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Minnesota On The Move:

Migration Patterns & Implications

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Purpose

The Commissioner of Administration, as part of strategic planning, is to issue an annual report to the Governor and chairs and ranking minority members of the State Senate and House of Representatives committees with jurisdiction on state government finance, that provides demographic information to assist public and elected officials with long-term management decisions. This report, prepared by the MN State Demographic Center, focuses upon the increasingly important role that migration will play in population change in Minnesota, and potential implications, to fulfill the expectations of Minnesota State Statutes 4A.01 and 4A.11.

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Executive Summary

Minnesota is entering a new demographic era, when the three components of population change—births, deaths and migration—will change in their relative influence. Within the next three decades, the number of births in Minnesota will be eclipsed by the number of deaths—for the first time in our state's history. When that occurs, by the early 2040s, if our state is to experience any population growth at all, it will necessarily be from migration. Over these same coming decades, the Baby Boomer generation will continue to exit the labor force, and overall labor force growth will slow nearly to a halt. Thus, our state will experience a heightened need for migration to grow at all, but especially to shore up its labor force needs.

Given this rising importance of migration to our state, this report examines the patterns and net movement of people in and out of Minnesota. Importantly, we find that:

- Between 1991 and 2001, Minnesota's domestic (state-to-state) net migration was consistently positive. However, each year following 2001, Minnesota has lost more people to other U.S. states than it has gained. Recent estimates put domestic net losses at approximately 7,000 to 12,000 people per year.
- Despite these domestic losses, even greater numbers of arriving international residents—including foreign students and work VISA holders, refugees, and other immigrants—have resulted in sustained positive overall migration.
- Each year of the past two decades, Minnesota has gained more people than it has lost to other places. However in the 1990s, migration added more than 15,000 people on average each year from migration, while annual gains have fallen below 9,000 on average each year since 2000.
- The likelihood of moving, both in and out of Minnesota, peaks in the late teens and early 20s, and then tapers gradually into older adulthood. However, net losses to domestic migration are seen among three segments of Minnesotans: age 18-24 (about 9,300 lost annually), age 35-39 (about 1,500 lost annually), and age 60-69 (about 2,200 lost annually).
- While 21,000 young adults move to Minnesota each year to attend college or graduate school, even greater numbers of students (29,000) leave the state each year. In fact, two-thirds of Minnesota's total annual domestic net loss is due to Minnesota students leaving for higher education, and far fewer return in the post-college years. Thus, retaining more of our college-bound young adults at in-state institutions may be a key strategy to long-term population retention and labor force development.

Compared to other Midwestern states (excepting oil-rich outlier North Dakota), Minnesota competes favorably in terms of overall positive net migration. But considering the reversal of domestic migration to a net outflow more than a decade ago, and given our state's near-term labor force challenges with the Boomers' retirement, additional attention to our migration situation is warranted. More than 100,000 people come to Minnesota from other states each year, and an even greater number leave Minnesota for other states. These sizeable flows of people present an opportunity to change the migration equation to better benefit our state. Minnesota should work to stem and reverse domestic losses, redouble efforts to attract and integrate new residents, especially young adults, and seek to retain its current resident population.

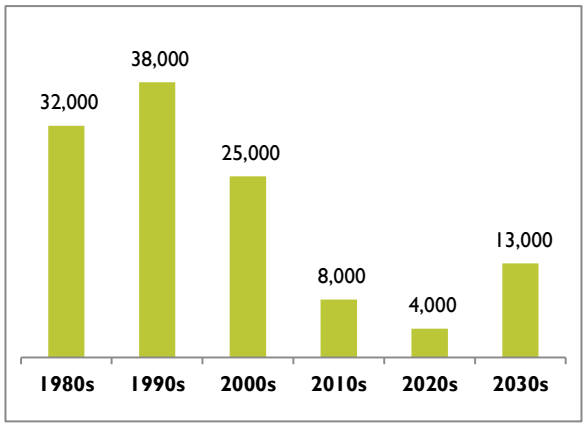
Introduction

Like others all across the nation, many Minnesotans are on the move. Throughout their lives, they move in and around the state, throughout the states, and occasionally abroad. They change addresses for job prospects or educational opportunities, to reunite with family or friends, or to seek out amenities they desire. Some residents leave and boomerang back. Some leave and never look back. The continuous, dynamic patterns of migration also brings many new residents, workers, cultures, and influences into our state—people seeking to construct a better life, however that is personally defined. Minnesota's population is a composite of home-grown residents and transplants from other states and destinations around the world. This report examines these many currents of migration, highlighting implications and suggesting opportunities to retain and attract additional people, to build our labor force and secure a strong economic future.

Why Does Migration Matter To Minnesota?

Understanding the patterns of people moving in and out of our state is critical for leaders seeking to prepare Minnesota for its future. Minnesota is entering a new demographic era, where the three components of population change—births, deaths and migration—will change in their relative influence. Our labor force and population growth will slow dramatically, and migration's impact will become far more prominent.

Figure 1: Historical and Projected Growth In Minnesota's Labor Force, Ages 16+, Annual Average, 1980-2039



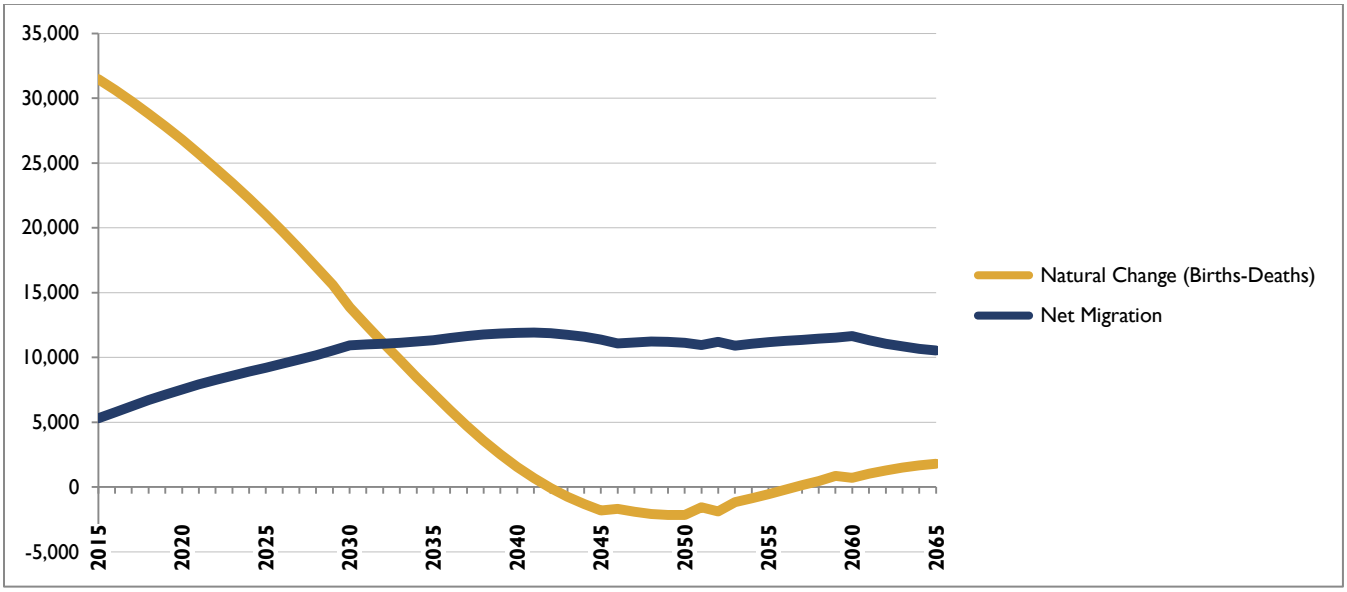
Source: U.S. Census Bureau, decennial census. MN State Demographic Center Projections.

Over the coming decades, the Baby Boomer generation will continue to exit Minnesota's labor force, and while the labor force they leave behind will still grow, that growth will be very modest. In the 1990s our state's labor force gained about 40,000 new net participants each year; however, we project that through the remainder of the present decade (the 2010s), our labor force will grow by only about 8,000 people annually.[i] Between 2020 and 2030, we project further slowing, with just 4,000 people annually enlarging the labor force—one-tenth the size of the expansion during the 1990s (see Figure 1).Minnesota will experience a heightened need for migration to strengthen our labor force as the largest birth cohort in history leaves its working years behind. Over the next 15 years, Minnesota will see more people moving out of the workforce and into retirement than in the last six decades combined.

At present, the major driver of Minnesota's population growth is "natural change," defined as the number of births occurring over and above the deaths. Most recently, Minnesota's population increased by 0.6% from 2013 to 2014, and by 2.9% since the date of the 2010 Census. Since then, Minnesota has added about 153,200 residents. The majority of this growth—about four out of each five people added—is due to natural increase, while the remaining one is due to positive net migration.

As the numerous members of Minnesota's Baby Boomer generation[1] move into the later seasons of their lives, mortality rates and totals will rise. According to our projections[ii], within the next three decades, the number of births in Minnesota will be eclipsed by the number of deaths—for the first time in our state's history (see Figure 2). When that occurs, by the early 2040s, if our state is to experience any population growth at all, it will necessarily be from migration. Absent positive net migration at that time, the prospect of a declining population base would mean reduced consumer spending and tax revenues, with the attendant challenges to maintaining economic growth and fulfilling public priorities. Given this confluence of demographic and economic factors, migration will be increasingly important to Minnesota's future.

Figure 2: Minnesota's Projected Net Migration And Natural Change, 2015-2065



Source: MN State Demographic Center projections.

Does Minnesota Gain Or Lose People Because Of Migration?

Over the past two decades, Minnesota has consistently gained more people than it has lost to other places. In the 1990s Minnesota gained an average of 15,500 people each year due to migration (See Figure 3). Since 2000, gains have been much slower, dipping to just 2,000 during the Great Recession[2] and the years immediately following (2008-2010). In the most recent period, net gains from migration have picked up again, averaging about 6,000 people per year between 2011 and 2014, though still much lower gains than those experienced in the 1990s. These overall net figures are the result of considerable volumes of individuals moving both into and out of the state, and the majority of this movement is offsetting. However, examining the characteristics of these many currents of migration is revealing.

