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Nebraska Net Domestic Migration Improving

Recession leads to net gain of residents from Arizona, Florida, and Georgia for first time in over 20 years

Bullet point summary of highlights (full release then follows):

- Nebraska witnessed net immigration in 2009 from specific states hard hit in the economic downturn (California, Michigan, Ohio, Illinois), including a net immigration for the first time in the 21-year series of data from Arizona, Florida, Georgia, and the Midwest region as a whole.
 - Gains from Arizona and Florida stand out, as Nebraska has historically had large net outmigrations to these states – Nebraska’s largest annual net outmigration has been to Arizona six times in the past 21 years, the most for any state. The largest outmigration twice has been to Florida.
- While net domestic migration has improved by about 2,100 persons each of the past two years, the 2009 net domestic migration level was still about a 400 person loss (more people leaving Nebraska for other locations than moving to Nebraska from other states).
 - This marks the 13th straight year of net domestic outmigration for Nebraska, but the level in 2009 was the smallest in those 13 years.
 - Nebraska has lost over a thousand people to Texas each of the last three years and has had 14 consecutive years of net outmigration to Texas. Similarly, Nebraska has lost people to both Wyoming and South Dakota for 10 straight years. Each of these three states does not have a state income tax.
- Migration improvements for Nebraska are stemming both from more residents coming to the state from other domestic places and from fewer Nebraskans leaving for other states.
- The information comes from the Internal Revenue Service (IRS), who compares where households file their tax returns from one year to the next. The Center for Public Affairs Research has analyzed these IRS records going back to when they were first available in 1989, a 21-year data series.

Nebraska Net Domestic Migration Improving

Recession leads to net gain of residents from Arizona, Florida, and Georgia for first time in over 20 years

Omaha – Recently released migration statistics show that Nebraska had a net gain of residents from Arizona, Florida, and Georgia for the first time in over 20 years of available data. Combined with only the second net immigration from Nevada, breaking a string of 15 consecutive outmigration years to Nevada, this information shows Nebraska's improved migration performance with states hit hard in the housing and economic downturn.

Not only was net immigration from these states unusual, but it was also high in comparison to other states. The net gain of over 300 residents from Florida was the second best among all states, while Arizona and Georgia ranked as the 6th and 7th best net migration states for Nebraska in 2009. The gain of nearly 100 net residents from Nevada also ranked among the top ten net migration states (#9).

Nebraska gained residents on net from 22 states in 2009, the same as in 2008, but higher than the average of net immigration from only 13 states in the prior ten years. Nebraska netted the most people from California, with the gain of just over 1,000 persons being the 20th consecutive year of net immigration from the Golden State. Nebraska has typically had its largest net immigration from California, an outcome that has occurred in 17 of the last 21 years.

Gains were not limited to states in the South and West regions of the U.S. For the first time in the 21-year series of data, Nebraska had a net immigration from all Midwest states combined, led by increases from Iowa, Illinois, and Michigan, which ranked 3rd through 5th regarding Nebraska's best migration performance. The net increase from Iowa occurred for only the sixth time in 21 years, and the net gain of nearly 300 persons was vastly different than a loss of nearly 800 to the Hawkeye State just four years earlier in 2006 when Nebraska's largest overall outmigration occurred with Iowa.

Nebraska's first net immigrations from Arizona and Florida also stand out since these states are often the ones to which Nebraska has its largest net outmigration. Arizona has had the designation of the top net outmigration state six times over the past 21 years, the most of any state. Most of those largest outmigration years occurred in the late 1990s, and as recently as 2003 and 2005. Florida was the largest outmigration state twice, in 2002 and 2004. Nebraska has lost more net

residents on average to Arizona and Florida than any other states since 1989. While Nebraska gained net residents from Arizona, neighboring Iowa, Missouri, and South Dakota all had net outmigrations to the Grand Canyon State.

Texas is now the top outmigration state, as Nebraska lost the most people to Texas on net for the third straight year, with each of those annual losses exceeding 1,000 persons. Previously, the worst net loss to Texas was about an 800 person dip in 1999. Nebraska has lost people to Texas for 14 consecutive years (since 1996). Texas gained net residents in 2009 from all states except Oklahoma, as well as the District of Columbia.

