,372	862
Minnesota	6,580	5,819	761
Ohio	8,586	7,934	652

Source: IRS Statistics of Income

Looking at annual data, we find that the relationship in terms of net migration from Illinois to California turned negative five years after California's economy emerged from the 1993 recession. We find this reversal to be true for all but two states listed in **Table 6** (New York and Massachusetts). The California results highlight the importance of examining migration data in the context of state and regional economic factors.

The Illinois-Florida Relationship

We were curious to examine more closely the more recent data that indicates a huge deviation between average income of those that move to Florida from Illinois and vice versa. The magnitude of this deviation surprised us, so we looked at Florida migration data to determine if Illinois was an anomaly.

Table 7 illustrates that the huge disparity between AGI per in- and out-exemption did not exist in 1994/1995 IRS data.

Table 7: Florida Net Domestic Migration, IRS 1994/1995

	In-Exemptions	Out-Exemptions	Net Exemptions	AGI Per In-Exemption	AGI Per Out-Exemption
New York	64,168	19,419	44,749	17.82	13.88
New Jersey	26,807	9,491	17,316	20.66	15.80
Pennsylvania	20,962	11,322	9,640	18.83	14.62
California	24,872	15,513	9,359	17.40	16.02
Massachusetts	15,244	7,570	7,674	18.62	14.45
Connecticut	12,171	4,572	7,599	22.72	18.15
Illinois	17,851	10,279	7,572	21.33	15.89
Ohio	19,973	14,018	5,955	18.44	13.22
Maryland	11,785	6,832	4,953	22.14	15.46
Michigan	15,360	11,214	4,146	19.16	12.99
Texas	22,151	23,518	(1,367)	14.31	13.30

Source: IRS Statistics of Income

We examine Florida, not only because it has strong migration ties with Illinois, but also because, as we noted earlier, recent IRS data indicates that the net in-migration average AGI from Illinois to Florida is significantly larger than the comparable figure for net in-migration from Florida to Illinois. **Table 8** illustrates that Illinois is not unique in terms of the disparity between AGI per in- and out-exemptions. Of Florida's top 10 net domestic in-migration states, Connecticut, Michigan, Maryland, and Massachusetts also have significant differences between the incomes of in-migrants versus out-migrants. This recent phenomenon warrants further scrutiny. It seems unlikely to us that this disparity is being driven by either wage or pension income. In order to understand what is driving this AGI disparity we call on researchers who have access to tax return data to investigate this phenomenon further.

We were surprised to learn that net out-migration to Florida from Illinois has not changed much over the study period (7,572 compared with 7,749). This had not been our perception prior to conducting this research. In addition, we were not expecting to find that Florida had net overall out-migration to California in 2012/13. This cannot be explained by people moving from high to low tax states, and further illustrates that reality is more complex and nuanced than might first appear.

Table 8: Florida Net Domestic Migration, IRS 2012/2013

	In-Exemptions	Out-Exemptions	Net Exemptions	AGI Per In-Exemption	AGI Per Out-Exemption
New York	57,766	37,301	20,465	\$45.92	\$34.75
New Jersey	27,875	15,418	12,457	\$52.17	\$33.01
Pennsylvania	25,209	16,117	9,092	\$45.24	\$30.75
Illinois	21,652	13,903	7,749	\$74.88	\$37.44
Connecticut	12,591	6,905	5,686	\$114.33	\$49.46
Ohio	22,692	17,480	5,212	\$45.47	\$37.15
Michigan	18,768	14,133	4,635	\$41.80	\$24.79
Virginia	24,823	20,334	4,489	\$45.15	\$31.29
Maryland	14,501	10,440	4,061	\$65.14	\$33.09
Massachusetts	16,360	12,783	3,577	\$67.06	\$35.00
California	24,609	27,892	(3,283)	\$48.49	\$36.94
Texas	37,441	53,818	(16,377)	\$33.98	\$42.56

Source: IRS Statistics of Income

In sum, we examine IRS data in this study because it is used by so many in the public domain to justify their explanations for recent Illinois migration patterns. While there are some problems with this data (for more information click [here](#)) we can observe several things:

- Most importantly, looking at one data point does not tell the whole story – relationships among states vary over time, sometimes significantly.
- Second, one story does not fit all – relationships among states are not similar.
- Finally, each state’s migration story is complicated, non-generalizable and nuanced.

