

# Policy lessons from Illinois' exodus of people and money

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## Executive summary

Migration between the U.S. states is the ultimate expression of “voting with your feet.” This study undertakes a thorough examination of Illinois' migration patterns to better understand progress on important public policy issues.

Key findings include:

- Between 1995 and 2010, Illinois has suffered net out-migration every year with a net loss of 391,427 taxpaying households representing 855,196 people, according to data from the Internal Revenue Service. Losing these taxpayers represents a serious blow to Illinois' economy and government coffers.
- The top states to which people from Illinois move are Florida, Indiana, Wisconsin, Texas and Arizona.
- The top states from which people move into Illinois are Michigan, Ohio, New Jersey, North Dakota and Pennsylvania.
- The total net income leaving Illinois averaged more than \$2.2 billion, adjusted in 2014 dollars, between 1995 and 2010, with a total loss of \$35.3 billion. Had this income stayed in Illinois, state and local governments would have collected an estimated \$5.9 billion in additional tax revenue.
- Of course, when someone leaves, Illinois doesn't just lose income and taxes for that one year, but rather for all future years as well. Compounding these figures over the 16 years assessed in this study, the state has lost \$294.9 billion in net income and \$52 billion in state and local tax revenue due to out-migration (adjusted in 2014 dollars).
- The loss of income is not just due to more people moving out than moving in; out-migrants also have higher incomes than in-migrants. Between 1995 and 2010, the average income of out-migrants was \$64,475, while the average income of in-migrants was \$57,767—a difference of \$6,708.
- People and their income move to states where the weather is warmer, taxes are lower (especially estate taxes), union membership is lower, population density is lower and the cost of housing is lower.
- The most significant driver of out-migration, on a percentage basis, is the estate tax. This is especially important considering that the No. 1 destination state for former Illinois residents is Florida, a state with no estate tax (or individual income tax).

## Measuring Illinois' out-migration problem:

The Internal Revenue Service produces an annual snapshot of taxpayer migration through tax returns, which provides a rich picture of migrants.<sup>1</sup> The IRS has access to actual tax returns, which are a good proxy for the number of households; the agency also has access to the number of exemptions per tax return, which is a good proxy for the number of people in the household; and the IRS also has reported Adjusted Gross Income, or AGI, which is a good proxy for household income.

The table below shows Illinois' net losses of taxpayers, people and income in 2010, the most recent year of IRS data. In 2010, 116,056 taxpayers left the state while 91,245 taxpayers entered the state, for a net loss of 24,811 taxpayers. The in-migrating taxpayers represented 160,779 exemptions and \$4.5 billion in AGI, while the out-migrating taxpayers represented 209,921 exemptions and \$6.4 billion, for a net loss of 49,142 exemptions and nearly \$2 billion in AGI.

### Illinois' migration crisis continues

Losses of taxpayers, people and income in 2010

	Entered Illinois	Exited Illinois	Net change
Taxpayers	91,245	116,056	<b>-24,811</b>
Taxpayers + dependents	160,779	209,921	<b>-49,142</b>
Total income	4.5B	6.4B	<b>-1.9B</b>

Overall, between 1995 and 2010, Illinois has lost 391,427 taxpayers (households), 855,196 exemptions (people) and \$28.3 billion in AGI (income, nominal dollars). Of course, a dollar in 1995 was worth more than a dollar is today, so income must be adjusted for inflation. Putting AGI into 2014 dollars shows a much greater loss of income, at \$35.4 billion (appendix Table 1b).

### Where are the out-migrants going?

IRS data provide migrant data by state, which is useful in determining where out-migrants are going and where in-migrants are coming from. For the 2010 tax year, Texas had the largest net gain of people from Illinois. The chart below ranks the top 15 states that gained residents from Illinois in the 2010 tax year

### Illinois losing residents

Top 15 states that gained Illinois residents

State	In	Out	Illinois net loss
TEXAS	9,780	17,455	<b>-7,675</b>
FLORIDA	10,016	16,581	<b>-6,565</b>
CALIFORNIA	11,639	16,063	<b>-4,424</b>
INDIANA	14,429	18,555	<b>-4,126</b>
WISCONSIN	10,958	14,931	<b>-3,973</b>
MISSOURI	10,655	12,963	<b>-2,308</b>
COLORADO	3,127	5,307	<b>-2,180</b>
ARIZONA	4,940	7,119	<b>-2,179</b>
GEORGIA	5,003	6,807	<b>-1,804</b>
TENNESSEE	3,706	5,489	<b>-1,783</b>
IOWA	6,889	8,636	<b>-1,747</b>
NORTH CAROLINA	3,618	5,004	<b>-1,386</b>
VIRGINIA	4,003	5,052	<b>-1,049</b>
WASHINGTON	2,675	3,555	<b>-880</b>
KENTUCKY	2,897	3,771	<b>-874</b>

As shown in the following tables, for the 2010 tax year, Indiana led among border states in gaining Illinois residents. Wisconsin gained the most taxpayers and income from Illinois. All five border states gained people and income from Illinois.

## Illinois losing the border wars

Migration of taxpayers, people and incomes between Illinois and border states, 2010

	Taxpayers in	Taxpayers out	Net loss
Wisconsin	6,277	7,958	-1,681
Indiana	7,706	9,255	-1,549
Missouri	6,089	7,482	-1,393
Iowa	3,867	4,761	-894
Kentucky	1,527	1,920	-393
	Residents in	Residents out	Net loss
Indiana	14,429	18,555	-4,126
Wisconsin	10,958	14,931	-3,973
Missouri	10,655	12,963	-2,308
Iowa	6,889	8,636	-1,747
Kentucky	2,897	3,771	-874
	Income in (1000s)	Income out (1000s)	Net loss (1000s)
Wisconsin	272,767	372,280	-99,513
Indiana	292,505	367,347	-74,842
Missouri	251,158	305,438	-54,280
Iowa	145,593	186,652	-41,059
Kentucky	59,391	82,171	-22,780

The top out-migrant states for Illinois households are Florida (62,140), Arizona (39,920), California (36,868), Texas (36,173) and Wisconsin (35,927). On the other hand, the top in-migrant states for households are Michigan (17,848), Ohio (12,324), Pennsylvania (2,800), New Jersey (946) and North Dakota (560) (see Table 2a in appendix). Overall, Illinois loses households to 41 states while gaining households from only nine states.