Nebraska lost the second most people to Wyoming, and has now had 10 straight years of decline with the Cowboy State. Likewise, Nebraska has now lost for 10 straight years to South Dakota. Like Texas, each of these neighboring states does not have a state income tax. Combined, losses to these three states totaled about 1,750 while Nebraska had a net gain of over 1,300 with all remaining states.

Overall, Nebraska had about 400 more people move out of the state than move into it from other states. While this was the 13th straight year of net domestic outmigration, it was the smallest outmigration in the current string and the best migration performance for the state since 1996. The net migration value in 2009 was about a 2,100 person improvement versus the prior year, when an outmigration of about 2,500 people occurred in 2008. This marks the second straight year of an improvement of about 2,100 persons, as the outmigration equaled more than 4,600 just three years ago.

Improvements in Nebraska's migration were widespread, as the state witnessed better migration totals in 2009 than a year earlier with 28 states, including the best levels to date since 1989 with Pennsylvania, Idaho, and West Virginia. Nebraska snapped a 13 year skid of net losses to Kentucky and posted a gain from Minnesota for only the second time in the 21-year series of data that are based upon IRS records of where households file their tax return from one year to the next.

Improvements from 2008 to 2009 were concentrated among states hit hard by the housing crisis, as well as neighboring states. For example, Arizona had the largest improvement, a positive change of nearly 500 persons, as an outmigration of 273 in 2008 turned into an immigration of 213 in 2009. Florida, California, Illinois, Georgia, and Nevada each with relatively high home foreclosure rates made the top 10 best improvements from 2008 to 2009. While Nebraska lost residents to South Dakota, the current loss was about 300 fewer than in the prior year. Kansas,

Colorado, and Iowa also made the top 10 for best annual improvements. Improvements are stemming both from more residents coming to Nebraska from other states and fewer Nebraskans leaving the state for other locations.

Nebraska also had weaker net migration figures with some states, many of which returned to a more typical migration pattern in 2009. Nebraska had net immigration from Missouri for only the third time in 2008, but slipped back to an outmigration of just over 100 in 2009, making the overall change between these years a drop of about 150. The change was similar for Alaska, as several states rich in natural resources (Wyoming, Montana, North Dakota) pulled Nebraskans their way. A regional pattern emerged as the change from 2008 to 2009 was relatively weak with south central states (Mississippi, Texas, Arkansas, Oklahoma). Nebraska had only its second immigration since 1989 with Arkansas in 2008, but that reverted back to the typical outmigration in 2009, a general pattern also seen with Tennessee, Wisconsin, and Alabama.

Other state specific changes include:

- Nebraska has now had three straight years of net immigration from Michigan, one of the states earliest hit by the recession. Prior to this Nebraska had 10 straight net outmigration years to Michigan. While Nebraska's current net immigration from Michigan was somewhat unusual, it was not unique as Michigan lost net residents to all states in 2009, with total net losses exceeding 65,000 persons. Nebraska's net loss of about 400 was small by comparison.
- An immigration in 2009 of 54 persons from Connecticut was Nebraska's best change with that state since 1994 (15 years).
- Nebraska had its best changes since 2004 with Kansas, Massachusetts, New Jersey and Ohio. The immigration from Massachusetts broke a string of four straight outmigration years, and the immigration from Ohio happened for only the 6th time in 21 years.
- Nebraska has its worst outmigration year in the series with both Alaska and North Dakota. Outmigration to North Dakota occurred for only the second time in 21 years.
- Nebraska's 2009 loss of only 32 persons to Oregon was relatively good compared to an average loss of 110 persons in all other years.
- Nebraska continued to lose people to South Carolina, but the loss of 37 in 2009 was the smallest since 1997.
- Nebraska lost a relatively small 91 people to North Carolina, compared to the average loss in the 2000s being over 160 persons. With net immigration

occurring with several states for the first time in 2009, North Carolina is now the only state with which Nebraska has never had a net immigration in the past 21 years.

Please note – This is the first release in a series of summaries on the migration topic that the Center for Public Affairs Research will provide. Future releases coming about every two or three weeks will include similar IRS tax filing statistics for Nebraska counties, a profile of the characteristics of movers (age, marital status, etc.), and an update for the 2010 year to our annual review of migration for those with Bachelor’s Degrees or more education (“Brain Gain/Drain”).