American Community Survey Migration Data Analysis: Who Is Moving?

ACS data allows us to understand some of the characteristics of who is moving in and out of Illinois, where they are moving from and where they are moving to.²¹ As noted earlier in the report, the ACS is based on a sample and as such can be subject to more volatility from year-to-year than data obtained from a larger population (*i.e.*, the IRS data).

Up to this point in the research we have looked at the number of people moving from one state to another. But we don’t know much about who these people are. The ACS allows us to do just that, going back to 2007. In this section, we examine migration by income, age, and education. **Data in the following tables is presented as a rate where migration is a percentage of the population within each**

²¹ Data source can be found [here](#).

cohort (a negative rate implies net domestic out-migration while a positive rate implies net domestic in-migration).

Table 9 provides net domestic migration rates for Illinois and selected states. These states were selected as they have been specifically referenced earlier in this paper. Data for Illinois illustrates that the net domestic migration rate was relatively consistent from 2007 to 2010. In 2011, the year of the temporary tax rate increase, the Illinois domestic net migration rate fell from -0.6 percent to -0.4 percent. In 2012, out-migration rates returned to historic levels and remained there until 2014 when it rose to -0.9 percent.

It should be noted that there is significant volatility in this data source which may be because it is based on a sample rather than an entire population. By way of example, Indiana rates swung by 0.7 percentage points between 2008 and 2009 and by 0.3 percentage points between 2009 and 2010. Also, if we look at the case of Wyoming, we wonder how the hypothesis that tax rates are driving people out of Illinois can be supported by 2014 figures – when Wyoming has been number one on the Tax Foundation’s Business Tax Climate Index since 2011.

Table 9: Net Domestic Migration Rates for Illinois and Selected States

	2007	2008	2009	2010	2011	2012	2013	2014
California	-0.4%	-0.3%	-0.2%	-0.3%	-0.3%	-0.2%	-0.3%	-0.2%
Florida	-0.1%	0.0%	0.2%	0.3%	0.4%	0.6%	0.6%	0.6%
Georgia	0.7%	0.3%	0.3%	0.0%	0.2%	0.2%	0.1%	0.3%
Illinois	-0.5%	-0.6%	-0.6%	-0.6%	-0.4%	-0.6%	-0.6%	-0.9%
Indiana	0.0%	0.4%	-0.3%	0.0%	-0.2%	-0.2%	-0.1%	-0.1%
Iowa	0.4%	0.2%	0.0%	0.2%	-0.1%	0.1%	-0.1%	0.0%
Kentucky	0.5%	0.5%	0.6%	0.6%	0.2%	0.3%	0.0%	0.2%
Massachusetts	-0.7%	0.0%	0.1%	-0.1%	-0.1%	-0.3%	-0.4%	-0.1%
Michigan	-0.8%	-0.8%	-0.9%	-0.7%	-0.5%	-0.5%	-0.3%	-0.3%
Minnesota	-0.3%	-0.4%	-0.5%	-0.4%	-0.2%	-0.3%	-0.3%	-0.3%
Missouri	0.3%	0.1%	0.2%	0.1%	0.3%	0.3%	0.5%	0.0%
New Jersey	-0.8%	-0.8%	-0.7%	-0.9%	-1.0%	-1.2%	-0.9%	-1.0%
New York	-0.9%	-0.8%	-0.5%	-0.5%	-0.5%	-0.6%	-0.6%	-0.8%
Ohio	-0.3%	-0.4%	-0.3%	-0.2%	-0.3%	-0.1%	-0.2%	-0.1%
Oregon	0.5%	0.3%	0.7%	0.6%	0.5%	0.4%	0.9%	0.9%
Pennsylvania	0.1%	0.1%	0.2%	0.2%	0.1%	-0.2%	-0.2%	-0.2%
Texas	0.5%	0.5%	0.5%	0.3%	0.4%	0.4%	0.5%	0.4%
Wisconsin	-0.3%	-0.1%	-0.1%	-0.4%	0.0%	-0.1%	-0.2%	0.0%
Wyoming	0.1%	-0.4%	0.0%	-0.5%	-0.7%	0.2%	-0.3%	-1.1%

Source: 2014 American Community Survey, 1 Year Estimates

American Community Survey: Characteristics of Illinois Domestic Migrants

Table 10 presents recent annual information from the ACS on in-migration to Illinois and out-migration to other states. We see that 2014 is significantly different than the trend observed after the economy started to come out of the great recession. We find 2014 in-migration to be slightly below the average for the post-recessionary period (-2.7 percent), while the comparable out-migration figure is higher than the average for the comparable period (11.1 percent). It is surprising to us that in 2014 Illinois in-migration declined; we would have anticipated continued positive growth coming out of the Great Recession.