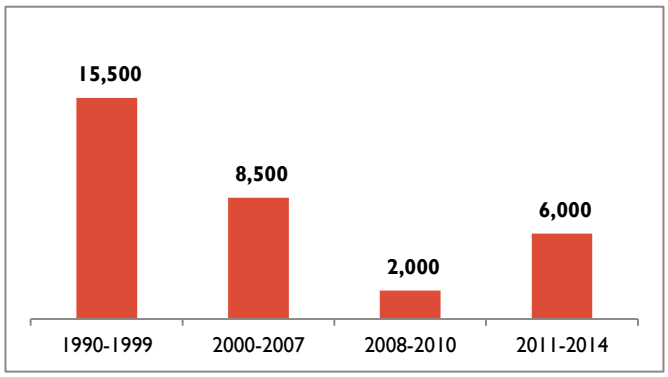
[1] The Baby Boomer generation is defined as individuals born in years 1946 to 1964. In 2015, the Boomers will be between 50 (prior to their birthdays) and 69 years old.

[2] According to the U.S. National Bureau of Economic Research, the latest U.S. recession began in December 2007 and ended in June 2009.

Domestic and International Migration

It is helpful to break the population figures from migration into its two component parts: domestic migration—occurring between Minnesota and other U.S. states—and international migration—between Minnesota and other countries outside the U.S. The impetus for moving may differ in important ways between the two groups, and each tells a different story for Minnesota's migration patterns in recent years.

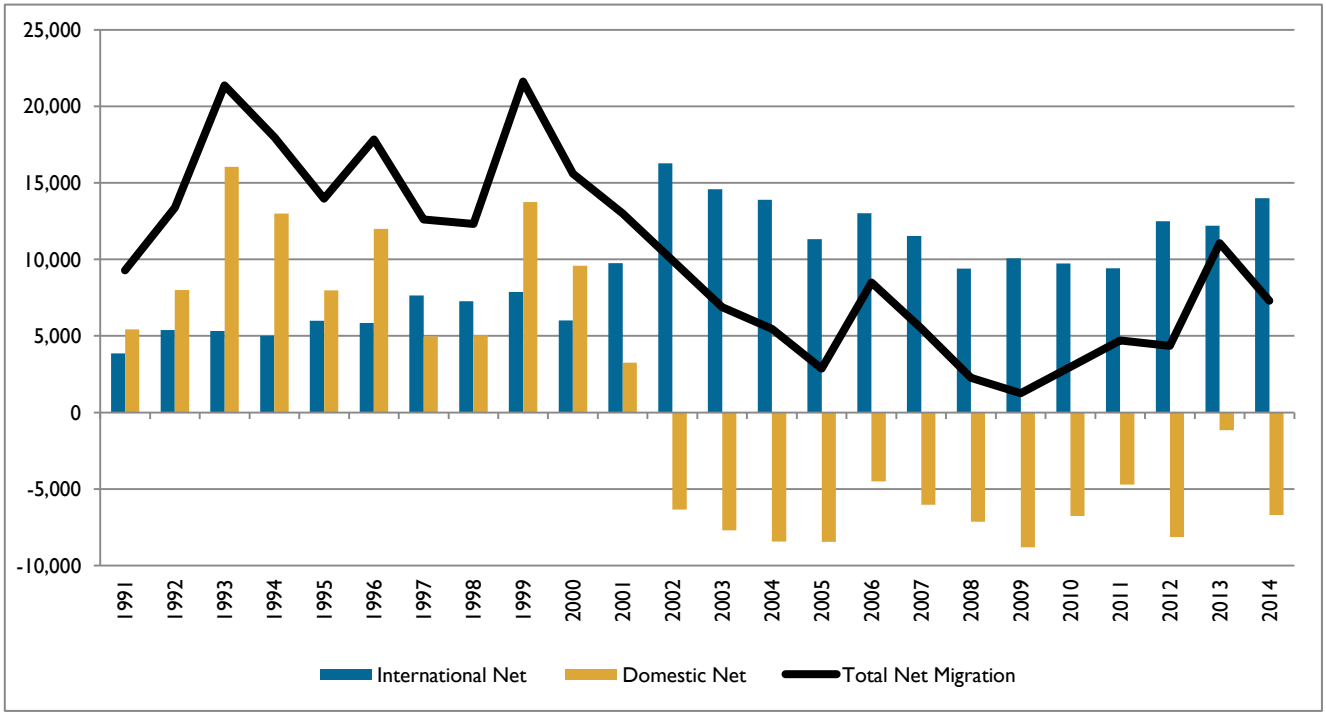
Figure 3: Total Net Migration for Minnesota, 1990-2014 (Annual Average Within Time Period)



Source: U.S. Census Bureau, Population Estimates Program. Note: 2000 data were interpolated.

As Figure 4 shows, between 1991 and 2001 Minnesota's domestic net migration was consistently positive. During the 1990s, the state experienced low unemployment rates compared with the U.S. overall, and this may help explain why it attracted more people from around the U.S. However, since 2002, Minnesota's has consistently lost more people to other U.S. states than it has gained, despite experiencing strong relative economic indicators again in the past several years. (Since 2009, Minnesota's annual unemployment rate has been 1.2 to 2.5 percentage points lower than the U.S. as a whole)[iii].

Figure 4: Minnesota's Net Migration, By International And Domestic Components, 1991-2014



Source: U.S. Census Bureau, Population Estimates Program. Note: Data for 2009-2010 was unavailable and so interpolated.

International migration tells a different story, with Minnesota being a long sought-after destination for immigrants of many varying backgrounds. Over the past two and a half decades, Minnesota's net international migration has been unfailingly positive. The total number of people the state gained from other countries averaged about 6,000 annually during the 1990s, and rose considerably during the 2000s and up to the present. Since 2010, the number of people Minnesota gained, on net, from other countries has averaged 12,000 annually. The growth in international migration has more than compensated for the recent losses the state has experienced to other states. However, our domestic losses continue to dampen the overall positive impact of migration on population growth, and raise many questions about what may be responsible for the trend.

Migration Patterns: Comparison With Other States Since 2010

A net loss of people to other states is not unusual for states located in the Midwest region[3] of the U.S. Between the 2010 Census count and the 2014 population estimate[4], North Dakota and South Dakota were the only Midwestern states to experience positive rates of domestic migration, while Minnesota and the other nine states in the region saw domestic losses (see Table 1). North Dakota added more than 43,000 residents relocating from other states, while South Dakota received about 12,000 new domestic migrants. However, due to its significant off-setting international arrivals, Minnesota ranked second only to oil-rich North Dakota in total net migration, edging out South Dakota despite its domestic magnetism.

Table 1: Net Migration, Midwestern States, April 1, 2010 - July 1, 2014

State	Total	International	Domestic
North Dakota	48,900	5,500	43,300
Minnesota	31,100	56,200	-25,200
South Dakota	18,000	6,000	12,100
Iowa	16,900	21,400	-4,600
Nebraska	10,000	15,500	-5,400
Indiana	8,400	42,000	-33,600
Missouri	-8,000	35,500	-43,500
Wisconsin	-11,300	26,100	-37,400
Kansas	-15,300	24,900	-40,200
Ohio	-51,000	71,100	-122,000
Michigan	-72,700	80,500	-153,200
Illinois	-190,100	128,800	-319,000

Source: U.S. Census Bureau, 2014 Population Estimates. Note: Domestic plus international figures may not equal totals due to rounding and a "residual," the result of controlling county populations to the national population for the entire set of estimates.

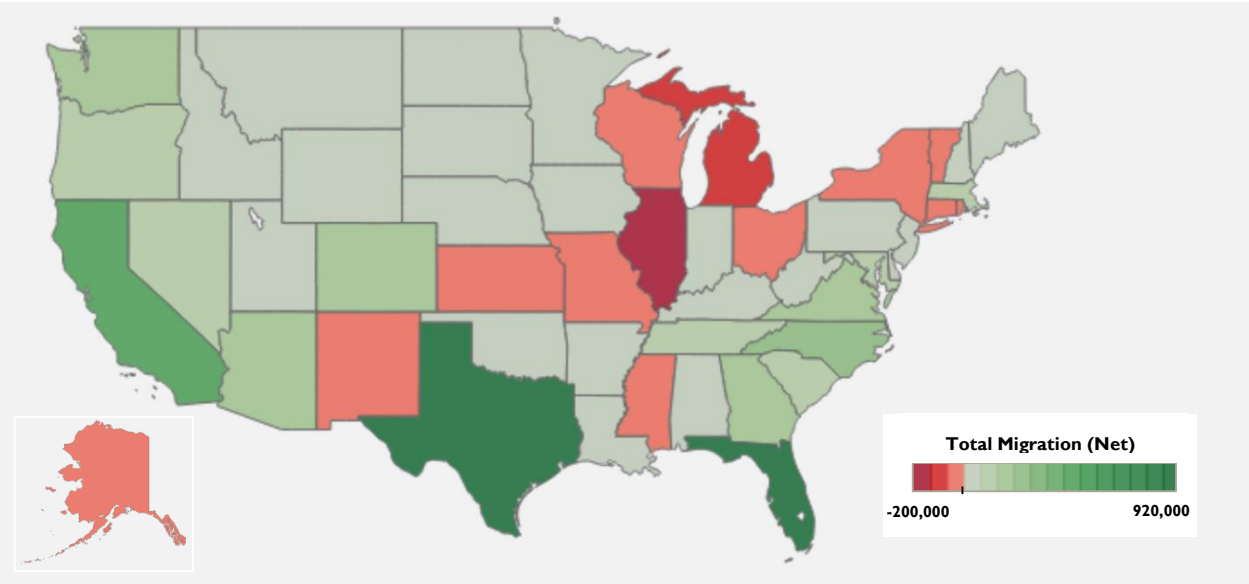
Setting aside the two Dakotas, Minnesota's observed pattern of *negative* domestic migration, but *positive* international migration since 2010 holds for all other states in the Midwest. Illinois is the most extreme case on both counts, losing about 319,000 domestic migrants, while gaining nearly 129,000 residents from international destinations since the last decennial Census. (Put together, this resulted in total out-migration from Illinois of more than 190,000 residents, the greatest reduction in population from migration among all states.) In sum, the Midwest states lost about 729,000 domestic residents during the past four years, while gaining about 513,000 from international migration, for a total net loss of 215,000 residents total from migration.

[3] The Census Bureau defines the "Midwest region" as comprising the following 12 states: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin. We have adopted this definition throughout this report.
[4] The reference date of the 2010 Census is April 1, while the reference date of the 2014 population estimate is July 1.

