

# Migration, Millennials and Mobility: Economic Growth Drivers or Drains?

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# Why this matters

- Labor force quality and quantity will dramatically influence opportunities in the future
- Millennials are the replacement labor force for Baby Boomers
- Retaining and attracting Millennials may be challenging and require planning
- Migration is an important component of change in population growth and redistribution of the labor force
- Commuting redistributes income and creates challenges for local economic development
- Rural Missouri faces significant labor force challenges

# Missouri Context Foreign Born Migration

- Historical low rates of international migration but increasing in the last decade (49% entered since 2000)
- 3.7% foreign born (225,000) compared to 13.3% for US (42.4 million)
- 45.8% are naturalized (47.1% for US)
- Between 2000 and 2014 MO foreign born increased 49% compared to 36% for US
- Lower proportions of Hispanics (MO = 28%/US = 46%) and larger for Asian (39%/30%), African (9%/5%), European (19%/11%)
- 4.6% of the Missouri labor force, 210,000 workers (16.9% for US)
- Higher labor force participation rate (foreign born = 65%/US born = 63%) and lower unemployment (5.0%/6.9%)
- More likely to be self-employed
- Poverty rates higher than US born (22%/15%) and median household incomes lower (\$45,810/\$48,465)
- Less likely to have government subsidized health insurance (15.8%/31.2%)
- Lower rates of homeownership overall but naturalized foreign born have slightly higher rates than US born
- More likely to have children in married couple household, 89% married when giving birth compared to 60% for US born.

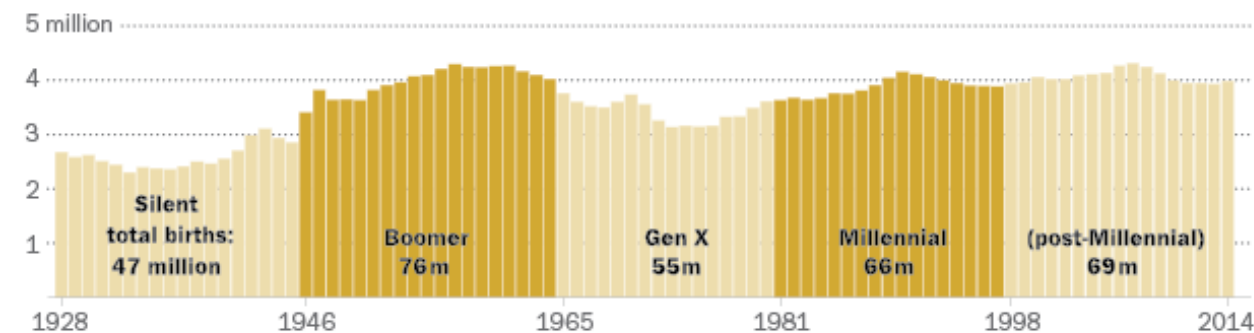
Source: Migration Policy Institute and Census Bureau (American Community Survey 2014)

# Millennials

- Many different definitions of Millennial age range
- This study uses persons aged 15 to 35 years in 2015 (born 1980 to 2000)
- International migration is an important component of growth because the US foreign born population in 1980 was larger than during Baby Boom
- Racially diverse (only 57% white compared to 82% for Boomers)
- Delaying marriage: age 18-32 only 26% married compared to 48% for Boomers at the same age
- Living at home in record proportions: 32% but decreases as education increases (HS = 39%, college educated = 19%.) As a result home ownership and the percent that are a head of household are lower than Boomers at the same age.
- Politically independent but trending democratic (60% for Obama in 2012 compared to 44% for 65+ age group)
- More detached from political and religious institutions than previous generations
- Digital natives: 81% on Facebook, larger number of online friends, 55% share a selfie – only 9% for boomers