Table 10: Illinois In- and Out-Domestic Migration Flows, 1 Year ACS, 2007 through 2014

	In-Migration	Out-Migration	Population In Prior Year	Net Migration Rate
2007	232,514	298,017	12,677,142	-0.5%
2008	222,240	300,818	12,739,711	-0.6%
2009	205,621	277,495	12,743,016	-0.6%
2010	203,959	277,579	12,691,956	-0.6%
2011	216,204	269,008	12,699,389	-0.4%
2012	208,755	277,953	12,728,465	-0.5%
2013	223,605	304,644	12,752,890	-0.6%
2014	209,536	323,468	12,775,981	-0.9%

Source: 2014 American Community Survey, 1 Year Estimates

Income Characteristics

Table 11 presents net domestic migration rates by Income. Once again, we find Illinois experienced net domestic out-migration rates across all income groups, most heavily in low income cohorts. Individuals with income between \$1 and \$10,000 have a net domestic out-migration rate higher than the average over the study period. No other significant pattern emerges from the data other than that the 2014 rate is above average for the study period. In 2014, net negative domestic migration rates for those with no income and with income of greater than over \$75k experienced higher than average changes. Those with income of between \$65k and \$75k had a significant reduction in their net domestic out-migration rate for 2014.

Table 11: Illinois' Annual Net Domestic Migration Rate Stratified by Income

	2007	2008	2009	2010	2011	2012	2013	2014
No Income	-0.6%	-0.5%	-0.8%	-0.4%	-0.5%	-0.5%	-0.5%	-0.9%
With Income	-0.5%	-0.6%	-0.5%	-0.6%	-0.4%	-0.6%	-0.7%	-0.9%
\$1 to \$10k	-0.9%	-1.3%	-1.2%	-1.4%	-0.7%	-1.2%	-1.5%	-1.8%
\$10k to \$15k	-0.3%	-0.6%	-0.5%	-0.6%	-0.1%	-0.6%	-0.5%	-0.8%
\$15k to \$25k	-0.5%	-0.4%	-0.5%	-0.4%	-0.3%	-0.4%	-0.5%	-0.7%
\$25k to \$35k	-0.6%	-0.5%	-0.4%	-0.4%	0.0%	-0.7%	-0.6%	-0.5%
\$35k to \$50k	-0.3%	-0.6%	-0.1%	-0.6%	-0.6%	-0.5%	-0.4%	-0.6%
\$50k to \$65k	-0.5%	-0.2%	-0.2%	-0.2%	-0.6%	-0.2%	-0.3%	-0.3%
\$65k to \$75k	-0.3%	-0.5%	-0.6%	-0.1%	0.2%	0.1%	-0.8%	-0.3%
Over \$75k	-0.3%	-0.4%	-0.5%	-0.4%	-0.7%	-0.4%	-0.3%	-1.0%
Average	-0.6%	-0.6%	-0.6%	-0.6%	-0.4%	-0.6%	-0.6%	-0.9%

Source: 2014 American Community Survey, 1 Year Estimates

Age Characteristics

Table 12 illustrates that, with the exception of 2014, Illinois ACS net domestic migration rate data is relatively consistent over the study period. Illinois saw domestic out-migration across all age cohorts. Of note, the 18-19 year olds net domestic out-migration rate increased over the period. There was also an increase in the rate for 20-24 age group beginning in 2013. It is interesting to note that the net migration rate for the 60-64 age group became less negative over the study period. Further research is needed to understand the significant change in the 2014 data, particularly for those of a mid-career age with young children, college age students, those of early retirement age as well as those who are 70 years or older.

