

This memorandum is preliminary in nature and subject to revision and review. Any views expressed are not necessarily those of the Federal Reserve Bank of Boston or of the Federal Reserve System.

To: Attendees at the New England Legislators Symposium on June 23
From: Carrie Conaway
Date: June 30, 2006
Re: Your questions from last week

When I spoke last week at your conference, “Building Retirement Security at the State Level,” you asked me several questions about the data that I presented. This memo follows up on those questions with additional details.

Population growth in the New England states

My presentation showed the total growth in population in each New England state over the period April 2000 to July 2005. You were interested in also seeing the percent change over that period. Chart 1, attached, shows these data. As you can see, New Hampshire experienced the largest change in population over that period, at 5.6 percent. The population of Massachusetts grew most slowly, at less than 1 percent. Only New Hampshire grew faster than the U.S. average.

Women as a share of the elderly population in New England

I showed you projections of the share of New England’s population that would be age 65 or over from 2000 to 2030. You were interested to know what share of that elderly population would be women. Chart 2, attached, shows the share of the elderly population that was female in 2000, and the projected share in 2030. Relatively fewer elderly people will be women by 2030. We suspect this is due to the fact that everyone is living longer than they used to, which means a greater proportion of men will live past 65—thereby driving down the share of women in that age group.

Migration patterns within New England

You were curious to know about movements of population within New England. The best data on this question come from the Internal Revenue Service, which tracks the migration patterns of exemptions from state to state on an annual basis. (See caveats on page 4.) The most recent data, showing movements in 2002, are summarized in Tables 1 and 2. For more information on how to interpret the tables, see the appendix.

Several points stand out from these tables:

- In 2002, 93,316 people moved from one New England state to another. Overall, Maine, New Hampshire, Rhode Island, and Vermont gained in-migrants from other New England states. Massachusetts and Connecticut showed net losses of migrants to other states in the region.

- New Hampshire gained the most New Englanders, both overall and net of the people who moved out of the state. This is striking given that Connecticut and Massachusetts have significantly larger overall populations.
- A common perception is that New Hampshire and Maine are gaining a lot of Massachusetts expatriates. And indeed, they are; New Hampshire gained nearly 20,000 new residents from Massachusetts; Maine, nearly 6,000. Massachusetts was the New England state contributing the most new residents to both New Hampshire and Maine. But it's important to remember that migration flows in both directions. New Hampshire actually sent 8,600 people to Massachusetts at the same time that Massachusetts sent 19,000 to New Hampshire.

Migration patterns between New England and the rest of the U.S.

You were also curious to know what other regions were attracting New England out-migrants. Table 3 shows these data for both out-migration and net migration. For more information on how to interpret the table, see the appendix.

Some highlights from this table:

- Out-migrants from New Hampshire were the most likely to stay within the region; 46.4 percent of them moved to another New England state. Only 18.4 percent of out-migrants from Connecticut stayed within New England.
- Nearly one-third of New England movers in 2002 moved into another New England state. An additional 41 percent went to one of two other areas: the Mid-Atlantic (15.8 percent) and the South Atlantic (25.6 percent). The other six regions received the rest of the out-migrants fairly evenly.
- On net, every state in New England lost people to the South Atlantic region, which includes key competitor cities such as Washington, D.C.; Atlanta, Georgia; and the Research Triangle area in North Carolina, as well as Florida, a magnet for retirees. Connecticut, Maine, and Rhode Island sent the largest shares of their out-migrants to this region.
- Even though more than 46,000 people moved from New England to the Mid-Atlantic, we actually gained population from that region faster than we lost people to it. More than two-thirds of this gain, though, is accounted for by people moving to Connecticut from the Mid-Atlantic, which may stem from the fact that Connecticut's Fairfield County is really more economically integrated with the New York metro area than it is with New England. As a share of all out-migrants, the Mid-Atlantic gained the most New Englanders from Connecticut, Massachusetts, and Vermont.

Migration patterns of the elderly

Finally, you were interested in the amount of retiree immigration into New England, particularly into Maine and Vermont. A recent Census Bureau report, "Internal Migration of the Older Population: 1995 to 2000" (summarized in Table 4), shows that New England on the whole is losing elderly people to other regions. Between 1995 and 2000, nearly 12 out of every 1,000 New England residents age 65 or older migrated out of the region. The Mid-Atlantic and East North Central regions lost more elderly in relative terms, and regions in the south and west gained elderly residents.

