



# DEMOGRAPHICS

RI RANKS 46TH NATIONALLY

TABLE 2

DEMOGRAPHICS MAJOR INDEX RATINGS		
Measure	National Rank	New England Rank
Demographics	46th	2nd
Percent of Population Under 18	47th	3th
Percent of Population Over 65	37th	3rd
Net Natural Population Growth	42nd	2nd
Migration	36th	4th
Fertility	49th	5th

Source: Rhode Island Center for Freedom and Prosperity and American Conservative Union Foundation

## Fertility

► **Rhode Island ranks 49th nationally and 5th in New England on this FPI sub-index**

### Rhode Island’s Demographic Winter

While some pessimists view higher populations as nothing more than a greater burden to be managed, more optimistic economists agree that population growth is a vital component to economic growth, increasing a state’s overall productivity while also increasing its tax base.

In Rhode Island, and throughout America as a whole, the demographic pendulum has reached its crest with the Baby Boom generation and is now swinging the other way due to the significantly smaller generations behind it. So small, in fact, that maintaining current population levels in some states is already impossible without strong in-migration.

This demographic bust is called “Demographic Winter,” and it will be the major economic and fiscal issue for Rhode Island over the next few decades. Reversing it will not be an easy task. Of course, understanding why this is happening is the first step to fixing it. To answer this question, let’s first examine the steep drop in the fertility rate (the number of children to whom an average woman gives birth over her lifetime).

*Rhode Island’s fertility rate has been significantly and persistently below the national average.*

Unfortunately, there is no single explanatory reason for the drop in the fertility rate in Rhode Island to second-worst in the nation. Some of the more common factors seen nationally generally include:

**Higher opportunity costs for women:** The mass entry of women into the workforce post-WWII significantly boosted household income, which allowed for greater consumption — another car, bigger homes, more vacations, etc. Having a child became a material sacrifice.<sup>12</sup>

**The decline in religiosity:** Religious families have a higher fertility rate than non-religious families.<sup>13,14</sup> However, according to a recent study by the Pew Foundation, religiosity is in major decline in America. Between 2007 and 2014, the number of people who claim to be unaffiliated with any religion rose 6.7 percent, to 22.8 percent, from 16.1 percent.<sup>15</sup>

**The increase in sexually transmitted diseases (STDs):** A 2004 report to Congress found that “[m]ore than 50% of all preventable infertility among women is a result of sexually transmitted diseases (STDs), primarily chlamydial infection and gonorrhea.”<sup>16</sup> In 2014, there were 1,436,496 cases of chlamydia and 348,179 cases of gonorrhea, which causes pelvic inflammatory disease that can then lead to infertility.

**The increase in the average age of women having their first child:** The CDC recently found that “the average age of first-time mothers increased by 1.4 years from 2000 to 2014, with most of the increase occurring from 2009 to 2014 . . . This trend and the more recent uptick in delayed initial childbearing can affect the number of children a typical woman will have in her lifetime, family size, and the overall population change in the United States.”<sup>17</sup>

12 Bloom, David E., Canning, David, Fink, Gunther, and Finlay, Jocelyn E., “Fertility, Female Labor Force Participation, and the Demographic Dividend,” National Bureau of Economic Research, Working Paper 13583, November 2007. <http://www.nber.org/papers/w13583.pdf>

13 Hayford, Sarah R. and Morgan, S. Philip, “Religiosity and Fertility in the United States: The Role of Fertility Intentions,” *Soc Forces*, 2008, Vol. 86, No. 3, pp. 1163-1188. <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2723861/>

14 Zhang, Lee, “Religious Affiliation, Religiosity, and Male and Female Fertility,” Max Planck Institute for Demographic Research, *Demographic Research*, April 2008, Vol. 18, No. 8, pp. 233-262. <http://www.demographic-research.org/volumes/vol18/8/18-8.pdf>

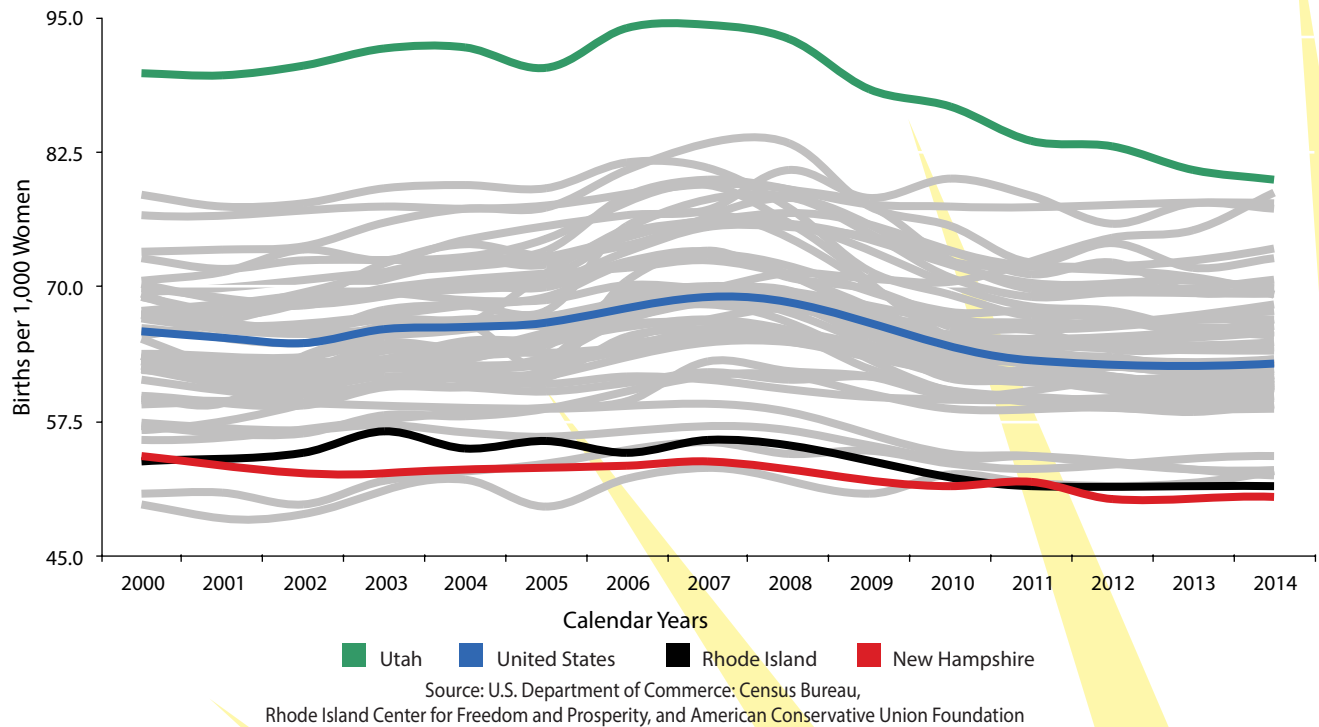
15 Cooperman, Alan, Ritchey, Katherine, and Smith, Gregory, “America’s Changing Religious Landscape,” Pew Research Center, May 12, 2015. <http://www.pewforum.org/files/2015/05/RLS-08-26-full-report.pdf>

16 Gerberding, Julie Louise, “Report to Congress: Infertility and Prevention of Sexually Transmitted Diseases 2000 – 2003,” Centers for Disease Control and Prevention, November 2004. <http://www.cdc.gov/std/infertility/ReportCongressInfertility.pdf>

17 Hamilton, Brady E. and Matthews, T.J., “Mean Age of Mothers is on the Rise: United States, 2000-2014,” Centers for Disease Control and Prevention, NCHS Data Brief, No. 232, January 2016. <http://www.cdc.gov/nchs/data/databriefs/db232.pdf>

As shown in **Chart 4**, the fertility rate (babies per 1,000 women between the ages of 15 and 44) declined nationally by 4.6 percent, to 62.9 in 2014, from 65.9 in 2000. In 2014, Utah had the highest fertility rate, at 80, while New Hampshire had the lowest fertility rate, at 50.5 — a difference of 58 percent.<sup>18</sup>

CHART 4  
**Fertility**  
 Calendar Years 2000 to 2014



Rhode Island’s fertility rate has been significantly and persistently below the national average over the entire time period. Overall, in 2014, Rhode Island had the 2nd lowest fertility rate, at 51.5.