Table 12: Illinois' Annual Net Domestic Migration Rate Stratified by Age

	2007	2008	2009	2010	2011	2012	2013	2014
1 to 4	-0.3%	-0.4%	-0.7%	-0.5%	-0.5%	-0.5%	-0.7%	-1.2%
5 to 17	-0.4%	-0.5%	-0.4%	-0.5%	-0.3%	-0.5%	-0.4%	-0.8%
18 and 19	-4.4%	-4.0%	-3.4%	-4.4%	-3.5%	-4.6%	-3.9%	-5.1%
20 to 24	-0.2%	-0.8%	-0.8%	-0.7%	0.0%	-0.6%	-1.1%	-0.9%
25 to 29	-0.3%	-0.3%	-0.6%	-0.5%	-0.2%	0.1%	-0.8%	-0.7%
30 to 34	-0.6%	-0.5%	-0.8%	-0.7%	-0.8%	0.0%	-0.5%	-1.0%
35 to 39	-0.5%	-0.4%	-0.5%	-0.4%	-0.2%	-0.6%	-0.5%	-1.2%
40 to 44	0.0%	-0.6%	-0.2%	-0.2%	-0.3%	-0.4%	-0.4%	-0.4%
45 to 49	-0.4%	-0.4%	0.0%	-0.6%	-0.1%	-0.3%	-0.2%	-0.7%
50 to 54	-0.5%	-0.5%	-0.5%	-0.2%	-0.5%	-0.3%	-0.3%	-0.8%
55 to 59	-0.4%	-0.6%	-0.4%	-0.5%	-0.4%	-0.6%	-0.8%	-0.6%
60 to 64	-0.8%	-0.5%	-0.7%	-0.3%	-0.6%	-0.8%	-0.6%	-0.4%
65 to 69	-0.5%	-0.8%	-0.5%	-0.5%	-0.3%	-0.5%	-0.9%	-0.8%
70 to 74	-0.8%	-0.2%	-0.4%	-0.6%	-0.3%	-0.8%	-0.4%	-1.0%
75+	-0.4%	-0.4%	-0.3%	-0.3%	-0.2%	-0.3%	-0.1%	-0.3%
Illinois	-0.5%	-0.6%	-0.6%	-0.6%	-0.4%	-0.6%	-0.6%	-0.9%

Source: 2014 American Community Survey, 1 Year Estimates

Education Characteristics

The annual data illustrate that all education cohorts experienced net domestic out-migration during the study period (**Table 13**). At the beginning of that period, those with some college or associates degree had the highest out-migration rate, but by 2014 the highest net domestic out-migration rate was for those holding graduate and professional degrees. However, while there is a spike in the 2014 graduate and professional cohort, if we look back from 2007 to 2014 we find that this is not uncommon – a spike in one year followed by a reduction in subsequent years.

Table 13: Illinois' Annual Net Domestic Migration Rate Stratified by Educational Qualifications

	2007	2008	2009	2010	2011	2012	2013	2014
Less than HS Grad	-0.5%	-0.3%	-0.6%	-0.3%	-0.3%	-0.2%	-0.3%	-0.7%
HS Grad	-0.3%	-0.4%	-0.4%	-0.4%	-0.2%	-0.4%	-0.4%	-0.5%
Some College or Associate's Degree	-0.7%	-0.4%	-0.2%	-0.4%	-0.2%	-0.3%	-0.4%	-0.6%
Bachelor's Degree	-0.2%	-0.7%	-0.4%	-0.6%	-0.4%	-0.3%	-0.6%	-0.8%
Graduate or Professional Degree	-0.4%	-0.7%	-1.0%	-0.3%	-1.1%	-0.8%	-0.8%	-1.1%
Average	-0.5%	-0.6%	-0.6%	-0.6%	-0.4%	-0.6%	-0.6%	-0.9%

Source: 2014 American Community Survey, 1 Year Estimates

Data presented earlier in this study illustrated that Illinois has experienced net overall and domestic out-migration since 1920. Annual ACS domestic migration data, only available since 2007, is presented to discover the characteristics of who is migrating. Our interpretation of the data is that from 2007-2013 there does not appear to be much in the way of a consistent trend in changes in net domestic migration across age, income, or education. Almost all cohorts experienced net domestic out-migration between 2007 and 2013. Clearly 2014 data indicate the rate of net domestic out-migration is on the rise in Illinois across most cohorts. We suggest subject matter experts, particularly those in the higher education field, examine other data sources to see whether or not the ACS can be corroborated and, if so, what factors may be driving this increase.

