



New IRS Data Reveals Which States Won (And Lost) In The Battle For People & Their Wealth

Description

USA: Every year, states across the country compete with each other for people and their wealth as millions of Americans move between states. The stakes are large. A growing population for the winners means an increasing tax base, economic growth and investment. For the biggest losers, it means more difficulties in paying down debts, higher taxes and fewer investments for the future.

The nation's most-recent winners of migration from other states are Florida and Idaho. Florida, the nation's perennial winner, gained the most people and income overall in 2019, while Idaho gained the most of both on a percentage basis.

On the other end of the competition are states that have become perennial losers. States like California, New York, Illinois and New Jersey once again experienced some of the nation's biggest losses of both residents and their money.

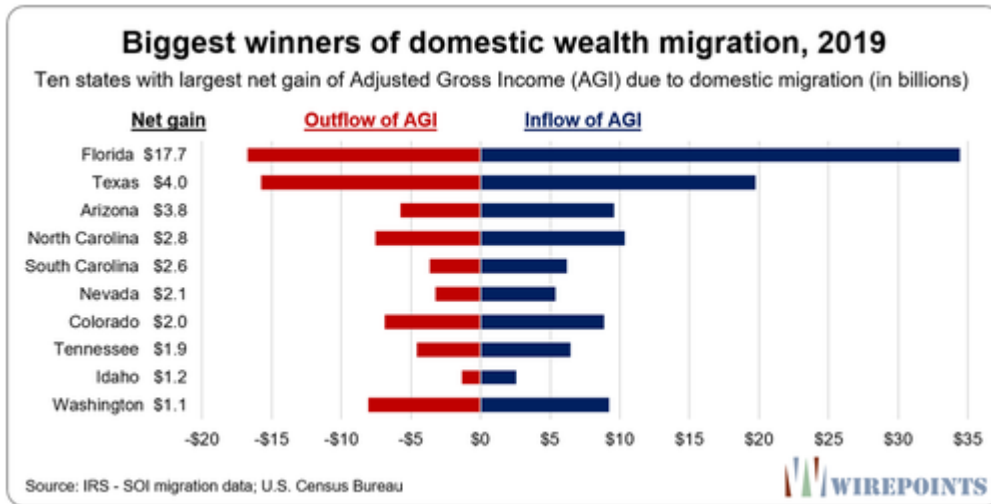
Those findings are based on a Wirepoints' analysis of the latest [2019 domestic migration data](#) provided by the Internal Revenue Service. The IRS reviews tax returns annually to track when and where people move. It also aggregates the ages, income brackets and adjusted gross incomes of filers.

Winners and losers

The Sunshine State attracted over \$34.4 billion in Adjusted Gross Income (AGI) from 558,096 new residents (tax filers and their dependents) that moved into Florida in 2019. On the flip side, Florida lost \$15.6 billion in AGI from 431,307 people who left. Overall, Florida came out ahead with 126,789 net new people and \$17.7 billion in net new taxable income.

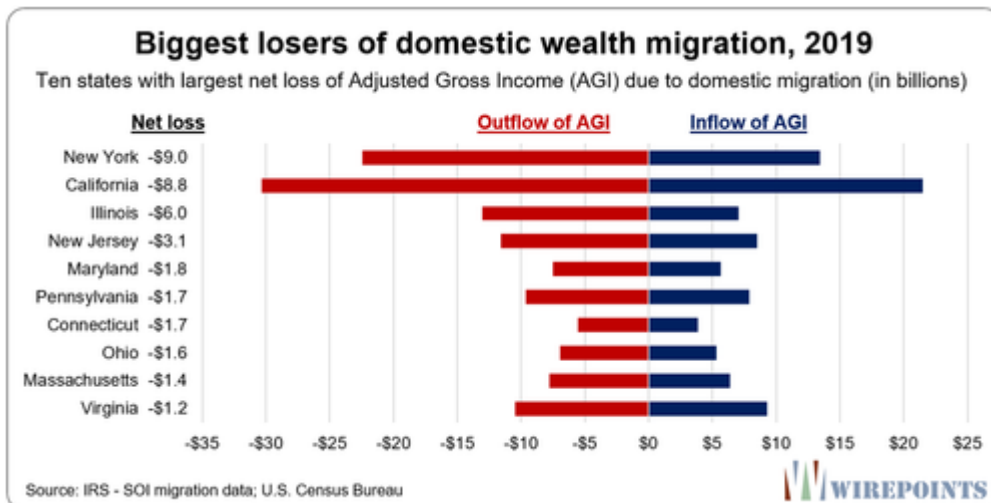
That's a total gain of about 2.7 percent of the state's total 2018 AGI (\$661 billion).

