

# Moving On or Staying Put

*The recession has affected migration and immigration trends in Minnesota.*

The decision to move — whether to a different house, city, state or country — seems straightforward enough: It usually comes down to costs and benefits.

A new house might offer better amenities, a different city or state might have a lower cost of living, and a different country might offer better job opportunities.

2003, 2005 and 2008. In 2008, about 13.6 percent of the Minnesota population lived in a different house in the previous year. More than twice as many people who moved had lived elsewhere in Minnesota — in effect, in another county — than in another state. Less than 0.5 percent of 2008 Minnesota residents lived in another country in 2007.

But migration trends can be more complex than that. They sometimes are related to the economy or social factors.

This article will explore recent migration in Minnesota, whether the recession has affected migration trends, and how social factors influence decisions to move or stay put.

Minnesota migration trends in 2003 and 2005 show fewer people who lived in the same house one year prior. At least numerically, more Minnesotans lived in the same household in 2008 than in 2003 or 2005. Looked at another way, though, the percentage of people who lived in the same house in 2008 (85.9 percent) was similar to 2003 and 2005, when 85.6 percent of Minnesota residents lived in the same household one year before.

Another way of describing migration patterns is by direction. Inbound migration represents people who have moved into an area, while outbound migration represents those who have moved out of an area.



**Minnesota Migration Trends**

	2008	2005	2003
Lived in same house 1 year ago	4,422,978	4,213,300	4,154,504
Lived in different house 1 year ago	701,690	687,887	678,168
Same county	388,957	370,906	363,481
Different county, same state	215,227	216,812	225,863
Different county, different state	97,506	100,169	88,824
Lived abroad 1 year ago	23,972	21,917	22,092

*Note: Migration is measured for the population 1 year of age and older.  
Source: U.S. Census Bureau, American Community Survey*