If Rhode Island’s fertility rate were at the national average in 2014, then there would have been approximately 2,400 additional babies born to women between the ages of 15 and 44. These babies, in turn, would have improved Rhode Island’s net natural population rate (see next section on net natural population rate).

Because adults who feel secure about their current financial position and confident about the future are more likely to have children, an improved economic situation in the state would help to turn this fertility trend around. However, as noted earlier, the highly personal question of fertility rates is one of

<sup>18</sup> U.S. Department of Health and Human Services: Centers for Disease Control and Prevention, National Center for Health Statistics, National Vital Statistics System [http://www.cdc.gov/nchs/data/nvsr/nvsr64/nvsr64\\_12.pdf](http://www.cdc.gov/nchs/data/nvsr/nvsr64/nvsr64_12.pdf)

those issues over which government has little control — though many countries have tried various ways to boost (or suppress) fertility, with varying degrees of success. Therefore, it may be more appropriate, and effective, for religious and community leaders to engage their constituencies on this topic.



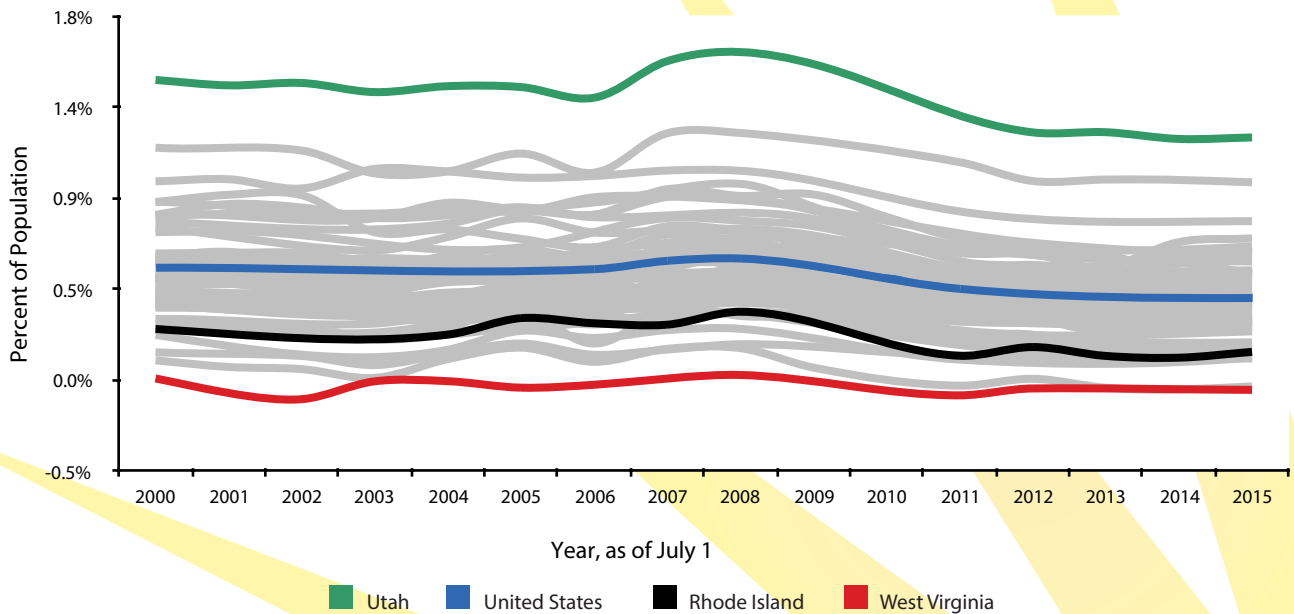
## Net Natural Population Growth

► Rhode Island ranks 42nd nationally and 2nd in New England on this FPI sub-index

*Rhode Island's net natural population rate fell 59 percent between 2008 and 2015.*

Not surprisingly, the long-term impact of a below-average fertility rate is also impacting the net natural rate of population growth, which is the difference between the number of births and the number of deaths. **Chart 5** shows the variance in the net natural population change — births minus deaths — as a percentage of the population nationally and in the 50 states from 2000 to 2015.<sup>19</sup>

CHART 5  
**Net Natural Population Growth Rate** (*Birth Rate Minus Death Rate*)  
 July 1, 2000, to July 1, 2015



Source: U.S. Department of Commerce: Census Bureau, Rhode Island Center for Freedom and Prosperity, and American Conservative Union Foundation

19 Population Estimates, U.S. Department of Commerce: Census Bureau <http://www.census.gov/popest/data/state/totals/2015/index.html>

In 2015, Utah had the highest net natural rate, at 1.2 percent, while West Virginia had the lowest, with a negative net natural rate of -0.05 percent. Only one other state, Maine, had a negative net natural rate (-0.03 percent).

Since 2008, the national average for the net natural rate has been trending downward, and Rhode Island has followed that trend. Rhode Island’s net natural population rate fell 59 percent, to 0.14 percent in 2015, from 0.34 percent in 2008. In 2015, Rhode Island had the 6<sup>th</sup> lowest net natural population rate.

If Rhode Island’s natural population rate had been at the national average in 2015, there would have been approximately 2,100 more babies and 900 fewer deaths — totaling just over 3,000 additional people in the net natural population.

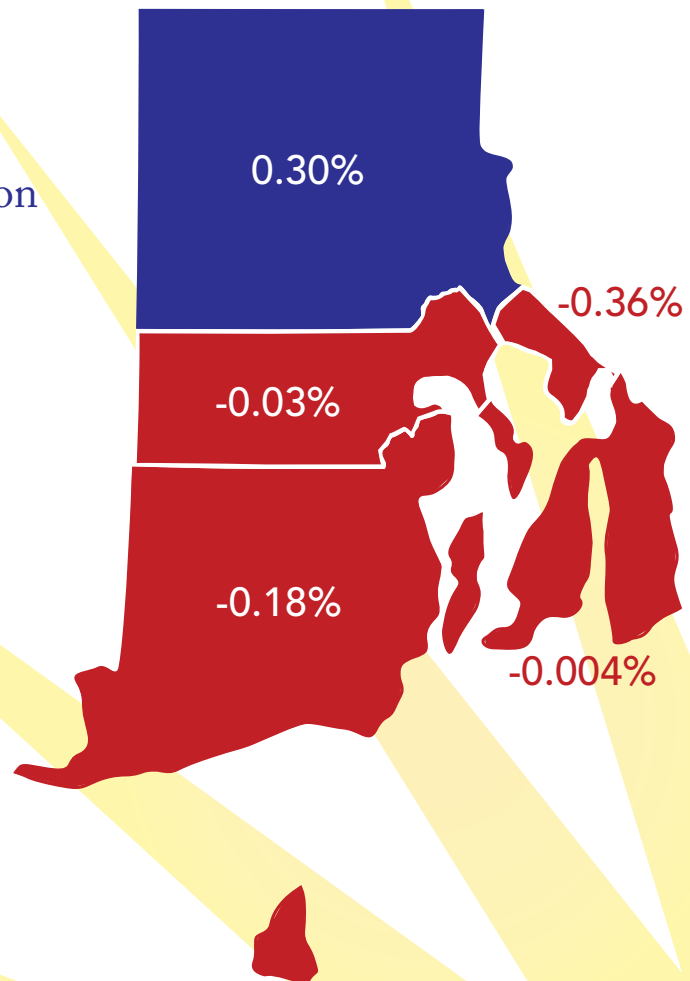
In addition, as shown in **Chart 6**, the data by county shows that four out of five Rhode Island counties in 2015 had negative net natural population rates — meaning they had more deaths than births. Only Providence County managed a positive net natural population rate.