It appears, however, that the exodus of the elderly from New England is really only happening in Connecticut, Massachusetts, and Rhode Island. The northern New England states are attracting people over age 65. Between 1995 and 2000, Maine added 9.1 elderly residents for every 1,000 elderly Mainers; New Hampshire, 4.9; and Vermont, 0.2. None of these states is in the top ten in terms of net in-migration of the elderly, however. So the northern New England states are gaining retirees, but not nearly as quickly as some retiree magnet states such as Nevada, Arizona, and Florida.

The Census Bureau report contains much more detail on this phenomenon. It is available at <http://www.census.gov/prod/2003pubs/censr-10.pdf>. This is an area in which the New England Public Policy Center hopes to do additional work, and we will keep you informed as our research progresses on this issue.

Appendix: How to interpret Tables 1, 2, and 3

Table 1: This shows the total number of people moving within New England, as well as the state to and from which each person moved. For instance, 12,615 people moved to Maine from another New England state, while 6,755 people moved from Maine to another state in the region.

Table 2: This shows the *net* migration within the New England states; that is, for each state, it shows the number of people gained from other New England states *minus* the number of people lost to other states in the region. For instance, Maine gained a total of 5,860 New Englanders in 2002: 481 from Connecticut; 3,453 from Massachusetts; 1,450 from New Hampshire; 234 from Rhode Island; and 242 from Vermont. Massachusetts, on the other hand, showed net losses to every other state in the region, peaking with 10,361 people moving from Massachusetts to New Hampshire that year.

Table 3: The first section of Table 3 shows the number of people leaving each New England state, either for another state in New England or for another region. For example, the data in the New Hampshire row of the first column show that 16,623 people moved from New Hampshire to another part of New England. (This should be no surprise, as it's the same number shown in Table 1.) Going across the table, New Hampshire also lost 3,200 people to the Mid-Atlantic region, 1,585 to the East North Central region, and so on. New Hampshire as a whole lost 35,821 people to other states or regions in 2002.

