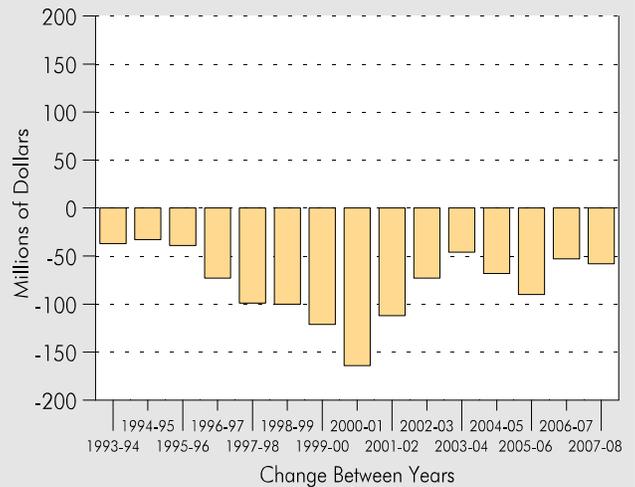


Net Taxable Income Flow Due to Migration for North Dakota: 2007-2008

Recently released data from the IRS provide the opportunity to monitor the flow of income into and out of North Dakota counties as it relates to the migration of people. Analysis of data from the past 15 tax years reveals that North Dakota has experienced a continued net loss of taxable income as a direct result of migration (Figure 1). From 1993 (when IRS records were first made available for county flow analysis) through 2008 (the most current data available), people moving to North Dakota brought with them \$7.4 billion in taxable income. People moving out of the state took with them \$8.5 billion. Since 1993, North Dakota has lost \$1.1 billion in net taxable income as a direct result of migration.

Out migration from North Dakota reached a peak in 2000-2001 and has slowed in recent years. According to the most current tax year data available, 2007-2008, North Dakota had a net out-migration of 60 returns (with 231 exemptions). These households took with them a net aggregate income of \$58 million. In addition, those leaving the state tended to have higher incomes than those moving in. The median income for those leaving North Dakota was \$22,197. The median for those moving into the state was \$20,899 (Table 1).

Figure 1. Annual Net Taxable Income Flow Due to Migration for North Dakota: 1993-94 to 2007-08



Source: U.S. Internal Revenue Service (IRS), County-to-County Migration Flow files for North Dakota, 1993-94 to 2007-08.

For information on methodology and limitations of these data, along with further discussion and additional tables, visit <http://www.ndsu.edu/sdc/publications/research.htm#migration>.

Figure 2. Net Taxable Income Flow Due to Migration for North Dakota by County: 2007-2008

Source: U.S. Internal Revenue Service (IRS), County-to-County Migration Flow files for North Dakota, 2007-08.

