

Indiana's Migration Shifts

Joan Rainey Morand

Research Director, Indiana Business Research Center, Kelley School of Business, Indiana University

Indiana experienced a slight gain in population due to migration between 1998 and 1999. This occurred despite a second straight year when the state lost more residents to other U.S. states than it gained from them.

Table 1 shows that the number of people who moved from other states to Indiana was slightly smaller than the number who moved from Indiana to these other states. At the same time, more people moved from foreign countries to the Hoosier state than moved from Indiana to these countries. This positive international net migration offset the small amount of negative domestic net migration, resulting in a small overall gain for Indiana.

The total number of in-migrants to Indiana was estimated at 117,200, with out-migration estimated

at 116,100. The resulting net migration figure was positive with an estimated 1,100 more people moving into the state than moving out, between 1998 and 1999. In the previous year, Indiana experienced net out-migration when 1,100 more people moved from Indiana to other states or countries than moved from these states or countries to Indiana.

The state has seen a dramatic change in its domestic migration picture over the past five years (see **Figure 1**). Between 1994 and 1995, 10,900 more people moved into Indiana from other states than moved out of Indiana to other U.S. states. That figure declined to 8,400 the following year, and then dropped again to 1,500 in the next year. The state experienced negative net domestic migration in the most recent two years, losing more people to other states than it gained from them.

HOW THE IRS DETERMINES MIGRATION

County-to-county migration flow data are developed by the Internal Revenue Service by matching social security numbers of primary taxpayers from one year to the next.

When a social security number match is found, the counties of residence for the last two tax years (e.g. 1998 for the year 1997 and 1999 for the year 1998) are compared to determine if they are the same. If the county addresses match, then the taxpayer's number of personal exemptions are counted as "non-migrants." If the county addresses do not match, then the taxpayer's number of exemptions are counted as "out-migrants" from the county listed on the return filed in the earlier year (e.g. 1998) and as "in-migrants" into the county listed on the return filed in the later year (e.g. 1999).

Data are based on income tax returns from the IRS's Individual Master File. That master file includes a record for each IRS Form 1040, 1040a, and 1040ez individual tax return filed by citizens and resident aliens. Actual migration flows may be understated, since tax returns that did not match based on social security number are not included. Moreover, additional people not represented in the data set include those not required to file tax returns because their income was below the required minimum for filing, people whose only income was from social security payments, people whose income was primarily from a vested interest retirement plan, and immigrants.

Table 1
Estimates of Migration To and From Indiana, 1998-1999
International migration offset out-migration to other states.

| | To Indiana | From Indiana | Net Migration |
|----------------------|------------|--------------|---------------|
| Domestic | 113,300 | 114,300 | -1,000 |
| International | 3,900 | 1,800 | 2,100 |
| Total | 117,200 | 116,100 | 1,100 |

Figure 1
Net Migration Into Indiana

The state has seen a dramatic change in its domestic migration over the past 5 years