The Center for Public Affairs Research (CPAR) is an analytical community outreach unit of the College of Public Affairs and Community Service at the University of Nebraska Omaha. The Center leads the Nebraska State Data Center, compiling and disseminating various data for Nebraska and its communities that add to policy-making discussions.

A broader description of the data and some tables and graphs follow on the pages below. The tables and graphs are provided for reference. Additional information or charts for specific states would be available upon request. To see the summary report CPAR made in October 2009 for the prior year’s 2008 data go to:

<http://www.unomaha.edu/cpar/documents/2008StateMigrationSummary.pdf>

**Migration into and out of Nebraska based on IRS tax filing data:
New 2009 information in addition to historic annual data since 1989**

Description of the Data

The Internal Revenue Service (IRS) compiles tax return data each year. The IRS matches returns from one year to the next utilizing the social security number of the primary filer on the return. The new data for 2009 were released in late July 2011. {This represents a delay of about 9 months versus prior releases – the 2008 data were released in October 2009.} The 2009 data should be interpreted as tax returns filed in the spring of 2009 (April 2009) for tax year 2008. The comparison is made between where people filed in the current year versus their address when filing in the prior year (spring of 2008 for the 2007 tax year). The data are limited to tax filers, which tends to under-represent certain groups, such as new immigrants, the elderly, and the poor.

Technically, the data include tax filings through September of the reference year. While most individuals file in the spring of the year, extensions are granted to some individuals. The IRS website states the following: “The data used to produce migration data products come from individual income tax returns filed prior to late September of each calendar year and represent between 95 and 98 percent of total annual filings.”¹ Thus, the data represent nearly all tax returns filed, although matches are not always made between one year and the next. For example, spouses filing jointly in one year but separately in the other would not provide a unique match for both individuals based on the methods that IRS takes to match the returns. However, even with these limitations IRS documents state “The county-to-county migration data may be the largest dataset that tracks movement of both households and people from county to county”.² The county to county movement is aggregated to the state level, which is the basis for this analysis.

This data series has annual information since 1989. The information through 2009 represents 21 comparable annual periods. The variable migration is measured by compared the number of exemptions that moved, which is a proxy for the total number of persons (total migrating population). The data do not indicate any demographics about the movers such as age, gender or race, so there is no way to know who exactly is moving (i.e. more/less college or early working-age persons, retirees, mid-career married couples with kids, etc.). Thus, the information provides a general sense of the level of movement and whether Nebraska (or another state) is having a net inflow or outflow of persons with other specific states on an annual basis.

¹ <http://www.irs.gov/taxstats/article/0,,id=212683,00.html> accessed October 21, 2009

² http://www.irs.gov/pub/irs-soi/99gross_update.doc accessed October 21, 2009

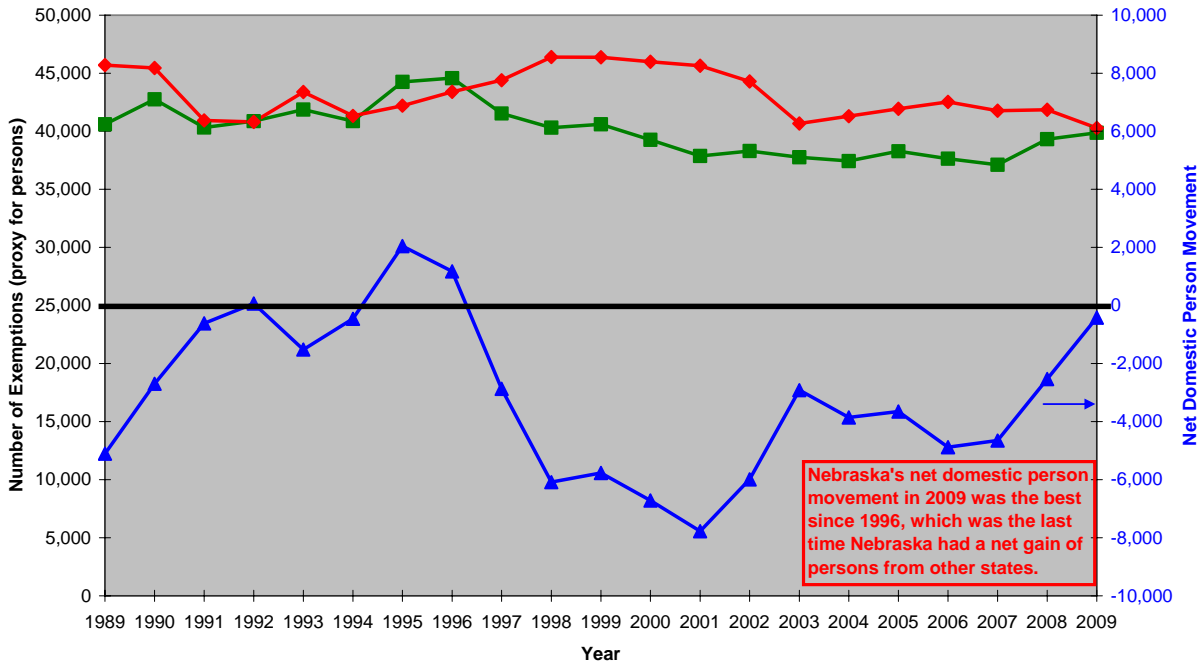
Comparison of Net Person Movement between Nebraska and Other States: 2007-08 vs 2008-09