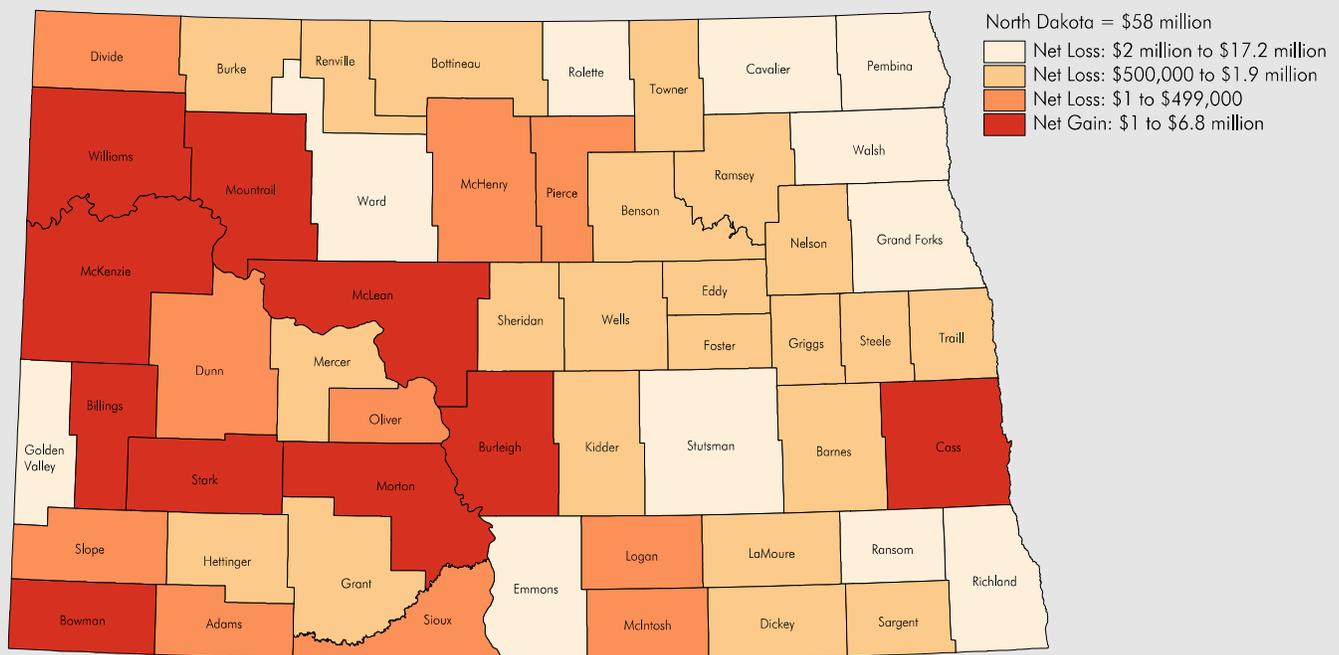


Table 1. County Migration Flows for North Dakota: 2007-2008

Note: Aggregate income figures are in thousands of dollars. For example, -58,122 equals a net loss of \$58,122,000. NR=Data are suppressed if based on less than 10 records.

Source: U.S. Internal Revenue Service (IRS), County-to-County Migration Flow files for North Dakota, 2007-08. For information on methodology and limitations of these data, along with further discussion and additional tables, visit www.ndsu.edu/sdc/publications/research.htm#migration to obtain *North Dakota County Migration Flows: 1998-99 to 2000-01*, a North Dakota State Data Center report in PDF format.

Area	Migration and Flow of Income Due to Migration for 2007 to 2008 as Reported on IRS Tax Returns										
	Flow of Total IRS Tax Returns			Flow of Total Exemptions			Flow of Aggregate Income (\$1,000)			Median Income (\$) of Flow	
	Into ND	Out of ND	Net Flow	Into ND	Out of ND	Net Flow	Into ND	Out of ND	Net Flow	Into ND	Out of ND
North Dakota	19,432	19,522	-90	33,401	33,632	-231	669,282	727,404	-58,122	20,899	22,197
Adams	58	60	-2	110	110	0	2,315	2,386	-71	23,749	22,499
Barnes	260	302	-42	480	509	-29	9,843	11,425	-1,582	22,869	21,249
Benson	97	144	-47	210	276	-66	2,103	3,746	-1,643	16,070	17,638
Billings	39	39	0	67	62	5	1,566	1,320	246	26,666	21,666
Bottineau	124	164	-40	246	268	-22	5,024	6,056	-1,032	22,678	17,023
Bowman	96	67	29	202	109	93	2,936	2,584	352	25,749	20,277
Burke	46	61	-15	80	113	-33	1,623	2,765	-1,142	31,249	26,249
Burleigh	2,368	2,164	204	4,063	3,588	475	89,324	85,683	3,641	22,066	21,937
Cass	5,131	4,224	907	7,812	7,028	784	176,241	171,556	4,685	19,720	23,775
Cavalier	85	110	-25	161	183	-22	3,203	5,935	-2,732	19,285	17,499
Dickey	133	176	-43	227	310	-83	3,833	5,476	-1,643	19,317	19,317
Divide	39	54	-15	68	85	-17	1,699	2,074	-375	31,666	28,749
Dunn	80	84	-4	164	148	16	2,496	2,963	-467	24,499	22,499
Eddy	47	56	-9	78	102	-24	1,951	2,691	-740	18,570	18,928
Emmons	46	75	-29	76	109	-33	1,458	3,466	-2,008	23,570	24,721
Foster	83	94	-11	137	163	-26	3,338	3,954	-616	22,777	24,374
Golden Valley	48	57	-9	86	101	-15	1,457	3,864	-2,407	21,562	18,499
Grand Forks	2,388	2,632	-244	4,006	4,552	-546	75,921	93,089	-17,168	18,055	22,066
Grant	42	65	-23	85	104	-19	1,534	2,367	-833	28,124	21,110
Griggs	50	76	-26	100	116	-16	1,936	2,902	-966	27,499	19,463
Hettinger	52	71	-19	94	107	-13	1,552	2,186	-634	21,249	17,499
Kidder	68	74	-6	127	137	-10	2,142	3,066	-924	23,332	24,317
La Moure	55	119	-64	105	184	-79	1,726	3,513	-1,787	23,999	21,093
Logan	43	47	-4	80	74	6	1,354	1,723	-369	22,999	22,082
McHenry	150	141	9	267	248	19	4,960	5,026	-66	25,434	22,499
McIntosh	52	67	-15	96	128	-32	1,735	1,894	-159	18,928	17,749
McKenzie	126	115	11	276	229	47	5,024	4,078	946	27,499	23,749
McLean	251	249	2	514	438	76	11,474	8,570	2,904	27,199	22,499
Mercer	200	232	-32	357	392	-35	8,179	9,449	-1,270	25,535	21,399
Morton	1,020	890	130	1,791	1,532	259	37,405	30,573	6,832	23,880	21,618
Mountrial	202	185	17	406	346	60	6,184	5,349	835	21,124	19,599
Nelson	72	88	-16	129	143	-14	2,197	2,840	-643	23,749	25,499
Oliver	38	53	-15	65	83	-18	1,308	1,731	-423	26,666	22,221
Pembina	154	230	-76	314	427	-113	5,399	10,184	-4,785	26,832	24,190
Pierce	116	131	-15	235	216	19	3,983	4,478	-495	22,707	21,099
Ramsey	287	299	-12	531	521	10	8,765	9,951	-1,186	20,344	18,124
Ransom	117	173	-56	207	261	-54	4,188	6,879	-2,691	24,852	23,946
Renville	94	116	-22	157	196	-39	2,918	4,278	-1,360	22,916	24,673
Richland	408	509	-101	773	864	-91	13,554	17,224	-3,670	21,363	21,392
Rolette	179	252	-73	379	455	-76	4,155	6,686	-2,531	16,517	14,949
Sargent	83	127	-44	146	226	-80	2,948	4,645	-1,697	24,999	23,905
Sheridan	17	43	-26	31	66	-35	493	1,203	-710	14,374	16,249
Sioux	71	89	-18	158	200	-42	1,468	1,765	-297	13,332	14,999
Slope	19	15	4	31	20	11	622	724	-102	23,749	26,249
Stark	654	640	14	1,132	1,038	94	24,638	23,651	987	22,089	20,484
Steele	40	61	-21	63	88	-25	1,222	1,993	-771	19,999	23,076
Stutsman	469	495	-26	783	860	-77	15,375	17,585	-2,210	19,999	20,899
Towner	49	80	-31	74	132	-58	1,388	2,399	-1,011	18,332	19,867
Trails	224	248	-24	405	411	-6	7,275	7,998	-723	23,749	20,241
Walsh	230	293	-63	413	466	-53	6,480	9,511	-3,031	18,749	18,779
Ward	1,975	2,093	-118	3,605	4,111	-506	62,846	75,712	-12,866	20,723	24,264
Wells	77	117	-40	161	191	-30	2,759	4,173	-1,414	23,832	20,332
Williams	580	476	104	1,038	806	232	23,765	20,066	3,699	26,622	22,227