Recent Employment Trends in Illinois

However, we do find it curious that there has been a spike in net domestic out-migration at a time when employment in Illinois has been increasing (**Table 14**).²² We would have expected that out-migration would have tempered during a time when employment opportunities were increasing.

²² For more information click [here](#).

Table 14: Illinois Private Employment 2012-2014

	2012	2013	2014	2014-2013
NAICS 11 Agriculture, forestry, fishing and hunting	16,449	17,085	17,813	728
NAICS 21 Mining, quarrying, and oil and gas extraction	10,096	9,660	9,882	222
NAICS 22 Utilities	23,812	23,747	23,924	177
NAICS 23 Construction	188,890	190,990	201,521	10,531
NAICS 31-33 Manufacturing	582,427	578,702	578,843	141
NAICS 42 Wholesale trade	294,339	298,415	299,806	1,391
NAICS 44-45 Retail trade	596,703	598,568	604,550	5,982
NAICS 48-49 Transportation and warehousing	225,120	226,315	231,614	5,299
NAICS 51 Information	100,057	98,668	99,127	459
NAICS 52 Finance and insurance	280,516	281,006	278,323	-2,683
NAICS 53 Real estate and rental and leasing	71,960	73,635	75,180	1,545
NAICS 54 Professional and technical services	363,310	375,908	387,465	11,557
NAICS 55 Management of companies and enterprises	102,557	103,416	103,031	-385
NAICS 56 Administrative and waste services	396,975	408,733	425,344	16,611
NAICS 61 Educational services	140,857	142,607	142,619	12
NAICS 62 Health care and social assistance	710,193	720,042	730,169	10,127
NAICS 71 Arts, entertainment, and recreation	78,743	79,555	81,744	2,189
NAICS 72 Accommodation and food services	456,906	465,959	474,850	8,891
NAICS 81 Other services, except public administration	198,392	198,022	202,764	4,742
NAICS 99 Unclassified	5,481	6,690	6,327	-363
State Government				
NAICS 61 Educational services	54,318	54,370	54,233	-137
NAICS 62 Health care and social assistance	9,282	8,508	8,674	166
NAICS 92 Public administration	53,333	53,150	54,143	993
Local Government				
NAICS 23 Construction	1,690	1,715	1,786	71
NAICS 48-49 Transportation and warehousing	14,166	14,428	14,366	-62
NAICS 51 Information	10,680	10,726	10,751	25
NAICS 52 Finance and insurance	582	596	585	-11
NAICS 53 Real estate and rental and leasing	167	170	181	11
NAICS 54 Professional and technical services	136	137	145	8
NAICS 56 Administrative and waste services	1,444	1,140	1,188	48
NAICS 61 Educational services	343,225	341,974	338,636	-3,338
NAICS 62 Health care and social assistance	14,371	13,725	13,628	-97
NAICS 81 Other services, except public administration	427	544	515	-29
NAICS 92 Public administration	170,867	172,767	172,909	142
TOTAL	5,518,471	5,571,673	5,646,636	74,963

Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics

American Community Survey – County Migration Analysis

We then turned to a brief examination of sub-state migration patterns.²³ **Table 15** shows the top 15 counties in terms of domestic in-migration, out-migration, and net migration from 2009-2013. Based on the most recent available data, we find significant movements not only to Arizona and Texas but also California. Only two counties in our surrounding states show up on the top 15 out-migration list. In terms of where people are coming from when they move to Illinois, we find that five of the top 15 are from counties in surrounding states.

²³ Data can be found [here](#).