The top out-migrant states for people are Florida (121,098), Indiana (104,916), Wisconsin (92,772), Texas (86,597) and Arizona (74,398). On the other hand, the top in-migrant states for people are Michigan (8,612), Ohio (7,723), New Jersey

(1,827), North Dakota (1,098) and Pennsylvania (1,091). Overall, Illinois lost people to 42 states while gaining people from only eight states (see Table 2b in appendix).

The top out-migrant states for income (adjusted into 2014 dollars) are Florida (\$8.2 billion), California (\$3.4 billion), Arizona (\$3.2 billion), Texas (\$2.8 billion) and Wisconsin (\$2.5 billion). On the other hand, the top in-migrant states for income are Ohio (\$476 million), Michigan (\$339 million), New Jersey (\$97 million), North Dakota (\$27 million) and Delaware (\$13 million). Overall, Illinois lost income to 45 states while gaining AGI from only five states (see Table 2c in appendix).

## Why should policymakers worry about out-migration?

These out-migrants also take their incomes and purchasing power with them. As shown in Table 1b (appendix), between 1995 and 2010, the total amount of income leaving the state was at least \$35.4 billion in 2014 dollars. The greatest out-migration of income was in 2000 at \$3.2 billion. In fact, as shown in Chart 2 (appendix), the annual average out-migration of \$7.7 billion exceeds the average in-migration of \$5.4 billion by \$2.3 billion. Astonishingly, there is not a single year in this time period where income flowed into Illinois.

Of course, when someone leaves, the lost income isn't limited to the year the person left. It's lost for every year moving forward,

too. Table 1b (appendix) shows that when compounding the income losses over the 16 years considered above, the total income loss comes to a whopping \$295 billion.

More troubling for policymakers, had this income stayed in Illinois, state and local governments would be collecting an estimated \$5.9 billion, in 2014 dollars, in higher taxes each year (see Table 4 in appendix). This not only includes higher income taxes, but also higher sales and property taxes.

As the chart below shows, the annual tax loss is \$5.9 billion in 2014 dollars. From 1995-2010, the compounded loss to state and local governments is \$52 billion in tax revenues.

### Estimated state and local taxes lost due to out-migration

Calendar Years 1995 to 2010 (Thousands of Dollars)

Calendar year	Estimated annual tax loss	Estimated annual tax loss (2014 dollars)	Cumulative tax loss (2014 dollars)
1995-2010	(4,746,026)	(5,909,212)	(51,976,584)

## Reversing out-migration:

Reversing Illinois' out-migration problem requires an understanding of why residents are leaving. As shown in Table 5 (appendix), one way to do this is by comparing various characteristics of Illinois versus the destination states.<sup>2</sup> In economic terms, out-migrants are expressing their "revealed preferences" by moving to another state more in-line with their preferences and values.

We compare Illinois to these destination states via seven common variables used in migration studies: state and local tax burdens, income tax burdens, estate tax burdens, union membership, population density, cost of housing and average temperature. We then indicate which component of migration – households, people, or income – showed the most sensitivity to each variable.

**State and local tax burden:** This variable measures total state and local taxes collected as a percent of personal income as averaged over the 1995-2010 time period.<sup>3</sup> Illinois' average tax burden was 10.28 percent. Households left for states where tax burdens were 0.98 percent lower; people left for states where tax burdens were 1.25 percent lower; and income left for states where tax burdens were 1.38 percent lower.<sup>4</sup> Overall, the migration of income showed the most sensitivity to state and local tax burdens.

**Income tax burden:** This variable measures total state and local income taxes collected as a percent of personal income as averaged over the 1995-2010 time period.<sup>5</sup> Illinois' average income tax burden was 1.81 percent. Households left for states where income tax burdens were 0.73 percent higher; people left for states where income tax burdens were 0.12 percent higher; and income left for states where income tax burdens were 8.81 percent lower. Overall, the migration of income was the most sensitive to state and local income tax burdens.

**Estate tax burden:** This variable measures estate taxes collected as a percent of personal income in 2010.<sup>6</sup> Illinois' average estate tax burden was 0.05 percent. Households left for states where estate tax burdens were a whopping 71.3 percent lower; people left for states where estate tax burdens were 67.41 percent lower; and income left for states where income tax burdens were 74.25 percent lower. Overall, the migration of income was the most sensitive to estate tax burdens.

**Union membership:** This variable measures the percent of the state's employed labor force that belong to a union as averaged over the 1995-2010 time period.<sup>7</sup> Illinois' average union membership was 17.7 percent. Households left for states where union membership was 42 percent lower (10.3 percent); people left for states where union membership was 43.37 percent lower (10 percent); and income left for states where union membership was 44.47 percent lower (9.8 percent). Overall, the migration of income was most sensitive to union membership.

**Population density:** This variable measures total population divided by land area, and is averaged over the 1995-2010 time period.<sup>8</sup> Illinois' population density was 224.7 people per square mile. Households left for states where the population density was 16.6 percent lower (187.4 people per square mile); exemptions left for states where the population density was 28.27 percent lower (161.2 people per square mile); and income left for states where the population density was 12.02 percent lower (197.7 people per square mile). Overall, the migration of people was most sensitive to population density.

**Cost of housing:** This variable measures the median cost of housing as reported in the 2000 Census.<sup>9</sup> Illinois' median cost of housing was \$130,800. Households left for states where the cost of housing was 9.24 percent lower (\$118,716); people left for states where the cost of housing was 14.78 percent lower (\$111,468); and income left for states where the cost of housing was 7.21 percent lower (\$121,367). Overall, the migration of people was most sensitive to the cost of housing.

**Average temperature:** This variable measures the annual average of the daily mean temperature.<sup>10</sup> Illinois' temperature by this measure was 50 degrees Fahrenheit. Households left for states where temperatures were 20.84 percent higher (60.4 degrees); people left for states where temperatures were 19.57 percent higher (59.7 degrees); income left for states where temperatures were 23.3 percent higher (61.6 degrees). Overall, the migration of income was most sensitive to temperature.

## Will Illinois' out-migration problem get better?

The most current data available on domestic migration come from the U.S. Department of Commerce's Census Bureau.<sup>11</sup> While lacking the income detail of the IRS migration data, the Census data are more comprehensive in that they include the migration of people beyond those who file a tax return, such as the elderly or young who may not earn enough income to pay taxes.

Yet, since the two data series are highly correlated, the Census data can show whether or not the Illinois migration picture is getting better or worse. Chart 3 and Table 6 show net domestic migration between 1991 and 2013. On average, Illinois has been losing 64,654 people per year, for a total of 1,487,031 over this time period.