## Migration in Minnesota

Table 1 displays the migration patterns of Minnesota residents in

TABLE 1

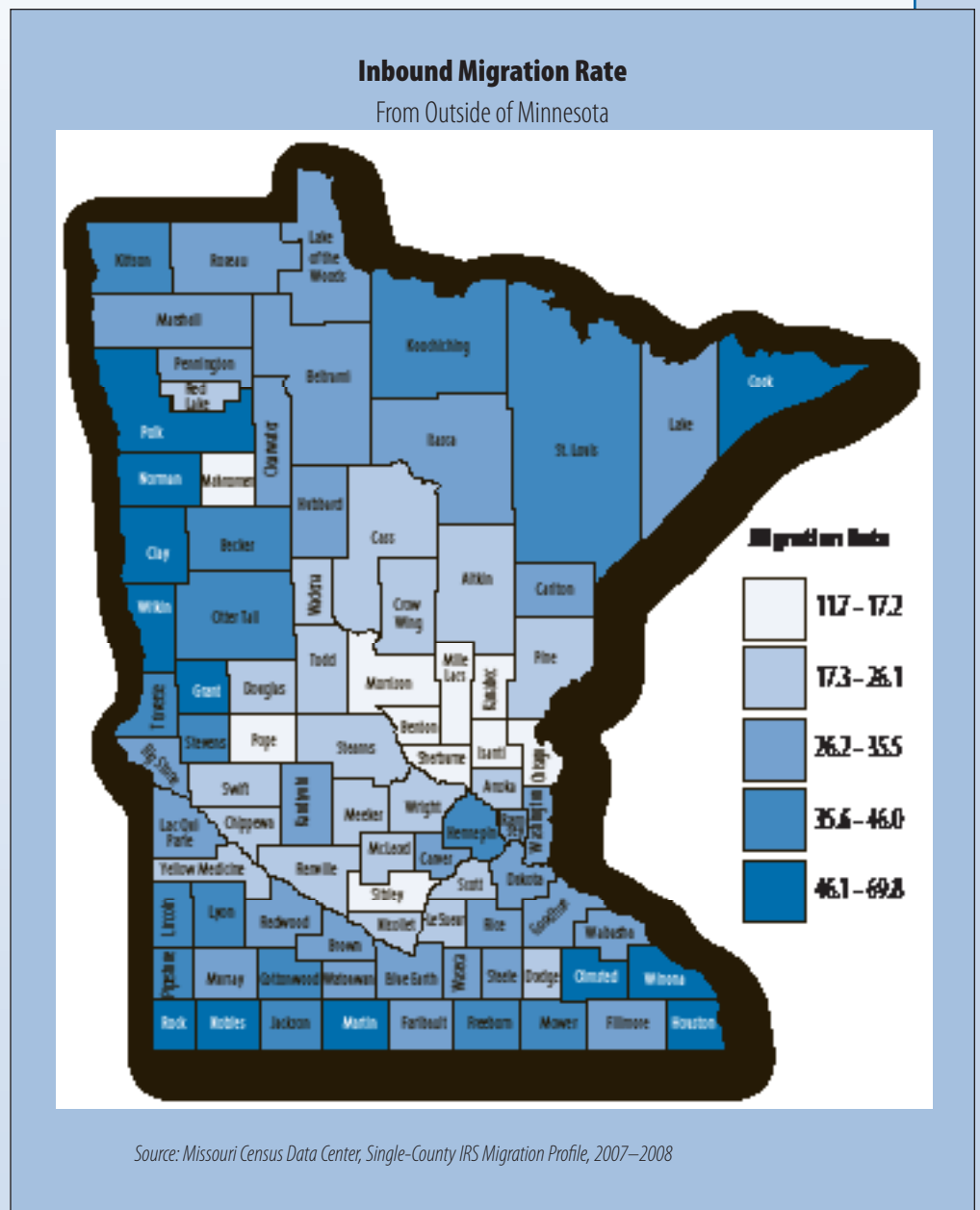
MAP 1

Map 1 displays the percentage of migration to Minnesota's counties from outside Minnesota, based on tax records filed with the Internal Revenue Service in 2007 and 2008. Migration from outside Minnesota reflects those who migrated from another state or county. Movements within a county are not included on this map.

Counties with the highest percentage of migration from outside Minnesota relative to total inbound migration include Nobles (69.8 percent), Wilkin (67.8 percent), Clay (65.7 percent) and Houston (63.7 percent).

Many of the counties with the highest rates of inbound migration are counties that border other states. Only two non-border counties — Grant and Olmsted — had more than half of their in-bound migration from outside Minnesota. In the case of Olmsted County, inbound migrants came from numerous states, including Wisconsin, Arizona, Illinois, Iowa and North Dakota.

Migration does not occur in just one direction. Table 2 illustrates the inbound and outbound state-to-state migration of Minnesota residents based on Internal Revenue Service tax records in 2007 and 2008. Overall, net migration trends show 4,900



people moved out of Minnesota between 2007 and 2008, illustrating a population loss. The largest movement both into and out of Minnesota came from two border states — Wisconsin and North Dakota — as well

as from California, Illinois and Texas. Only one of Minnesota's four border states, South Dakota, had a net gain of Minnesota residents in 2008.

TABLE 2

**State-to-State Migration Trends for Minnesota, 2007-2008**

Migration Flow (From/To) Area	Migration into MN (# of Exemptions)	Migration out of MN (# of Exemptions)	Net Migration	2007-2008 Change in Employment (in thousands)	Unemployment Rate (2007 avg./2007-2008 Change, percentage points)
<b>Total Minnesota</b>	<b>80,987</b>	<b>85,923</b>	<b>-4,936</b>	<b>-12.5</b>	<b>4.6% / +0.8</b>
Wisconsin	11,846	11,760	86	-14.2	4.7% / 0.0
North Dakota	5,556	5,448	108	+8.6	3.1% / +0.1
California	5,190	5,698	-508	-179.4	5.4% / +1.8
Illinois	4,937	4,519	418	-32	5.1% / +1.4
Texas	4,201	5,778	-1,577	+221.7	4.4% / +0.5
Iowa	4,367	4,345	22	+4.1	3.7% / +0.4
Florida	3,234	3,901	-667	-254.6	4.1% / +2.1
Arizona	2,414	3,661	-1,247	-57.4	3.8% / +1.7
South Dakota	2,727	3,296	-569	+4.9	2.9% / +0.1
Colorado	2,038	2,985	-947	+18.0	3.9% / +1.0
New York	1,854	1,947	-93	-60.9	4.5% / +0.9
Washington	1,668	2,378	-710	+25.8	4.5% / +0.5
Michigan	2,621	1,565	1,056	-109.2	7.1% / +1.3
Missouri	1,525	1,613	-88	+2.3	5.1 / +1.0
Ohio	1,687	1,421	266	-60	5.6 / +0.9
All Other States	22,056	23,839	-1,783	—	—

Note: Migration counts reference the number of exemptions claimed on IRS tax returns in consecutive years.

Source: Missouri Census Data Center, State-to-State Migration Files, 2007-2008 Bureau of Labor Statistics, Current Employment Statistics and Local Area Unemployment Statistics

**To Move or Not to Move**

How labor market conditions affect people's choices to move is difficult to quantify. Since even analysts who specialize in projecting the future of the economy misinterpret or miss important indicators and trends, it is apparent that most people

either base their economic decisions on current conditions or on guesses about the future.

