

The Outs and Ins



of Rural Migration

Introduction

The number of rural Pennsylvanians moving out of state has been a hot topic for many years. Data from the federal Internal Revenue Service (IRS) suggest that the out-migration of rural Pennsylvanians may not be as severe as some have perceived.

A detailed look at data from 2004 to 2005 shows that rural Pennsylvania had a net gain of about 9,000 people. And, an analysis of data from 2000 to 2005 shows an overall 11 percent increase in the number of out-of-state residents moving to rural Pennsylvania.

To better understand the pattern of out- and in-migration, the Center for Rural Pennsylvania analyzed county data to identify the number of people who moved out of and into rural Pennsylvania, and compared the characteristics of counties from and into which migrants moved.

One key finding from the analysis is that rural areas had a net gain of out-of-state migrants from 2004 to 2005, but the gain was regional. Other findings indicate that people leaving rural Pennsylvania generally move to an urban county with more economic opportunities and higher housing costs, and people moving into rural Pennsylvania from out of state generally move from an urban county with higher housing costs.

Methods

The Center for Rural Pennsylvania used two data sources to analyze migration patterns: the

Table 1: Indicators Analyzed

Demographic Category	Economic Category	Quality of Life Category
<u>Population Change, 2000-2005:</u> Percent change in estimated county population, 2000-2005. ¹ <u>Population Density:</u> Number of persons per square land mile, 2005. ¹ <u>Minorities:</u> Percent of population that is non-White and non-Hispanic, 2000. ¹ <u>Married with Children:</u> Percent of households that are married couples with children, 2000. ¹ <u>Senior Citizens:</u> Percent of population that is 65 years old and older, 2000. ¹	<u>Change in Business Establishments:</u> Percent change in the number of business establishments between 2000-2004. ¹ <u>Unemployment Rate:</u> Average unemployment rate between 2003-2005. ² <u>Change in Employment:</u> Percent change in full and part-time employment between 2003-2005. ² <u>Average Wage:</u> Average annual wage for salaried employees, 2005. ² <u>Change in Average Wage:</u> Percent change in inflation-adjusted average annual wage for salaried employees, 2003-2005. ²	<u>Homeownership:</u> Percent of occupied housing units that are owner-occupied, 2000. ¹ <u>Housing Values:</u> Median values of specified owner-occupied housing units, 2000. ¹ <u>Real Estate Taxes:</u> Median real estate taxes paid by homeowners, 2000. ¹ <u>Poverty Rate:</u> Percent of total population identified by the U.S. Census Bureau as being at or below the poverty threshold, 2000. ¹ <u>College Education:</u> Percent of persons 25 years old and older with a bachelor's degree or higher, 2000. ¹

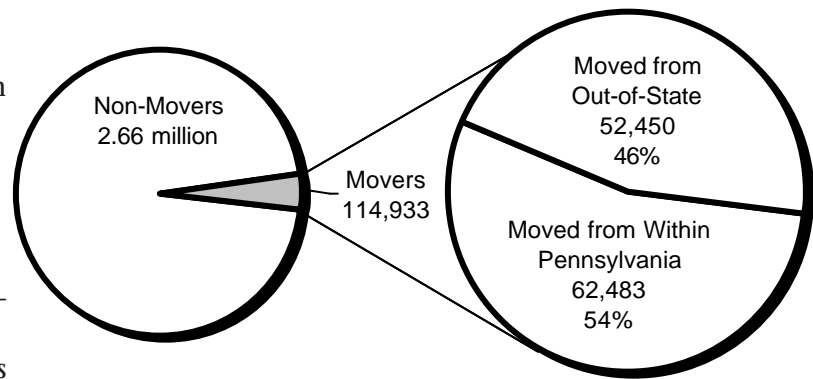
¹ U.S. Census Bureau, including Census 2000, County Business Patterns, and 2002 Economic Census. ² U.S. Bureau of Economic Analysis, wage data adjusted for inflation using the CPI-U with 2005=100.

U.S. Internal Revenue Service's (IRS) County to County Migration Inflow and Outflow, and selected demographic and economic indicators from the U.S. Census Bureau and U.S. Bureau of Economic Analysis.

The IRS data are computed from income tax filings. Taxpayers that report different county addresses in successive years are considered taxpayers that have migrated. This data set identifies both the counties and states where the taxpayers lived during the preceding tax year and the counties and states into which they moved.

The IRS data report both the number of tax returns and the number of personal exemptions. The number of returns approximates the number of households and the number of personal exemptions approximates the population. In this report the focus will be on personal exemption migrants. The analysis focused on the tax period 2004 to 2005; however, the years 2000 to 2005 were also examined for trend analysis.

Figure 1: In-Migration to Rural Pennsylvania, 2004 to 2005



Data source: IRS County-to-County Migration Flows

Data Limitations

Data suppression: For confidentiality reasons, the IRS does not report individual migration if less than 10 tax filers move from one specific county to another specific county. For rural Pennsylvania, data was not available for 82,293 persons, or approximately 52 percent of the total in- and out-migrant population. The absence of this county data limits the completeness of this analysis. However, from the data that is available, relevant insights can be gleaned on conditions in counties from and into which the majority of individuals moved.

Characteristics of Migrants Unknown: The IRS data do not include any demographic characteristics on migrants. It is unknown, for example, the age, employment status, or level of educational attainment of migrants. While this lack of information limits the completeness of the analysis, the focus here will be on the characteristics of counties into and out of which migrants moved.

Data Exclude Certain Groups: The IRS data do not include non-filers. They also do not completely capture senior citizens who have recently lost a spouse or others filers with very low income. The data do not adequately identify international migrants who are not residents and do not need to file an IRS tax return. Despite these limitations, the IRS estimates that its data capture 80 percent of the movement of the population domestically within the United States each year.

Definitions

Rural County: In this analysis, a county was defined as rural if its population density (number of persons per square land mile) was below the statewide population density of 274 persons per square mile. Counties that had a population density at or above the statewide population density were considered urban. In Pennsylvania, 48 counties are rural and 19 are urban.

In-Migration: The movement of persons into a county. The in-migration rate is determined by dividing the number of migrants by the population and then multiplying the product by 1,000.

Out-Migration: The movement of persons out of a county. The out-migration rate is determined by dividing the number of migrants by the population and then multiplying the product by 1,000.

Net-Migration: Subtraction of the number of persons who move into a county from the number of persons who moved out. If this number is negative, it means that more people moved out than moved in. If the number is positive, then more people moved in than moved out.

other half moved to an urban county. A similar pattern is found among urban Pennsylvania county migrants.

• **Among Those Who Move Out of State, Most Do Not Move Far**

Ninety-four percent of rural residents who moved out of state went to an adjacent state, and among these, 59 percent went to a county directly bordering Pennsylvania. While residents leave rural Pennsylvania, it appears that many do not go very far.

• **When Rural Pennsylvanians Move Out of State, They Move to Urban Counties**

More than two-thirds of rural residents who moved out of state moved to an urban county, and less than one-third moved to another rural county. The opposite is true for persons moving into rural Pennsylvania, as the majority of these individuals left an urban county to live in a rural county.

• **Economic Factors May Be One Reason Why Rural Pennsylvanians Leave**

When rural Pennsylvanians leave the state, they generally go to a county with lower unemployment, higher job growth and higher wages. However, these migrants were likely to face higher housing costs and taxes in their new counties.

• **Migration in Rural Pennsylvania is Regional**

Within rural Pennsylvania, the eastern region had a net increase in migrants, while the central and western regions had a net loss. While the rural migration picture is, on average, positive, there are regions within the commonwealth that are experiencing more out-migration.

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