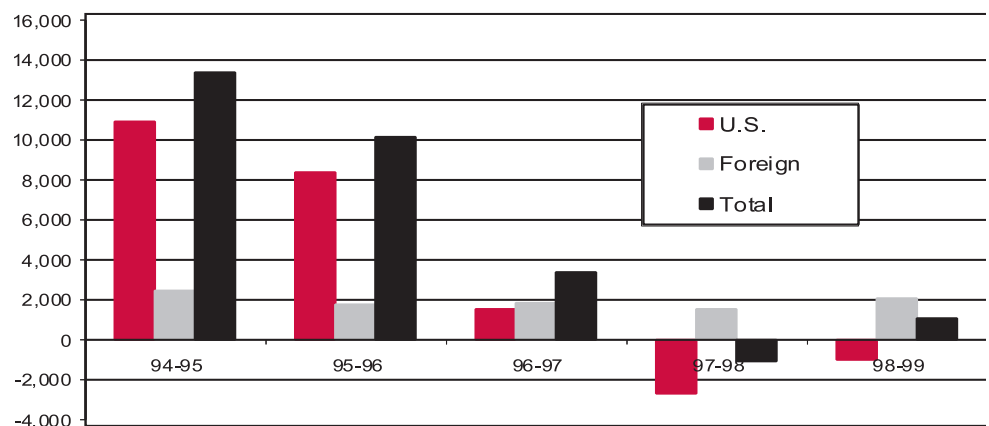
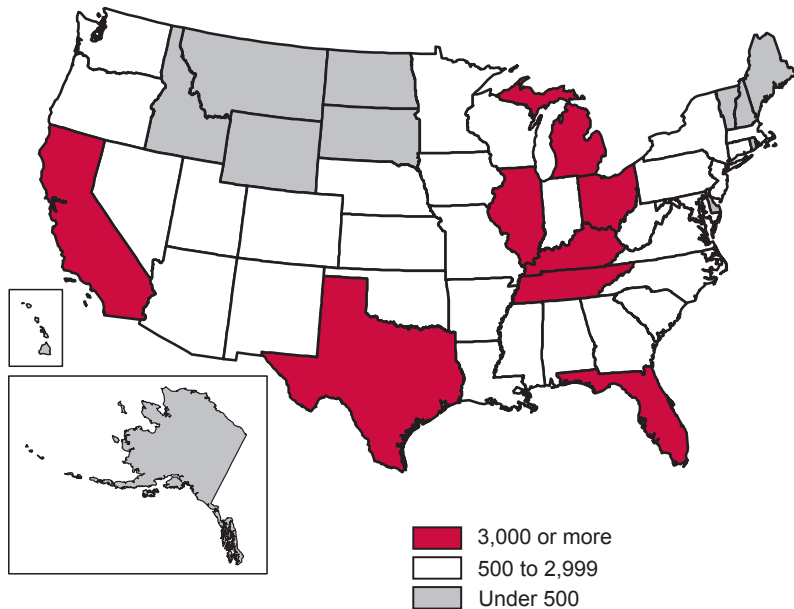


Figure 2
In-migration to Indiana, 1998-1999



Where are They Coming From?

Figure 2 gives an overview of migration to Indiana from other states.

The largest numbers of in-migrants to Indiana were from neighboring states: Illinois (19,200), Ohio (11,800), Kentucky (9,400) and Michigan (9,200). More than 40 percent of the state's in-migrants were from one of these four neighboring states.

