MINNESOTA STATE PLANNING AGENCY
Office of State Demographer

POPULATION NOTES

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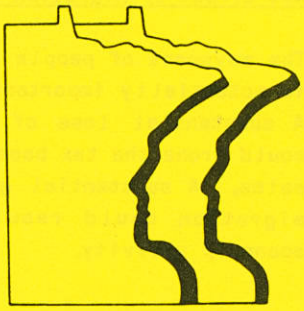

OSD 84-25

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MIGRATION INTO AND OUT OF MINNESOTA HAS LITTLE EFFECT ON TOTAL STATE INCOME

* Minnesota gains wage and salary income from migration.
* But loses self-employment, social security, and interest, dividend and rent income.
* Overall, migration has little impact on total state income.
* Minnesota loses upper income households to some sun-belt states.
* But gains upper income households from neighboring states.
* Minnesota has an influx of persons below the poverty level.
* But this is mainly due to migration from abroad.
* Minnesota loses persons below or near poverty to other U.S. states.
* Minnesota gains employed persons.
* But loses persons not in the labor force.
* Minnesota gains executives, professionals, technical workers and machine operators.
* But loses sales, service, administrative support and precision production workers.

As described in Population Note 84-22, February, 1984, the rates at which people move into and out of Minnesota are among the lowest in the nation. However, ours is a mobile society. Between 1975 and 1980, 311,560 persons moved into the state while 318,299 persons moved out of the state. This movement resulted in a net loss of 6,739 persons for Minnesota. While this net loss is small relative to the total population of the state, differences in the characteristics of migrants can result in significant economic impact to Minnesota.

This note is based on information from the 1980 Census. Migrants were identified as persons whose residence in 1980 was different from their residence in 1975. As a result, these figures may understate the actual number of moves since some people moved more than once during the five year period. All tabulations include only persons over age five in 1980. Finally, the tabulations are based on sample information and are, therefore, subject to sampling error. Sampling errors tend to be proportionately larger for smaller numbers.

Net Effect of Migration on Income Is Small

The movement of people into or out of any state is potentially important to that state's economy. A substantial loss of income due to migration could erode the tax base and reduce local retail sales. A substantial gain of income because of migration could result in overall greater economic activity.

TABLE 1. TOTAL INCOME OF MIGRANT HOUSEHOLDS 1975 TO 1980 BY TYPE OF INCOME
(In millions of dollars)

Type of Income	Total 1979 Income of In-Migrant Households	Total 1979 Income of Out-Migrant Households	Difference
Wage and salary	$2,084.6	$2,008.2	+$76.4
Self-employment	103.6	158.9	-55.3
Interest dividend & rent	72.1	102.9	-30.8
Social Security	32.8	54.0	-21.2
Other	95.3	88.0	+7.3
Total	$2,388.4	$2,412.0	-$23.6

For Minnesota the average wage and salary income of households moving into the state ($17,842) between 1975 and 1980 was greater than average wage and salary income of households moving out of the state ($16,926). However, because other sources of income were greater for households moving out of Minnesota, the overall average income of households moving out ($20,156) was slightly greater than for those moving into the state ($20,005).

As a result, Minnesota experienced an increase of $76.4 million in 1979 of wage and salary income due to migration between 1975 and 1980. Because of the effects of the other source of income, the 1979 income of households moving out of the state was $23.6 million greater than the income of households moving into the state. The loss of $23.6 million represents only 0.08 percent of the total state household income. It is also important to note that this net loss of income is small relative to the total amounts of income entering or leaving the state (both in excess of $2 billion) and could have resulted from sampling error. Consequently migration between 1975 and 1980 does not appear to have had a major economic impact in Minnesota.

Minnesota Loses Upper Income Households To Some States, Gains From Others

Though the overall effect of migration on total income in Minnesota was small, changes due to migration within specific segments of the economy can be important. Of special interest is the migration of upper income households.

Minnesota lost 2,383 households with incomes above $30,000 because of migration from 1975 to 1980, or approximately three percent of all Minnesota households in this income class. The main factor in this decline was the out-migration of upper income households to four states: California, Colorado, Florida and Texas. By contrast, Minnesota gained upper income households from many "frost-belt" states. The largest contributor was Illinois, from which Minnesota gained 859 households with incomes of $30,000 or more. Minnesota also experienced an overall gain in these households with each of its neighboring states, though the net effect with North Dakota is very small.