CHART 6

### Rhode Island Net Natural Population Change as a Percentage of Population by County

As of July 1, 2015

- Less than 0%
- 0% to 1%
- 1%+



Source: U.S. Department of Commerce: Census Bureau, Rhode Island Center for Freedom and Prosperity, and American Conservative Union Foundation

## Domestic Migration

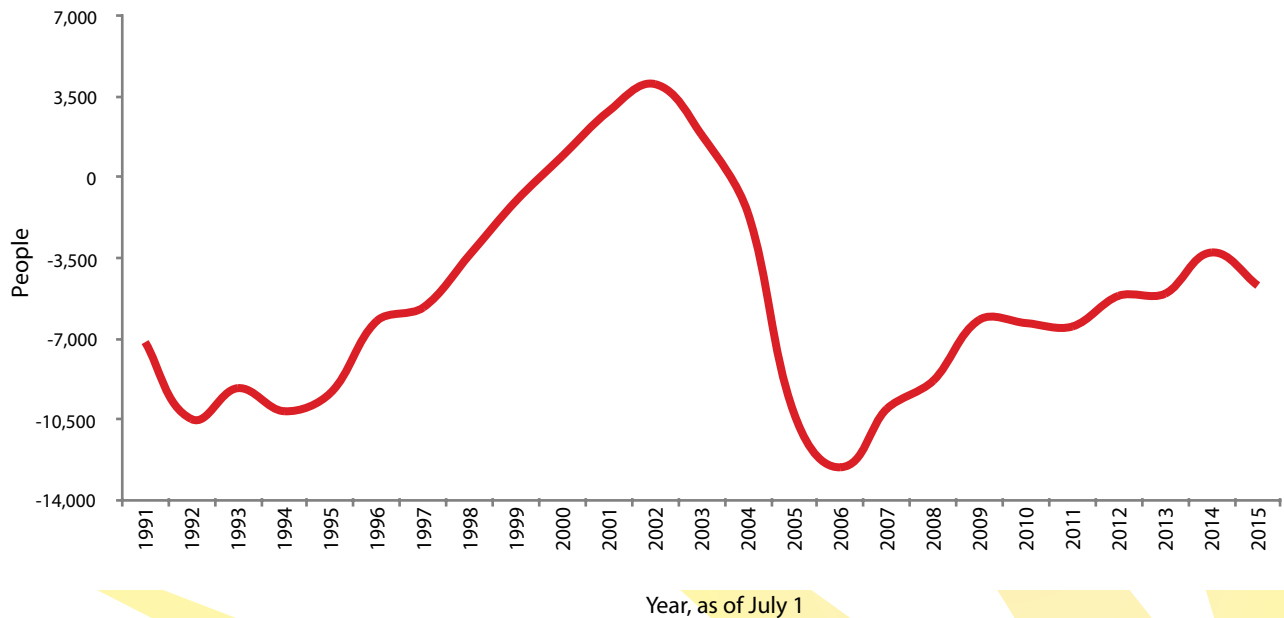
► **Rhode Island ranks 36th nationally and 4th in New England on this FPI sub-index**

In the short run, states can shift the tides of demographic change through migration between the states. An economically thriving state will be attractive to families who are in search of greener pastures. The net migration (+/-) of families is an important feedback mechanism for state leaders, political and otherwise, to better understand the social and economic health of their states.

The most comprehensive data available on domestic migration comes from the U.S. Department of Commerce’s Census Bureau.<sup>20</sup> **Charts 7 and 8** and **Table 3** show that, between 1991 and 2015, Rhode Island lost 133,154 residents to other states. There was only a brief period of time between 2000 and 2003 during which Rhode Island gained residents from other states (9,646).

*Between 1991 and 2015, Rhode Island lost 133,154 residents to other states.*

CHART 7  
**Rhode Island's Net Domestic Migration**  
 July 1, 1991, to July 1, 2015

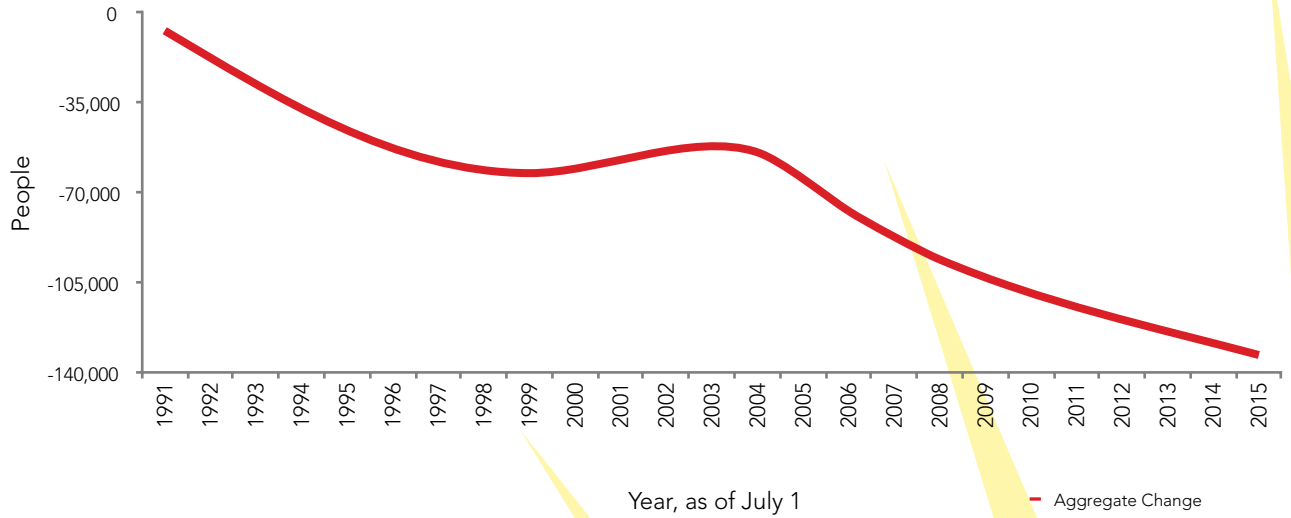


Source: U.S. Department of Commerce: Census Bureau, Rhode Island Center for Freedom and Prosperity, and American Conservative Union Foundation

<sup>20</sup> The migration data is a subset of data known as “Components of Population Change.” The most recent data for Rhode Island can be found here: <http://www.census.gov/popest/states/NST-comp-chg.html>. The data’s timeframe is not the typical calendar year, as it begins on July 1.