Source: IRS State-to-State Migration Flow Files

Summarized by: David Drozd, UNO Center for Public Affairs Research

| Net Person Movement | | | | Change in Net | | |
|---------------------|---------|---------|------------|-------------------|----------|------|
| State | 2007-08 | 2008-09 | 08-09 Rank | State | Movement | Rank |
| California | 704 | 1,010 | 1 | Arizona | 486 | 1 |
| Florida | -40 | 305 | 2 | Florida | 345 | 2 |
| Iowa | 26 | 266 | 3 | South Dakota | 316 | 3 |
| Illinois | -40 | 235 | 4 | California | 306 | 4 |
| Michigan | 253 | 216 | 5 | Illinois | 275 | 5 |
| Arizona | -273 | 213 | 6 | Kansas | 250 | 6 |
| Georgia | -1 | 138 | 7 | Colorado | 242 | 7 |
| Pennsylvania | 14 | 128 | 8 | Iowa | 240 | 8 |
| Nevada | -44 | 95 | 9 | Georgia | 139 | 9 |
| Idaho | -37 | 82 | 10 | Nevada | 139 | 9 |
| Connecticut | -25 | 54 | 11 | Washington | 137 | 11 |
| Ohio | 37 | 50 | 12 | Idaho | 119 | 12 |
| Hawaii | -10 | 46 | 13 | Kentucky | 115 | 13 |
| New Jersey | 19 | 46 | 13 | Pennsylvania | 114 | 14 |
| West Virginia | 12 | 34 | 15 | Connecticut | 79 | 15 |
| Rhode Island | 55 | 30 | 16 | Oregon | 79 | 15 |
| Utah | -21 | 26 | 17 | Louisiana | 57 | 17 |
| Maine | 19 | 20 | 18 | Hawaii | 56 | 18 |
| Kentucky | -99 | 16 | 19 | Utah | 47 | 19 |
| New Hampshire | 14 | 13 | 20 | New Jersey | 27 | 20 |
| Massachusetts | -13 | 8 | 21 | West Virginia | 22 | 21 |
| Minnesota | 94 | 3 | 22 | Massachusetts | 21 | 22 |
| Delaware | -18 | -6 | 23 | New Mexico | 21 | 22 |
| Tennessee | 49 | -6 | 23 | North Carolina | 18 | 24 |
| Vermont | 11 | -8 | 25 | South Carolina | 14 | 25 |
| Kansas | -266 | -16 | 26 | Ohio | 13 | 26 |
| Dist. of Columbia | -14 | -20 | 27 | Delaware | 12 | 27 |
| Alabama | 28 | -24 | 28 | Maine | 1 | 28 |
| Oregon | -111 | -32 | 29 | New Hampshire | -1 | 29 |
| South Carolina | -51 | -37 | 30 | Dist. of Columbia | -6 | 30 |
| North Dakota | 23 | -38 | 31 | Indiana | -11 | 31 |
| New York | 2 | -42 | 32 | Maryland | -14 | 32 |
| New Mexico | -65 | -44 | 33 | Vermont | -19 | 33 |
| Louisiana | -105 | -48 | 34 | Rhode Island | -25 | 34 |
| Montana | 41 | -52 | 35 | Michigan | -37 | 35 |
| Indiana | -44 | -55 | 36 | New York | -44 | 36 |
| Mississippi | 76 | -57 | 37 | Virginia | -46 | 37 |
| Wisconsin | 76 | -64 | 38 | Alabama | -52 | 38 |
| Washington | -220 | -83 | 39 | Tennessee | -55 | 39 |
| North Carolina | -109 | -91 | 40 | North Dakota | -61 | 40 |
| Arkansas | 24 | -96 | 41 | Oklahoma | -84 | 41 |
| Alaska | 45 | -107 | 42 | Minnesota | -91 | 42 |
| Missouri | 47 | -107 | 42 | Montana | -93 | 43 |
| Maryland | -98 | -112 | 44 | Wyoming | -107 | 44 |
| Virginia | -76 | -122 | 45 | Arkansas | -120 | 45 |
| South Dakota | -461 | -145 | 46 | Texas | -129 | 46 |
| Oklahoma | -116 | -200 | 47 | Mississippi | -133 | 47 |
| Colorado | -471 | -229 | 48 | Wisconsin | -140 | 48 |
| Wyoming | -266 | -373 | 49 | Alaska | -152 | 49 |
| Texas | -1,108 | -1,237 | 50 | Missouri | -154 | 50 |
| Nebraska TOTAL | -2,533 | -417 | n/a | Nebraska TOTAL | 2,116 | n/a |