The Great Recession slowed Illinois' out-migration of people because it significantly disrupted the housing market. Naturally, the inability to sell one's house is a major impediment to moving. However, beginning in 2009, the housing market has slowly recovered. That has coincided with the resumption of out-migration that rivals the levels seen just prior to the economic downturn.

Overall, the Census data also paint a grim migration picture, and strongly suggest that future releases of IRS migration data will show a continued flight of households, people and income from Illinois.

## Conclusion

People, and their incomes, are most inclined to move to where it is warmer, taxes are lower (especially estate taxes), union membership is lower, population density is lower and the cost-of-housing is lower. Additionally, AGI is the most sensitive variable when it comes to state and local tax (and income and estate tax) burdens, union membership and average temperature. The data show that people and their incomes are leaving Illinois for states that fit these characteristics – especially Florida.

However, not all of these variables can be changed by policymakers – weather cannot be changed through legislative

action. Other variables can be changed by policymakers on an annual basis – for example, tax burdens can be reduced. Most variables, such as union membership, population density and cost of housing, can only be influenced by legislation, and even then will take years to establish measurable change.

While identifying specific remedies for each of these issues is beyond the scope of this study, without action, out-migration will continue to reduce the ability of both the private and public sector to ensure Illinois' economy remains strong and vibrant. This study provides a roadmap for making the necessary policy changes.

## Methodology

The IRS data used in this study are derived from the calendar year 1995 to 2010 State-to-State Migration Data-Set, or SSMD, that is published annually by the Statistics of Income Division of the Internal Revenue Service. To qualify for inclusion in the SSMD, the IRS compares address information supplied on the taxpayer's tax form between two years. If the address is different in year two from year one, then the taxpayer is classified as a "migrant;" otherwise, the taxpayer is classified as a "non-migrant."

The IRS is required by law to ensure that its data products do not reveal the identity of any taxpayer. In the SSMD, the data suppression affects its "data fidelity," to borrow a musical term. (In music, the term "recording fidelity" describes a recording's ability to capture as much of the total sound as possible, e.g., the lower the recording fidelity, the lower the recorded sound quality.)

Analogous to this is the data fidelity within the SSMD. For example, if only a single taxpayer moved from state A to state B, it would be relatively simple (for those with the know-how) to identify that taxpayer. Therefore, the IRS lumps all such taxpayers into a residual category to prevent identification.

As a result, the exact movement of all taxpayers is unknown. The percentage that is shown represents the SSMD's data fidelity, which is higher in the state-level migration data than in the county-level migration data.

The major strength of the SSMD is that it is based on actual data – not a survey – that is enforced with criminal penalties.<sup>12</sup> This makes the SSMD especially reliable as a data source given people's incentive to be truthful in their data reporting. In addition, the SSMD includes reported AGI, which allows researchers to not only track population flows, but also income flows.

On the other hand, the major weakness of the SSMD is that it excludes certain segments of the population. First, it excludes low-income groups such as students, welfare recipients and the elderly because the standard deduction and exemptions are greater than their income. Second, it underrepresents the very wealthy, because they are more likely to request a filing extension and miss the late September cut-off for inclusion into the data set. Finally, it may miss taxpayers who have changed filing status – especially from "married filing joint" to "married filing separately."

## ENDNOTES

<sup>1</sup> The IRS migration data are available at the state and county levels and can be found here:

<http://www.irs.gov/uac/SOI-Tax-Stats-Migration-Data>. The IRS data are free for the most current year, but the agency charges a nominal fee for historical data.

<sup>2</sup> Including Washington, D.C.

<sup>3</sup> The tax collection data is from the U.S. Department of Commerce's Census Bureau and the personal income data comes from the U.S. Department of Commerce's Bureau of Economic Analysis.

<sup>4</sup> The values for the destination states are based on the weighted average of these states in proportion to their representation of total out-migration from Illinois.

<sup>5</sup> The tax collection data is from the Department of Commerce's Census Bureau and the personal income data comes from the Department of Commerce's Bureau of Economic Analysis.

<sup>6</sup> Ibid.

<sup>7</sup> The union membership data is from [www.unionstats.com](http://www.unionstats.com).

<sup>8</sup> The tax collection data are from the Department of Commerce's Census Bureau, and the personal income data come from the Department of Commerce's Bureau of Economic Analysis.

<sup>9</sup> The median value of housing is based on data from the Department of Commerce's Census Bureau.

<sup>10</sup> The temperature data is from the U.S. National Oceanic and Atmospheric Administration. The data are usually for one selected city in each state. However, in cases where more than one city is provided, especially in large states, the data are averaged.

<sup>11</sup> The migration data is a subset of data known as "Components of Population Change." The most recent data for Illinois can be found here: <http://www.census.gov/popest/data/state/totals/2013/index.html>. The data's timeframe is not the typical calendar year as it begins and ends on July 1

<sup>12</sup> Economic surveys can be plagued by a variety of problems ranging from purposeful lying to simple forgetfulness. The poster child for such problems is in the Consumer Expenditure Survey published by the U.S. Department of Labor: Bureau of Labor Statistics. The reported expenditures often, and quite significantly, deviate from the reported income.