Indiana also attracted large numbers of new residents from Florida (7,700), Texas (6,000), California (5,600), foreign (3,900), Tennessee (3,600) and North Carolina (2,700) (see **Figure 3**).

Figure 3
Migration to Indiana, 1998-1999

Forty-two percent of the people that moved to Indiana were from neighboring states

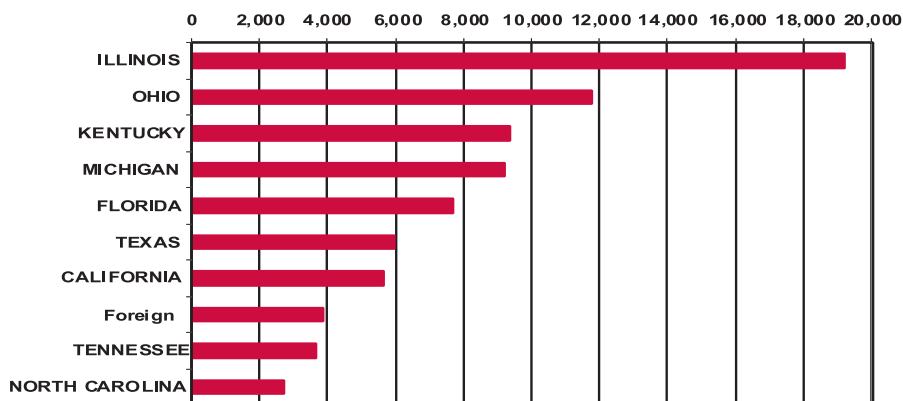
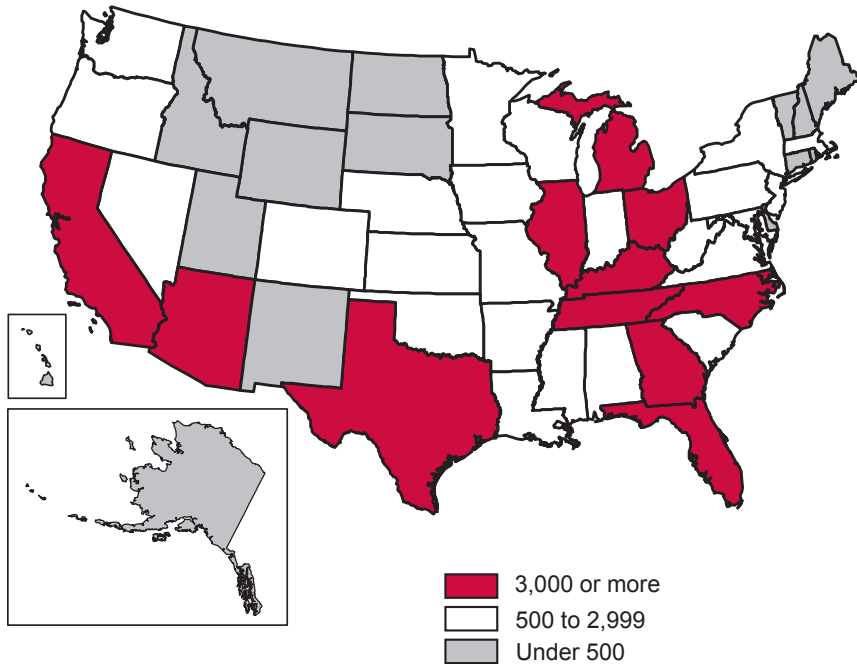