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Western North Dakota Counties Show Growth in Net Taxable Income Due to Migration

During 2007-08, 10 counties in North Dakota reported a net gain in taxable income due to migration, nine of which are located in the western part of the state. Losses in the remaining 43 counties, however, combined to produce a net loss of \$58 million in taxable income in North Dakota due to migration alone.

This month's "Economic Brief," a monthly publication from the North Dakota State Data Center at North Dakota State University, focuses on the analysis of federal individual income tax returns of tax filers moving to and from North Dakota over the past 15 tax years, as released by the IRS. These records reveal that North Dakota has experienced a continued net loss of taxable income as a direct result of migration.

"The effect of this net exchange of taxable income, as a result of migration, is best illustrated by contrasting the income of movers. Between 2007 and 2008, the median income of a tax filer who left North Dakota was \$22,197, so half of those who left had incomes above that amount and half had incomes below that amount. The median income of those moving into North Dakota during that time was \$20,899," said Richard Rathge, Director of the State Data Center.

North Dakota's general trend of outmigration has produced long-term economic consequences. Since 1993, North Dakota has lost \$1.1 billion in net taxable income as a direct result of migration. From 1993 through 2008, people moving to North Dakota brought with them \$7.4 billion in taxable income, while people moving out of the state took with them \$8.5 billion. Grand Forks and Ward counties showed the largest losses in taxable income due to migration with net outflows of \$314 million and \$202 million in taxable income, respectively.

Three counties in the state experienced a net gain in taxable income due to migration during the past 16 years. Burleigh County had a net increase of \$42 million in taxable income due to migration, Morton County had a \$18 million increase, and Bottineau County had a net increase of \$2 million.

One needs to keep in mind that the IRS data have important limitations, such as the need to match returns between years and misreporting due to address changes. Nonetheless, these data offer one way to document the economic consequences of migration.

The economic impact of migration can be significant even in areas that have a net increase in tax filers, or net immigration. Over the past 15 tax years, Cass County, the state's largest population center, had a net growth of 7,533 tax filers. However, those tax filers leaving the county had higher incomes than those arriving. Therefore, even though Cass County gained tax filers, it lost \$57 million in taxable income during that period due to migration. This trend may be reversing, however. Since 2006-2007, Cass County has reported net gains in tax filers and in taxable income.

For information on methodology and limitations of these data, along with further discussion and additional tables, visit <http://www.ndsu.edu/sdc/publications/research.htm#migration>.

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