

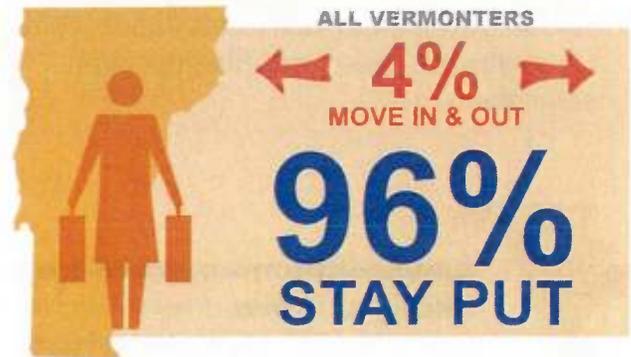
Migration Update: Most Vermonters Stay Put

Are young people leaving Vermont?

According to the latest migration data from the Internal Revenue Service, the answer is yes. But they are also moving into Vermont in almost the same numbers. The new data about Vermont—information that hasn't been available before—show that young tax filers are most likely to move across state lines, in both directions.

Are the wealthy fleeing Vermont?

No, they are not. The people most likely to leave the state are those with the lowest incomes. And over the last 20 years the average income of those coming into Vermont has exceeded the average income of those leaving.

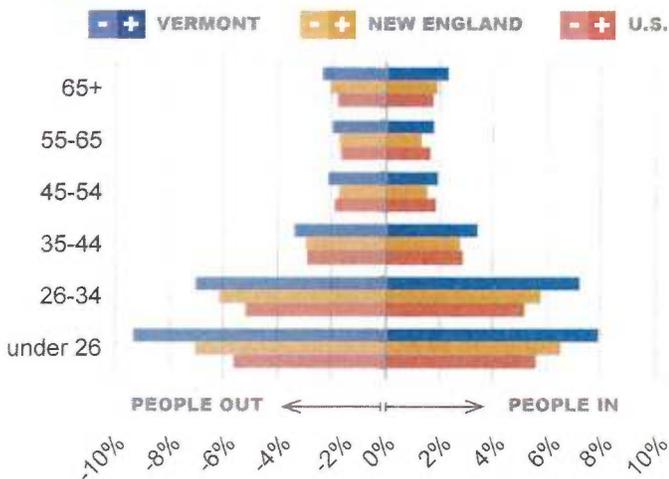


In fact, migration's effect is practically nil overall. In Vermont, New England, and the rest of the country, most people stay put.¹ In 2013, 97 percent of U.S. tax filers and 96 percent of Vermonters didn't leave their home states. When people moved out, comparable numbers moved in.



Young people everywhere are the most mobile

Proportion of tax filers moving in and out by age, 2013



The young and restless

Throughout the country people under 35 were more than twice as likely to move as those 35 and older. In Vermont, people under 26 were the most likely to move out of the state, but they also made up the largest group moving in.

The New England states lost and gained young people at rates higher than the national average. Among those states, Vermont and New Hampshire experienced the most churn, with over 9 percent of young people leaving and approximately 8 percent moving in.

Data source: IRS Statistics of Income
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¹ New England numbers in this report reflect the sum of each of the six New England states, and not those moving in and out of New England as a whole. Totals also capture those moving in or out of a state to or from another country, so the U.S. total outflow does not match the U.S. total inflow.

New data: The IRS has published migration data for at least 25 years by tracking where people file their tax returns. In the past, only aggregate data were available. But the latest reports, for 2012 and 2013, provide a breakdown of tax filers by age and by adjusted gross income, allowing for additional analysis on who is coming and going. Two years' data hardly demonstrate significant trends. But it's worthwhile examining the snapshot they offer.

Higher incomes arrive

People at the lower and higher ends of the income scale—earning less than \$25,000 or more than \$200,000—are slightly more likely to move than those in the middle, who make between \$50,000 and \$200,000. But over the last 20 years (except 2012) the average income of people moving into Vermont has exceeded the average income of those moving out.

In any given year, the net change from migration is less than 1 percent of total Vermont income. Nevertheless, the dollar amount of the change varies from year to year. In 2012, the state saw a net increase of 38 filers with incomes of \$200,000 and up, but a net income loss of \$85.2 million. In 2013, Vermont netted an increase of 91 filers in this top income bracket and an income gain of \$10.5 million. Vermont's total income in each of those years was approximately \$16 billion.



Lower-income people are more likely to move

Proportion of tax filers moving in and out by income group, 2013



No big changes

Since the early 1990s, migration data show, people have moved into and out of Vermont in comparable numbers. The state lost 508 filers in 2013. But over 10 years the loss has been small: less than 0.5 percent of filers.

The upshot: Conventional wisdom holds that Vermont is losing people it wants to keep. In fact, young people are not abandoning the state. And higher earners are staying in—or moving to—Vermont.

Data source: IRS Statistics of Income
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