# APPENDIX

Table 1a

Calendar year	In-migrants				Out-migrants				Net migration			
	Taxpayers	Exemptions	AGI (\$ thousands)	AGI (2014 dollars)	Taxpayers	Exemptions	AGI (\$ thousands)	AGI (2014 dollars)	Taxpayers	Exemptions	AGI (\$ Thousands)	AGI (2014 dollars)
1995	91,499	173,253	3,402,190	4,878,641	113,689	223,482	4,677,365	6,707,204	(22,190)	(50,229)	(1,275,175)	(1,828,563)
1996	91,296	172,479	3,594,034	5,047,424	119,183	230,076	5,018,441	7,067,510	(27,887)	(57,597)	(1,434,407)	(2,020,087)
1997	92,600	172,687	3,944,832	5,461,567	121,306	233,970	5,888,893	8,153,094	(28,706)	(61,283)	(1,944,061)	(2,691,526)
1998	95,544	176,244	4,258,435	5,832,490	121,805	233,706	6,110,558	8,369,218	(26,261)	(57,462)	(1,862,123)	(2,536,727)
1999	95,849	175,555	4,624,392	6,244,570	124,840	236,802	6,664,003	8,938,768	(28,991)	(61,447)	(2,039,611)	(2,754,198)
2000	96,365	173,700	4,845,957	6,398,094	124,796	234,245	7,157,114	9,449,503	(28,411)	(60,545)	(2,311,157)	(3,051,409)
2001	92,890	167,186	4,428,194	5,715,797	122,331	229,344	6,444,727	8,318,685	(29,441)	(62,158)	(2,016,533)	(2,602,888)
2002	88,575	158,871	3,934,219	5,001,287	117,377	222,264	5,884,819	7,480,944	(28,802)	(63,393)	(1,950,600)	(2,479,656)
2003	89,097	160,616	4,038,622	5,033,462	118,217	224,506	5,823,687	7,258,245	(29,120)	(63,890)	(1,765,065)	(2,224,783)
2004	92,445	165,589	4,377,533	5,310,417	119,261	228,355	6,437,106	7,808,900	(26,816)	(62,766)	(2,059,573)	(2,498,483)
2005	99,148	177,346	4,942,723	5,809,697	120,654	228,971	6,760,393	7,946,194	(21,506)	(51,625)	(1,817,670)	(2,136,497)
2006	100,067	177,872	5,115,973	5,834,044	116,419	218,027	6,728,674	7,673,102	(16,352)	(40,155)	(1,612,701)	(1,839,058)
2007	103,712	180,656	5,437,422	6,039,956	119,375	218,270	6,796,652	7,549,805	(15,653)	(37,414)	(1,359,230)	(1,509,849)
2008	98,781	172,546	4,916,653	5,358,534	114,526	207,667	6,270,995	6,834,596	(15,745)	(35,121)	(1,354,342)	(1,476,063)
2009	88,260	155,553	4,002,288	4,327,444	108,985	196,522	5,543,666	5,994,047	(20,725)	(40,969)	(1,541,378)	(1,666,603)
2010	91,245	160,779	4,478,311	4,784,015	116,056	209,921	6,381,579	6,817,206	(24,811)	(49,142)	(1,903,268)	(2,033,191)
<b>Total</b>	<b>1,507,393</b>	<b>2,720,932</b>	<b>70,331,778</b>	<b>87,077,438</b>	<b>1,898,820</b>	<b>3,576,128</b>	<b>98,588,672</b>	<b>122,427,021</b>	<b>(391,427)</b>	<b>(855,196)</b>	<b>(28,256,894)</b>	<b>(35,349,583)</b>

Source: Internal Revenue Service and Illinois Policy Institute



Table 1b

### Illinois net and cumulative AGI migration

Calendar years 1995 to 2010

Calendar year	AGI (2014 dollars)	Cumulative AGI loss, (2014 dollars)
1995	(1,828,563)	(29,257,016)
1996	(2,020,087)	(30,301,302)
1997	(2,691,526)	(37,681,371)
1998	(2,536,727)	(32,977,457)
1999	(2,754,198)	(33,050,380)
2000	(3,051,409)	(33,565,504)
2001	(2,602,888)	(2,602,888)
2002	(2,479,656)	(22,316,907)
2003	(2,224,783)	(17,798,264)
2004	(2,498,483)	(17,489,381)
2005	(2,136,497)	(12,818,981)
2006	(1,839,058)	(9,195,288)
2007	(1,509,849)	(6,039,398)
2008	(1,476,063)	(4,428,188)
2009	(1,666,603)	(3,333,207)
2010	(2,033,191)	(2,033,191)
<b>Total</b>	<b>(35,349,583)</b>	<b>(294,888,722)</b>

Source: Internal Revenue Service and the Illinois Policy Institute

Table 1c

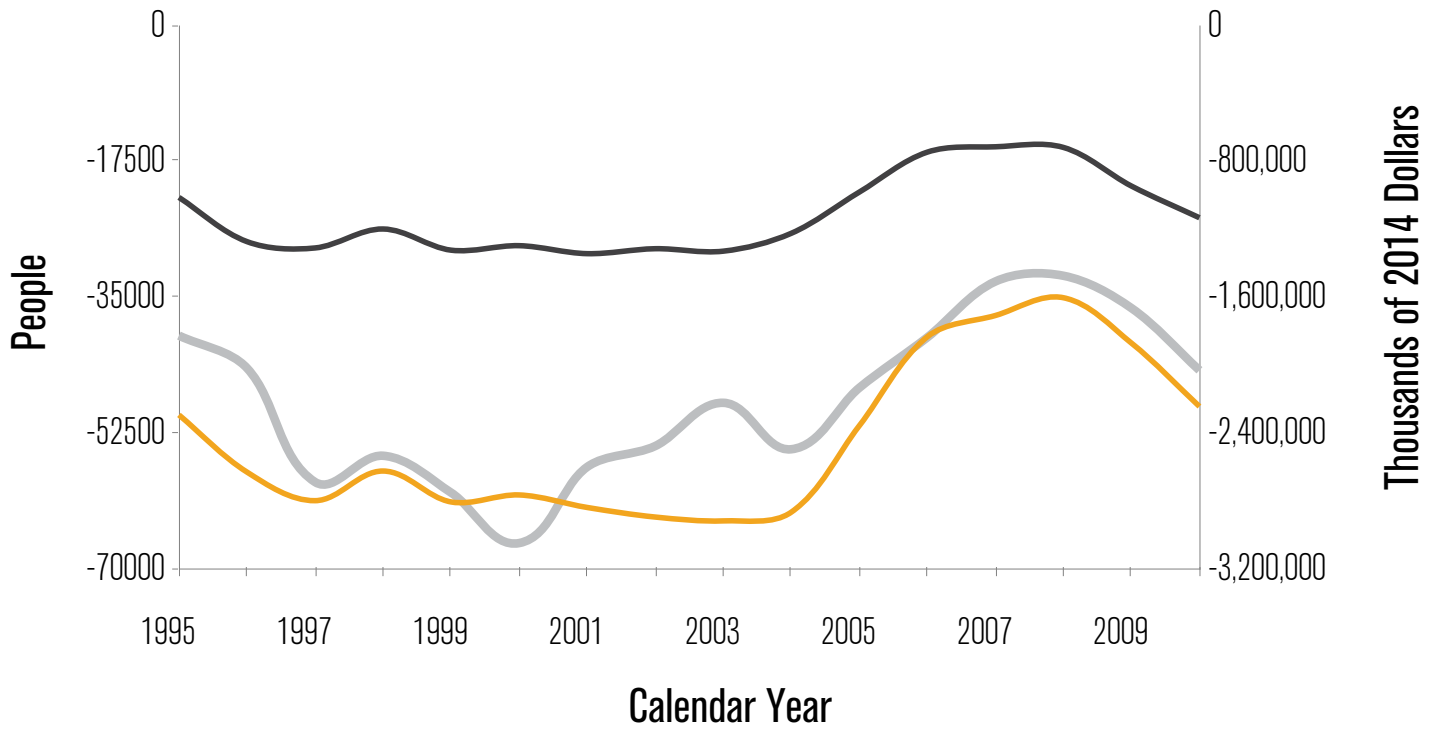
**Average AGI per taxpayer**  
Calendar Years 1995 to 2010