CHART 8

### Rhode Island's Net Population Gain/Loss to Other States July 1, 1991, to July 1, 2015



Source: U.S. Department of Commerce: Census Bureau,  
Rhode Island Center for Freedom and Prosperity, and American Conservative Union Foundation



TABLE 3

RHODE ISLANDS NET DOMESTIC MIGRATION		
July 1, 1991 to July 1, 2015		
Year, as of July 1	Net Domestic Migration	Aggregate Change
1991	(7,144)	(7,144)
1992	(10,479)	(17,623)
1993	(9,139)	(26,762)
1994	(10,138)	(36,900)
1995	(9,343)	(46,243)
1996	(6,223)	(52,466)
1997	(5,645)	(58,111)
1998	(3,361)	(61,472)
1999	(1,029)	(62,501)
2000 (a)	915	(61,587)
2001	2,858	(58,729)
2002	4,030	(54,699)
2003	1,843	(52,856)
2004	(1,539)	(54,395)
2005	(10,243)	(64,638)
2006	(12,566)	(77,204)
2007	(10,031)	(87,235)
2008	(8,816)	(96,051)
2009	(6,172)	(102,223)
2010 (a)	(6,321)	(108,543)
2011	(6,469)	(115,012)
2012	(5,137)	(120,149)
2013	(5,049)	(125,198)
2014	(3,263)	(128,461)
2015	(4,693)	(133,154)

(a) Interpolated. Source: U.S. Department of Commerce: Census Bureau, Rhode Island Center for Freedom and Prosperity, and American Conservative Union Foundation



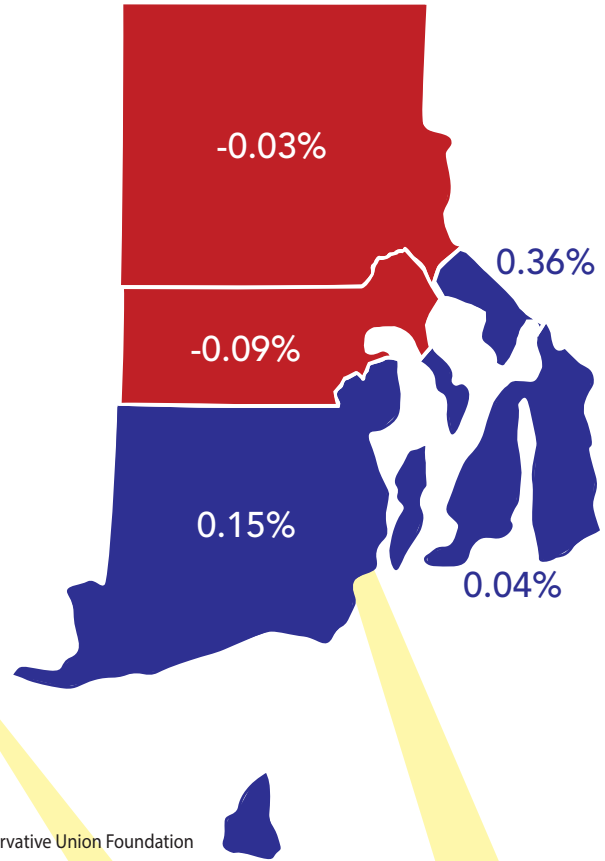
In addition, as shown in **Chart 9**, the data by county shows that two counties (Kent and Providence) are experiencing net out-migration — this includes in-state and out-of-state moves — while three counties (Bristol, Newport, and Washington) are experiencing net in-migration.

CHART 9

Rhode Island Net Domestic Migration as a Percentage of Population by County

As of July 1, 2015

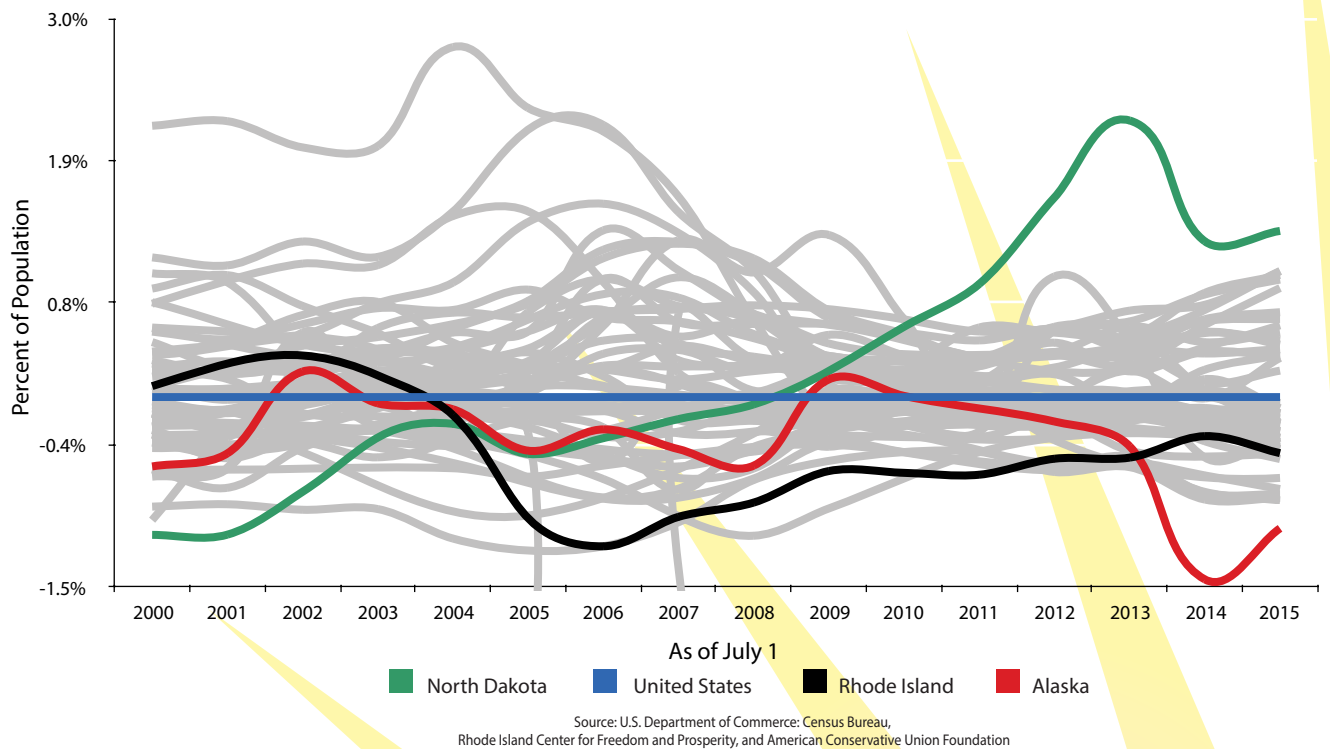
- Less than 0%
- 0% to 1%
- 1%+



Source: U.S. Department of Commerce: Census Bureau, Rhode Island Center for Freedom and Prosperity, and American Conservative Union Foundation

The *outflow* of Ocean State residents has negatively affected the state’s FPI score. As shown in **Chart 10**, there is a large variance in domestic migration among the 50 states.<sup>21</sup> In 2015, North Dakota had the highest net in-migration, at 1.21 percent, while Alaska had the highest level of net out-migration, at -1.38 percent. Rhode Island’s net out-migration rate of -0.44 percent puts the state much closer to Alaska than North Dakota.