Table 15: Top 15 Counties for Net Migration to and From Illinois, 2009-2013

State	County	In-Migration	Out-Migration	Net- Migration
Out-Migration				
Arizona	Maricopa County	19,799	160,691	-140,892
Texas	Harris County	15,554	94,047	-78,493
California	Los Angeles County	18,167	87,816	-69,649
California	San Diego County	17,818	76,488	-58,670
Nevada	Clark County	16,558	60,624	-44,066
Florida	Hillsborough County	12,682	54,984	-42,302
Colorado	El Paso County	12,556	53,360	-40,804
Texas	Bexar County	13,895	54,280	-40,385
Missouri	St. Louis County	18,514	58,788	-40,274
Texas	Dallas County	9,616	46,152	-36,536
Florida	Lee County	9,541	38,764	-29,223
Texas	Tarrant County	14,937	43,456	-28,519
Georgia	Fulton County	12,045	38,528	-26,483
Wisconsin	Dane County	16,254	39,450	-23,196
Tennessee	Davidson County	11,170	34,086	-22,916
In-Migration				
Arkansas	Faulkner County	6,744	657	6,087
Michigan	Berrien County	7,914	1,785	6,129
Iowa	Muscatine County	7,020	876	6,144
New Jersey	Morris County	9,661	3,464	6,197
Indiana	Marshall County	6,757	513	6,244
Pennsylvania	Bucks County	7,452	1,063	6,389
New York	Ulster County	7,065	595	6,470
New York	Tompkins County	8,010	1,498	6,512
Texas	Taylor County	7,232	550	6,682
Wisconsin	Marquette County	7,036	192	6,844
Texas	Parker County	7,396	384	7,012
Colorado	Eagle County	7,680	482	7,198
Wisconsin	Walworth County	11,794	4,456	7,338
Puerto Rico	San Juan Municipio	8,073	569	7,504
Virginia	Hampton city	9,503	1,941	7,562

Source: 2009-2013 5-Year American Community Survey

The above data looks at net domestic migration between counties in the United States and Illinois. There is, however, an additional way to quantify migration between counties in the United States and Illinois: *migration flow*. **Table 16** illustrates the number of people who move from Indiana to various counties in Illinois along with how many Illinoisans move from these same counties to Indiana. If we take Cook County as an example, we see that the net migration for the period was 7,324 individuals

moving from Indiana to Cook County while the total number of people moving between Indiana and Cook County was 25,528.

Table 16: Top 10 Illinois Counties Where Indianans Move To, 5-Year ACS, 2009-1013

Illinois Counties	Movers from Indiana to Illinois Counties	Movers from Illinois Counties to Indiana	Net Migration	Migration Flow
Cook	16,426	9,102	7,324	25,528
Lake	1,446	960	486	2,406
DuPage	1,759	1,279	480	3,038
Jackson	395	116	279	511
Edgar	249	72	177	321
Champaign	530	385	145	915
St. Clair	315	178	137	493
Peoria	486	351	135	837
McLean	321	190	131	511
Crawford	196	68	128	264

Source: 2009-2013 5-Year American Community Survey

If we look at Lake County, Indiana, we see that the net migration for the period was 3,778 individuals moving from Illinois to Lake County while the total number of people moving between Illinois and Lake County was 16,718 (**Table 17**). It is important to think about both net migration and migration flow to get a comprehensive picture of the characteristics of those who migrate.

Table 17: Top 10 Indiana Counties Where Illinoisans Move To, 5-Year ACS, 2009-1013

Indiana Counties	Movers from Illinois to Indiana Counties	Movers from Indiana Counties to Illinois	Net Migration	Migration Flow
Lake County	6,470	10,248	-3,778	16,718
Tippecanoe County	913	2,153	-1,240	3,066
Marion County	1,662	2,355	-693	4,017
Elkhart County	230	886	-656	1,116
St. Joseph County	879	1,451	-572	2,330
Monroe County	929	1,480	-551	2,409
Hamilton County	837	1,351	-514	2,188
Knox County	58	354	-296	412
Vanderburgh County	482	659	-177	1,141
Porter County	950	1,126	-176	2,076

Source: 2009-2013 5-Year American Community Survey

Summary of Findings and Areas for Further Research

Most significant to the current assertion about Illinois migration is that net out-migration is not a new phenomenon – it has been occurring since the 1920's and is part of a national trend that has seen a movement of population from the Northeast and the Midwest to the West and the South. Illinois' migration patterns are similar to those of its neighboring states, as out-migrants from Indiana and Wisconsin tend to move to the same states as those from Illinois.

While Illinois has experienced net out-migration for ninety years, its magnitude is overstated if data reflecting international migration patterns are not included. Illinois attracts more international in-migration than the average state and this figure is significantly larger than international out-migration from Illinois. When international migration is included in net migration figures, Illinois had overall net out-migration of 67,535 in 2015 compared with 105,217 for domestic net out-migration only: a reduction in net outflows of a third.