The larger picture of migration throughout the nation shows that states in the South[5] were the largest magnets for domestic migration, tallying 1.4 million new net domestic arrivals since 2010, followed by states in the West[6], which added close to a quarter of a million residents from other states. An equal or greater number of international migrants also sought out states in those regions.

Since the 2010 Census, existing population behemoths Florida and Texas each have added more than 900,000 new residents from migration, with sizeable shares from both domestic and international populations. (While North Dakota's 43,000 domestic migrants led the Midwest, Florida and Texas each added more than 10 times that figure.) Despite experiencing about 189,000 domestic losses, California proved such a popular destination for international arrivals that it ranked 3rd in positive overall net migration, adding about 460,000 residents since 2010. Following Texas and Florida—the states most likely to be listed in a domestic mover's new address—ranked North Carolina, Colorado, Arizona, and South Carolina. Each attracted 100,000 or more transplants from other states since 2010 (plus tens of thousands of new international residents). These major shifts in U.S. population have broad implications—for the economy, politics, and beyond. It is helpful to understand Minnesota's place in the larger picture of U.S. migration, and seek to strengthen our hand where possible. If not, our present ranking of 21st most populous state may be at risk in the years to come. Colorado and South Carolina, the 22nd and 24th largest states respectively, are both excelling at attracting residents through migration in far greater numbers than Minnesota.

Figure 5: Total Net Migration, By State, April 1, 2010 – July 1, 2014

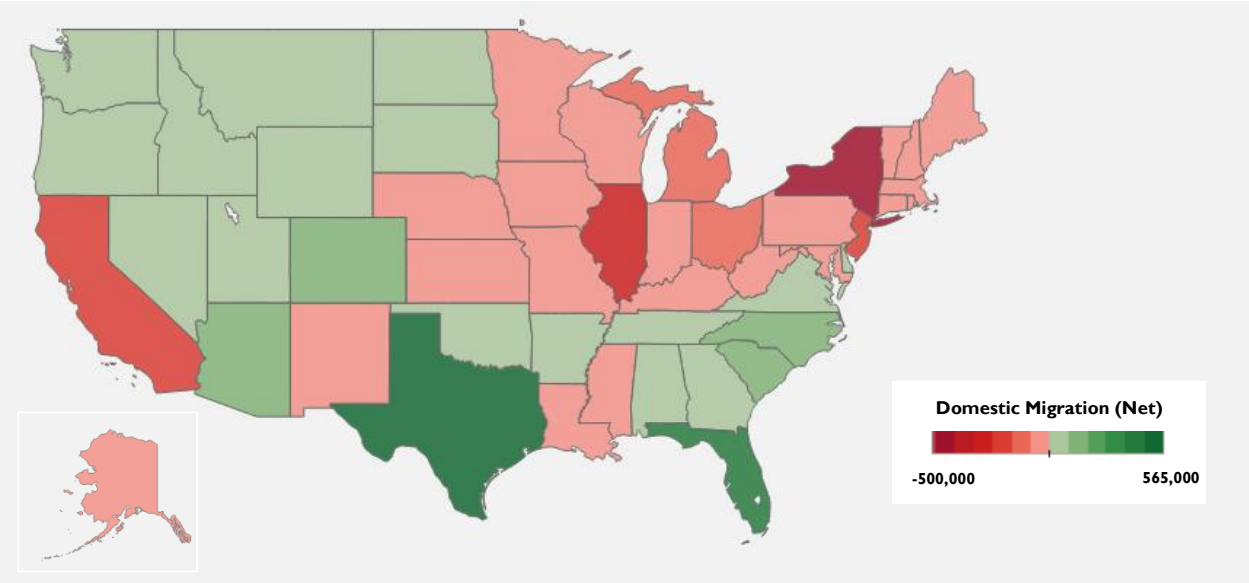


Source: U.S. Census Bureau, 2014 Population Estimates. Note: Domestic plus international figures may not equal totals due to rounding and a "residual," the result of controlling county populations to the national population for the entire set of estimates.
For interactive map online, see: http://mn.gov/admin/demography/map-viz-gallery/viz-mn-on-the-move-maps-migration-by-state-2010-2014.jsp

[5] The Census Bureau defines the "South region" as including the following states (and the District of Columbia): Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

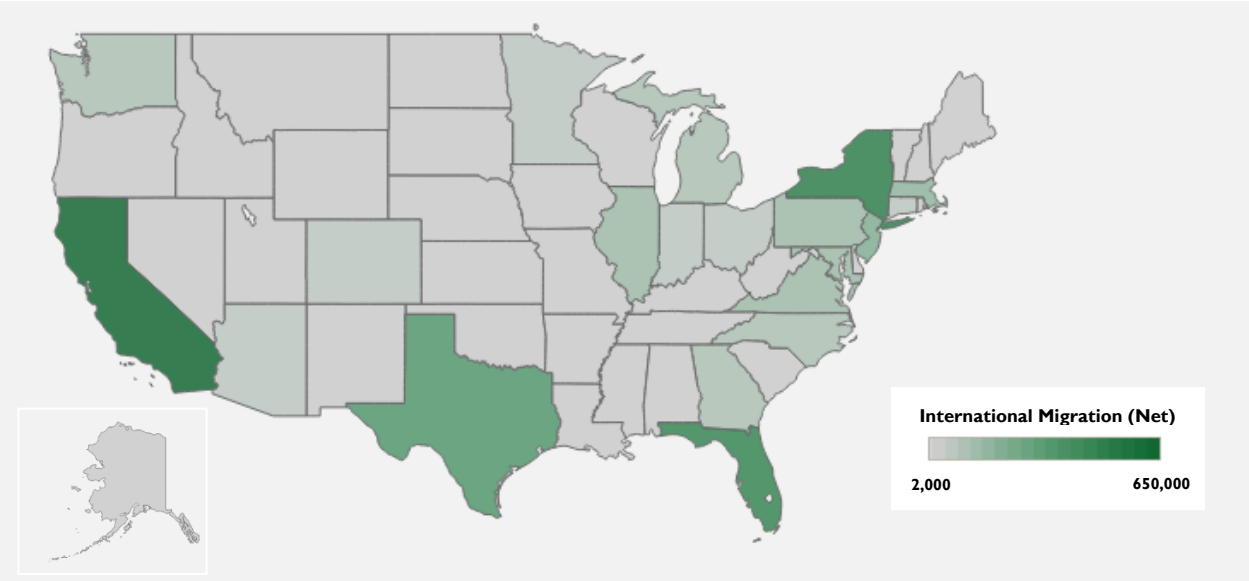
[6] The Census Bureau defines the "West region" as including the following states: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming. The remaining states (not appearing in the Midwest, South, or West regions) make up the "Northeast region."

Figure 6: Domestic Net Migration, By State, April 1, 2010 – July 1, 2014



Source: U.S. Census Bureau, 2014 Population Estimates. Note: Domestic plus international figures may not equal totals due to rounding and a "residual," the result of controlling county populations to the national population for the entire set of estimates.
For interactive map online, see: http://mn.gov/admin/demography/map-viz-gallery/viz-mn-on-the-move-maps-migration-by-state-2010-2014.jsp

Figure 7: International Net Migration, By State, April 1, 2010 – July 1, 2014



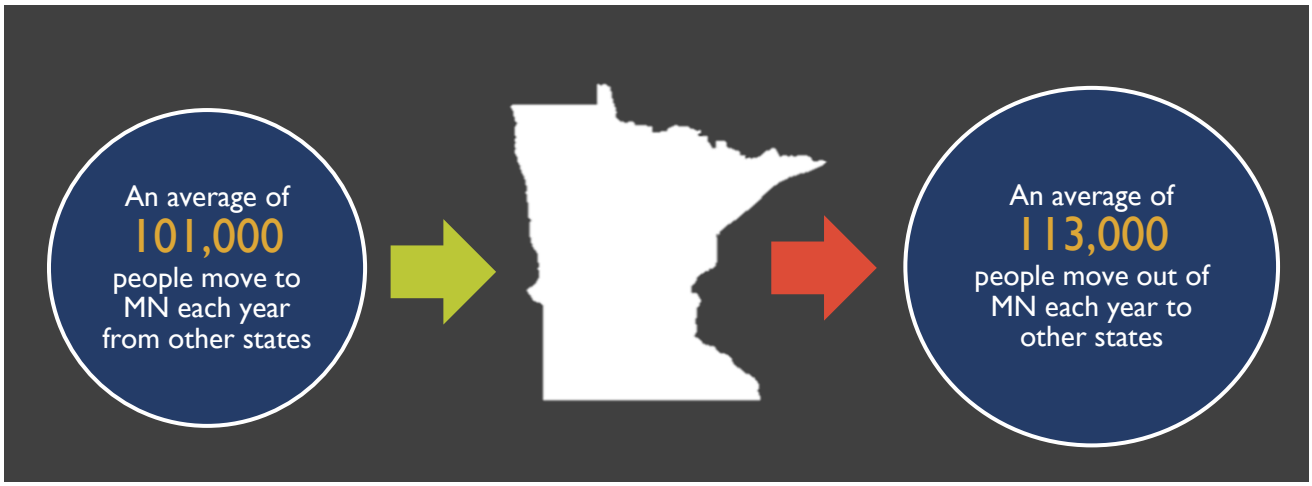
Source: U.S. Census Bureau, 2014 Population Estimates. Note: Domestic plus international figures may not equal totals due to rounding and a "residual," the result of controlling county populations to the national population for the entire set of estimates.
For interactive map online, see: http://mn.gov/admin/demography/map-viz-gallery/viz-mn-on-the-move-maps-migration-by-state-2010-2014.jsp

Migration In Minnesota: One Hundred Thousand Come And Go Each Year

While the netted-out numbers shed light on how domestic and international migration impact the Minnesota's overall population growth, they do not describe the overall volume of people passing through the state in a typical year. Indeed, the relatively small size of net gains masks a tremendous amount of total migration occurring into and out of Minnesota each year.

Data from the U.S. Census Bureau's American Community Survey suggest that between 2008 and 2012, there were about 101,000 people each year who moved to Minnesota from another state and about 24,000 who moved to Minnesota from another country. During the same time period, about 113,000 people left Minnesota each year for other states in the U.S.[7] In addition, another group left Minnesota for a country outside the U.S.; however, estimates of international out-migrants are not available from this data source.[8]

Figure 8: Minnesota's Annual Average Domestic Migration Flows, 2008-2012



Source: IPUMS version of U.S. Census Bureau's 2008-2012 American Community Survey. Tabulations by MN State Demographic Center.