CHART 10  
**Domestic Migration**  
 July 1, 2000 to July 1, 2015



However, while the Census Bureau data is comprehensive, it is also very shallow. Fortunately, the Internal Revenue Service (IRS) provides an annual snapshot of taxpayer migration via tax returns that offers a much richer picture of migrants.<sup>22</sup>

The IRS has access to actual tax returns, an accurate proxy for the number of households; it also provides the number of exemptions, which is a proxy for the number of people (including children) in the household, and their reported Adjusted Gross Income (AGI), which is a proxy for household income.

21 Population Estimates, U.S. Department of Commerce: Census Bureau <http://www.census.gov/popest/data/state/totals/2015/index.html>  
 22 The IRS migration data is available at the state and county levels and can be found here: <https://www.irs.gov/uac/soi-tax-stats-migration-data>

**Table 4** shows the IRS's aggregate migration data for the state of Rhode Island. In 2014 (the latest data available), 11,685 taxpayers left the state, while 9,770 taxpayers entered the state — a net loss of 1,888 taxpayers. Overall, Rhode Island also lost 2,776 exemptions and \$52 million in AGI.

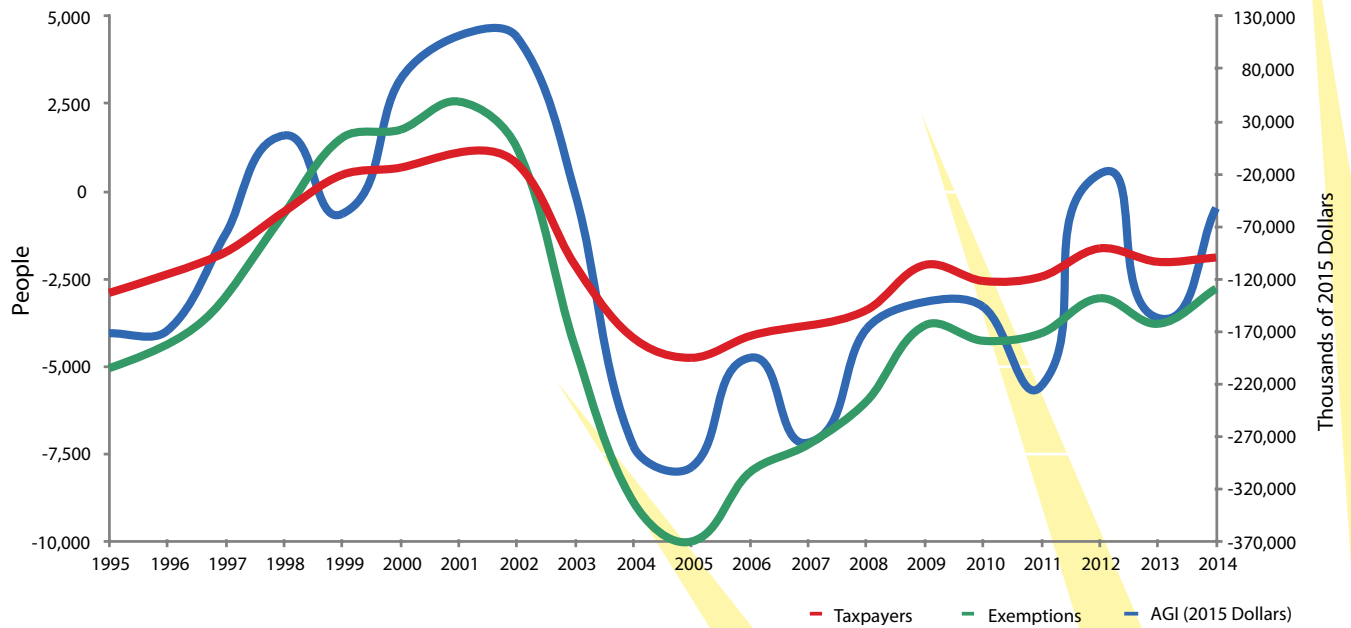
**TABLE 4**

NET TAXPAYER MIGRATION CALENDAR YEARS 1995 TO 2014												
Calendar Year	IN-MIGRANTS				OUT-MIGRANTS				NET MIGRATION			
	Taxpayers	Exemptions	AGI (\$ Thousands)	AGI (2015 Dollars)	Taxpayers	Exemptions	AGI (\$ Thousands)	AGI (2015 Dollars)	Taxpayers	Exemptions	AGI (\$ Thousands)	AGI (2015 Dollars)
1995	10,492	18,848	367,760	535,506	13,392	23,899	485,733	707,290	(2,900)	(5,051)	(117,973)	(171,784)
1996	10,892	19,386	389,678	557,266	13,263	23,860	507,991	726,461	(2,371)	(4,474)	(118,313)	(169,196)
1997	11,434	20,240	453,500	637,565	13,171	23,281	508,354	714,682	(1,737)	(3,041)	(54,854)	(77,118)
1998	12,478	22,117	534,647	743,582	13,060	22,764	522,732	727,010	(582)	(647)	11,915	16,571
1999	13,506	23,983	604,587	828,986	13,032	22,451	646,934	887,051	474	1,532	(42,347)	(58,065)
2000	14,314	24,957	714,848	958,328	13,636	23,196	662,625	888,317	678	1,761	52,223	70,010
2001	14,834	26,079	700,341	917,973	13,723	23,512	615,243	806,431	1,111	2,567	85,098	111,542
2002	14,498	25,329	680,650	878,682	13,705	24,085	595,217	768,393	793	1,244	85,433	110,289
2003	13,181	22,780	652,765	826,216	15,297	27,244	683,577	865,215	(2,116)	(4,464)	(30,812)	(38,999)
2004	12,467	21,332	596,723	735,087	16,655	30,209	823,479	1,014,421	(4,188)	(8,877)	(226,756)	(279,334)
2005	12,295	20,730	580,290	692,563	17,049	30,730	830,886	991,643	(4,754)	(10,000)	(250,596)	(299,081)
2006	12,128	20,569	673,366	779,685	16,259	28,589	841,831	974,749	(4,131)	(8,020)	(168,465)	(195,064)
2007	12,412	20,504	595,139	671,210	16,172	27,735	839,770	947,109	(3,760)	(7,231)	(244,631)	(275,900)
2008	11,809	19,880	570,371	631,100	15,199	25,878	721,857	798,715	(3,390)	(5,998)	(151,486)	(167,615)
2009	11,474	19,234	526,323	577,808	13,576	23,062	655,602	719,733	(2,102)	(3,828)	(129,279)	(141,925)
2010	11,730	19,691	554,741	601,630	14,289	23,959	689,800	748,104	(2,559)	(4,268)	(135,059)	(146,475)
2011	13,326	22,380	747,935	794,752	15,761	26,431	956,784	1,016,674	(2,435)	(4,051)	(208,849)	(221,922)
2012	14,138	23,964	905,255	944,504	15,766	27,017	924,459	964,541	(1,628)	(3,053)	(19,204)	(20,037)
2013	12,970	22,126	754,307	774,389	14,982	25,908	907,382	931,540	(2,012)	(3,782)	(153,075)	(157,150)
2014	9,770	16,201	754,580	762,133	11,658	18,977	806,498	814,571	(1,888)	(2,776)	(51,918)	(52,438)
<b>Total</b>	<b>250,148</b>	<b>430,330</b>	<b>12,357,806</b>	<b>14,848,963</b>	<b>289,645</b>	<b>502,787</b>	<b>14,226,754</b>	<b>17,012,652</b>	<b>(39,497)</b>	<b>(72,457)</b>	<b>(1,868,948)</b>	<b>(2,163,689)</b>

Source: Internal Revenue Service, Rhode Island Center for Freedom and Prosperity, and American Conservative Union Foundation

For the entire time period between 1995 and 2013, Rhode Island lost 39,497 taxpayers, 72,457 exemptions, and nearly \$2.2 billion in AGI (in real 2015 dollars). More disturbingly, as shown in **Chart 11**, AGI was negative in nearly every year of this time period.