TABLE 2. MIGRATION OF HOUSEHOLDS WITH INCOMES ABOVE $30,000

State	Households Moving To Minnesota	Households Moving From Minnesota	Net Change
California	1,536	2,426	-890
Colorado	323	1,069	-746
Florida	364	1,686	-1,322
Illinois	2,627	1,768	859
Iowa	1,374	1,151	223
Michigan	849	535	314
North Dakota	930	905	25
South Dakota	364	164	200
Texas	728	1,933	-1,205
Wisconsin	2,385	2,221	164
All other states	9,660	9,665	-5
Total all states	21,140	23,523	-2,383

Minnesota Receives Persons Below Poverty

Persons below or near poverty represent another group of special interest to the economy of the state. (As a cautionary note, the previous

section used households while discussion of poverty normally uses the individual or person as the base). While Minnesota has a low poverty rate (ranked 45th among states in the 1980 census) persons below poverty are important to state government expenditures.

Between 1975 and 1980, more persons below poverty moved into Minnesota than moved out. This was especially true for the very poor (below 75 percent of poverty) where 4,851 more persons moved into Minnesota than moved out, representing two percent of the State's very poor persons. By contrast, more persons near poverty (with incomes above poverty but less than 150 percent of poverty) moved out of Minnesota than entered the state.

TABLE 3. MIGRATION OF PERSONS BY POVERTY STATUS

Household Income as a Percent of Poverty Level	Persons Moving Into Minnesota	Persons Moving Out of Minnesota	Net Change
Below 75%	26,071	21,220	+4,851
75% to 99%	9,620	9,993	-373
100% to 124%	11,479	12,707	-1,228
125% to 149%	12,449	14,599	-2,150
150% to 174%	11,762	14,764	-3,002
175% to 199%	14,955	13,530	+1,425
200% or more	207,435	206,319	+1,116

But Many of the Very Poor Are from Abroad

While Minnesota did experience a net influx of persons below poverty, this increase can be explained by migration from abroad. The migration from abroad of persons below or near poverty originated largely from Southeast Asia.

When only migration with other states of the United States is considered, the results change. For persons below or near poverty, more moved out of than into Minnesota.

TABLE 4. NET MIGRATION WITH OTHER U.S. STATES AND FROM ABROAD FOR PERSONS BELOW OR NEAR POVERTY

Household Income as a Percent of Poverty	Net Migration with other U.S. States	Migration from Abroad
Below 75%	-3,071	+7,922
75% to 99%	-1,505	+1,132
100% to 124%	-2,764	+1,536

Seven States Account for More Than Half of Migrants Below or Near Poverty

Excluding migration from abroad, 7,340 more persons below or near poverty moved out of than into Minnesota between 1975 and 1980.

TABLE 5. MIGRATION OF PERSONS BELOW OR NEAR POVERTY WITH OTHER U.S. STATES

	Below Poverty			100% and 124% of Poverty		
State	Into Minn.	Out of Minn.	Net Change	Into Minn.	Out of Minn.	Net Change
California	2,547	3,236	-689	1,213	987	+226
Illinois	2,021	1,480	+541	1,172	329	+843
Iowa	3,113	1,768	+1,345	647	699	-52
North Dakota	2,102	1,768	+334	930	1,028	-98
South Dakota	1,132	987	+145	323	864	-541
Texas	1,051	1,069	-18	121	781	-660
Wisconsin	3,800	5,511	-1,711	930	2,550	-1,620
Seven state total	15,766	15,819	-53	5,336	7,238	-1,902
Total all states	26,639	31,215	-4,576	9,944	12,708	-2,764

Seven states, including Minnesota's four bordering states, plus California, Illinois, and Texas account for more than half of all migrants into and out of Minnesota who were below or near poverty. The largest exchange is with Wisconsin, with 3,800 persons below poverty moving into Minnesota from Wisconsin and 5,511 persons moving into Wisconsin from Minnesota. As a result, Minnesota experienced a net loss of 1,711 persons below poverty to Wisconsin. By contrast, more poor persons moved from Iowa to Minnesota, resulting in a net gain to Minnesota of 1,345 persons below poverty. Other states from which more persons below poverty moved into than out of Minnesota include Illinois, North Dakota, and South Dakota, though the net effects are not large. The net exchange with Texas was near zero. Overall, in exchange with all other states (that is, not including migration from abroad), 4,576 more persons below poverty moved out of Minnesota than moved in.

For persons near poverty (household incomes between 100% and 125% of poverty), 2,764 more persons moved out of than into Minnesota, a result similar to that for persons below poverty. However, exchanges with some states change. While Minnesota experienced an influx of persons below poverty from Iowa, North Dakota and South Dakota and an equal exchange with Texas, more persons near poverty moved from Minnesota to these states. The exchange with California also reversed, but in the opposite direction. Again, most of these net exchanges are small and subject to sampling variation.

Minnesota Gains Employed Persons

In addition to its effects on income, migration can also influence the labor force and the occupational structure of the state. More persons moving to Minnesota were employed during the week prior to the 1980 Census than persons who moved out of Minnesota. The state also gained persons under age 16. By contrast, Minnesota lost persons who were unemployed, in the armed forces, or not in the labor force. The outmigration of persons in the armed forces is understandable in that Minnesota does not have any large military bases. As young Minnesotans volunteer for the military, they are almost certain to be based outside of the state.