These sizeable numbers of individuals who are making relocation choices also present Minnesota leaders with an opportunity to influence their decision-making regarding the costs and benefits of moving. To do so, we would need to know more about who is choosing to leave Minnesota as well as relocate here, and at what period of their lives. The next section further explores these questions.

Origins Of Minnesota's New Arrivals Versus Minnesota's Recent Leavers

Each year, about 125,000 people move to Minnesota from another state or country. Of all our state's newcomers in recent years , 19% moved from another country, 28% moved from one of the four states that

[7] The American Community Survey (ACS) data estimates yield a higher net loss from migration (12,000 annual average during the 2008-2012 period) than the Population Estimates data cited earlier in this paper (7,000 annual average during those same years) for Minnesota. While the exact figure is unknown, this section employs the American Community Survey data as it yields additional insights about the characteristics of migrants.

[8] The U.S. Census Bureau's Population Estimates Program suggests that the net gain from international migration was about 10,000 people during this time period, which would suggest an outflow of about 14,000 Minnesota residents to other countries each year.

shares a border with Minnesota (North or South Dakota, Iowa, or Wisconsin), and 53% moved from a state that does not share a border with Minnesota. More than one-quarter of newcomers (28%) were Minnesota-born residents, returning after a spell away. Half were born in another state, while just under one-quarter were born outside of the United States.

At the same time, about 113,000 people left Minnesota for another state in the U.S. (see Figure 8). Many do not go far: the most common destination for recent leavers is Wisconsin (16% of all out-migrants), followed by North Dakota (12% of all out-migrants). The next most common destinations include the "Sun Belt" states of Arizona (6%) and Texas (6%), along with our southern neighbor, Iowa (6%). Recent leavers were almost equally likely to be Minnesota-born (44%) as born in another U.S. state (46%). In addition, about 1 in 10 individuals leaving Minnesota for another state was born outside of the U.S.

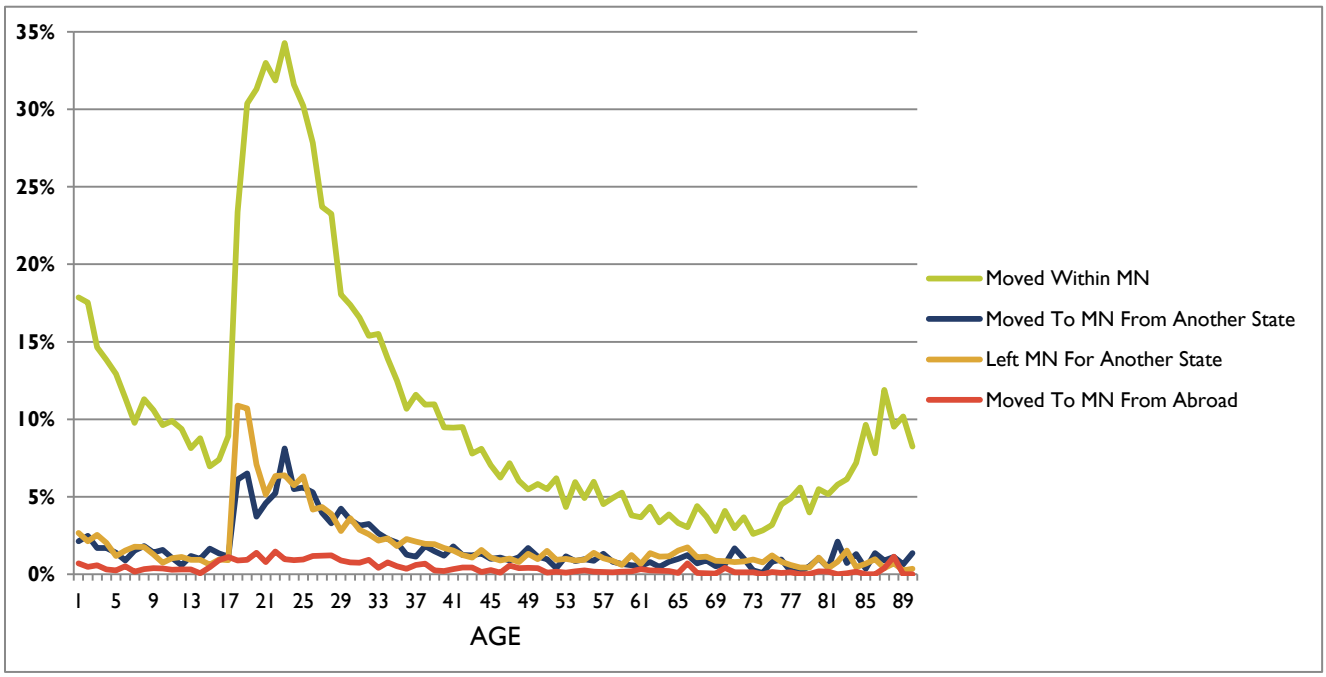
Figure 9: Characteristics Of Minnesota's Recent Arrivals And Leavers, At A Glance

Source: IPUMS version of U.S. Census Bureau's 2008-2012 American Community Survey. Tabulations by MN State Demographic Center.

Migration Patterns By Age: Young Minnesotans Are Most Likely To Be Footloose

A person's age greatly influences the likelihood that he or she will relocate, both within and outside the state. One might expect that the ages often associated with two prominent transitions in life, leaving for college and retirement, would yield a high degree of mobility (moving of any type) and migration (moving across state or national lines) among Minnesotans. However, this is true of only the former group—the young adults. Among all age groups, the likelihood of moving *within* the state is actually the lowest among 65- to 74-year-old residents, with only about 3% swapping Minnesota homes in the course of a year (see Figure 10). And while this group does exhibit some degree of domestic migration, the likelihood of moving out of state is low and somewhat offset by newcomers of the same age. On average, 1.0% of 65- to 74-year-olds leave Minnesota each year for another state, while an average of 0.8% percent of this age group arrived in Minnesota from another state in the past year. Curiously, the 60- to 64-year-old cohort exhibits slightly higher out-migration (1.1%) and slightly lower in-migration (0.6%) than that group. Yet because those early 60-somethings[9] contain entirely Baby Boomers, they are much more numerous than the group following them; consequently these percentages translate into greater numbers of people coming and going.

Figure 10: Percent of Minnesota Residents Moving Within Minnesota, or Migrating In Or Out Of Minnesota, By Single Year of Age, 2008-2012



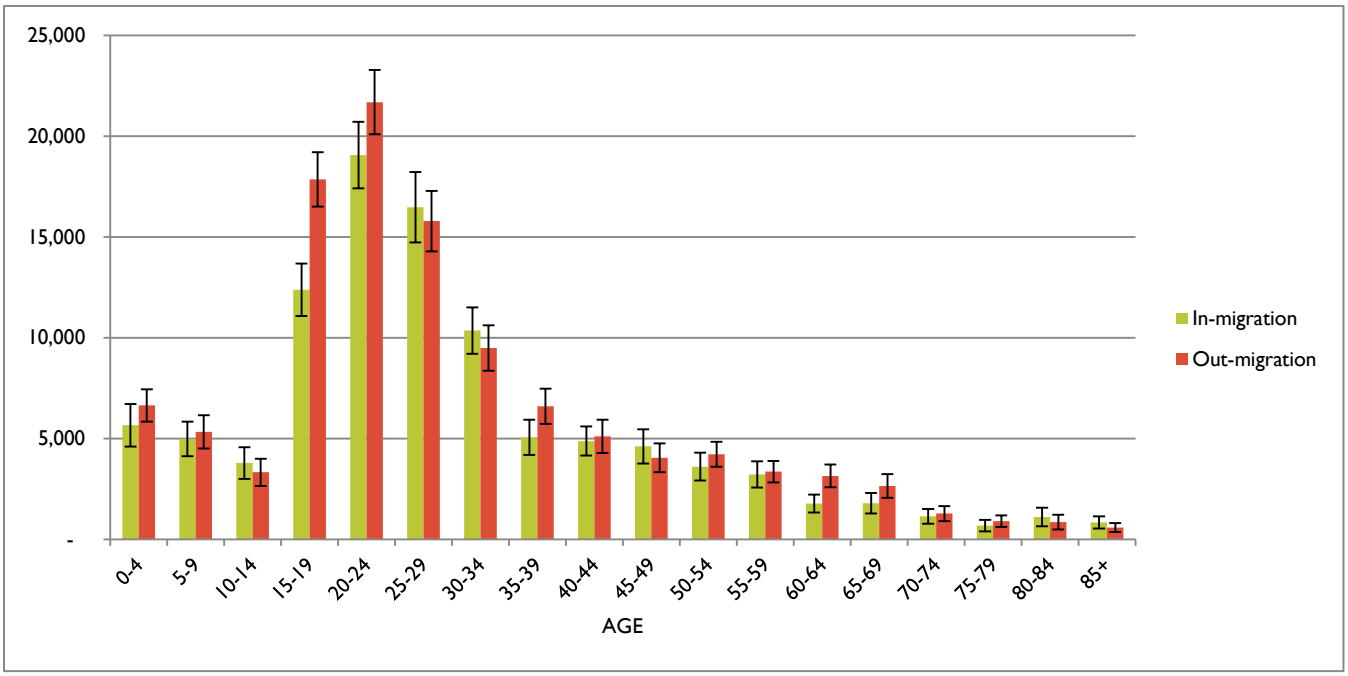
Source: IPUMS version of U.S. Census Bureau's 2008-2012 American Community Survey. Tabulations by MN State Demographic Center.

Looking across the age spectrum, young adults in their late teens and 20s are the demographic *most* responsible for Minnesota's mobility and migration patterns. As Figure 10 shows, 30 percent or more of Minnesotans age 19-25 makes a change of address *inside* of Minnesota, generally leaving the home of their parent(s), often in exchange for a residence and community associated with their pursuit of post-secondary education or training, or entrance into the labor market. This mobility is to be expected as a natural part of the life course.

[9] During years 2008-2012, the years of the dataset used for this analysis.