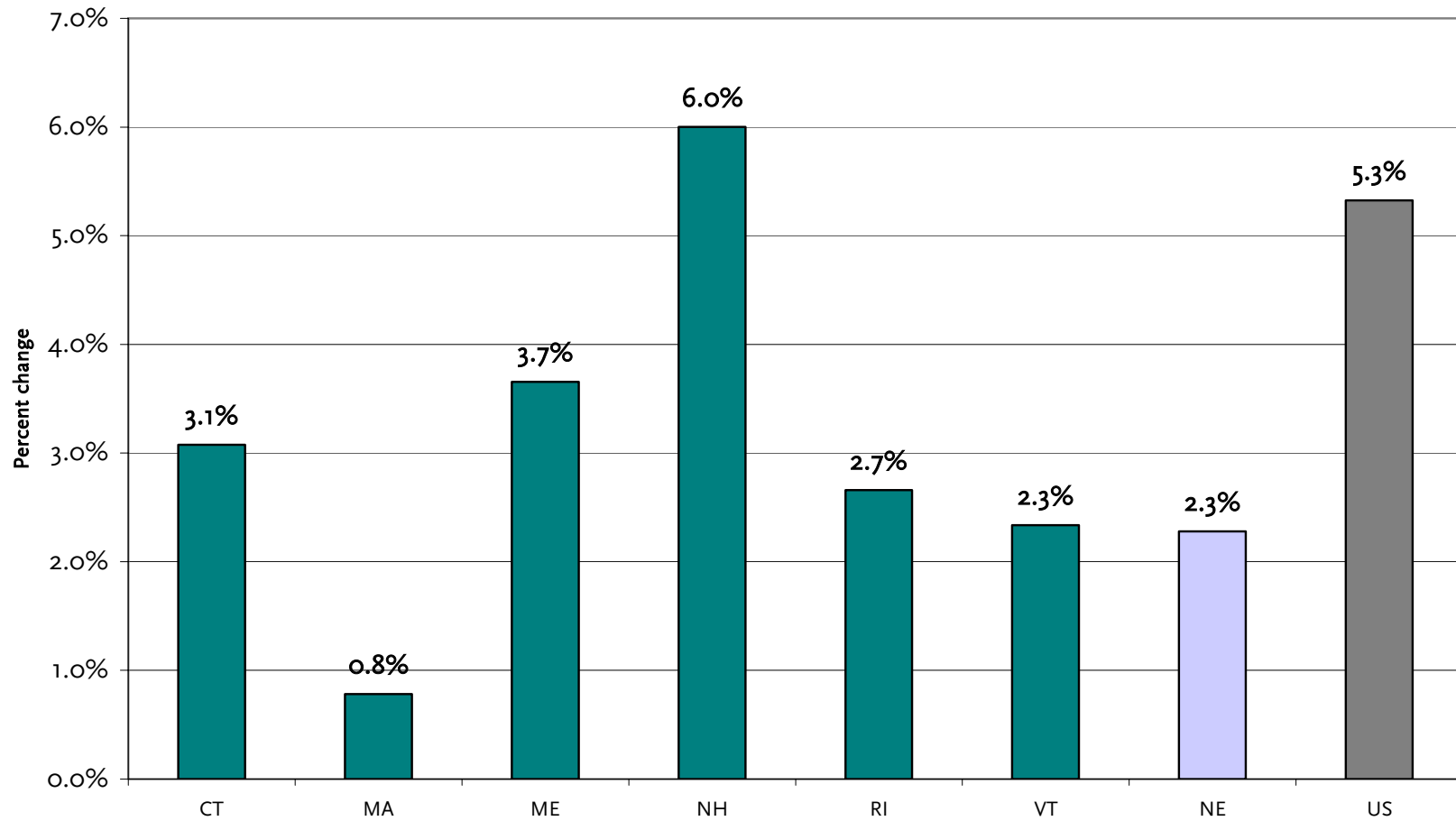
The next section shows *net* migration: the number of people moving into the state *minus* the number going to other New England states or other U.S. regions. (Notice that the first column of this part of the table mirrors the total column from Table 2.) On net, New England lost nearly 24,000 residents to other parts of the country in 2002. The region actually netted 12,483 people from the Mid-Atlantic region in 2002, as well as 231 from East North Central and 65 from West North Central. But we lost 30,423 people to the South Atlantic region; 2,253 to East South Central; 1,233 people to West South Central; 2,122 to Mountain; and 540 to Pacific.

The third section shows the percent of people who left a New England state, by their destination region. For example, 33.5 percent of people leaving Massachusetts moved somewhere else within New England; 15.1 percent moved to the Mid-Atlantic, 5.4 percent to the East North Central region; and so on. The final row shows what percentage of New England leavers who moved into each of the other eight regions. So, for instance, 15.8 percent of New England movers settled in the Mid-Atlantic region. (Note that this part of the table accounts only for people moving out of the region, rather than the net after accounting for people moving in.)

Caveat: These data are based on the migration patterns of tax filers and their associated exemptions, and exemptions aren't exactly people. For instance, people claimed as exemptions who do not live with the tax filer (such as out-of-state college students) are counted as moving wherever the tax filer moved, regardless of their actual physical location. We expect that the number of people who are miscounted in this way is likely to be small, but we don't have hard evidence on what share fall into this category.