CHART 11  
**Net Migration for Rhode Island**  
**Calendar Years 1995 to 2014**



The IRS data also provides state-by-state migrant data, which is useful in determining where out-migrants are going and from where in-migrants are coming. **Tables 5a, 5b, and 5c** rank the net migration totals for the years 1995 to 2014 for taxpayers, exemptions, and AGI, respectively.



As shown in **Table 5a**, the top taxpayer (household) out-migrant states — states to which Rhode Island taxpayers are moving — are Florida (18,744), North Carolina (3,271), Virginia (2,765), Texas (2,361), and Georgia (1,900). On the other hand, the top taxpayer in-migrant states — those which taxpayers are leaving to move to Rhode Island — are New York (3,002), New Jersey (949), Connecticut (350), Ohio (146), and Michigan (84). *Overall, Rhode Island loses taxpayers to 42 states and D.C. while gaining taxpayers from only seven states.*

**TABLE 5A**

NET RHODE ISLAND MIGRATION TO OTHER STATES				
Sorted by Taxpayers (Households)   Tax Years 1995 to 2014				
State	Taxpayers	Rank	Exemptions	AGI (2015 Dollars)
Florida	(18,744)	1	(36,085)	(1,707,679)
North Carolina	(3,271)	2	(6,557)	(200,011)
Virginia	(2,765)	3	(6,320)	(152,606)
Texas	(2,361)	4	(4,863)	(106,741)
Georgia	(1,900)	5	(3,972)	(95,740)
California	(1,860)	6	480	(19,093)
South Carolina	(1,642)	7	(3,545)	(137,011)
Arizona	(1,274)	8	(2,078)	(85,309)
Maryland	(1,241)	9	(1,783)	(18,731)
Massachusetts	(1,163)	10	(1,276)	(45,970)
New Hampshire	(1,077)	11	(2,500)	(151,152)
Maine	(944)	12	(2,394)	(71,760)
Nevada	(676)	13	(881)	(34,068)
Colorado	(659)	14	(1,087)	(63,586)
Tennessee	(599)	15	(1,243)	(34,099)
District Of Columbia	(479)	16	(366)	(16,302)
Oregon	(404)	17	(702)	(20,315)
Washington	(346)	18	(91)	(22,775)
Alabama	(253)	19	(569)	(20,725)
Hawaii	(215)	20	(263)	(49,991)
New Mexico	(213)	21	(258)	(8,035)
Pennsylvania	(190)	22	(1,211)	12,192
Louisiana	(183)	23	(209)	2,743
Delaware	(179)	24	(395)	(9,214)
Oklahoma	(141)	25	(273)	(1,174)
Kentucky	(136)	26	(297)	(102,508)
Minnesota	(136)	27	(484)	16,163
Vermont	(129)	28	(396)	(28,545)
Mississippi	(128)	29	(308)	(4,836)
Utah	(99)	30	(199)	(13,167)
Idaho	(87)	31	(194)	(2,655)
Nebraska	(87)	32	(403)	(3,805)
Montana	(82)	33	(119)	(6,837)
Arkansas	(68)	34	(125)	(2,626)
Missouri	(57)	35	(282)	(1,587)
Indiana	(44)	36	(144)	6,361
Wyoming	(40)	37	(58)	(1,703)
South Dakota	(36)	38	(89)	(2,690)
North Dakota	(33)	39	(59)	(1,412)
Wisconsin	(31)	40	(182)	(6,012)
Illinois	(30)	41	279	31,273
Iowa	(29)	42	(130)	(796)
Alaska	(23)	43	(3)	968
West Virginia	5	44	(66)	(253)
Kansas	41	45	32	1,988
Michigan	84	46	(27)	24,303
Ohio	146	47	(280)	51,759
Connecticut	350	48	(1,208)	300,715
New Jersey	949	49	1,982	126,543
New York	3,002	50	8,756	512,391

Source: Internal Revenue Service, Rhode Island Center for Freedom and Prosperity, and American Conservative Union Foundation

As shown in **Table 5b**, the top exemption (people) out-migrant states for Rhode Island are Florida (36,085), North Carolina (6,557), Virginia (6,320), Texas (4,863), and Georgia (3,972). The top exemption in-migrant states are New York (8,756), New Jersey (1,982), California (480), Illinois (279) and Kansas (32). *Overall, Rhode Island loses exemptions to 44 states and D.C. while gaining exemptions from only five states.*

**TABLE 5B**

NET RHODE ISLAND MIGRATION TO OTHER STATES				
Sorted by Exemptions (People)   Tax Years 1995 to 2014				
State	Taxpayers	Rank	Exemptions	AGI (2015 Dollars)
Florida	(18,744)	(36,085)	1	(1,707,679)
North Carolina	(3,271)	(6,557)	2	(200,011)
Virginia	(2,765)	(6,320)	3	(152,606)
Texas	(2,361)	(4,863)	4	(106,741)
Georgia	(1,900)	(3,972)	5	(95,740)
South Carolina	(1,642)	(3,545)	6	(137,011)
New Hampshire	(1,077)	(2,500)	7	(151,152)
Maine	(944)	(2,394)	8	(71,760)
Arizona	(1,274)	(2,078)	9	(85,309)
Maryland	(1,241)	(1,783)	10	(18,731)
Massachusetts	(1,163)	(1,276)	11	(45,970)
Tennessee	(599)	(1,243)	12	(34,099)
Pennsylvania	(190)	(1,211)	13	12,192
Connecticut	350	(1,208)	14	300,715
Colorado	(659)	(1,087)	15	(63,586)
Nevada	(676)	(881)	16	(34,068)
Oregon	(404)	(702)	17	(20,315)
Alabama	(253)	(569)	18	(20,725)
Minnesota	(136)	(484)	19	16,163
Nebraska	(87)	(403)	20	(3,805)
Vermont	(129)	(396)	21	(28,545)
Delaware	(179)	(395)	22	(9,214)
District Of Columbia	(479)	(366)	23	(16,302)
Mississippi	(128)	(308)	24	(4,836)
Kentucky	(136)	(297)	25	(102,508)
Missouri	(57)	(282)	26	(1,587)
Ohio	146	(280)	27	51,759
Oklahoma	(141)	(273)	28	(1,174)
Hawaii	(215)	(263)	29	(49,991)
New Mexico	(213)	(258)	30	(8,035)
Louisiana	(183)	(209)	31	2,743
Utah	(99)	(199)	32	(13,167)
Idaho	(87)	(194)	33	(2,655)
Wisconsin	(31)	(182)	34	(6,012)
Indiana	(44)	(144)	35	6,361
Iowa	(29)	(130)	36	(796)
Arkansas	(68)	(125)	37	(2,626)
Montana	(82)	(119)	38	(6,837)
Washington	(346)	(91)	39	(22,775)
South Dakota	(36)	(89)	40	(2,690)
West Virginia	5	(66)	41	(253)
North Dakota	(33)	(59)	42	(1,412)
Wyoming	(40)	(58)	43	(1,703)
Michigan	84	(27)	44	24,303
Alaska	(23)	(3)	45	968
Kansas	41	32	46	1,988
Illinois	(30)	279	47	31,273
California	(1,860)	480	48	(19,093)
New Jersey	949	1,982	49	126,543
New York	3,002	8,756	50	512,391