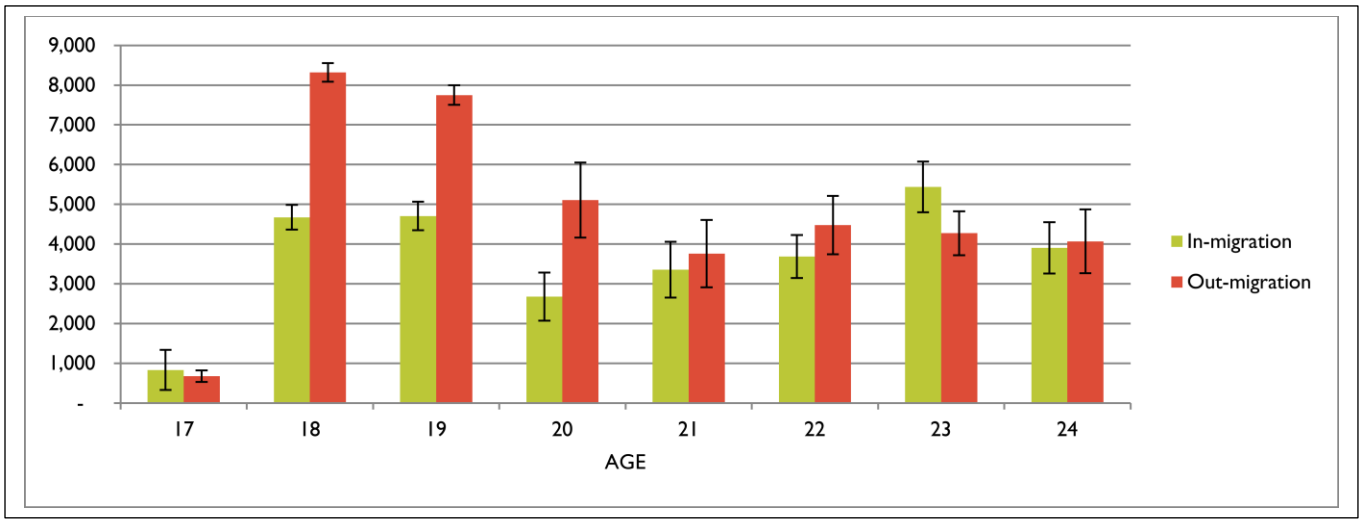
However, it is the interstate migration pattern of these young adults that is particularly interesting and concerning. Because the gap between out-migrants and in-migrants yawns the widest among our young adult populations (see Figures 11 and 12), the result is that they are driving more net out-migration than any other age group.

Figure 11: State-to-State Migration By 5-Year Age Groups, Minnesota, 2008-2012



Source: IPUMS version of U.S. Census Bureau's 2008-2012 American Community Survey. Tabulations by MN State Demographic Center.
Note: I-bars indicate a 90% confidence interval around the estimates.

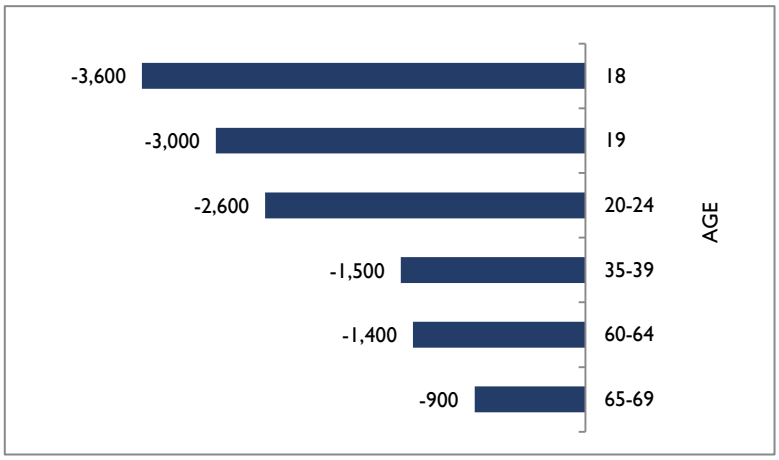
Figure 12: State-to-State Migration Among Young Adults By Single Year Of Age, Minnesota, 2008-2012



Source: IPUMS version of U.S. Census Bureau's 2008-2012 American Community Survey. Tabulations by MN State Demographic Center.
Note: I-bars indicate a 90% confidence interval around the estimates.

As we have seen, the likelihood of moving across state lines peaks in the late teens and early 20s, and then tapers gradually into older adulthood. However, after accounting for all movement in and out, we find statistically significant net losses of residents to domestic migration among three segments of Minnesotans: those age 18-24 (about 9,300 lost annually), age 35-39 (about 1,500 lost annually), and age 60-69 (about 2,200 lost annually) (see Figure 13). Over the past five years then, these losses sum to more than 65,000 Minnesotans who have out-migrated in these few age groups. If we are to focus our attention most precisely, the greatest losses occur among Minnesota's 18- and 19-year-olds—more than 3,000 apiece each year, or half of the total annual net domestic loss that Minnesota experiences all together. Among 18- and 19-year-olds, MN has lost a net of more than 33,000 people in the past five years. Many, but not all of these migrants, are college-bound.

Figure 13: Age Groups With Net Losses From Migration To Other States, By Average Annual Number Of People Lost, Minnesota, 2008-2012

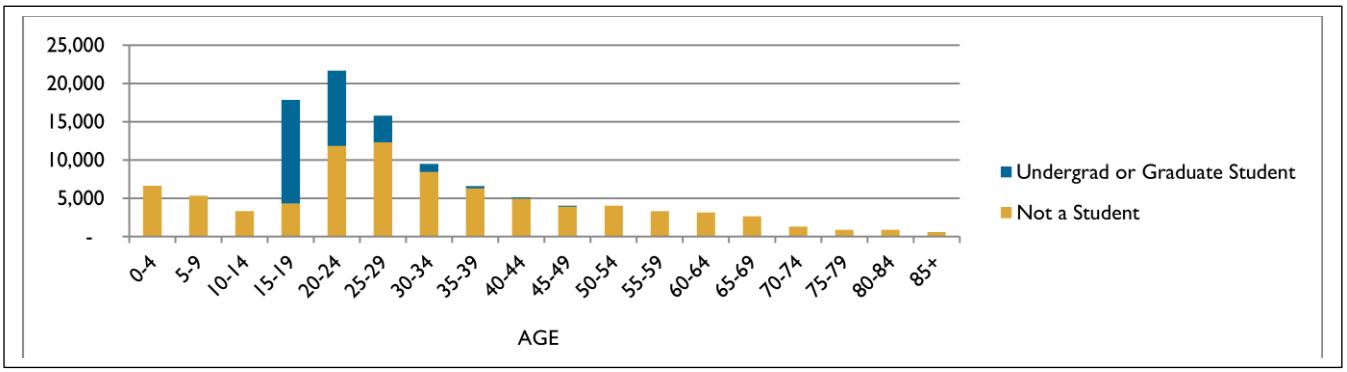


Source: IPUMS version of U.S. Census Bureau's 2008-2012 American Community Survey. Tabulations by MN State Demographic Center.

The Great Migration Of College Students

Of all the people migrating in and out of Minnesota in any given year, a large segment is made up of students moving to attend college or graduate school (see Figures 14 and 15). About one-fifth of Minnesota's new arrivals and one-fourth of our new leavers are students of higher education. While our data source, the American Community Survey, does not directly ask respondents why they moved to another state, we can estimate students by identifying those who moved in the past year and are currently enrolled in post-secondary school. [10]

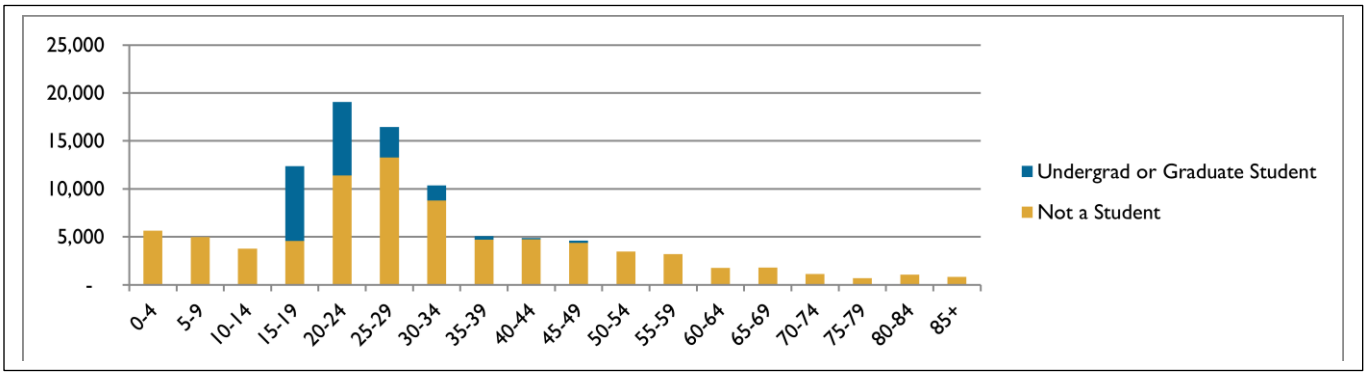
Figure 14: Annual Leavers From Minnesota, By Age Group And Student Status, 2008-2012



Source: IPUMS version of U.S. Census Bureau's 2008-2012 American Community Survey. Tabulations by MN State Demographic Center.

[10] "Students" were identified in the data as those who began attending school within the year following their move, who are under age 50. These individuals are presumed to have moved for the purpose of attending higher education.

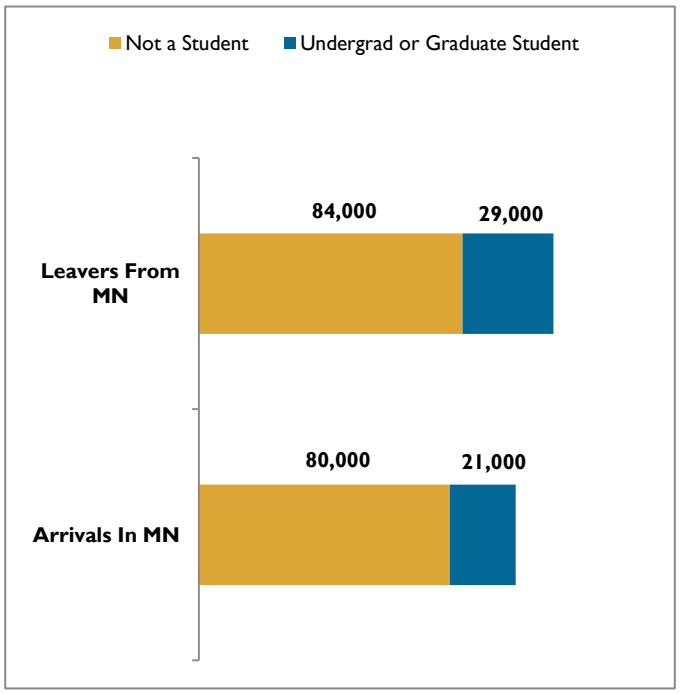
Figure 15: Annual Arrivals To Minnesota, By Age Group And Student Status, 2008-2012



Source: IPUMS version of U.S. Census Bureau's 2008-2012 American Community Survey. Tabulations by MN State Demographic Center.

