

NEWS RELEASE

RUTGERS REGIONAL REPORT
WHERE HAVE ALL THE DOLLARS GONE?
AN ANALYSIS OF NEW JERSEY MIGRATION PATTERNS

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**NEW JERSEY MIGRATION OUTFLOW TO OTHER STATES ACCELERATES,
REDUCING INCOME BY \$10 BILLION, STATE TAX REVENUES BY \$680 MILLION**
Rutgers Researchers Find State's Total Population Could Begin Declining by 2008

New Brunswick, N.J. – New Jersey's net migration loss to other states more than tripled between 2002 and 2006, and, as a result, the state could experience an overall decline in population starting next year if current trends continue, according to a new **Rutgers Regional Report** issued today by **James W. Hughes**, Dean of the Edward J. Bloustein School of Planning and Public Policy, and **Joseph J. Seneca**, University Professor.

The report set out to find whether statistical evidence would confirm anecdotal reports that New Jerseyans were “selling their homes, cashing out, and moving to lower-cost, more-affordable states,” or “establishing permanent residence in low-tax states while continuing to maintain a New Jersey domicile.”

Through an examination of U.S. Census Bureau and Internal Revenue Service data, Hughes and Seneca concluded that “the population outflow is real, is approaching worrisome dimensions, and is exerting a small, but increasingly negative impact on the New Jersey economy. Less clear are the reasons behind the out-migration and whether there are feasible policy options for significantly changing it.”

By 2006, New Jersey's net migration loss was 72,547 people. This was the fourth highest loss in the nation, trailing only California, storm-damaged Louisiana, and New York. The state's migration loss was greater than the losses in Michigan, Ohio, and Illinois.

Based on Internal Revenue Service data, the report estimated that the net loss of residents to other states from 2000 to 2006 cost New Jersey \$10 billion in personal income and \$680 million in state tax revenues in 2006. For the period 2000 to 2005, the largest net outflow of New Jersey taxpayers and their dependents was to Florida (124,584), Pennsylvania (42,459) and North Carolina (29,803). The state had a positive net inflow of taxpayers from New York (148,538).

According to U.S. Census Bureau data, in 2002 the number of people who moved out of New Jersey exceeded the number who moved into the state by 23,759. That gap has widened each year since, and by 2006 the imbalance was 72,547 people. The cumulative population loss due to out-migration from 2002 to 2006 was 231,565 people.

"A simple extrapolation of this trend indicates that New Jersey could experience an absolute population loss by 2008," the report found.

The study indicated that the migration loss could slow in the short term due to the sharp decline in the housing market. "Basically, if you can't sell your house, you can't move," Hughes and Seneca stated in the report.

In the long term, other regions in the nation that are attractive today to New Jerseyans may lose their allure. "Eventually, these states will confront problems similar to those that have affected New Jersey – rising public-sector costs and taxes as a consequence of growth, accelerating congestion and crowding, increasing costs of living and costs of doing business, and stiffer resistance to growth," Hughes and Seneca concluded.

Rutgers Regional Report 26 was written by Dean James W. Hughes, University Professor Joseph J. Seneca, and Research Associate Will Irving, all of the Edward J. Bloustein School of Planning and Public Policy, Rutgers University.