Calendar year	In-migrants AGI (2014 dollars)	Out-migrants Cumulative AGI loss, (2014 dollars)	Net migration AGI per taxpayer
1995	(1,828,563)	(29,257,016)	(\$5,677)
1996	(2,020,087)	(30,301,302)	(\$4,013)
1997	(2,691,526)	(37,681,371)	(\$8,231)
1998	(2,536,727)	(32,977,457)	(\$7,665)
1999	(2,754,198)	(33,050,380)	(\$6,932)
2000	(3,051,409)	(33,565,504)	(\$9,339)
2001	(2,602,888)	(2,602,888)	(\$6,468)
2002	(2,479,656)	(22,316,907)	(\$7,270)
2003	(2,224,783)	(17,798,264)	(\$4,903)
2004	(2,498,483)	(17,489,381)	(\$8,033)
2005	(2,136,497)	(12,818,981)	(\$7,263)
2006	(1,839,058)	(9,195,288)	(\$7,608)
2007	(1,509,849)	(6,039,398)	(\$5,007)
2008	(1,476,063)	(4,428,188)	(\$5,431)
2009	(1,666,603)	(3,333,207)	(\$5,968)
2010	(2,033,191)	(2,033,191)	(\$6,310)
<b>Total</b>	<b>(35,349,583)</b>	<b>(294,888,722)</b>	<b>(\$6,708)</b>

Source: Internal Revenue Service and the Illinois Policy Institute

Chart 1

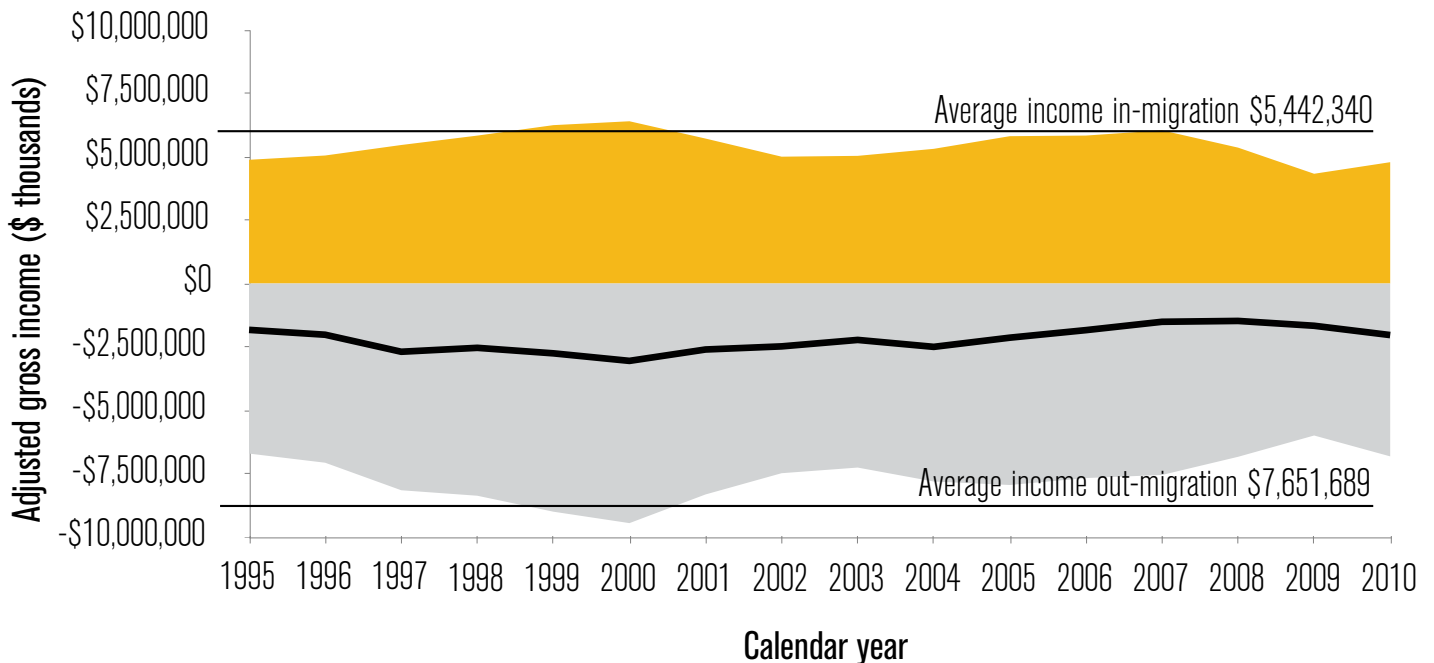
### Net migration in Illinois Calendar years 1995 to 2010



■ Taxpayers ■ Exemptions ■ AGI (\$ thousands) *Source: Internal Revenue Service and the Illinois Policy Institute*

Chart 2

### Illinois's income (AGI) migration calendar Calendar years 1995 to 2010, in constant 2014 dollars



■ Out-migrants ■ In-migrants — Net migration *Source: Internal Revenue Service and the Illinois Policy Institute*