Source: Internal Revenue Service, Rhode Island Center for Freedom and Prosperity, and American Conservative Union Foundation



As shown in **Table 5c**, the top AGI (income in real 2015 dollars) out-migrant states are Florida (\$1.7 billion), North Carolina (\$200 million), Virginia (\$153 million), New Hampshire (\$152 million), and South Carolina (\$137 million). The top AGI in-migrant states are New York (\$512 million), Connecticut (\$301 million), New Jersey (\$127 million), Ohio (\$52 million), and Illinois (\$31 million). **Overall, Rhode Island loses AGI to 37 states and D.C. while gaining AGI from just 12 states.**

**TABLE 5C**

NET RHODE ISLAND MIGRATION TO OTHER STATES				
Sorted by AGI (Income)   Tax Years 1995 to 2014				
State	Taxpayers	Rank	Exemptions	AGI (2015 Dollars)
Florida	(18,744)	(36,085)	(1,707,679)	1
North Carolina	(3,271)	(6,557)	(200,011)	2
Virginia	(2,765)	(6,320)	(152,606)	3
New Hampshire	(1,077)	(2,500)	(151,152)	4
South Carolina	(1,642)	(3,545)	(137,011)	5
Texas	(2,361)	(4,863)	(106,741)	6
Kentucky	(136)	(297)	(102,508)	7
Georgia	(1,900)	(3,972)	(95,740)	8
Arizona	(1,274)	(2,078)	(85,309)	9
Maine	(944)	(2,394)	(71,760)	10
Colorado	(659)	(1,087)	(63,586)	11
Hawaii	(215)	(263)	(49,991)	12
Massachusetts	(1,163)	(1,276)	(45,970)	13
Tennessee	(599)	(1,243)	(34,099)	14
Nevada	(676)	(881)	(34,068)	15
Vermont	(129)	(396)	(28,545)	16
Washington	(346)	(91)	(22,775)	17
Alabama	(253)	(569)	(20,725)	18
Oregon	(404)	(702)	(20,315)	19
California	(1,860)	480	(19,093)	20
Maryland	(1,241)	(1,783)	(18,731)	21
District Of Columbia	(479)	(366)	(16,302)	22
Utah	(99)	(199)	(13,167)	23
Delaware	(179)	(395)	(9,214)	24
New Mexico	(213)	(258)	(8,035)	25
Montana	(82)	(119)	(6,837)	26
Wisconsin	(31)	(182)	(6,012)	27
Mississippi	(128)	(308)	(4,836)	28
Nebraska	(87)	(403)	(3,805)	29
South Dakota	(36)	(89)	(2,690)	30
Idaho	(87)	(194)	(2,655)	31
Arkansas	(68)	(125)	(2,626)	32
Wyoming	(40)	(58)	(1,703)	33
Missouri	(57)	(282)	(1,587)	34
North Dakota	(33)	(59)	(1,412)	35
Oklahoma	(141)	(273)	(1,174)	36
Iowa	(29)	(130)	(796)	37
West Virginia	5	(66)	(253)	38
Alaska	(23)	(3)	968	39
Kansas	41	32	1,988	40
Louisiana	(183)	(209)	2,743	41
Indiana	(44)	(144)	6,361	42
Pennsylvania	(190)	(1,211)	12,192	43
Minnesota	(136)	(484)	16,163	44
Michigan	84	(27)	24,303	45
Illinois	(30)	279	31,273	46
Ohio	146	(280)	51,759	47
New Jersey	949	1,982	126,543	48
Connecticut	350	(1,208)	300,715	49
New York	3,002	8,756	512,391	50

Source: Internal Revenue Service, Rhode Island Center for Freedom and Prosperity, and American Conservative Union Foundation



Out-migrants also take their incomes and purchasing power with them. As shown in **Table 6**, between 1995 and 2014, the total gross amount of income leaving the state was nearly \$2.1 billion in 2015 dollars. The greatest out-migration of income occurred in 2005, at \$299 million.

**TABLE 6**

RHODE ISLAND'S NET AND CUMULATIVE AGI MIGRATION		
	Net AGI (2015 Dollars)	Cumulative AGI Loss (2015 Dollars)
1995	(171,784)	(3,435,680)
1996	(169,196)	(3,214,716)
1997	(77,118)	(1,388,122)
1998	16,571	281,711
1999	(58,065)	(929,033)
2000	70,010	1,050,155
2001	111,542	1,561,593
2002	110,289	1,433,761
2003	(38,999)	(467,991)
2004	(279,334)	(3,072,679)
2005	(299,081)	(2,990,806)
2006	(195,064)	(1,755,578)
2007	(275,900)	(2,207,198)
2008	(167,615)	(1,173,306)
2009	(141,925)	(851,550)
2010	(146,475)	(732,373)
2011	(221,922)	(887,688)
2012	(20,037)	(60,110)
2013	(157,150)	(314,301)
2014	(52,438)	(52,438)
<b>Total</b>	<b>(2,111,251)</b>	<b>(19,206,348)</b>

Source: Internal Revenue Service, Rhode Island Center for Freedom and Prosperity, and American Conservative Union Foundation

*Domestic migration losses cost Rhode Island \$437 million per year in foregone tax revenues.*

Of course, when someone leaves our state, the lost net income isn't limited to the year the person left. It's lost for every year moving forward, too. **Table 6** shows that compounding the net income losses over the twenty years considered above, the total income loss comes to a whopping \$19 billion.

More troubling for policymakers, **Table 7** shows that, had this income stayed in Rhode Island, state and local governments would have collected annually an estimated \$437 million, in 2015 dollars, in higher taxes over this time period. This not only includes higher income taxes, but also higher sales and property taxes. Compounded, this tax loss climbs to over \$3.9 billion.