Figure 4
Out-migration From Indiana, 1998-1999



Where Are They Going?

Figure 4 gives an overview of migration from Indiana to other states. Hoosiers moving to other states tended to move to neighboring states or to states in the south or west: Illinois (13,900), Florida (10,800), Ohio (10,300), Michigan (9,500), Kentucky (9,200), Texas (6,200), California (5,000), Tennessee (4,500), Georgia (3,800) and Arizona (3,200) (see **Figure 5**). Thirty-seven percent of the state's out-migrants moved to one of Indiana's four immediate neighbors.

Figure 5
Migration From Indiana, 1998-1999

Forty-six percent of the people who migrated from Indiana moved to Florida or a neighboring state

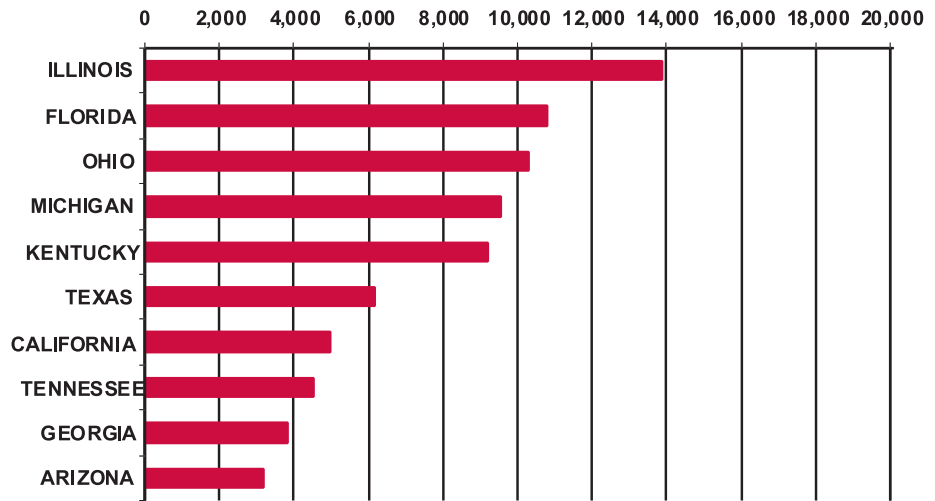
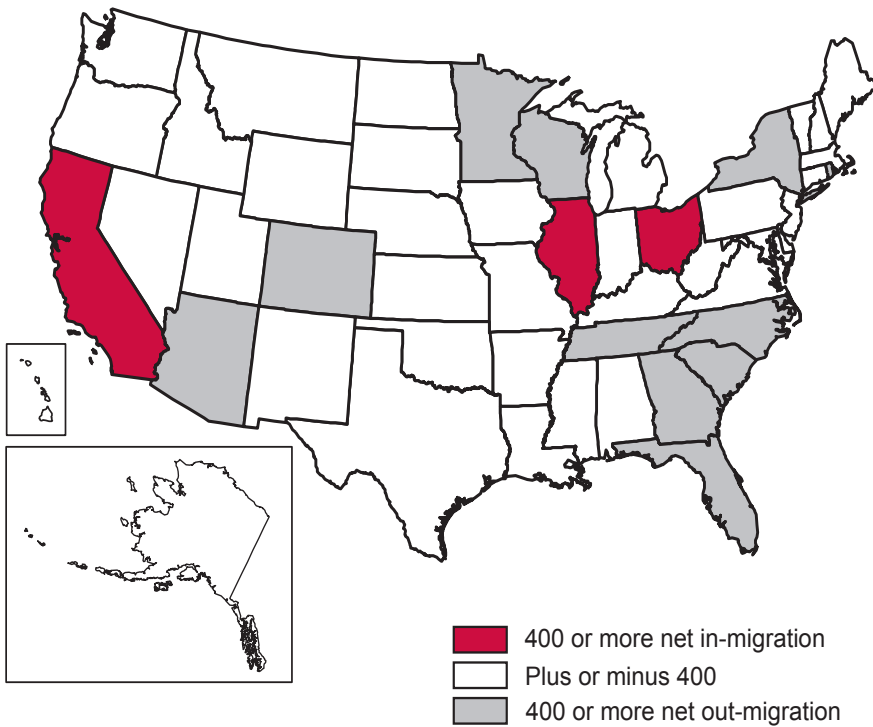