Persons not in the labor force include housewives, students, retired workers, seasonal workers during "off" season, inmates, disabled persons prevented from work, persons doing incidental unpaid family work, and discouraged workers. Minnesota lost 8,350 people not in the labor force as a result of migration.

TABLE 6. 1975 TO 1980 MIGRANTS BY LABOR FORCE STATUS DURING THE LAST WEEK OF MARCH, 1980

Labor Force Status	Persons Moving Into Minnesota	Persons Moving Out of Minnesota	Net Change
Under age 16	59,943	55,271	+4,672
Employed	170,977	161,740	+9,237
Unemployed	9,903	10,363	-460
Armed Forces	2,183	14,023	-11,840
Not in Labor Force	68,552	76,902	-8,350

Migration Affects Occupation Structure

Between 1975 and 1980, Minnesota experienced an influx of executives, professionals, technical workers, machine operators, and laborers. By contrast, Minnesota lost persons in sales, administrative support, services, farming, precision production and transportation occupations.

The last column of Table 7 presents the impact of the net migration as a percent of total Minnesotans in the occupation in 1980. Migration accounted for 2.7 percent of Minnesota's machine operators; two percent of the technicians and 1.1 percent of the professionals. The net outflow of persons in sales was equivalent to 1.4 percent of all persons in the occupation.

Executive and professional workers accounted for 30 percent of all persons moving into the state for whom occupation is determined and 29 percent of all persons moving out of the state. Sales, administrative support and service workers accounted for 41 percent of all persons moving into the state and 44 percent of all persons moving out of the state.

Some occupations are more mobile than others. The most mobile occupation is technican in which 17 percent of all persons in the occupation moved into the state between 1975 and 1980 while 15 percent moved out of the state. Close in mobility are persons in professional occupations, where 17 percent moved into the state during the period while 16 percent moved out of the state. Not surprisingly, the least mobile occupation is farming, where 4.5 percent moved into the state and 5 percent moved out of the state.

TABLE 7. MIGRATION OF PERSONS BY OCCUPATION *

Occupation	Moved Into Minnesota	Moved Out of Minnesota	Net Change	Net as a Percent of Total in the Occupation
Executive, admin., and managerial	27,687	26,402	+1,285	0.6%
Professional	39,773	37,094	+2,679	1.1
Technicians	11,479	10,117	+1,362	2.0
Sales	23,201	25,949	-2,748	1.4
Admin. support, including clerical	35,812	37,505	-1,693	0.5
Services	32,579	34,339	-1,760	0.6
Farming, forestry & fishing	5,012	5,634	-622	0.6
Precision prod, craft and repair	17,542	19,205	-1,663	0.7
Machine operators, assemblers and inspectors	15,804	11,474	+4,330	2.7
Transportation and material moving	5,255	5,881	-626	0.7
Handlers, cleaners, helpers & laborers	8,448	7,608	+840	0.9
Total	222,592	221,208	+1,384	

*Includes persons age 16 or older, not in the armed forces, who worked since 1975.

Technical Notes

Data used in this note are from the 1980 Census microdata (PUMS). Persons moving into Minnesota were identified from the Minnesota PUMS computer tape as individuals whose residence in 1975 was outside of Minnesota. Persons moving out of Minesota were identified from a computer tape developed by the University of Wisconsin which, included persons living in Minnesota in 1975 but in another state in 1980.

Definitions

Income—Based on self reported income by source for 1979 from all persons 15 or older with income. Self-employment income includes net money income (gross receipts minus operating expenses) from unincorporated business, professional enterprise or partnership, in which the person was engaged on his or her own account.

Poverty Status—Poverty status of a person who is a family member is determined by the family income. Poverty status of an unrelated individual is determined by that person's own income relative to the poverty threshold. Poverty status is not determined for members of the armed forces living in barracks, college students living in dormitories, inmates of institutions and unrelated individuals under age 15. Poverty thresholds are updated every year to reflect changes in the Consumer Price Index and vary by family size, number of children and age of the family head. The 1980 Census used the thresholds for 1979 income to determine poverty status. As an example, the poverty threshold for a family of four with two related children under 18 was $7,356 in 1979.

Labor Force Status--Persons 16 years and older were classified according to their responses to questions related to their activities during the calendar week prior to the date they completed their 1980 Census form. For most persons, this was the last week in March, 1980.

Occupation--For persons 16 years and older, "occupation" was the kind of work the person was doing at a job during the week prior to completing their 1980 Census form. For persons not at work during that time, it was the most recent job or business if employed since 1975. Occupation is not determined for persons in the armed forces. Finally, occupation can include retired persons who worked since 1975.

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