The economic cycle is a significant factor in explaining migration – overall gross migration (migration flow) slows down during a recession and picks up once the economy starts to recover. Illinois had begun to pull out of the 2008-2009 great recession by 2011, the same time that it enacted income tax rate increases. For some reason that we don't fully understand, the income tax rate increase led some to conclude that the tax rate increase was the reason that net out-migration increased. However, ACS data illustrates that the out-migration rate actually fell in 2011.

Using most recent IRS data we find that the 10 states with which Illinois has had the largest gross migration flow are the same in 2012/2013 as in 1994/1995. We provided some preliminary analysis on the migration relationship between Illinois and California, Florida, and Texas. These relationships, along with those of surrounding states, deserve further examination.

Migration can be looked at in both absolute and percentage terms. In 2012/2013, for example, 23,596 people moved from Illinois to Indiana; in the same year 17,035 moved from Indiana to Illinois. However Illinois has twice the population, meaning a larger percentage of Indiana's taxpayer population moved to Illinois (0.32 percent) than vice versa (0.22 percent).

We find that the rate of net domestic out-migration, after being relatively constant since the mid-1980s, appears to have changed significantly in 2014 across most age, income, and education cohorts. The net out-migration rate is now comparable to that experienced in the days when Illinois was categorized as part of the Rust Belt.

This most recent ACS data for 2014 suggest that the recent uptick in Illinois' net out-migration rate has been experienced across almost all income, age, and education cohorts. Based on 2015 PEP data, we anticipate this phenomenon will continue in 2015.

While our research has helped us understand the context of migration trends in Illinois, it leaves us with many as yet unanswered questions, such as:

- Is the increase in net out-migration in 2014 a state-wide phenomenon or concentrated in a few pockets?
- Why is the out-migration rate of the \$65k-\$75k income group slowing down?
- Where are young college-age Illinoisans moving to and for what reasons?
- Why has the rate of out-migration for 60-64 year old cohort slowed down?
- Why has the rate of out-migration in the age 70 or older increased? Where are they going?
- Why has there been an increase in the rate of out-migration of graduate or professional degrees? Where are they going?
- Are mid-career professionals with young children and who make an above average income more likely to leave Illinois now than was true in the past?

We will keep looking for answers and encourage our colleagues who are interested in the development of fact-based, data-driven research to join us in this quest.

We would close with the observation from our colleague, Lyman Stone, that in this day of internet-based communication, people are now in a position to do much more research about a state when they contemplate moving.

The rise of the internet has made acquiring tax information far easier, especially for web-savvy individuals. But informal networks and perceptions still matter: if the job seeker's network provides her information that a certain state has high taxes, she may trust that information even without formal evidence. Thus, "tax reputation" may matter as much as actual tax burdens. Migrants don't usually have perfect information and a second degree as tax accountants, thus perceived tax burdens, meaning information about taxes made available through the job seeker's network, matters more for in-migration.²⁴

Illinois' tax burden has gotten plenty of negative attention lately, some of it misleading. If Mr. Stone is, in fact, correct, then the claims that Illinois taxes drive people out of Illinois may have become a self-fulfilling prophecy.

²⁴ <https://medium.com/migration-issues/how-state-taxes-and-migration-impact-inequality-9922e1d9fe16#.nsgaors7c>

About the Authors

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Rob has published papers on topics including local property taxes, education funding, and other tax policy issues for the Taxpayers' Federation of Illinois. He also has researched and published papers on local property taxation and infrastructure finance. Robert is currently a student at the Irving B. Harris School of Public Policy at the University of Chicago pursuing a Master's degree in Public Policy.

About Lyman Stone

Lyman Stone is a migration researcher and consultant, writing online on [Medium.com](https://medium.com). His specialty is domestic interstate migration. His work has been covered in many media outlets and has covered many states and cities. He is a graduate of the George Washington University's Elliott School with an MA in International Trade and Investment Policy, and an agricultural economist at USDA's Foreign Agricultural Service. Opinions expressed are solely Lyman's own, and do not reflect the federal government, or any branch of it; Lyman's migration research is not taxpayer-funded. He is married to Ruth, a fellow Kentuckian