Texas was the runner up with a net income gain of \$4.0 billion, followed by Arizona with \$3.8 billion. North and South Carolina rounded out the top five with net gains of \$2.8 billion and \$2.6 billion, respectively.



On the losing side, New York suffered the worst outflow of money of any state in 2019. The Empire State lost a net \$9 billion in income, or more than 1.15 percent of its 2018 AGI, while a net of nearly 153,000 residents moved out.

California was next, losing a net \$8.8 billion and 165,000 people. Illinois was third with a net loss of \$6.0 billion and 82,000 people. New Jersey and Maryland were in 4th and 5th place, with \$3.1 and \$1.8 billion in income losses, respectively.



Tables with each state's ranking in migration gains/losses are provided below.

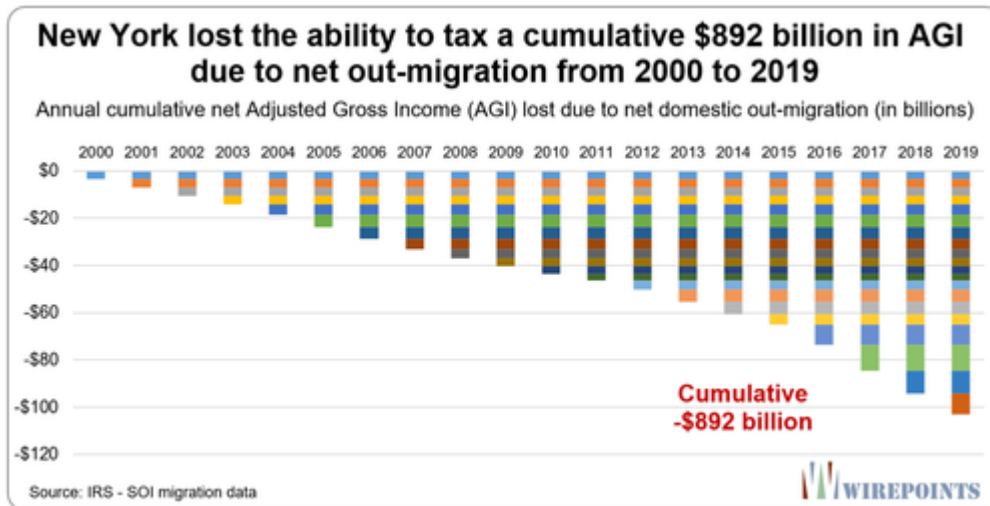
The cumulative impact of income losses and gains

The problem with chronic outflows, like in the case of New York, is that one year's losses don't only

affect the tax base the year they leave, but they also hurt all subsequent years. The losses pile up on top of each other, year after year. And when a state loses income to other states for 19 straight years, the numbers add up.

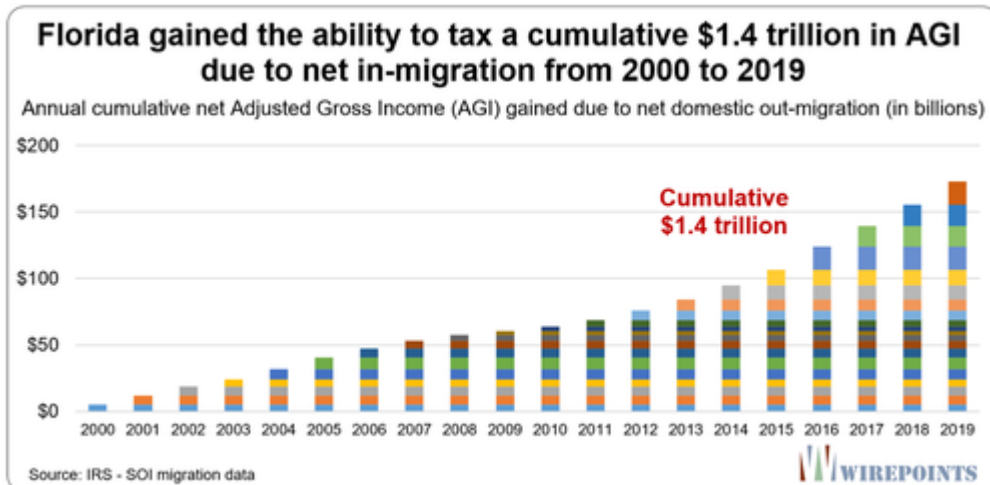
In 2019 alone, New York would have had nearly \$103 billion more in AGI to tax had it not been for the state's string of yearly migration losses.