A sizable share of Minnesota's total net loss of residents to other states is explained by those who move away for post-secondary school. While about 21,000 people move to Minnesota each year and then attend college or graduate school, about 29,000 students leave the state for this reason each year (see Figure 16). Thus, fully two-thirds of the Minnesota's total net loss of 12,000 residents per year is attributable to college and graduate students (see Figure 17). While some numbers of these students return later in their lives as non-students, the data suggest that the numbers returning are far less than those exiting Minnesota during their college years.[11]

Figure 16: People Moving To and From Minnesota Each Year, By Student Status, 2008-2012



Source: IPUMS version of U.S. Census Bureau's 2008-2012 American Community Survey. Tabulations by MN State Demographic Center.

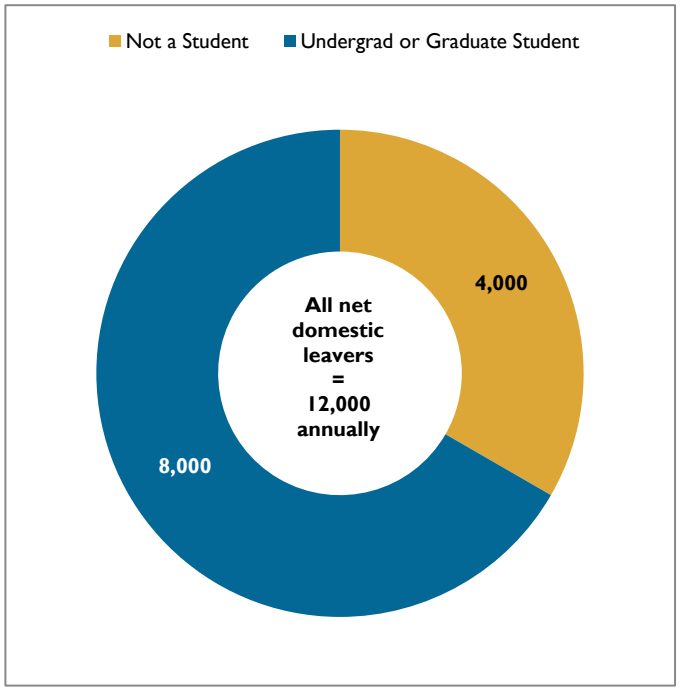
Indeed, the move to college or graduate school may be temporary, with young people moving back home after graduation; it may be an interim stop until they move somewhere new after college; or the state where students earn their degree may become the place they remain for many years after graduating. Higher educational institutions create many opportunities to "anchor" former students near them—through connections to internships and the local job market, the establishment of friendships and partners in the community, and the exposure to local amenities or cultural offerings to which students may grow attached. A share of our out-migrating young adults return to Minnesota at some point. However, for the sake of our future labor force, it is important to understand the important role that higher our

[11] Our data source only allows for cross-sectional analysis of age groups at single points in time, not longitudinal analysis of the migration of individual students in and out of the state over a period of years. Additional research on this topic is warranted to uncover a clearer picture of the likelihood and timing of young peoples' return to Minnesota following out-migration.

educational institutions play in retaining young adults and attracting new residents to the state.

The top destinations of Minnesota's out-migrating students can all be reached on one tank of gas. The majority of all Minnesota-leaving students (55%) are attending college or graduate school at a state contiguous with Minnesota (North Dakota, South Dakota, Iowa or Wisconsin), while 6 in 10 of Minnesota's out-bound students attend school one of these states or Illinois. Wisconsin and North Dakota receive the lion's share of our college-bound exodus, or about 6,000 students annually apiece (see Figure 18). The high likelihood that students who are leaving are landing at Midwestern destinations implies that climate is not likely the chief consideration of these students and their families when selecting school. It raises the question of whether the colleges and universities at our Midwestern peer states are more favorable than Minnesota's higher education institutions on the basis of cost or financial aid, as well as if selectivity or other admissions-related factors may be responsible.

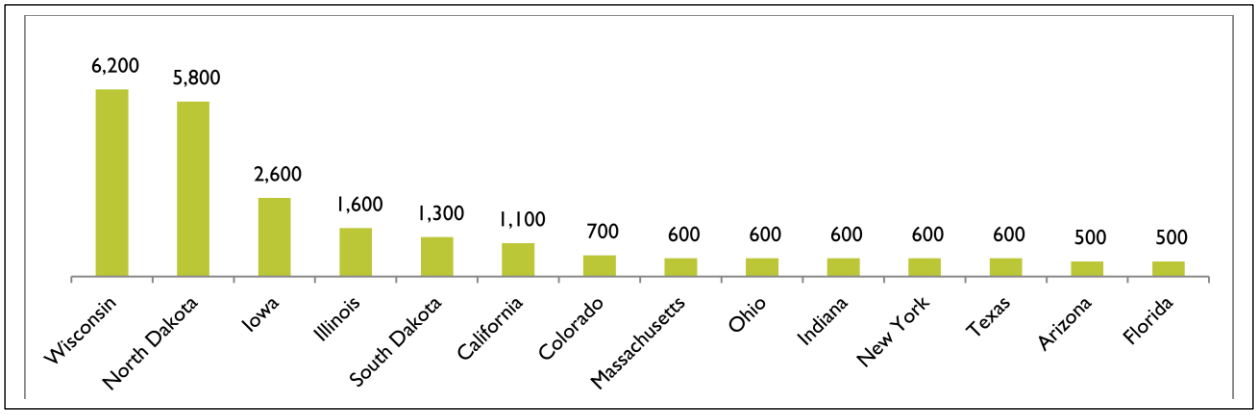
Figure 17: Minnesota's Domestic Net Losses Each Year, By Student Status, 2008-2012



Source: IPUMS version of U.S. Census Bureau's 2008-2012 American Community Survey. Tabulations by MN State Demographic Center.

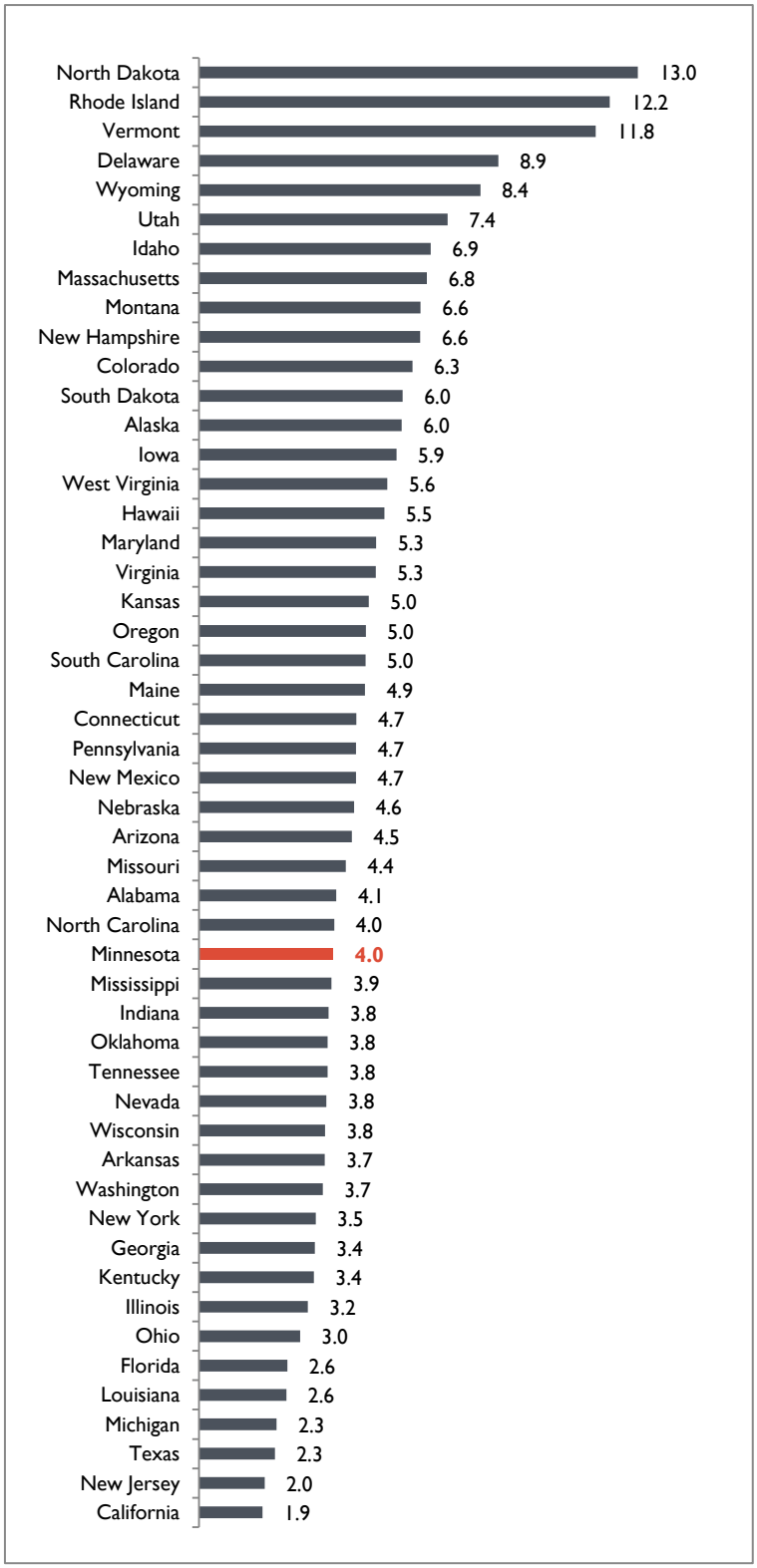
Of course, a far greater number of Minnesota's high school graduates attend in-state colleges and universities than these numbers who leave. But, because this report is concerned with migration, and Minnesota loses more college-bound students than it gains from other states, attending to this outflow is necessary, as it is contracting Minnesota's labor force pipeline at a time when we need it most.