Table 2a

**Net Illinois migration to other states**  
Sorted by taxpayers (households), tax years 1995 to 2010

State	Taxpayers	Rank	Exemptions	AGI (Thousands of 2014 Dollars)
Florida	(62,140)	1	(121,098)	(8,244,511)
Arizona	(39,920)	2	(74,398)	(3,243,330)
California	(36,868)	3	(39,005)	(3,404,179)
Texas	(36,173)	4	(86,597)	(2,759,051)
Wisconsin	(35,927)	5	(92,772)	(2,486,340)
Indiana	(35,100)	6	(104,916)	(2,221,082)
Missouri	(20,036)	7	(34,474)	(815,792)
Colorado	(19,448)	8	(32,605)	(1,770,913)
Georgia	(18,401)	9	(41,004)	(1,382,784)
Tennessee	(15,333)	10	(32,923)	(1,124,698)
Nevada	(14,831)	11	(27,189)	(1,204,193)
North Carolina	(11,912)	12	(24,561)	(1,228,960)
Kentucky	(7,878)	13	(17,684)	(457,983)
Washington	(7,786)	14	(11,406)	(673,003)
Virginia	(7,298)	15	(13,343)	(456,192)
Arkansas	(6,679)	16	(14,962)	(426,703)
Minnesota	(6,464)	17	(19,041)	(536,111)
South Carolina	(5,600)	18	(11,198)	(626,453)
Oregon	(5,220)	19	(8,211)	(373,919)
Alabama	(5,085)	20	(11,303)	(321,753)
Mississippi	(4,455)	21	(9,316)	(199,776)
Iowa	(3,741)	22	(14,538)	(68,937)
New York	(3,633)	23	1,059	(199,511)
New Mexico	(3,348)	24	(5,626)	(179,931)
Maryland	(2,578)	25	(4,522)	(236,895)
District of Columbia	(1,980)	26	(2,104)	(109,138)
Oklahoma	(1,515)	27	(4,052)	(86,159)
Montana	(1,269)	28	(2,222)	(128,141)
Utah	(860)	29	(1,096)	(124,698)
Wyoming	(778)	30	(1,180)	(90,141)
Idaho	(684)	31	(1,239)	(103,662)
Massachusetts	(660)	32	(1,702)	(229,989)

*Table 2a cont.*

Alaska	(659)	33	(351)	(13,410)
Hawaii	(583)	34	241	(48,433)
Louisiana	(520)	35	(1,007)	(12,899)
Maine	(428)	36	(1,151)	(90,018)
New Hampshire	(287)	37	(1,315)	(63,887)
Vermont	(203)	38	(456)	(77,755)
West Virginia	(189)	39	(761)	(8,933)
South Dakota	(181)	40	(768)	(29,537)
Delaware	(8)	41	335	13,053
Rhode Island	39	42	(201)	(25,425)
Kansas	70	43	(2,860)	(84,765)
Connecticut	161	44	(748)	(248,615)
Nebraska	483	45	(1,277)	(48,194)
North Dakota	560	46	1,098	26,808
New Jersey	946	47	1,827	96,496
Pennsylvania	2,800	48	1,091	(34,597)
Ohio	12,324	49	7,723	476,163
Michigan	17,848	50	8,612	339,286

Source: Internal Revenue Service and the Illinois Policy Institute

*Table 2b*

### Net Illinois migration to other states

Sorted by exemptions (people) tax years 1995 to 2010

State	Taxpayers	Exemptions	Rank	AGI (Thousands of 2014 Dollars)
Florida	(62,140)	(121,098)	1	(8,244,511)
Indiana	(35,100)	(104,916)	2	(2,221,082)
Wisconsin	(35,927)	(92,772)	3	(2,486,340)
Texas	(36,173)	(86,597)	4	(2,759,051)
Arizona	(39,920)	(74,398)	5	(3,243,330)
Georgia	(18,401)	(41,004)	6	(1,382,784)
California	(36,868)	(39,005)	7	(3,404,179)
Missouri	(20,036)	(34,474)	8	(815,792)
Tennessee	(15,333)	(32,923)	9	(1,124,698)
Colorado	(19,448)	(32,605)	10	(1,770,913)
Nevada	(14,831)	(27,189)	11	(1,204,193)
North Carolina	(11,912)	(24,561)	12	(1,228,960)
Minnesota	(6,464)	(19,041)	13	(536,111)
Kentucky	(7,878)	(17,684)	14	(457,983)

*Table 2b cont.*

Arkansas	(6,679)	(14,962)	15	(426,703)
Iowa	(3,741)	(14,538)	16	(68,937)
Virginia	(7,298)	(13,343)	17	(456,192)
Washington	(7,786)	(11,406)	18	(673,003)
Alabama	(5,085)	(11,303)	19	(321,753)
South Carolina	(5,600)	(11,198)	20	(626,453)
Mississippi	(4,455)	(9,316)	21	(199,776)
Oregon	(5,220)	(8,211)	22	(373,919)
New Mexico	(3,348)	(5,626)	23	(179,931)
Maryland	(2,578)	(4,522)	24	(236,895)
Oklahoma	(1,515)	(4,052)	25	(86,159)
Kansas	70	(2,860)	26	(84,765)
Montana	(1,269)	(2,222)	27	(128,141)
District of Columbia	(1,980)	(2,104)	28	(109,138)
Massachusetts	(660)	(1,702)	29	(229,989)
New Hampshire	(287)	(1,315)	30	(63,887)
Nebraska	483	(1,277)	31	(48,194)
Idaho	(684)	(1,239)	32	(103,662)
Wyoming	(778)	(1,180)	33	(90,141)
Maine	(428)	(1,151)	34	(90,018)
Utah	(860)	(1,096)	35	(124,698)
Louisiana	(520)	(1,007)	36	(12,899)
South Dakota	(181)	(768)	37	(29,537)
West Virginia	(189)	(761)	38	(8,933)
Connecticut	161	(748)	39	(248,615)
Vermont	(203)	(456)	40	(77,755)
Alaska	(659)	(351)	41	(13,410)
Rhode Island	39	(201)	42	(25,425)
Hawaii	(583)	241	43	(48,433)
Delaware	(8)	335	44	13,053
New York	(3,633)	1,059	45	(199,511)
Pennsylvania	2,800	1,091	46	(34,597)
North Dakota	560	1,098	47	26,808
New Jersey	946	1,827	48	96,496
Ohio	12,324	7,723	49	476,163
Michigan	17,848	8,612	50	339,286