And when the state's AGI losses are accumulated from 2000 to 2019, it totals \$892 billion in cumulative lost income that could have been taxed over the entire period.



The opposite is true for migration winners like Florida. Gains in people and income pile on top of each other each year, building an ever-growing tax base. In 2019 alone, the state's tax base was some \$173 billion higher due to the 19-year string of positive income gains from net in-migration.

Even though Florida doesn't tax incomes, Wirepoints also added up Florida's cumulative AGI to make an apples-to-apples comparison with New York. When the Sunshine State's AGI gains are accumulated from 2000 to 2019, it totals \$1.4 trillion in income that could have been taxed over the entire period.

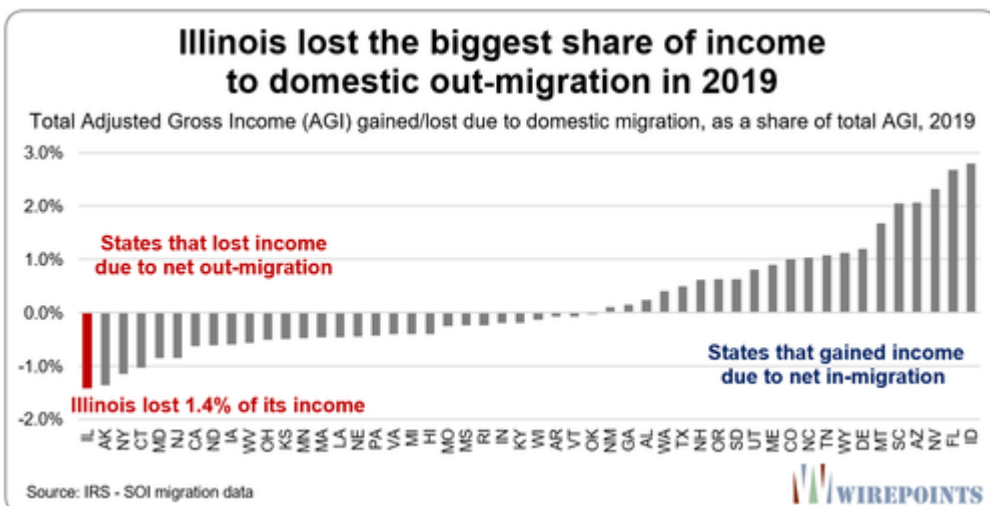


The competition for people matters

Illinois' own experience with out-migration shows just how damaging being an "exit" state can be.

Based on a percentage of total income, Illinois ranked worst nationally for income losses in 2019. Illinois lost 1.41 percent of its 2018 AGI. Alaska and New York ranked second and third, with losses of 1.35 percent and 1.15 percent of their total incomes, respectively.

In contrast, Idaho was the nation's big winner on a percentage basis in 2019, gaining 2.8 percent of its 2018 AGI base. The nation's top five were rounded out by Florida, Nevada, Arizona and South Carolina.



Illinois' \$6.0 billion AGI loss in 2019 wasn't just a one-time thing. Wirepoints' analysis found that, like New York, the state has netted annual losses of both resident and AGI every single year since at least 2000.

Florida's gains and Illinois' losses are a clear reminder that states are constantly competing for people,

businesses and a growing tax base.

The prize for winning is big, but the price for losing may be even bigger.