Comparison of Nebraska Domestic Inflows, Outflows, and Net Person Movement Based on IRS Tax Filings: 1989-2009

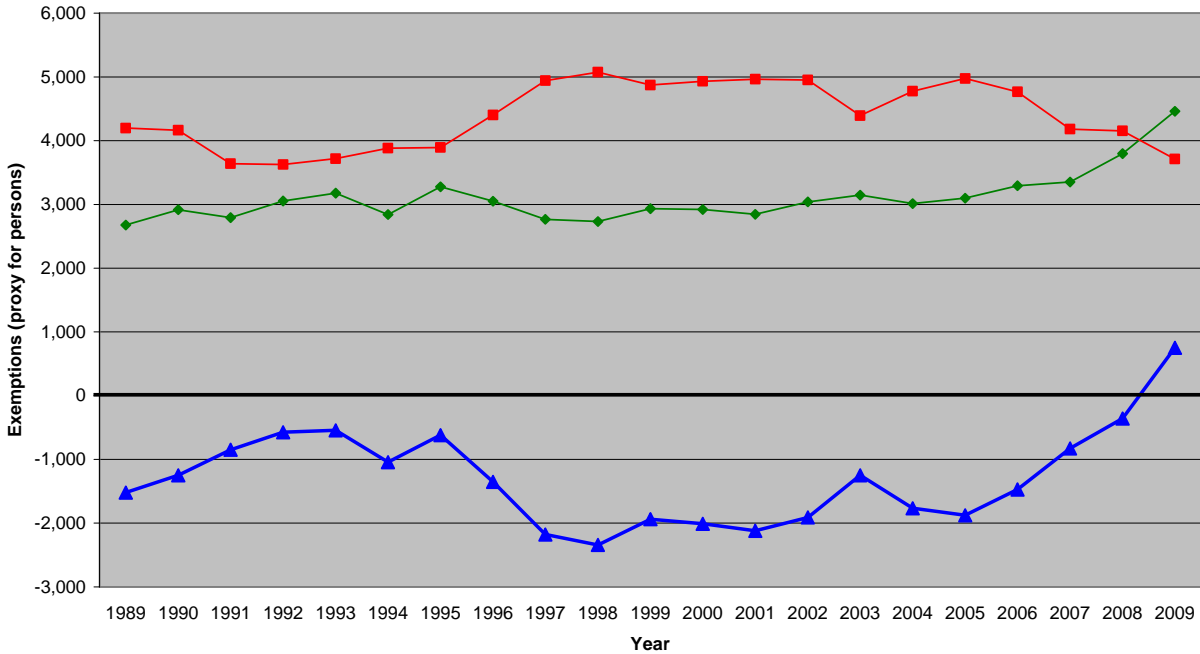


Source: IRS State-to-State Migration Files

■ Total Domestic Inflow
 ◆ Total Domestic Outflow
 ▲ Total Net Domestic

Compiled and Prepared by: David Drozd, CPAR @ UNO 7-25-11

Number of Tax Return Exemptions for Movers between Nebraska and Arizona, Florida, Georgia, and Nevada: 1989-2009