Source: Internal Revenue Service and the Illinois Policy Institute

Table 2c

**Net Illinois Migration to Other States**

Sorted by AGI (income), tax years 1995 to 2010

State	Taxpayers	Exemptions	AGI (thousands of 2014 dollars)	Rank
Florida	(62,140)	(121,098)	(8,244,511)	1
California	(36,868)	(39,005)	(3,404,179)	2
Arizona	(39,920)	(74,398)	(3,243,330)	3
Texas	(36,173)	(86,597)	(2,759,051)	4
Wisconsin	(35,927)	(92,772)	(2,486,340)	5
Indiana	(35,100)	(104,916)	(2,221,082)	6
Colorado	(19,448)	(32,605)	(1,770,913)	7
Georgia	(18,401)	(41,004)	(1,382,784)	8
North Carolina	(11,912)	(24,561)	(1,228,960)	9
Nevada	(14,831)	(27,189)	(1,204,193)	10
Tennessee	(15,333)	(32,923)	(1,124,698)	11
Missouri	(20,036)	(34,474)	(815,792)	12
Washington	(7,786)	(11,406)	(673,003)	13
South Carolina	(5,600)	(11,198)	(626,453)	14
Minnesota	(6,464)	(19,041)	(536,111)	15
Kentucky	(7,878)	(17,684)	(457,983)	16
Virginia	(7,298)	(13,343)	(456,192)	17
Arkansas	(6,679)	(14,962)	(426,703)	18
Oregon	(5,220)	(8,211)	(373,919)	19
Alabama	(5,085)	(11,303)	(321,753)	20
Connecticut	161	(748)	(248,615)	21
Maryland	(2,578)	(4,522)	(236,895)	22
Massachusetts	(660)	(1,702)	(229,989)	23
Mississippi	(4,455)	(9,316)	(199,776)	24
New York	(3,633)	1,059	(199,511)	25
New Mexico	(3,348)	(5,626)	(179,931)	26
Montana	(1,269)	(2,222)	(128,141)	27
Utah	(860)	(1,096)	(124,698)	28
District of Columbia	(1,980)	(2,104)	(109,138)	29
Idaho	(684)	(1,239)	(103,662)	30
Wyoming	(778)	(1,180)	(90,141)	31
Maine	(428)	(1,151)	(90,018)	32
Oklahoma	(1,515)	(4,052)	(86,159)	33
Kansas	70	(2,860)	(84,765)	34
Vermont	(203)	(456)	(77,755)	35

*Table 2c cont.*

Iowa	(3,741)	(14,538)	(68,937)	36
New Hampshire	(287)	(1,315)	(63,887)	37
Hawaii	(583)	241	(48,433)	38
Nebraska	483	(1,277)	(48,194)	39
Pennsylvania	2,800	1,091	(34,597)	40
South Dakota	(181)	(768)	(29,537)	41
Rhode Island	39	(201)	(25,425)	42
Alaska	(659)	(351)	(13,410)	43
Louisiana	(520)	(1,007)	(12,899)	44
West Virginia	(189)	(761)	(8,933)	45
Delaware	(8)	335	13,053	46
North Dakota	560	1,098	26,808	47
New Jersey	946	1,827	96,496	48
Michigan	17,848	8,612	339,286	49
Ohio	12,324	7,723	476,163	50

Source: Internal Revenue Service and the Illinois Policy Institute



Table 3a

**Net Illinois migration to neighboring states**

Sorted by taxpayers (households) tax years 1995 to 2010

State	Taxpayers	Rank	Exemptions	AGI (thousands of 2014 dollars)
Wisconsin	(35,927)	1	(92,772)	(2,486,340)
Indiana	(35,100)	2	(104,916)	(2,221,082)
Missouri	(20,036)	3	(34,474)	(815,792)
Kentucky	(7,878)	4	(17,684)	(457,983)
Iowa	(3,741)	5	(14,538)	(68,937)

Source: Internal Revenue Service and the Illinois Policy Institute

Table 3b

**Net Illinois migration to neighboring states**

Sorted by exemptions (people) tax years 1995 to 2010

State	Taxpayers	Rank	Exemptions	AGI (thousands of 2014 dollars)
Wisconsin	(35,927)	1	(92,772)	(2,486,340)
Indiana	(35,100)	2	(104,916)	(2,221,082)
Missouri	(20,036)	3	(34,474)	(815,792)
Kentucky	(7,878)	4	(17,684)	(457,983)
Iowa	(3,741)	5	(14,538)	(68,937)

Source: Internal Revenue Service and the Illinois Policy Institute

Table 3c

**Net Illinois migration to neighboring states**

Sorted by exemptions (people) tax years 1995 to 2010

State	Taxpayers	Rank	Exemptions	AGI (thousands of 2014 dollars)
Wisconsin	(35,927)	1	(92,772)	(2,486,340)
Indiana	(35,100)	2	(104,916)	(2,221,082)
Missouri	(20,036)	3	(34,474)	(815,792)
Kentucky	(7,878)	4	(17,684)	(457,983)
Iowa	(3,741)	5	(14,538)	(68,937)

Source: Internal Revenue Service and the Illinois Policy Institute

Table 4

### Estimated state and local taxes lost due to out-migration

Tax years 1995 to 2010 (thousands of dollars)

Calendar Year	Net AGI (nominal)	State and local tax burden (a)	Estimated tax Loss	Estimated tax loss (2014 dollars)	Cumulative tax loss (2014 dollars)
1995	(1,275,175)	16.67%	(212,518)	(304,744)	(4,875,903)
1996	(1,434,407)	16.45%	(235,942)	(332,279)	(4,984,187)
1997	(1,944,061)	16.17%	(314,303)	(435,149)	(6,092,081)
1998	(1,852,123)	15.63%	(289,443)	(396,430)	(5,153,588)
1999	(2,039,611)	15.41%	(314,386)	(424,533)	(5,094,398)
2000	(2,311,157)	15.35%	(354,849)	(468,506)	(5,153,563)
2001	(2,016,533)	16.37%	(330,089)	(426,071)	(4,260,708)
2002	(1,950,600)	16.63%	(324,445)	(412,443)	(3,711,986)
2003	(1,785,065)	16.70%	(298,112)	(371,546)	(2,972,371)
2004	(2,059,573)	16.85%	(346,992)	(420,938)	(2,946,569)
2005	(1,817,670)	17.51%	(318,215)	(374,031)	(2,244,189)
2006	(1,612,701)	17.69%	(285,321)	(325,368)	(1,626,842)
2007	(1,359,230)	17.48%	(237,576)	(263,903)	(1,055,611)
2008	(1,354,342)	18.10%	(245,084)	(267,111)	(801,333)
2009	(1,541,378)	19.03%	(293,271)	(317,097)	(634,193)
2010	(1,903,268)	18.15%	(345,479)	(369,063)	(369,063)
<b>Total</b>	<b>(28,256,894)</b>	<b>--</b>	<b>(4,746,026)</b>	<b>(5,909,212)</b>	<b>(51,976,584)</b>