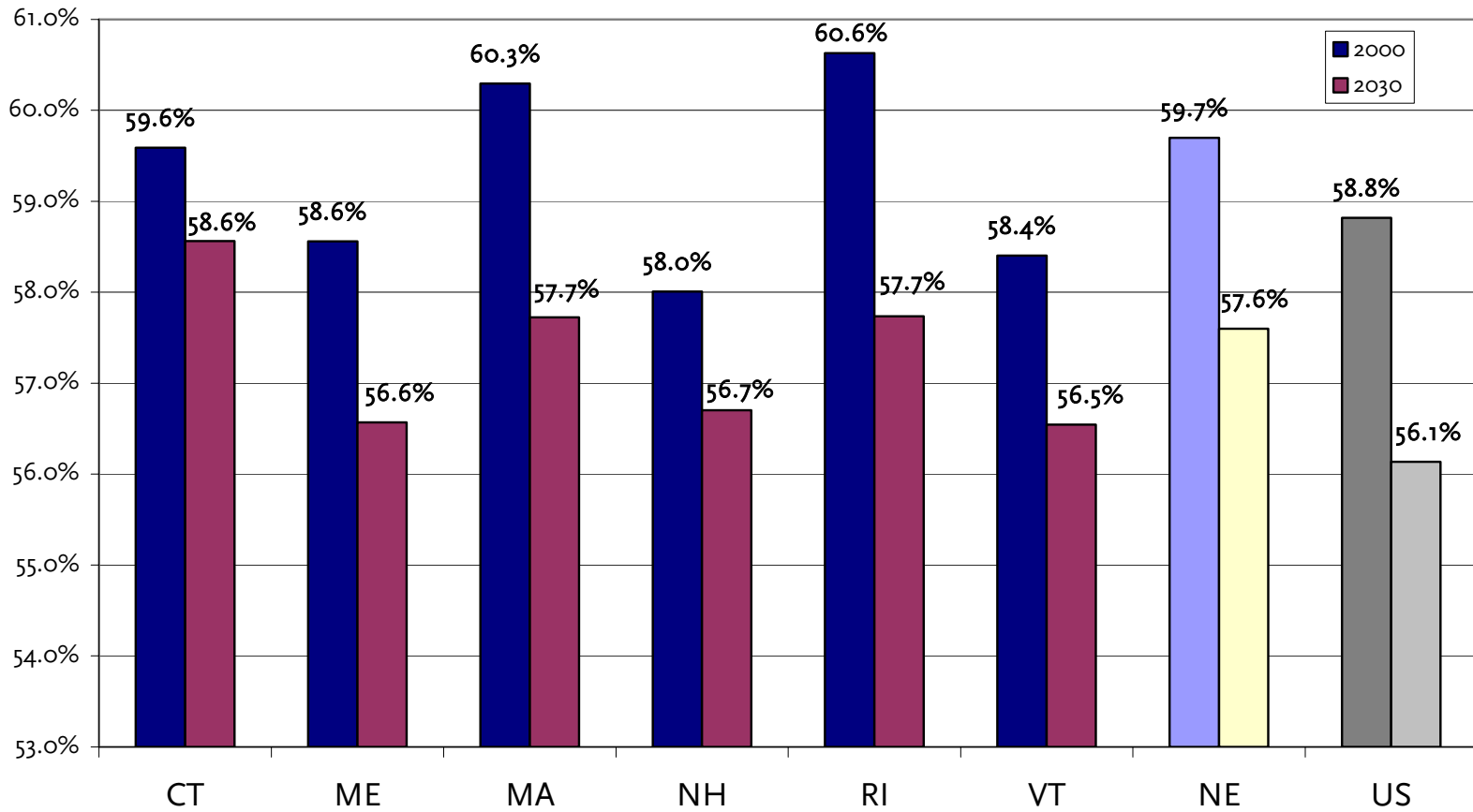
Revised on 07/13/2006.

Chart 1: Population growth, April 2000 to July 2005



Source: U.S. Census Bureau

Chart 2: Women as share of 65+ population in 2000 and 2030



Source: U.S. Census Bureau

Table 1: Internal migration in New England, 2002

		Moving to:						Total
		CT	ME	MA	NH	RI	VT	
Moving from:	CT		1,362	6,750	1,351	1,842	1,059	12,364
	ME	881		2,341	2,794	301	438	6,755
	MA	7,647	5,794		19,048	8,596	2,222	43,307
	NH	1,063	4,244	8,687		479	2,150	16,623
	RI	2,045	535	5,894	616		146	9,236
	VT	632	680	1,494	2,082	143		5,031
Total		12,268	12,615	25,166	25,891	11,361	6,015	93,316

Source: IRS Domestic Migration Data, 2002

Table 2: Net migration within the New England states, 2002

		Moving from:						Total
		CT	ME	MA	NH	RI	VT	
Moving to:	CT		-481	897	-288	203	-427	-96
	ME	481		3,453	1,450	234	242	5,860
	MA	-897	-3,453		-10,361	-2,702	-728	-18,141
	NH	288	-1,450	10,361		137	-68	9,268
	RI	-203	-234	2,702	-137		-3	2,125
	VT	427	-242	728	68	3		984