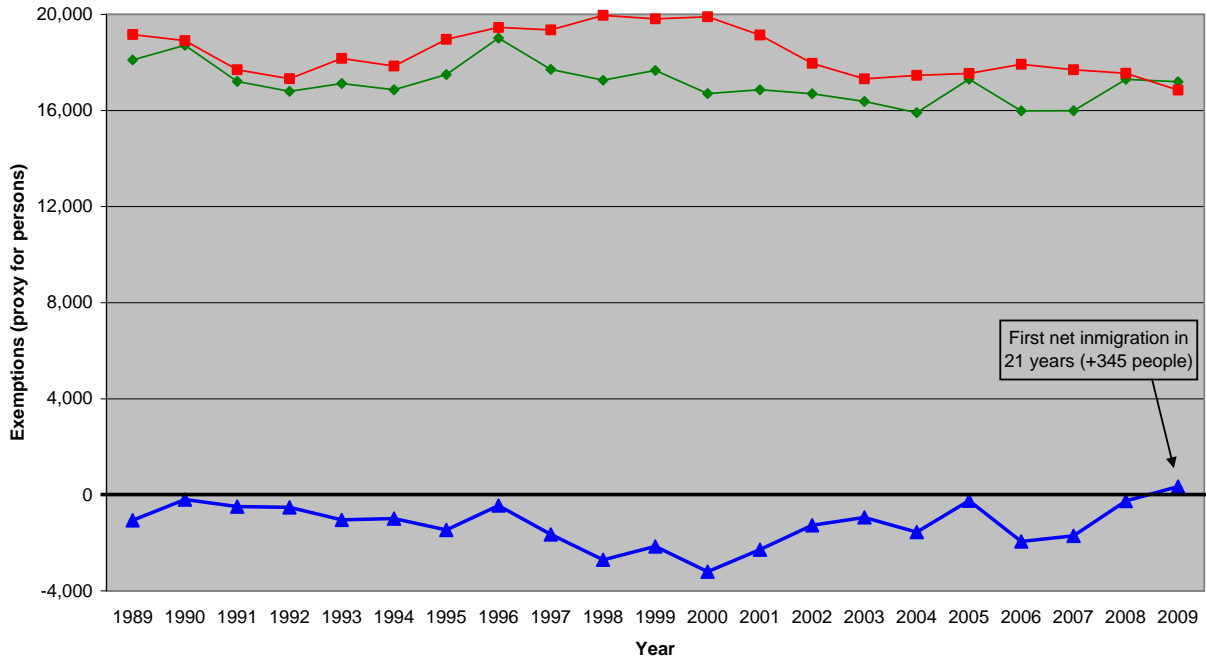


Source: IRS State-to-State Migration Files

◆ Total Inflow
 ■ Total Outflow
 ▲ Total Net Flow

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Number of Tax Return Exemptions for Movers between Nebraska and Other States in the Midwest Region: 1989-2009