Figure 6
Net Migration To/From Indiana, 1998-1999



The Net Effect

Subtracting out-migration from in-migration yields net migration figures. **Figure 6** gives an overview of net migration to and from Indiana.

States that accounted for the largest number of net in-migrants to Indiana were Illinois (5,400), foreign (2,100), Ohio (1,500), California (700) and New York (500). States that accounted for the largest number of net out-migrants were Florida (3,100), Arizona (1,300), Georgia (1,300), Tennessee (900) and Colorado (700) (see **Figure 7**).

Large amounts of migration occurred between Indiana and Michigan, and also between Indiana and Kentucky. However, the in-migration and out-migration figures ran about even between these states and Indiana. The result was a small amount of net in-migration to Indiana from Kentucky and a small amount of net out-migration to Michigan from Indiana.

Figure 7
Indiana Net Migration, 1998-1999

Exchanging residents with other states and countries, Indiana gained the most residents from Illinois and lost the most residents to Florida

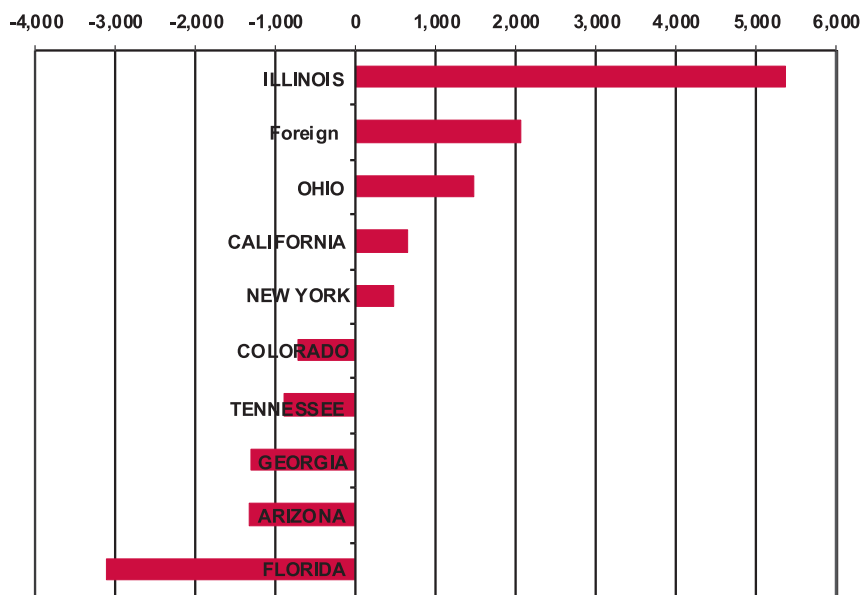
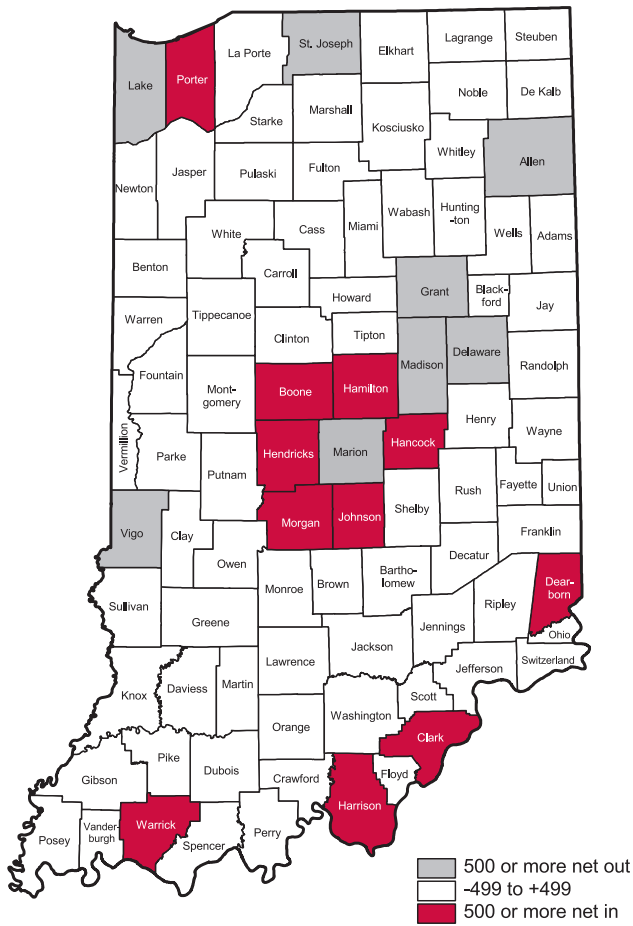


Figure 8
Net Migration for Indiana Counties, 1998-1999



Largest Net In-Migration Figures Found in Indianapolis Suburban Counties

Forty-nine of Indiana's 92 counties (53%) experienced net in-migration between 1998 and 1999, while the remaining 43 counties saw net out-migration (see **Figure 8**). Four years earlier, three-fourths of Hoosier counties experienced net in-migration.

Hamilton County ranked first in net-migration with estimated in-migration of 17,900, out-migration of 11,000 for an estimated net migration figure of 6,900. Rounding out the top five were other counties surrounding Marion: Hendricks (2,800), Johnson (2,400), Hancock (800) and Boone (800). Counties with the largest number of net out-migrants were Marion (8,200), Lake (2,200), Delaware (1,000), St. Joseph (1,000) and Vigo (800).

Gross Migration

Gross migration (the sum of in-migration and out-migration) indicates the total amount of movement across the borders of a county. **Figure 9** shows net migration for the ten Hoosier counties with the largest amounts of gross migration.

Indiana counties with large amounts of movement fell into three different scenarios. Hoosier counties with large populations: Marion, Lake, Allen and St. Joseph experienced significant amounts of net out-migration. Suburban counties: Hamilton, Johnson, Hendricks and Porter experienced significant amounts of net in-migration. Tippecanoe and Elkhart counties saw large numbers of people moving in and out, but with little net effect.

Figure 9
Net Migration for the Top Ten Gross Migration Hoosier Counties
Counties with the most movement tended to be large counties or rapidly growing ones