For example, many people who bought houses during the mid-2000s might have made a different decision if they had known the future of the

housing and labor markets. The same can be said of the labor market. People generally base their decisions to move on job opportunities or offers. But when labor market conditions change rapidly or are different in one state compared with another, migration trends may be affected. In general, however, individual motivations are unknown when looking at these migration statistics.

Assuming that some people moved into or out of Minnesota recently because of economic conditions, let's revisit state-to-state migration trends in Minnesota to see if there is any correlation between movement and economic conditions. With the official onset of the recession in December 2007, basic economic conditions in 2007 and 2008 are presented in Table 2 for the 15 largest states with inbound and outbound migration to Minnesota.<sup>1</sup>

The unemployment rate in virtually all states grew, on average, between 2007 and 2008, while employment in many states fell. The three states with the largest positive net migration to Minnesota — Michigan, Illinois and Ohio — had higher unemployment rates in 2007 than did Minnesota. While unemployment rates grew and employment fell in all of these states, these changes were less severe in

Minnesota. Of the four states that received the largest number of Minnesota out-migrants, all had lower unemployment rates than Minnesota, and three states (Texas, Colorado and Washington) saw positive employment growth between 2007 and 2008.

We can only speculate on how many of these people moved to Minnesota or left the state because of economic conditions in 2007. Moreover, for some, the depressed housing market made the decision to move financially unfeasible. The ability to move might not exist if homeowners cannot sell their homes.

Median sales prices of existing housing in Minnesota dropped 5 percent, and the number of sales declined 30 percent between the first nine months of 2007 and the first nine months 2008.<sup>2</sup> There were mixed trends in the housing market at the end of 2009. The decline of sales slowed due to first-time homebuyer tax credits, but the median prices of homes were down as buyers took advantage of foreclosed properties with reduced prices.

### Migration and Age

We know that migration is based on more than just economic conditions. One key factor that might influence migration is age. Migration trends by age group, as seen in Table 3, show

a distinct difference between younger and older Minnesotans. The percentage of people age 55 to 64 who lived in the same house in 2007 and 2008 was significantly higher (94.4 percent) than people age 24 to 34 (76.1 percent). Likewise, the percentage of people who moved from another state in 2008 was highest among younger Minnesotans. As our population ages, more Minnesota residents may choose to stay put.

### Immigration Trends in Minnesota

Minnesota has a long and rich history of welcoming immigrants. Large numbers of immigrants

from Germany, Sweden and Norway, in particular, settled in Minnesota at the turn of the 20th century. Drawn here by good work opportunities, nearly 30 percent of Minnesota's population in 1900 was foreign-born.<sup>3</sup>

The nationalities of Minnesota immigrants had changed significantly by 2008, when more than 15,800 people moved here, almost half from countries in Africa.<sup>4</sup> The top countries of origin included Somalia (3,373), Ethiopia (1,199), Liberia (1,025), Mexico (857), Thailand (651), Kenya (610), India (609), Vietnam (604), China (586) and Laos (522).<sup>5</sup> Nearly 85 percent of these immigrants initially settled

**Minnesota Migration Trends by Age Group, 2008**

	Under 18	18 to 24	24 to 34	35 to 44	45 to 54	55 to 64	65 and over
Lived in same house 1 year ago	1,028,642	320,701	524,037	639,142	754,264	546,759	609,433
Moved within the same county	90,300	89,437	84,576	46,674	33,271	18,322	26,377
Moved from different county in the same state	37,476	71,141	49,890	23,193	15,534	8,569	9,424
Moved from a different state	16,590	28,017	22,858	10,858	9,555	4,626	5,002
Moved from abroad	5,066	5,257	7,004	2,248	2,463	1,016	918
Percent who lived in same house	87.3%	62.3%	76.1%	88.5%	92.5%	94.4%	93.6%
Percent who lived in another state	1.4%	5.4%	3.3%	1.5%	1.2%	0.8%	0.8%

*Note: Migration is measured for the population 1 year of age and older.*

*Source: U.S. Census Bureau, American Community Survey*

TABLE 3

TABLE 4

**Immigrants to Minnesota by Region**

	2008	2003	1998	1993	1988	1983
All Countries	15,832	8,406	6,981	7,438	4,665	6,103
Africa	7,659	2,775	1,731	590	n/a	291
Asia	4,776	2,814	2,441	4,162	2,717	4,364
Europe	1,170	1,362	1,354	1,671	273	262
North America	1,599	626	1,048	652	420	337
Oceania	52	0	35	59	202	37
South America	563	400	289	304	183	253

*n/a = Data are not available*

*Note: Individual country counts may not add up to totals due to unknown countries of origin.*

*Source: U.S. Department of Homeland Security and Immigration and Naturalization Service*

in the Twin Cities. The region ranks 18th among metropolitan areas nationwide as an initial destination for U.S. immigrants.<sup>6</sup>

About 1.1 million people immigrated to the United States in 2008. During that year, Minnesota was the destination for 31.4 percent of the immigrants from Somalia, 23.7 percent of the immigrants from Laos, and 14.2 percent of Liberian immigrants. Immigration to Minnesota increased by nearly 159 percent over the past 25 years. The most notable growth was immigrants from African countries, as seen in Table 4.

