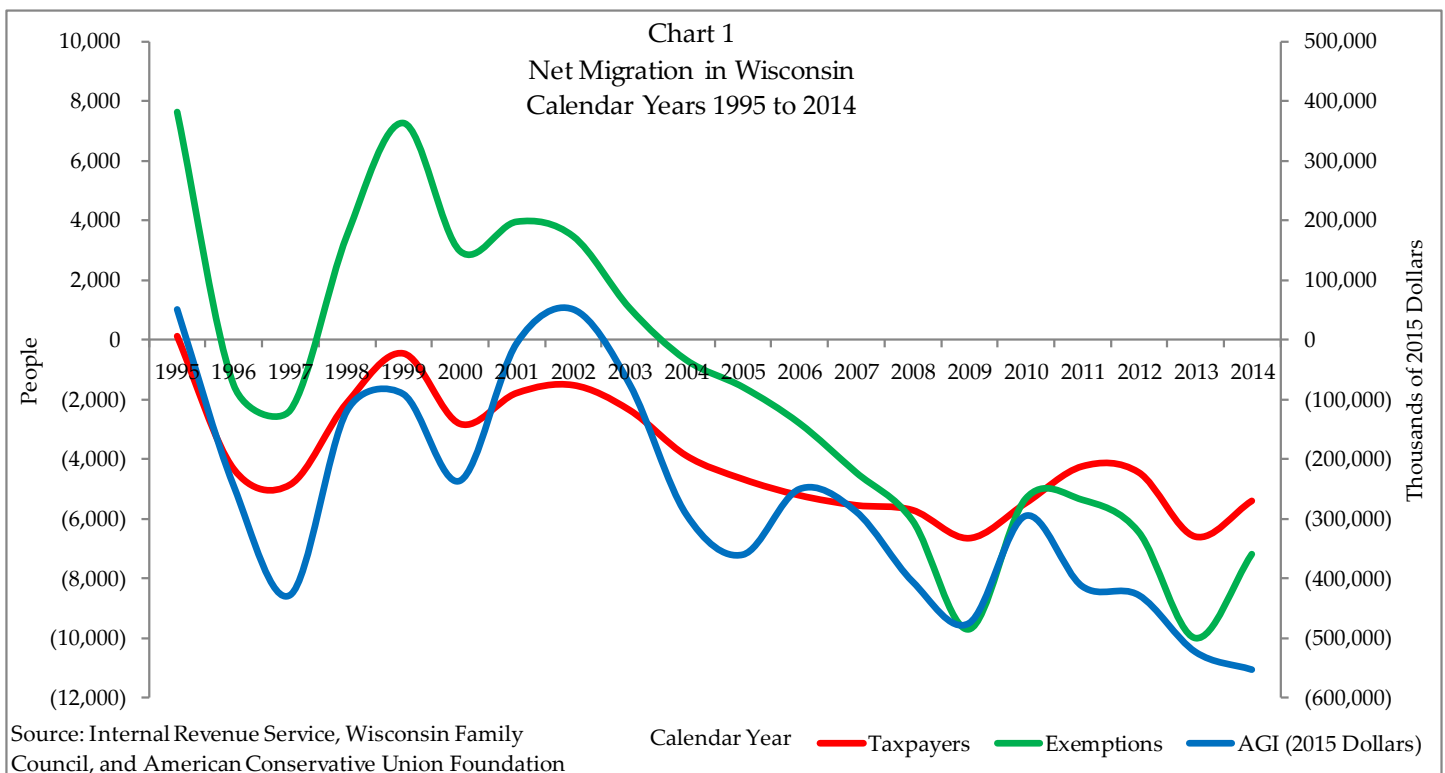




Wisconsin Out-Migration Update

The June 2016 study, “Wisconsin Family Prosperity Index,” found that Wisconsin has a serious, and growing, out-migration problem. In particular, Wisconsin is losing its business and community leaders.¹ This further saps the state’s entrepreneurial vitality as well as its share of successful, intact families.

The IRS recently released new migration data for 2014 that brings good and bad news on the migration front. As shown in Chart 1 and Table 1, the good news is that the 2014 out-migration of households and people has slowed from 2013—one of the worst years for out-migration from Wisconsin. However, the bad news is that the out-migration of income increased. As a result, there is a growing income gap between people moving out of the state and those moving in.



In 2013, the average in-migrant household had income of \$55,067 while the average out-migrant household had an income of \$58,253—a difference of \$3,196. In 2014, the average in-migrant

¹ <http://www.familyprosperity.org/application/files/9314/6712/8986/WisconsinFPI-Paper-DRAFT4.pdf>

household had income of \$52,677 while the average out-migrant household had an income of \$60,142—a difference of \$7,465.