Appendix

Winners and losers of income due to domestic migration across the 50 states

State-by-state data on Adjusted Gross Income (AGI) gained/lost due to domestic migration (in millions), 2019

State	AGI gained due to domestic in-migration	AGI lost due to domestic out-migration	Net AGI gained/lost due to domestic migration	2018 total AGI	Net AGI gained/lost as a percent of 2018 AGI	Rank
Idaho	\$2,568	\$1,330	\$1,238	\$44,210	2.80%	1
Florida	\$34,417	\$16,728	\$17,690	\$661,033	2.68%	2
Nevada	\$5,375	\$3,255	\$2,119	\$91,337	2.32%	3
Arizona	\$9,611	\$5,763	\$3,848	\$185,903	2.07%	4
South Carolina	\$6,223	\$3,651	\$2,573	\$125,700	2.05%	5
Montana	\$1,340	\$859	\$481	\$28,763	1.67%	6
Delaware	\$1,390	\$1,037	\$353	\$29,280	1.21%	7
Wyoming	\$981	\$757	\$224	\$19,981	1.12%	8
Tennessee	\$6,452	\$4,576	\$1,876	\$173,785	1.08%	9
North Carolina	\$10,348	\$7,542	\$2,806	\$269,469	1.04%	10
Colorado	\$8,889	\$6,887	\$2,001	\$199,227	1.00%	11
Maine	\$1,277	\$943	\$334	\$36,848	0.91%	12
Utah	\$2,911	\$2,223	\$688	\$85,539	0.80%	13
South Dakota	\$871	\$715	\$157	\$24,894	0.63%	14
Oregon	\$4,677	\$3,896	\$781	\$124,883	0.63%	15
New Hampshire	\$2,043	\$1,722	\$321	\$51,527	0.62%	16
Texas	\$19,771	\$15,754	\$4,017	\$804,312	0.50%	17
Washington	\$9,214	\$8,083	\$1,130	\$277,597	0.41%	18
Alabama	\$2,874	\$2,613	\$261	\$110,441	0.24%	19
Georgia	\$8,273	\$7,852	\$421	\$271,470	0.16%	20
New Mexico	\$1,885	\$1,835	\$50	\$45,554	0.11%	21
Oklahoma	\$2,163	\$2,191	-\$28	\$90,040	-0.03%	22
Vermont	\$686	\$698	-\$13	\$19,406	-0.07%	23
Arkansas	\$1,674	\$1,728	-\$54	\$69,287	-0.08%	24
Wisconsin	\$3,306	\$3,544	-\$238	\$176,460	-0.13%	25
Kentucky	\$2,351	\$2,541	-\$190	\$101,169	-0.19%	26
Indiana	\$3,645	\$3,987	-\$343	\$174,205	-0.20%	27
Rhode Island	\$1,114	\$1,192	-\$78	\$33,807	-0.23%	28
Mississippi	\$1,384	\$1,518	-\$134	\$56,392	-0.24%	29
Missouri	\$3,918	\$4,310	-\$392	\$160,584	-0.24%	30
Hawaii	\$1,697	\$1,866	-\$169	\$42,161	-0.40%	31
Michigan	\$4,359	\$5,494	-\$1,135	\$280,214	-0.40%	32
Virginia	\$9,315	\$10,485	-\$1,170	\$288,513	-0.41%	33
Pennsylvania	\$7,886	\$9,606	-\$1,719	\$403,147	-0.43%	34
Nebraska	\$1,105	\$1,350	-\$246	\$54,854	-0.45%	35
Louisiana	\$2,053	\$2,538	-\$485	\$105,347	-0.46%	36
Massachusetts	\$6,354	\$7,786	-\$1,433	\$307,846	-0.47%	37
Minnesota	\$3,183	\$4,106	-\$922	\$194,407	-0.47%	38
Kansas	\$2,212	\$2,603	-\$391	\$80,662	-0.48%	39
Ohio	\$5,306	\$6,927	-\$1,621	\$317,380	-0.51%	40
West Virginia	\$900	\$1,110	-\$210	\$37,392	-0.56%	41
Iowa	\$1,652	\$2,169	-\$517	\$87,897	-0.59%	42
North Dakota	\$705	\$850	-\$144	\$23,606	-0.61%	43
California	\$21,467	\$30,308	-\$8,841	\$1,430,619	-0.62%	44
New Jersey	\$8,501	\$11,608	-\$3,107	\$367,941	-0.84%	45
Maryland	\$5,662	\$7,499	-\$1,838	\$216,006	-0.85%	46
Connecticut	\$3,872	\$5,551	-\$1,678	\$163,861	-1.02%	47
New York	\$13,450	\$22,445	-\$8,995	\$783,809	-1.15%	48
Alaska	\$788	\$1,081	-\$294	\$21,671	-1.35%	49
Illinois	\$7,025	\$13,039	-\$6,014	\$425,251	-1.41%	50