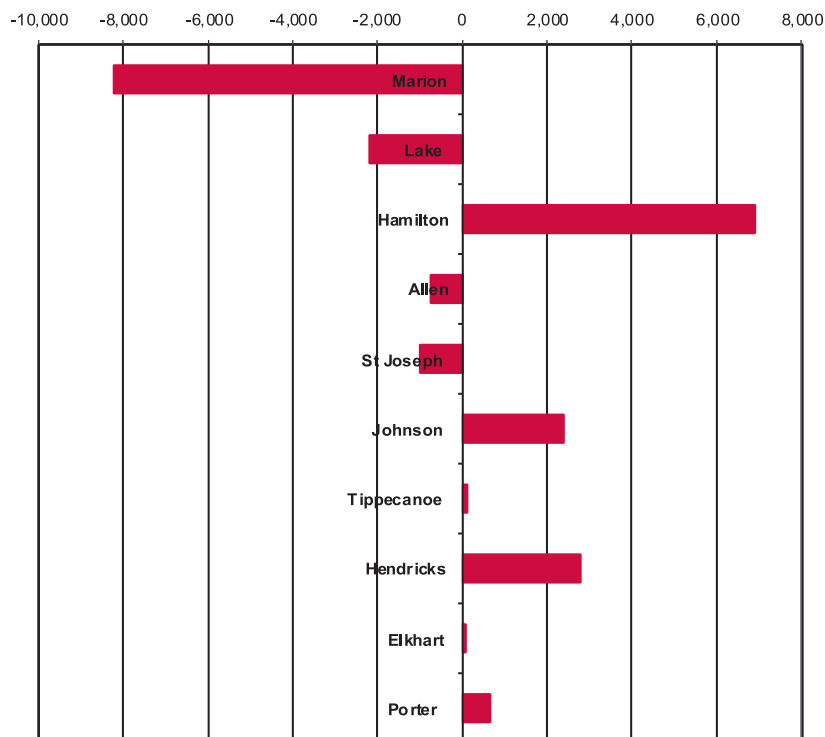
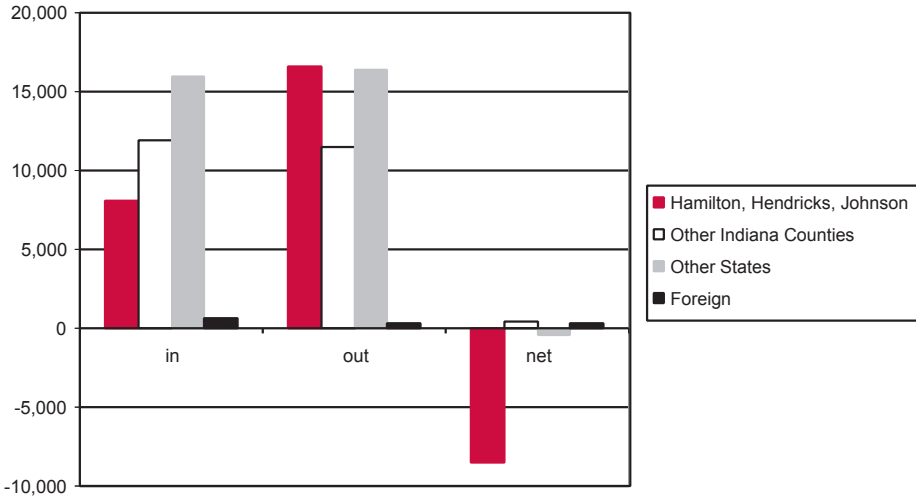


Figure 10
Migration To and From Marion County

"Ins" and "outs" ran about even except for rapidly growing neighbors.



Marion County

It was estimated that 36,600 people moved into Marion County and that 44,800 people moved out of Marion County, for net out-migration of 8,200 people between 1998 and 1999. **Figure 10** shows that much of the net out-migration from Marion County was accounted for by one of its rapidly growing suburban neighbors: Hamilton, Hendricks, or Johnson.

Marion County experienced net out-migration to each of its eight neighboring counties. The biggest disparity between migration to and from Marion County was in Hamilton County, Marion's fastest growing neighbor to the north. It was estimated that 7,300 people moved from Marion County to Hamilton County, for net migration of 4,400 people from Marion to Hamilton.

Hoosier counties that sent the largest number of net migrants to Marion County included high population counties: Lake and Allen, and college counties Vigo, Delaware, St. Joseph, Monroe and Tippecanoe (see **Figure 11**).

The largest numbers of net in-migrants from other states were from Illinois, foreign countries, New York, California and Ohio. The largest number of net out-migrants to other states moved to Florida, Arizona, Georgia, South Carolina and Colorado.

Figure 11
Counties with Largest Net In-migration to Marion County, 1998-1999

Large counties and college counties sent people to Marion County.