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	40,388	81,303	1,388,186	2,021,379	40,250	73,665	1,353,485	1,970,850	138	7,638	34,701	50,529
1996	39,834	79,410	1,450,893	2,074,875	44,173	80,927	1,622,258	2,319,939	(4,339)	(1,517)	(171,365)	(245,064)
1997	40,534	80,313	1,548,234	2,176,624	45,396	82,670	1,852,299	2,604,102	(4,862)	(2,357)	(304,065)	(427,478)
1998	42,854	84,301	1,755,415	2,441,413	44,964	80,809	1,841,331	2,560,905	(2,110)	3,492	(85,916)	(119,491)
1999	44,056	86,238	1,969,544	2,700,562	44,499	78,969	2,036,090	2,791,807	(443)	7,269	(66,546)	(91,245)
2000	43,606	84,575	1,972,316	2,644,093	46,421	81,598	2,148,583	2,880,397	(2,815)	2,977	(176,267)	(236,304)
2001	43,435	83,404	1,947,424	2,552,589	45,214	79,445	1,952,354	2,559,051	(1,779)	3,959	(4,930)	(6,462)
2002	42,561	81,371	1,859,785	2,400,881	44,073	77,896	1,820,474	2,350,133	(1,512)	3,475	39,311	50,748
2003	41,440	78,644	1,839,792	2,328,657	43,794	77,580	1,898,877	2,403,442	(2,354)	1,064	(59,085)	(74,785)
2004	42,171	80,809	1,960,891	2,415,567	46,057	81,483	2,198,359	2,708,098	(3,886)	(674)	(237,468)	(292,530)
2005	43,408	82,946	2,048,193	2,444,472	48,084	84,527	2,349,884	2,804,533	(4,676)	(1,581)	(301,691)	(360,061)
2006	42,498	81,002	2,138,561	2,476,221	47,722	83,796	2,354,708	2,726,496	(5,224)	(2,794)	(216,147)	(250,275)
2007	43,545	81,060	2,182,853	2,461,865	49,104	85,500	2,437,855	2,749,462	(5,559)	(4,440)	(255,002)	(287,596)
2008	41,507	76,166	1,951,687	2,159,488	47,229	82,223	2,317,636	2,564,401	(5,722)	(6,057)	(365,949)	(404,913)
2009	37,112	67,527	1,570,401	1,724,018	43,781	77,230	2,002,902	2,198,826	(6,669)	(9,703)	(432,501)	(474,808)
2010	39,974	73,884	1,847,363	2,003,509	45,464	79,212	2,119,463	2,298,608	(5,490)	(5,328)	(272,100)	(295,099)
2011	44,364	82,643	2,223,857	2,363,059	48,613	88,004	2,612,383	2,775,905	(4,249)	(5,361)	(388,526)	(412,846)
2012	46,696	87,392	2,604,965	2,717,908	51,147	93,836	3,014,977	3,145,697	(4,451)	(6,444)	(410,012)	(427,789)
2013	42,939	79,598	2,303,206	2,364,526	49,555	89,596	2,812,330	2,887,204	(6,616)	(9,998)	(509,124)	(522,679)
2014	30,412	53,697	1,586,144	1,602,021	35,824	60,882	2,133,167	2,154,519	(5,412)	(7,185)	(547,023)	(552,499)
Total	833,334	1,586,283	38,149,710	46,073,728	911,364	1,619,848	42,879,415	51,454,373	(78,030)	(33,565)	(4,729,705)	(5,380,645)

Source: Internal Revenue Service, Wisconsin Family Council, and American Conservative Union Foundation

As shown in Table 2, a compelling insight from this IRS data is that the majority of the net out-migration of income is from taxpayers over the age of 45 earning more than \$100,000—67 percent in

Year	Percent	Amount (\$Millions)
2011	67%	-\$289
2012	53%	-\$230
2013	57%	-\$258
2014	56%	-\$287

Source: Internal Revenue Service, Wisconsin Family Council, and American Conservative Union Foundation

2011, 53 percent in 2012, and 57 percent in 2013, and 56 percent in 2014. As such, Wisconsin is suffering from out-migration of those most likely to be community and business leaders, who are the most entrepreneurial, have the highest marriage rates, and have the largest families.

An examination of Wisconsin's high rate of out-migration offers a starting point for state policymakers, activists, civic leaders and private individuals and institutions to attack the root of the problem. Reasons for this

phenomenon include Wisconsin's higher state and local tax burden and its business-strangling union presence, both of which contribute to lower private sector job growth.

Progress has been made in addressing the obstacles posed by growth-suppressing union activity; the next step on Wisconsin's path to prosperity is to tackle the tax issue. Lowering the state and local tax burden on families and on businesses should be an immediate policy priority.