Source: IRS - SOI migration data; U.S. Census Bureau



Winners and losers of people due to domestic migration across the 50 states

State-by-state data on people (tax filers and their dependents) gained/lost due to domestic migration (in millions), 2019

State	People gained due to domestic in-migration	People lost due to domestic out-migration	Net people gained/lost due to domestic migration	2018 total population	Net people gained/lost as a percent of 2018 population	Rank
Idaho	67,627	44,773	22,854	1,750,536	1.31%	1
Nevada	121,694	90,639	31,055	3,027,341	1.03%	2
Arizona	218,736	152,769	65,967	7,158,024	0.92%	3
South Carolina	152,713	111,270	41,443	5,084,156	0.82%	4
Delaware	33,006	26,676	6,330	965,479	0.66%	5
Florida	558,096	431,307	126,789	21,244,317	0.60%	6
Montana	32,512	27,102	5,410	1,060,665	0.51%	7
Tennessee	175,692	141,689	34,003	6,771,631	0.50%	8
North Carolina	270,416	221,982	48,434	10,381,615	0.47%	9
Maine	28,342	22,963	5,379	1,339,057	0.40%	10
Texas	513,154	398,960	114,194	28,628,666	0.40%	11
Washington	205,591	175,868	29,723	7,523,869	0.40%	12
Oregon	108,522	93,494	15,028	4,181,886	0.36%	13
Georgia	254,258	218,625	35,633	10,511,131	0.34%	14
Colorado	188,033	169,145	18,888	5,691,287	0.33%	15
New Hampshire	40,034	35,593	4,441	1,353,465	0.33%	16
Utah	75,988	69,790	6,198	3,153,550	0.20%	17
Alabama	93,331	84,579	8,752	4,887,681	0.18%	18
Oklahoma	77,814	73,929	3,885	3,940,235	0.10%	19
Wyoming	21,709	21,275	434	577,601	0.08%	20
Arkansas	59,600	57,380	2,220	3,009,733	0.07%	21
Indiana	115,836	111,505	4,331	6,695,497	0.06%	22
South Dakota	23,278	22,902	376	878,698	0.04%	23
Missouri	117,840	117,321	519	6,121,623	0.01%	24
New Mexico	54,859	54,841	18	2,092,741	0.00%	25
Wisconsin	83,971	85,184	-1,213	5,807,406	-0.02%	26
Kentucky	80,903	81,992	-1,089	4,461,153	-0.02%	27
Virginia	234,126	237,729	-3,603	8,501,286	-0.04%	28
Minnesota	82,604	87,101	-4,497	5,606,249	-0.08%	29
Ohio	150,601	161,563	-10,962	11,676,341	-0.09%	30
Pennsylvania	185,787	198,391	-12,604	12,800,922	-0.10%	31
Michigan	112,703	126,319	-13,616	9,984,072	-0.14%	32
Iowa	53,281	58,662	-5,381	3,148,618	-0.17%	33
Rhode Island	24,658	26,483	-1,825	1,058,287	-0.17%	34
Vermont	14,859	16,154	-1,295	624,358	-0.21%	35
Nebraska	37,230	41,822	-4,592	1,925,614	-0.24%	36
Maryland	140,840	156,732	-15,892	6,035,802	-0.26%	37
Mississippi	52,820	60,833	-8,013	2,981,020	-0.27%	38
West Virginia	30,554	35,809	-5,255	1,804,291	-0.29%	39
New Jersey	164,271	190,799	-26,528	8,886,025	-0.30%	40
North Dakota	24,561	26,940	-2,379	758,080	-0.31%	41
Connecticut	67,937	79,769	-11,832	3,571,520	-0.33%	42
Kansas	68,957	79,373	-10,416	2,911,359	-0.36%	43
Massachusetts	107,241	133,075	-25,834	6,882,635	-0.38%	44
Louisiana	65,232	84,129	-18,897	4,659,690	-0.41%	45
California	413,309	578,664	-165,355	39,461,588	-0.42%	46
Hawaii	48,269	57,263	-8,994	1,420,593	-0.63%	47
Illinois	163,600	245,370	-81,770	12,723,071	-0.64%	48
New York	233,144	385,847	-152,703	19,530,351	-0.78%	49
Alaska	26,195	33,692	-7,497	735,139	-1.02%	50

Source: IRS - SOI migration data; U.S. Census Bureau



by Tyler Durden

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