## Births Underlying Each Generation

Number of U.S. births by year and generation

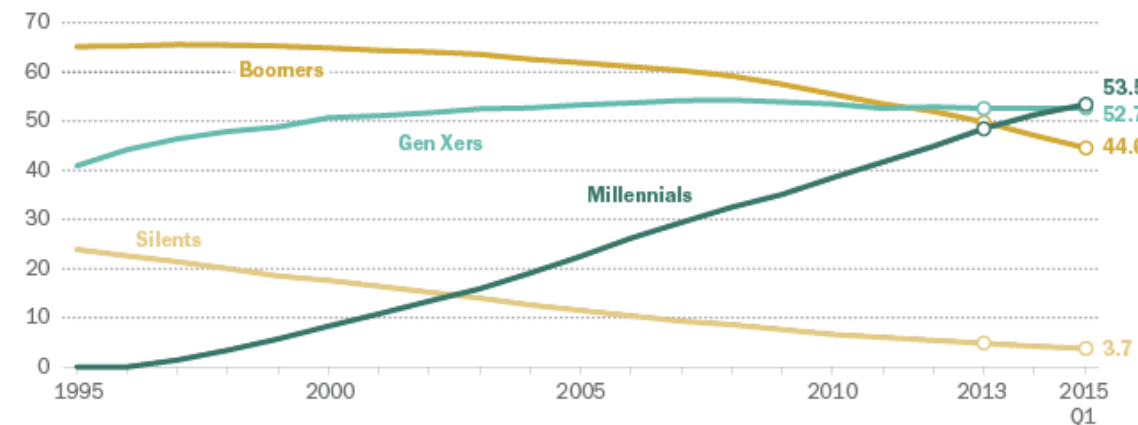


Source: U.S. Dept. of Health and Human Services National Center for Health Statistics

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## U.S. Labor Force by Generation, 1995-2015

In millions



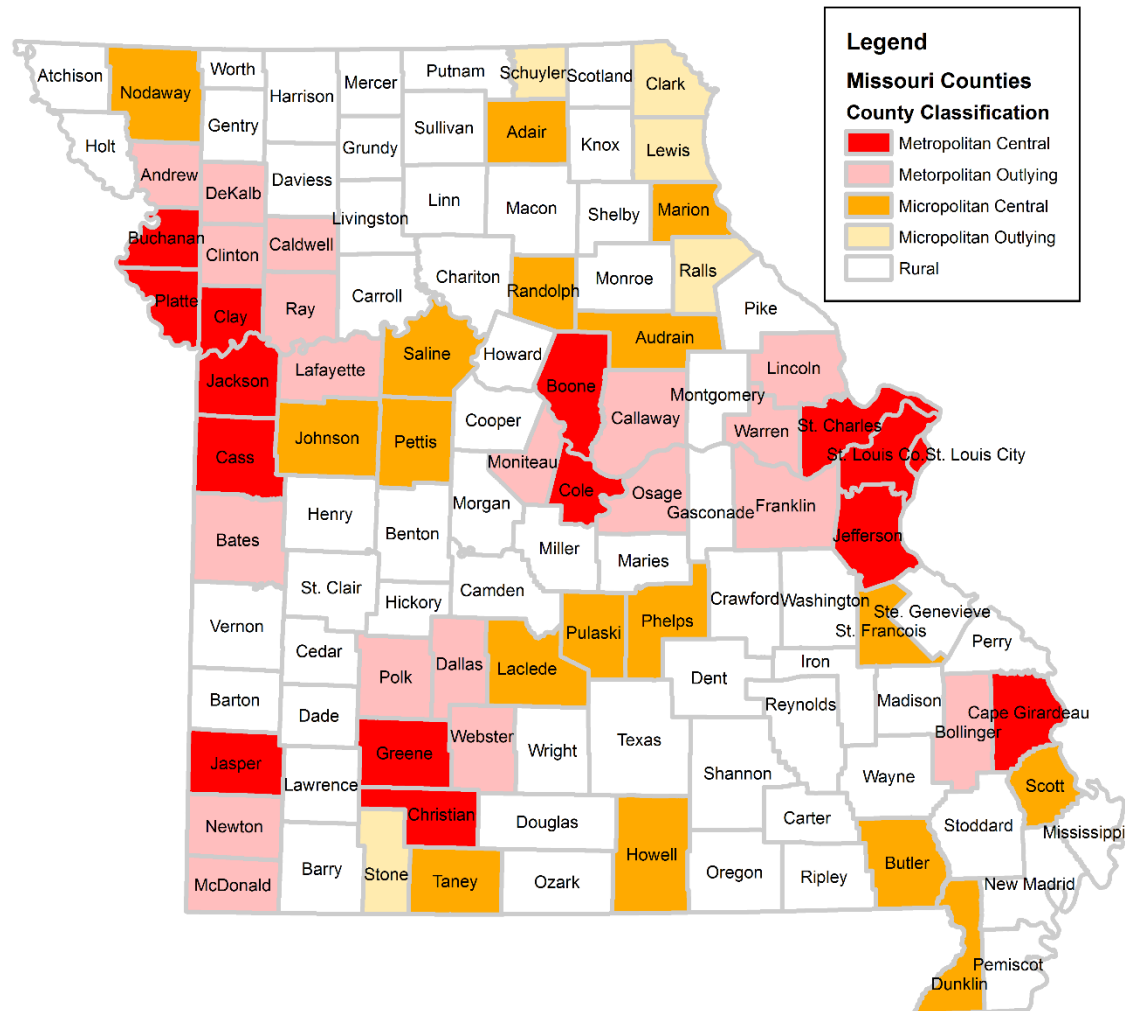
Note: Annual averages plotted 1995-2014. For 2015 the first quarter average of 2015 is shown. Due to data limitations, Silent generation is overestimated from 2008-2015.