Figure 18: Minnesota's Annual Out-Migrating College or Graduate Students, By Most Common Destination States, 2008-2012



Source: IPUMS version of U.S. Census Bureau's 2008-2012 American Community Survey. Tabulations by MN State Demographic Center.

Figure 19: Annual Rate Of Students Arriving For College Or Graduate School, Per 1,000 State Residents, By Receiving State, 2008-2012



Source: IPUMS version of U.S. Census Bureau's 2008-2012 American Community Survey.
Tabulations by MN State Demographic Center.

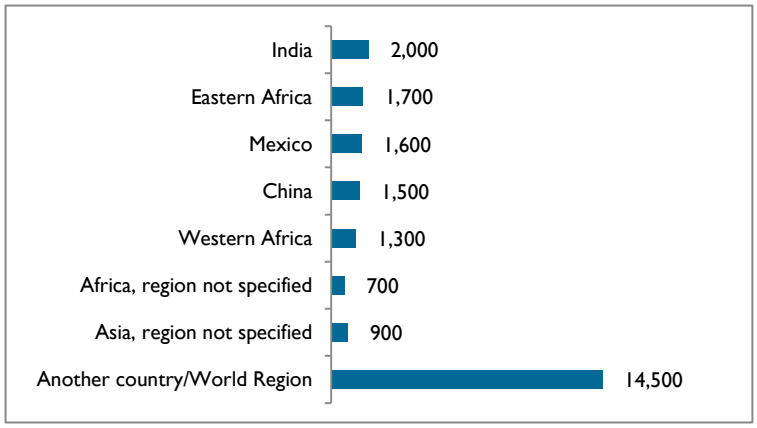
This raises the question: Across the U.S., which states are magnets for arriving college students? Figure 19 reveals that, relative to population size, North Dakota emerges as the strongest magnet for students raised in other states (with the exception of the District of Columbia). For every 1,000 people living in North Dakota, 13 of them are college students who graduated high school elsewhere. For Minnesota, the comparable figure is 4 students. Thus, improving our attraction rate for college-bound students raised outside of Minnesota's boundaries is another strategy that holds promise for improving the eventual number of well-educated labor force entrants in Minnesota.

To recap, while about 21,000 young adults move to Minnesota each year to attend college or graduate school, even greater numbers of students (29,000) leave the state each year. In fact, two-thirds of Minnesota's total statewide annual domestic net loss is due to Minnesota students leaving for higher education, and far fewer return in the post-college years. Thus, retaining more of our college-bound young adults at in-state institutions as well as attracting additional numbers from outside our borders may be key strategies for Minnesota's long-term population retention and labor force development.

In-migration Of International Migrants

Much of this report has focused upon the net domestic losses from migration that Minnesota has experienced since 2001. However, the international component of the migration equation has been consistently positive for Minnesota during all the years of our analysis, since 1991. But which foreign sending countries are these new Minnesotans leaving? And why are these migrants choosing Minnesota above all others as their new home?

Figure 20: Annual Recent International Arrivals To Minnesota, By Country Or Region Of Prior Residence, 2008-2012

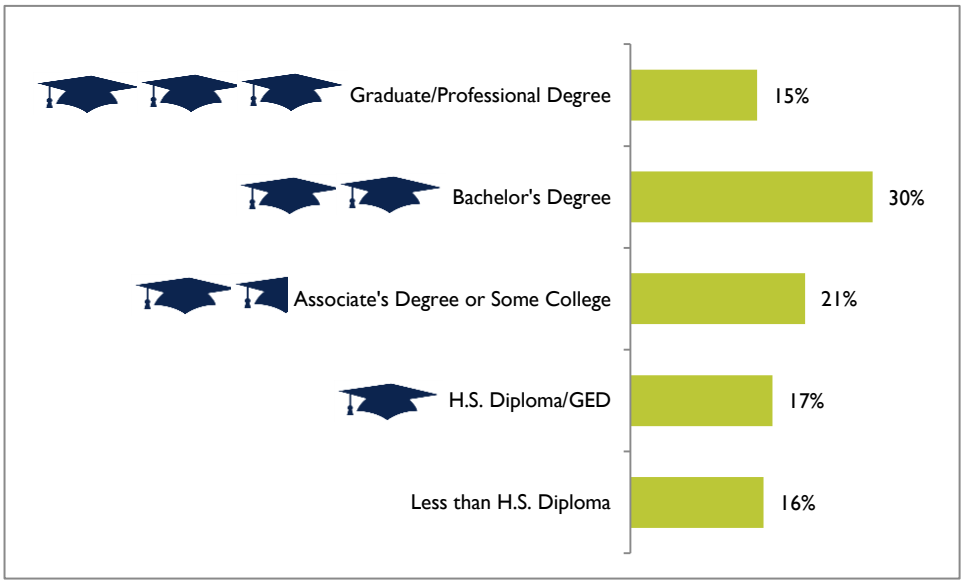


Source: IPUMS version of U.S. Census Bureau's 2008-2012 American Community Survey. Tabulations by MN State Demographic Center.

While we cannot fully answer these questions without directly asking our immigrant populations, the data set does allow us to sketch out the basic characteristics of these international in-migrants who relocated to Minnesota. Approximately 24,000 immigrants from other countries have arrived in Minnesota in each of the past five years. These arriving international residents include foreign students and work VISA holders, refugees and asylees, children of international adoption, and other types of immigrants, broadly defined—although the data do not allow a precise breakdown of these groups of arrivals.

While Minnesota receives its new residents from numerous places around the globe, the limitations of the survey that created our primary data set do not allow us to examine countries for many of the smaller population groups. Among countries we can examine, India (2,000 annual arrivals), Mexico (1,600 arrivals), and China (1,500 arrivals) emerge as the most likely sending countries for new Minnesota residents from foreign destinations—accounting for more than one-fifth of the total arrivals (see Figure 20). Countries in both Eastern and Western Africa were responsible for sending Minnesota more than 1,000 arrivals from each region. About 700 additional Africans arrived in Minnesota but didn't indicate the country they had left.

Figure 21: Highest Level Of Education Completed By Recent International Arrivals to Minnesota, Age 25+, 2008-2012



Source: IPUMS version of U.S. Census Bureau's 2008-2012 American Community Survey. Tabulations by MN State Demographic Center.

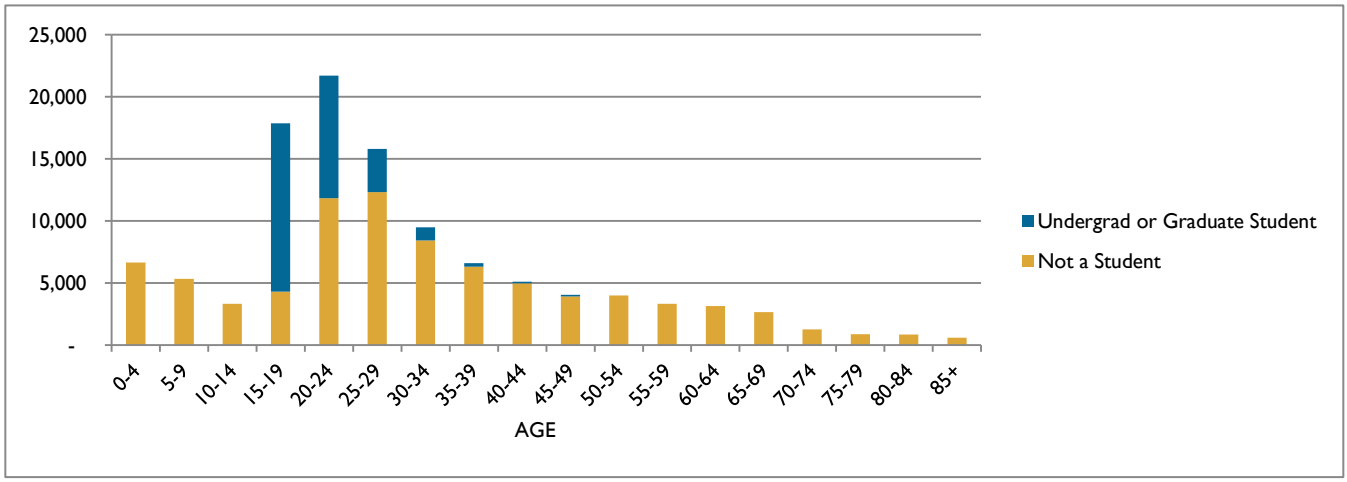
Examining all international arrivals by age, we find that about 1 in 5 international arrivals was under age 18, another 1 in 5 was age 18-24, while about 3 in 5 were age 25 or older. The high concentration in the 18- to

24-age groups likely reflects many of the foreign students enrolled in Minnesota college and university settings. Considering the approximately 13,600 annual international arrivals who are age 25 or older, they are most likely to hold a bachelor's degree as their highest level of education (30%), while an additional 15% of them hold a graduate or professional degree (see Figure 21). This likely reflects some of the international workers arriving in Minnesota via the H-1B VISA program for highly skilled workers in certain occupations, for which a bachelor's degree is typically a prerequisite[iv].

Retention Of Out-Bound Residents

Policymakers and other leaders concerned with Minnesota's migration situation may find it easier to retain current Minnesota residents than attract additional transplants (although this is a worthwhile pursuit as well). Figure 22 shows recent leavers by age and by enrollment in college or graduate school (repeated from earlier in this report), while Figure 23 shows recent leavers (who are not currently students in college or graduate school) by age and household income (split into three equal groups among the entire Minnesota population). Of interest, the greatest numbers of leavers who are in the top third of the income distribution are found in their 30s (about 5,400 leavers) and those 0-19 (5,600, presumably including many children of the first group, plus college-bound teens from higher-income households). As noted before, about 29,000 students leave Minnesota for higher education (with 8,000 fewer students entering our state for this reason).