(a) As a percent of Non-Migrant Adjusted Gross Income

Source: Internal Revenue Service, U.S. Department of Commerce: Bureau of Economic Analysis and Census Bureau, and the Illinois Policy Institute

Table 5

### Netted values of key variables

Tax years 1995 to 2010

Variable	Illinois	Weighted average of other states			Percent difference		
		Taxpayers	Exemptions	AGI	Taxpayers	Exemptions	AGI
State and local tax burden	10.28%	10.18%	10.15%	<b>10.14%</b>	-0.98%	-1.25%	<b>-1.38%</b>
Income tax burden	1.81%	1.83%	1.82%	<b>1.65%</b>	0.73%	0.12%	<b>-8.81%</b>
Estate tax burden	0.05%	0.01%	0.01%	<b>0.01%</b>	-71.33%	-67.41%	<b>-74.25%</b>
Union membership	17.7%	10.3%	10.0%	<b>9.8%</b>	-41.99%	-43.37%	<b>-44.47%</b>
Population density	224.7	187.4	<b>161.2</b>	197.7	-16.60%	<b>-28.27%</b>	-12.02%
Cost of housing	\$130,800	\$118,716	<b>\$111,468</b>	\$121,367	-9.24%	<b>-14.78%</b>	-7.21%
Average temperature	50.0	60.4	59.7	<b>61.6</b>	20.84%	19.57%	<b>23.30%</b>

Note: Bold, italics indicate results of interest.

Sources: U.S. Department of Commerce: Bureau of Economic Analysis and Census Bureau, [www.unionstats.com](http://www.unionstats.com), U.S. National Oceanic and Atmospheric Administration and the Illinois Policy Institute.

Table 6

### Illinois's net domestic migration

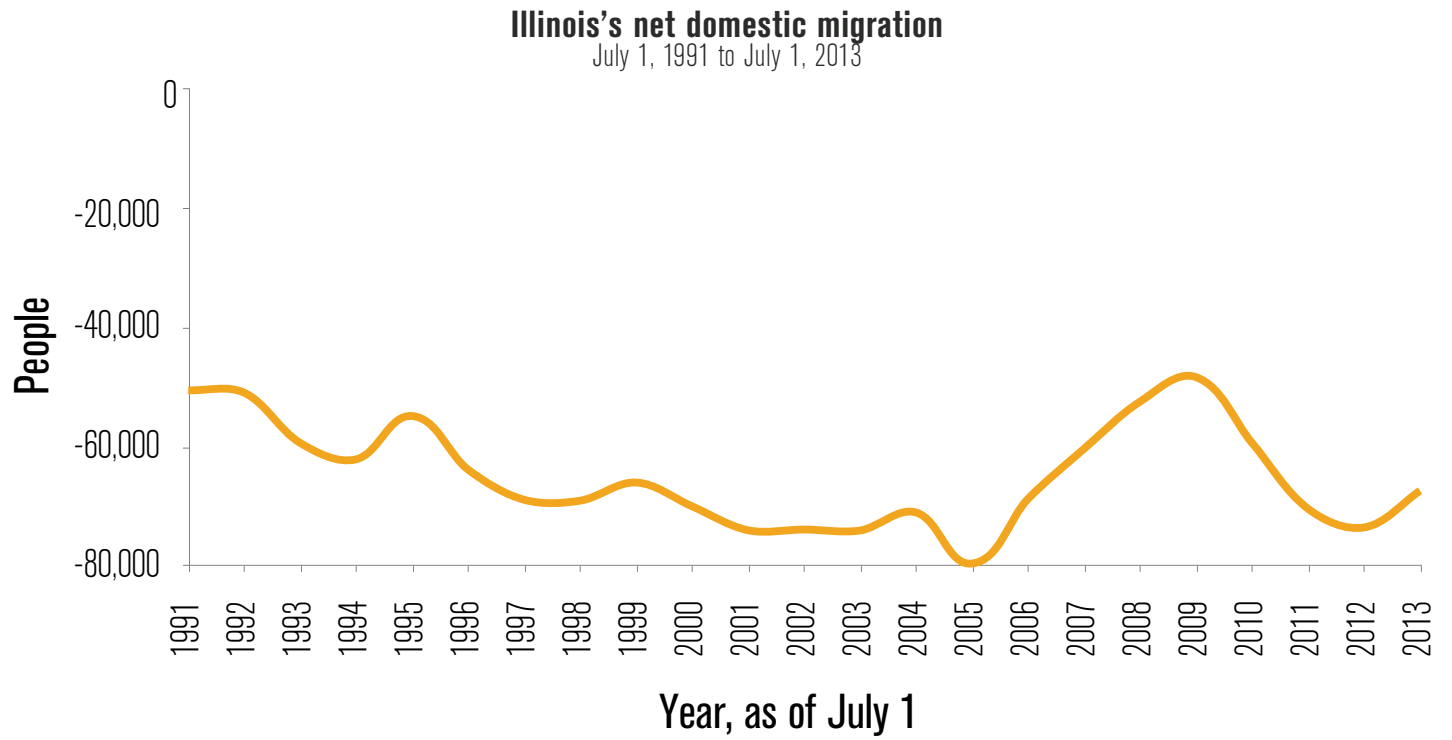
July 1, 1991 to July 1, 2013

Year, as of July 1	Net domestic migration	Aggregate change
1991	(50,440)	(50,440)
1992	(50,857)	(101,297)
1993	(59,286)	(160,583)
1994	(62,039)	(222,622)
1995	(54,771)	(277,393)
1996	(63,769)	(341,162)
1997	(68,828)	(409,990)
1998	(68,981)	(478,971)
1999	(65,930)	(544,901)
2000 (a)	(69,940)	(614,841)
2001	(73,949)	(688,790)
2002	(73,821)	(762,611)
2003	(73,980)	(836,591)
2004	(70,968)	(907,559)
2005	(79,525)	(987,084)
2006	(68,661)	(1,055,745)
2007	(60,265)	(1,116,010)
2008	(52,349)	(1,168,359)
2009	(48,249)	(1,216,608)
2010 (a)	(59,296)	(1,275,903)
2011	(70,342)	(1,346,245)
2012	(73,473)	(1,419,718)
2013	(67,313)	(1,487,031)

(a) Interpolated.

Source: U.S. Department of Commerce: Census Bureau and the Illinois Policy Institute.

Chart 3



Source: U.S. Department of Commerce: Census Bureau and the Illinois Policy Institute.