Unfortunately, this out-migration problem shows no signs of abating anytime soon. In fact, a recent Gallup poll found that 41 percent of Rhode Islanders — the fourth-highest percentage in the country — would like to move to another state because of their home state's high tax burden.<sup>23</sup>

<sup>23</sup> Auter, Zac and Marken, Stephanie, "In U.S., State Tax Burden Linked to Desire to Leave State," Gallup, February 12, 2016. <http://www.gallup.com/poll/189176/state-tax-burden-linked-desire-leave-state.aspx>

TABLE 7

ESTIMATED STATE AND LOCAL TAXES LOST DUE TO OUT-MIGRATION CALENDAR YEARS 1995 TO 2014					
Calendar Year	Net AGI (Nominal, 000s)	State and Local Tax Burden (a)	Estimated Tax Loss	Estimated Tax Loss (2015 Dollars, 000s)	Cumulative Tax Loss (2015 Dollars, 000s)
1995	(117,973)	19.2%	(22,664)	(33,002)	144,582
1996	(118,313)	19.3%	(22,828)	(32,646)	(587,626)
1997	(54,854)	19.1%	(10,476)	(14,727)	(250,364)
1998	11,915	18.6%	2,214	3,079	49,266
1999	(42,347)	18.3%	(7,765)	(10,648)	(159,714)
2000	52,223	18.0%	9,382	12,578	176,088
2001	85,098	18.7%	15,909	20,852	271,079
2002	85,433	19.0%	16,204	20,918	251,015
2003	(30,812)	19.7%	(6,072)	(7,685)	(84,536)
2004	(226,756)	20.0%	(45,418)	(55,950)	(559,498)
2005	(250,596)	20.7%	(51,755)	(61,768)	(555,911)
2006	(168,465)	20.4%	(34,379)	(39,807)	(318,457)
2007	(244,631)	19.8%	(48,322)	(54,498)	(381,487)
2008	(151,486)	20.2%	(30,583)	(33,839)	(203,034)
2009	(129,279)	20.9%	(27,066)	(29,713)	(148,567)
2010	(135,059)	21.0%	(28,311)	(30,704)	(153,521)
2011	(208,849)	19.8%	(41,401)	(43,993)	(175,972)
2012	(19,204)	19.6%	(3,757)	(3,919)	(11,758)
2013	(153,075)	19.9%	(30,404)	(31,213)	(62,426)
2014	(51,918)	19.3%	(10,036)	(10,136)	(10,136)
<b>Total</b>	<b>(1,868,948)</b>	<b>--</b>	<b>(377,527)</b>	<b>(436,822)</b>	<b>(3,859,444)</b>

(a) As a percentage of non-migrant adjusted gross income. Source: Internal Revenue Service, U.S. Department of Commerce: Bureau of Economic Analysis and Census Bureau, Rhode Island Center for Freedom and Prosperity, and American Conservative Union Foundation

## Characteristics of Rhode Island’s Out-Migrants

Important additional details about Rhode Island migrants have recently been provided by the IRS through its “gross migration file,” which shows the age of the taxpayer and income class.<sup>24</sup> As shown in **Table 8**, a significant portion of the net out-migration of income is from taxpayers over the age of 55 earning more than \$100,000 — 69 percent in 2011, 29 percent in 2012, 32 percent in 2013, and 77 percent in 2014.

**TABLE 8**

PERCENTAGE AND AMOUNT OF NET OUT-MIGRANT INCOME FROM TAXPAYERS OVER THE AGE OF 55 WHO EARN MORE THAN \$100,000		
Year	Percent	Amount (\$ Millions)
2011	69%	-\$136
2012	29%	-\$7
2013	32%	-\$44
2014	77%	-\$37

Source: Internal Revenue Service, Rhode Island Center for Freedom and Prosperity, and American Conservative Union Foundation

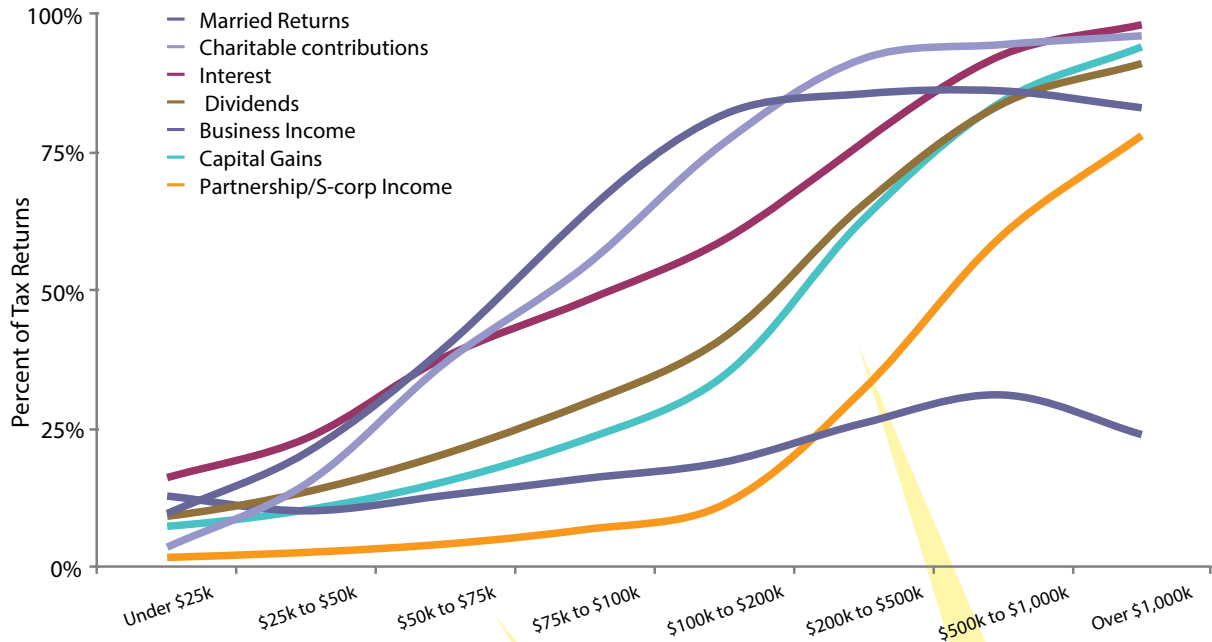
This finding is even more revealing than may be readily apparent. As shown in **Chart 12**, there is a significant difference in the characteristics of taxpayers earning more than, versus less than, \$100,000. They tend to be married (84 percent versus 24 percent), to give to charity (82 percent versus 19 percent), and to be heavily involved in business. Not shown, but perhaps most important, is that average family size is also higher (2.7 versus 1.6).



24 Internal Revenue Service, “Gross Migration File,” Various Years, <https://www.irs.gov/uac/soi-tax-stats-migration-data>

CHART 12

## Characteristics of Rhode Island's Taxpayers 2014



Source: U.S. Department of Commerce: Census Bureau, Rhode Island Center for Freedom and Prosperity, and American Conservative Union Foundation

In other words, the specific type of family profile that we need more of in Rhode Island — *married and participating in the work force* — is the exact type of family we are driving away.

Additionally, the loss in income and taxes shown previously should be viewed as the minimum loss. If the losses are derived from discretionary income (such as business income or capital gains), the long-term loss to Rhode Island's economy and government coffers is likely to be significantly higher since they very likely won't be cashed-out until after they move to states, like Florida, that do not impose an income tax.

For example, New Jersey recently suffered a major revenue loss to its state budget due to the out-migration of a single individual because of the Garden State's high tax burden. The individual in question is multi-billionaire David Tepper, who founded the hedge fund Appaloosa Management.<sup>25</sup> Not only did he take his current income with him, but it is very likely that he did not sell any business assets until he had planted his feet on Florida soil as a resident.

Overall, this data shows that Rhode Island's net out-migrants are disproportionately those most likely to be the state's business and community leaders. The loss of these leaders further drains the state's entrepreneurial vitality. Stemming this outflow is the first step toward resolving the deficit in entrepreneurship and reducing the crowd-out of the private sector.

25 Lopez, Linette, "New Jersey has to rethink its budget because one guy moved," *Business Insider*, April 5, 2016. <http://www.businessinsider.com/tepper-move-hurts-new-jersey-2016-4>