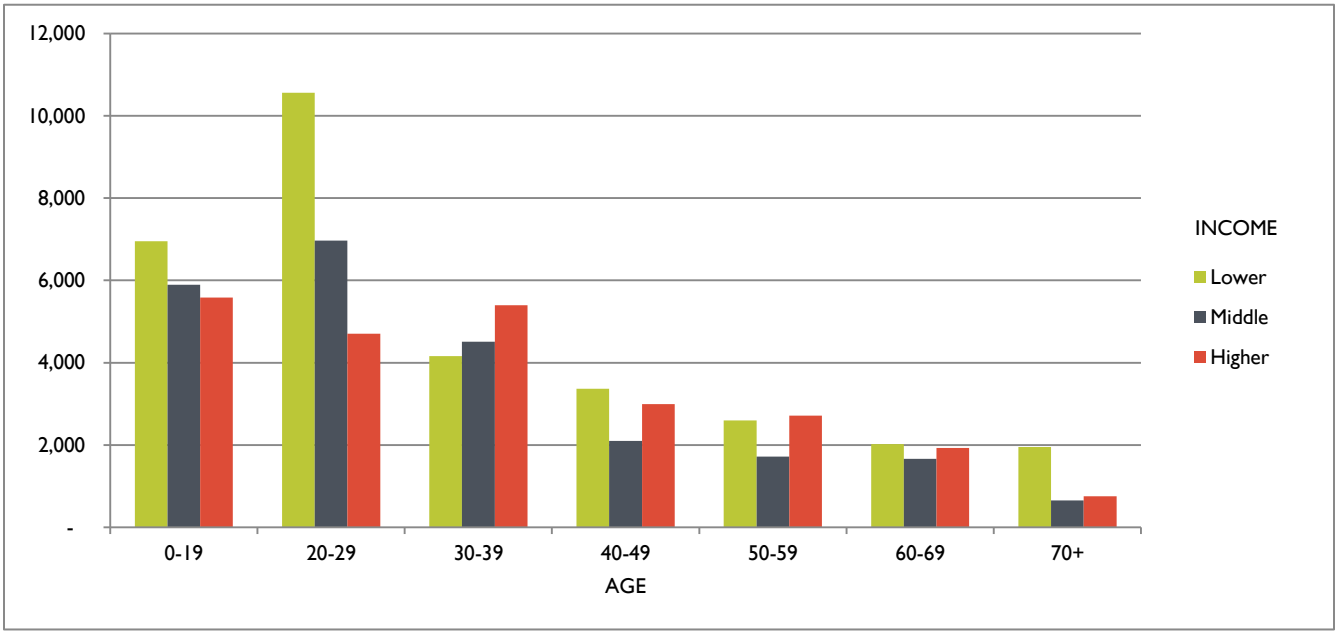
Figure 22: Annual Leavers From Minnesota, By Age Group And Student Status, 2008-2012



Source: IPUMS version of U.S. Census Bureau's 2008-2012 American Community Survey. Tabulations by MN State Demographic Center.

Examining the racial background of out-migrants, we find that non-Hispanic Whites represent 79% of all those leaving, followed by non-Hispanic Asian (7%) and non-Hispanic Black (6%) residents (see Figure 24). These shares of leavers by race and ethnicity closely approximate the distribution in Minnesota's general population, with the exceptions that non-Hispanic Whites are slightly *less likely to leave* than we might expect (given their share of the general population, 83%), while non-Hispanic Asians are slightly *more likely* to leave than we might expect (given their share of the general population, 4%). Other groups are leaving the state roughly proportionally.

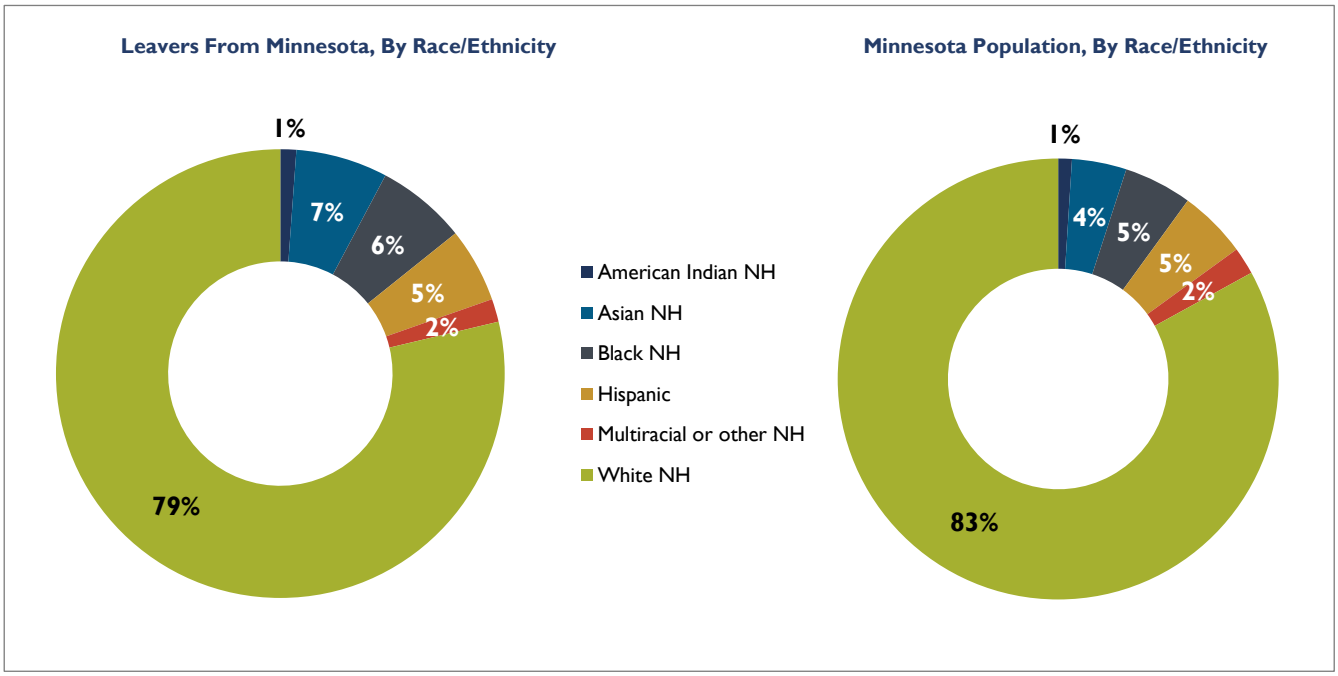
Figure 23: Annual Leavers From Minnesota, By Age And Income Groups, Non-Students Only, 2008-2012



Source: IPUMS version of U.S. Census Bureau's 2008-2012 American Community Survey. Tabulations by MN State Demographic Center.
Note: "Lower," "MIddle" and "Higher" income groups represent the entire household income distribution in Minnesota distributed into three equal-sized parts.

Strategies to retain these various out-bound Minnesotans should be informed by these data and tailored to the unique groups of leavers. Stemming the tide of out-migrants may also require additional research into their motivations for exiting Minnesota—to fashion effective responses based upon what might incent them to stay.

Figure 24: Share Of Leavers From Minnesota, By Race/Ethnicity, Compared to Minnesota Population, 2008-2012



Source: IPUMS version of U.S. Census Bureau's 2008-2012 American Community Survey. Tabulations by MN State Demographic Center. Note: "NH" indicates non-Hispanic.

Conclusion

The residents of Minnesota today are not the same ones as yesterday, nor tomorrow. The composition of our state is being continually transformed by demographic changes—births, deaths, and migration. Minnesota is entering a new demographic era, where migration's relative influence on our total population will rise. According to our projections, by the early 2040s, if our state is to experience any population growth at all, it will necessarily be from migration. Over these same coming decades, the Baby Boomer generation will continue to exit the labor force, and overall labor force growth will slow nearly to a halt. Thus, our state will experience a heightened need for migration to grow at all, but especially to shore up its labor force needs. While Minnesota has experienced decades of continuous net in-migration from international arrivals, net losses from state-to-state migration have been observed since 2001. More than 100,000 people come to Minnesota from other states each year, and an even greater number leave Minnesota for other states. These sizeable flows of people present an opportunity to change the migration equation to better benefit our state. Minnesota leaders should work to stem and reverse domestic losses, redouble efforts to attract and integrate new residents, especially young adults, and seek to retain its current resident population. Positive migration is key to fueling our economy and maintaining a high quality of living in Minnesota in the years to come.

Endnotes

[i] MN State Demographic Center, "Minnesota's labor force participation projections by age and gender from 2010-2045," available at: http://mn.gov/admin/demography/data-by-topic/population-data/our-projections/
[ii] MN State Demographic Center projections featured in "In the shadow of the Boomers: Minnesota's labor force outlook," available at: http://mn.gov/admin/images/in-the-shadow-of-the-boomers-labor-force-outlook-msdc-dec2013.pdf
[iii] MN Department of Employment and Economic Development, Local Area Unemployment Statistics tool, available at: https://apps.deed.state.mn.us/lmi/laus/Default.aspx
[iv] U.S. Citizenship & Immigration Services, "Understanding H1-B Requirements," available at: http://www.uscis.gov/eir/visa-guide/h-1b-specialty-occupation/understanding-h-1b-requirements

Note About IPUMS, Our Primary Data Source

Numerous figures in this report cite IPUMS version of the U.S. Census Bureau's American Community Survey. IPUMS refers to the Integrated Public Use Microdata Series. Microdata are anonymous individual record data that allow for custom tabulations such as were necessary to compile this report. The complete citation for IPUMS is: Steven Ruggles, J. Trent Alexander, Katie Genadek, Ronald Goeken, Matthew B. Schroeder, and Matthew Sobek. Integrated Public Use Microdata Series: Version 5.0 [Machine-readable database]. Minneapolis: University of Minnesota, 2010.

Note About "Snowbirds"

Minnesota is home to some number of "snowbirds," individuals who leave for all or a portion of the winter months to live in warmer areas, but who maintain a residence in Minnesota. Typically snowbirds are retired and still spend the majority of their year residing in Minnesota. Furthermore, snowbirds are not "migrating" in the way we have characterized migration in this report, i.e., taking up new residence in another state with the intent to stay. At this time, the U.S. Census Bureau does not allow have a reliable method to estimate the size of Minnesota's snowbird population. However, our primary data source, the American Community Survey, asks respondents about their *current* residence and residence one year ago. Because the American Community Survey is a year-round survey, the majority of Minnesota snowbirds are likely responding while in Minnesota, while a smaller share who receive the survey during the winter months while they are away are likely appearing in their temporary state of residence. However, some degree of Minnesota's in- and out-migration among older adults may be overstated due to those who left one year but not the previous or the next year, resulting in the appearance of having migrated.

For Additional Information

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