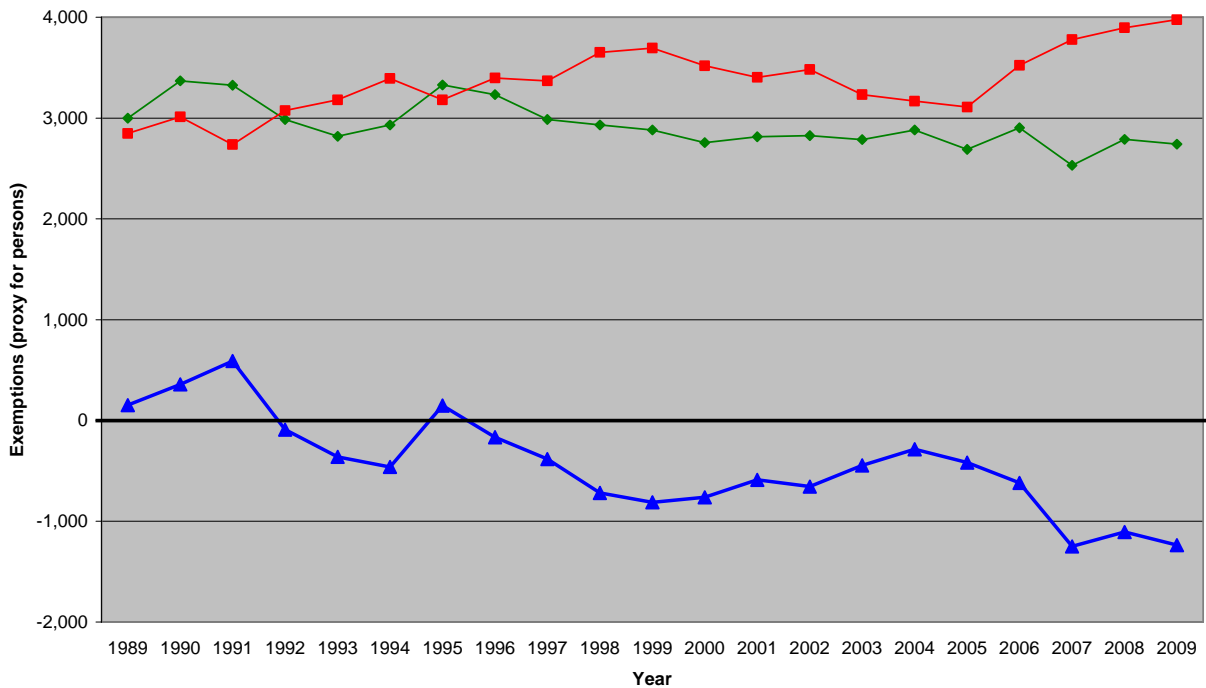
First net immigration in 21 years (+345 people)

Source: IRS State-to-State Migration Files

◆ Total Inflow ■ Total Outflow ▲ Total Net Flow

Compiled and Prepared by: David Drozd, CPAR @ UNO 7-25-11

Number of Tax Return Exemptions for Movers Between Nebraska and Texas: 1989 to 2009