Source: Pew Research Center tabulations of monthly 1995-2015 Current Population Surveys, Integrated Public Use Microdata Series (IPUMS)

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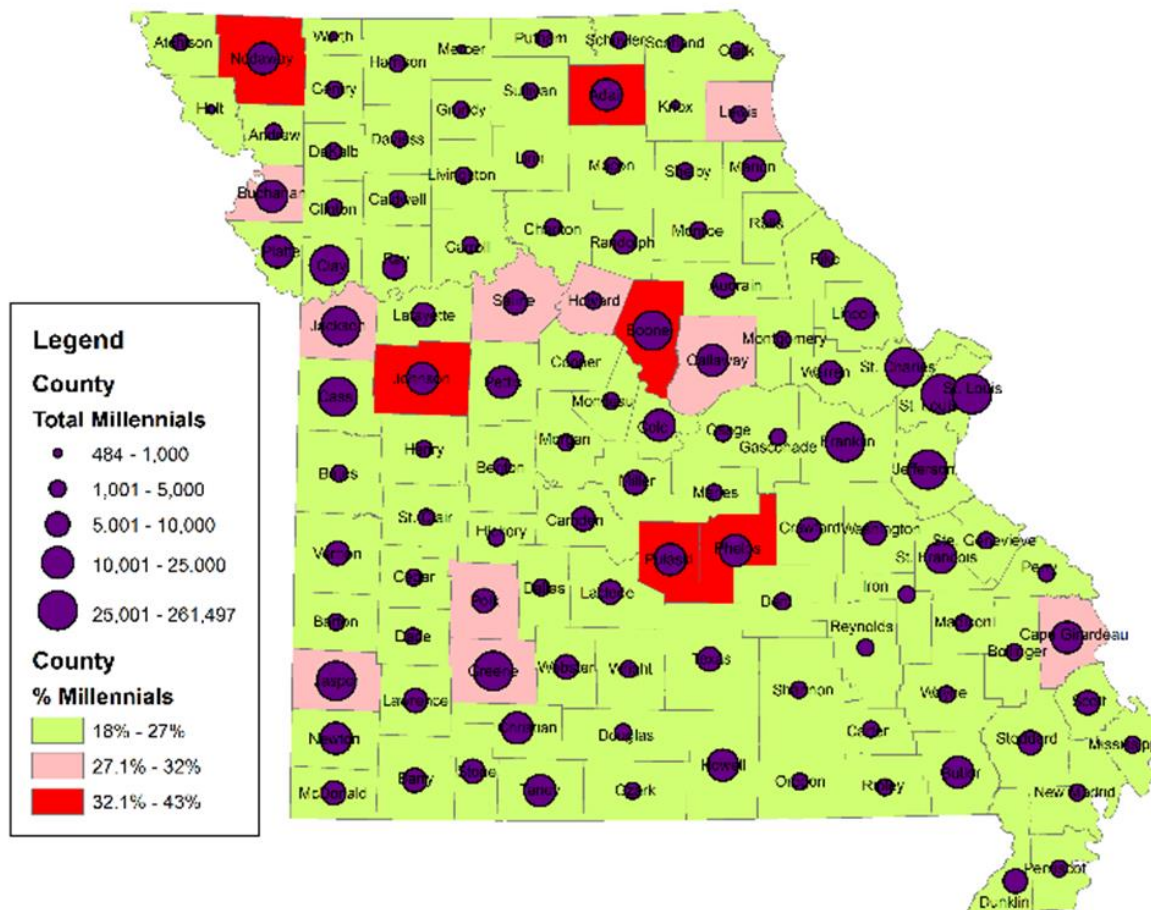
- Millennials are currently 34% of the labor force, equal to the Baby Boomers
- Best educated generation but paying for it with debt
  - 61% of adult millennials attended college, Boomers = 46%
  - 47% aged 25 to 34 in 2014 had a post-secondary degree
  - One half of students borrow compared to 30% in the mid-nineties
- Entering work force during recession but still optimistic about opportunities
- Less work experience: For 16 to 24 year olds enrolled in school the labor force participation rate is at a record low