Still, Minnesota ranks low in its percent of foreign-born residents. In 2008, about 6.5 percent of Minnesota’s population was foreign-born, compared with 12.5 percent nationwide.<sup>7</sup> Ramsey (11.8 percent) and Hennepin (11.7 percent) counties had the highest percents of foreign-born residents.

While more immigrants settled in Minnesota in 2008 than in previous years, including a 14.6 percent increase in immigrants between 2007 and 2008, the number of foreign-born residents fell slightly between 2007 and 2008 in Minnesota. The Census Bureau’s American Community Survey estimated 340,657 foreign-born people living in



*Immigrants standing by Minneapolis, St. Paul & Sault Ste. Marie train. Minnesota Historical Society*

Minnesota in 2008, a decline of more than 4,300 people from the prior year. A similar trend exists in the U.S. data, representing the first decline in the foreign-born population in nearly 40 years, likely a result of the recession and the related decline in job opportunities.<sup>8</sup>

Other national trends point to a more direct impact of the recession on immigrants. Remittances, or transfer of money by foreign-born workers to people in their home countries, have started to decline. In 2008, remittances by Mexicans living

in the U.S. fell by \$1 billion, and there was an increase in reverse remittances, or Mexican residents sending money to relatives in the United States.<sup>9</sup>

There has also been a decline in the number of immigrants who take advantage of H1-B visas, which offer U.S. employers the ability to hire high-skilled professionals from other countries. Visa applications were still available more than six months into fiscal year 2010. In contrast, it took only one day for employers to claim all 65,000 applications in the previous fiscal year.

For some recent immigrants — especially refugees — competition for jobs in an economic downturn is strong. Immigrant workers who are most vulnerable to the recession include those with limited English skills, little or no education, and skills in industries that have faced significant job losses, such as construction.

## Conclusion

People migrate for many reasons, including economic opportunities and personal factors. The recession has undoubtedly affected migration trends in Minnesota. For some, including homeowners who are unable to sell their homes, the economy may have made migration impossible. For others who were able to find a job elsewhere, it may have increased their motivation to move. With the state and nation still in recession in 2009 and the continued aging of the population, it will be important to track these trends in the future to see if we really are moving on or staying put. **T**



### ENDNOTES:

<sup>1</sup> Idaho, while not listed in Table 2, had a large net inbound migration to Minnesota with 375 exemptions.

<sup>2</sup> McMurray, Martha. Minnesota Department of Administration, State Demographic Center. "Minnesota Housing Prices, 2007-2008," June 2009. Data cited are from the Minnesota Department of Revenue.

<sup>3</sup> McMurray, Martha. Minnesota Department of Administration, State Demographic Center. "Turn of the Century: Minnesota's Population in 1900 and Today," 1999.

<sup>4</sup> Annual data on immigration from the U.S. Department of Homeland Security record the number of people who have been granted lawful permanent residence in the U.S., or "green card" recipients.

<sup>5</sup> The top 10 countries of origin for immigrants to the United States in 2008 were Mexico, China, India, the Philippines, Cuba, Dominican Republic, Vietnam, Columbia, Korea and Haiti.

<sup>6</sup> U.S. Department of Homeland Security, Office of Immigration Statistics, "2008 Yearbook of Immigration Statistics." [www.dhs.gov/xlibrary/assets/statistics/yearbook/2008/ois\\_yb\\_2008.pdf](http://www.dhs.gov/xlibrary/assets/statistics/yearbook/2008/ois_yb_2008.pdf).

<sup>7</sup> U.S. Census Bureau, 2008 American Community Survey.

<sup>8</sup> In both Minnesota and U.S. data, the decline in foreign-born population counts falls within the margin of error.

<sup>9</sup> Singer, Audrey, and Wilson, Jill H., Brookings Institution, "How the Recession's Affecting Immigration," Jan. 25, 2010, [www.brookings.edu/opinions/2009/1118\\_immigration\\_singer\\_wilson.aspx?p=1](http://www.brookings.edu/opinions/2009/1118_immigration_singer_wilson.aspx?p=1).