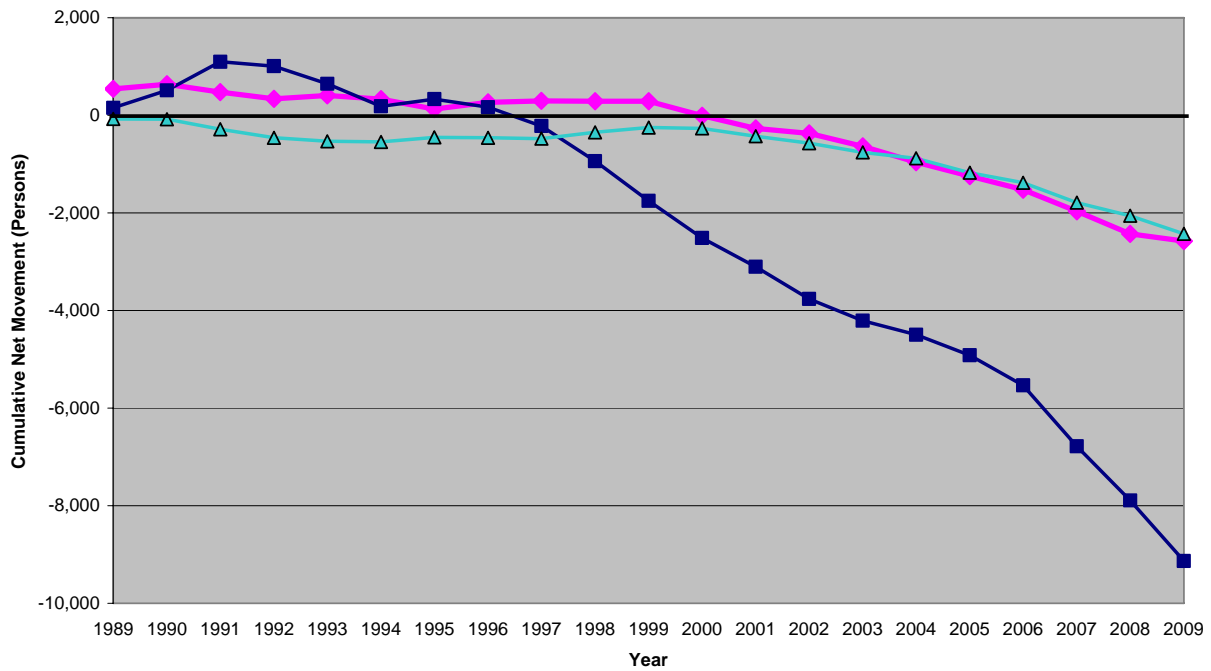


Source: IRS State-to-State Migration Files

◆ Total Inflow ■ Total Outflow ▲ Total Net Flow

Compiled and Prepared by: David Drozd, CPAR @ UNO 7-25-11

Cumulative Net Person Movement between Nebraska and South Dakota, Texas, and Wyoming: 1989-2009

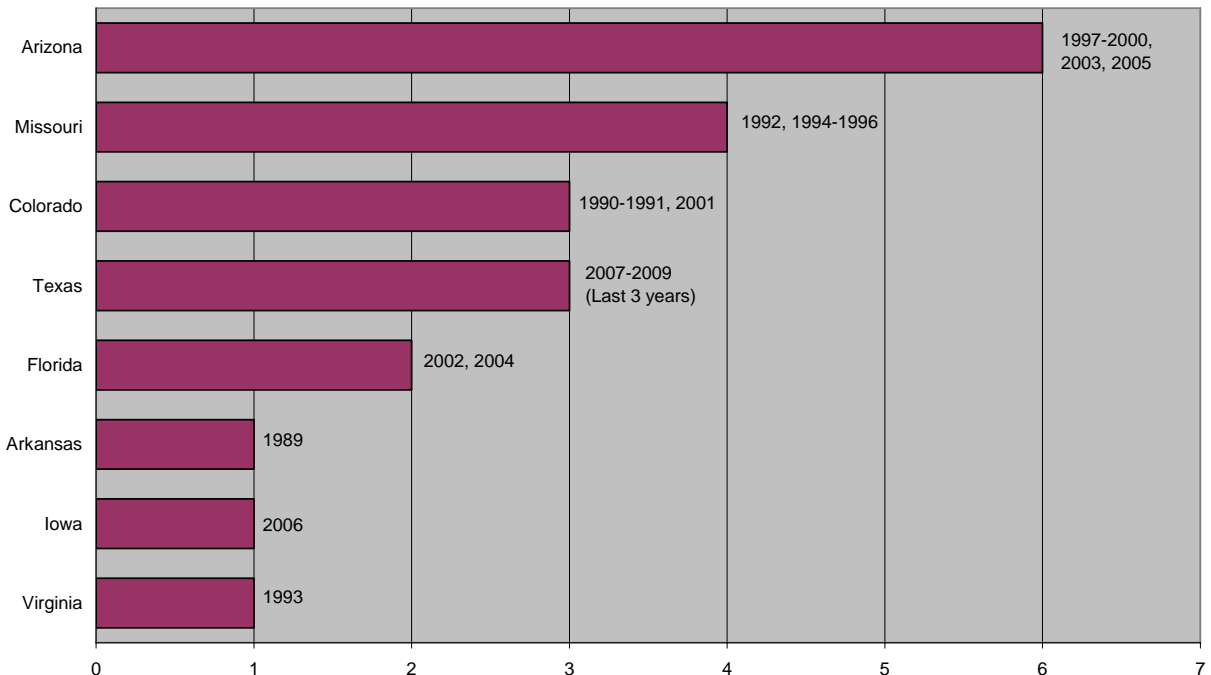


Source: IRS State-to-State Migration Files

◆ South Dakota ■ Texas ▲ Wyoming

Compiled and Prepared by: David Drozd, CPAR @ UNO 7-25-11

Number of Years a Specific State has had Nebraska's Largest Annual Net Outmigration: 1989-2009



Source: IRS State-to-State Migration Files

Number of Years Having Nebraska's Largest Net Outmigration

Compiled and Prepared by: David Drozd, CPAR @ UNO 8-18-11