Source: IRS Domestic Migration Data, 2002

Table 3: New England migration patterns, 2002

	New England	Mid-Atlantic	East North Central	West North Central	South Atlantic	East South Central	West South Central	Mountain	Pacific	Total
	CT, ME, MA, NH, RI, VT	NJ, NY, PA	IN, IL, MI, OH, WI	IA, KS, MN, MO, NE, ND, SD	DE, DC, FL, GA, MD, NC, SC, VA, WV	AL, KY, MS, TN	AR, LA, OK, TX	AZ, CO, ID, NM, MT, UT, NE, WY	AK, CA, HI, OR, WA	
Out-migration (number of people moving <i>from</i> the states below <i>to</i> the regions in the columns)										
<i>From:</i>										
CT	12,364	15,729	4,087	1,416	20,467	2,658	2,726	2,947	4,810	67,204
ME	6,755	2,164	1,142	639	5,952	1,085	996	1,411	1,658	21,802
MA	43,307	19,548	6,923	2,463	31,047	4,312	4,671	5,629	11,271	129,171
NH	16,623	3,200	1,585	669	7,828	888	1,121	1,893	2,014	35,821
RI	9,236	2,662	997	430	6,368	878	765	739	1,631	23,706
VT	5,031	2,899	651	342	3,257	491	466	1,114	1,012	15,263
NE	93,316	46,202	15,385	5,959	74,919	10,312	10,745	13,733	22,396	292,967
Net migration (number of people moving <i>from</i> the regions in the columns <i>to</i> the states below; negative numbers indicate net losses)										
<i>To:</i>										
CT	-96	8,824	-33	53	-8,655	-669	-68	-501	54	-1,091
ME	5,860	1,279	422	142	-218	-63	146	191	317	8,076
MA	-18,141	201	-448	-128	-14,800	-1,273	-1,057	-1,427	-1,443	-38,516
NH	9,268	331	89	-4	-3,408	-47	-165	-332	9	5,741
RI	2,125	1,357	88	-9	-2,469	-193	-57	7	406	1,255
VT	984	491	113	11	-873	-8	-32	-60	117	743
NE	0	12,483	231	65	-30,423	-2,253	-1,233	-2,122	-540	-23,792
Percent of total out-migration (percent of people moving <i>from</i> the states below <i>to</i> the regions in the columns)										
<i>From:</i>										
CT	18.4%	23.4%	6.1%	2.1%	30.5%	4.0%	4.1%	4.4%	7.2%	100.0%
ME	31.0%	9.9%	5.2%	2.9%	27.3%	5.0%	4.6%	6.5%	7.6%	100.0%
MA	33.5%	15.1%	5.4%	1.9%	24.0%	3.3%	3.6%	4.4%	8.7%	100.0%
NH	46.4%	8.9%	4.4%	1.9%	21.9%	2.5%	3.1%	5.3%	5.6%	100.0%
RI	39.0%	11.2%	4.2%	1.8%	26.9%	3.7%	3.2%	3.1%	6.9%	100.0%
VT	33.0%	19.0%	4.3%	2.2%	21.3%	3.2%	3.1%	7.3%	6.6%	100.0%
NE	31.9%	15.8%	5.3%	2.0%	25.6%	3.5%	3.7%	4.7%	7.6%	100.0%

Source: IRS Domestic Migration Data, 2002

Table 4: Migration patterns of people age 65 and over in New England, 1995 to 2000

	In-migrants	Out-migrants	Net migration	Net migration rate per 1,000 elderly
Connecticut	16,691	26,184	-9,493	-20.0
Maine	9,347	7,697	1,650	9.1
Massachusetts	22,350	63,784	-14,434	-16.6
New Hampshire	11,588	10,868	720	4.9
Rhode Island	5,339	6,087	-748	-4.9
Vermont	4,736	4,717	19	0.2
New England	46,341	68,627	-22,286	-11.7

Source: U.S. Census Bureau, "Internal Migration of the Older Population, 1995 to 2000," Table 2