# US Office of Management and Budget County Classification



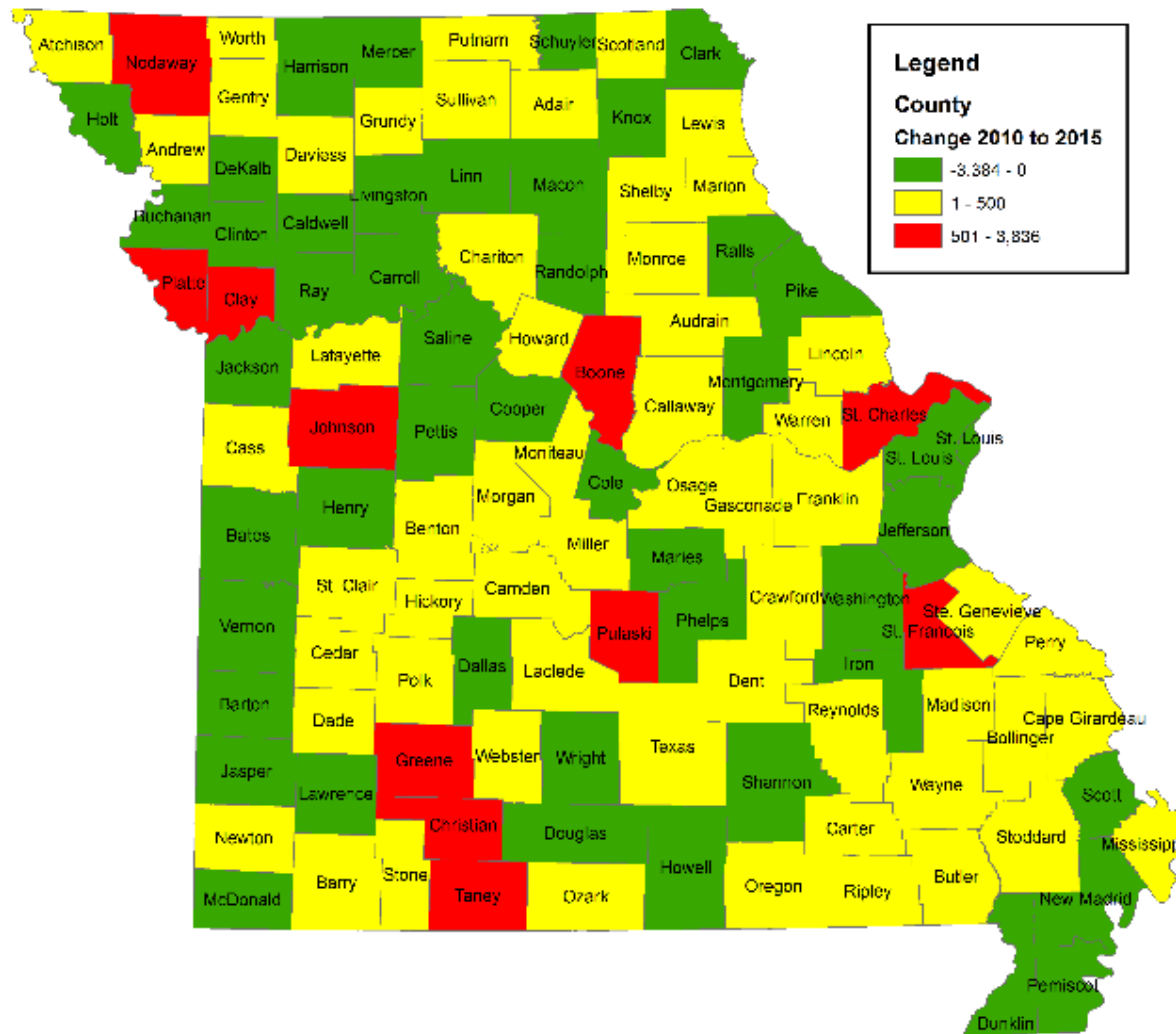
Source: See <http://www.census.gov/population/metro/> for definitions

# Millennial Percent of Total Population 2015



- In Missouri there are about 77,000 more Millennials than Baby Boomers
- 27% of Missouri residents are in the Millennial age group which is identical to the US proportion
- 17 counties have higher concentrations than the State average – Nodaway is highest with 43% followed by Pulaski (42%), Adair (41%), Boone (38%) and Johnson (37%)
- 85 counties have fewer Millennials than Boomers
- Retirement counties (Camden, Stone, Benton and Hickory) have the lowest proportions of Millennials

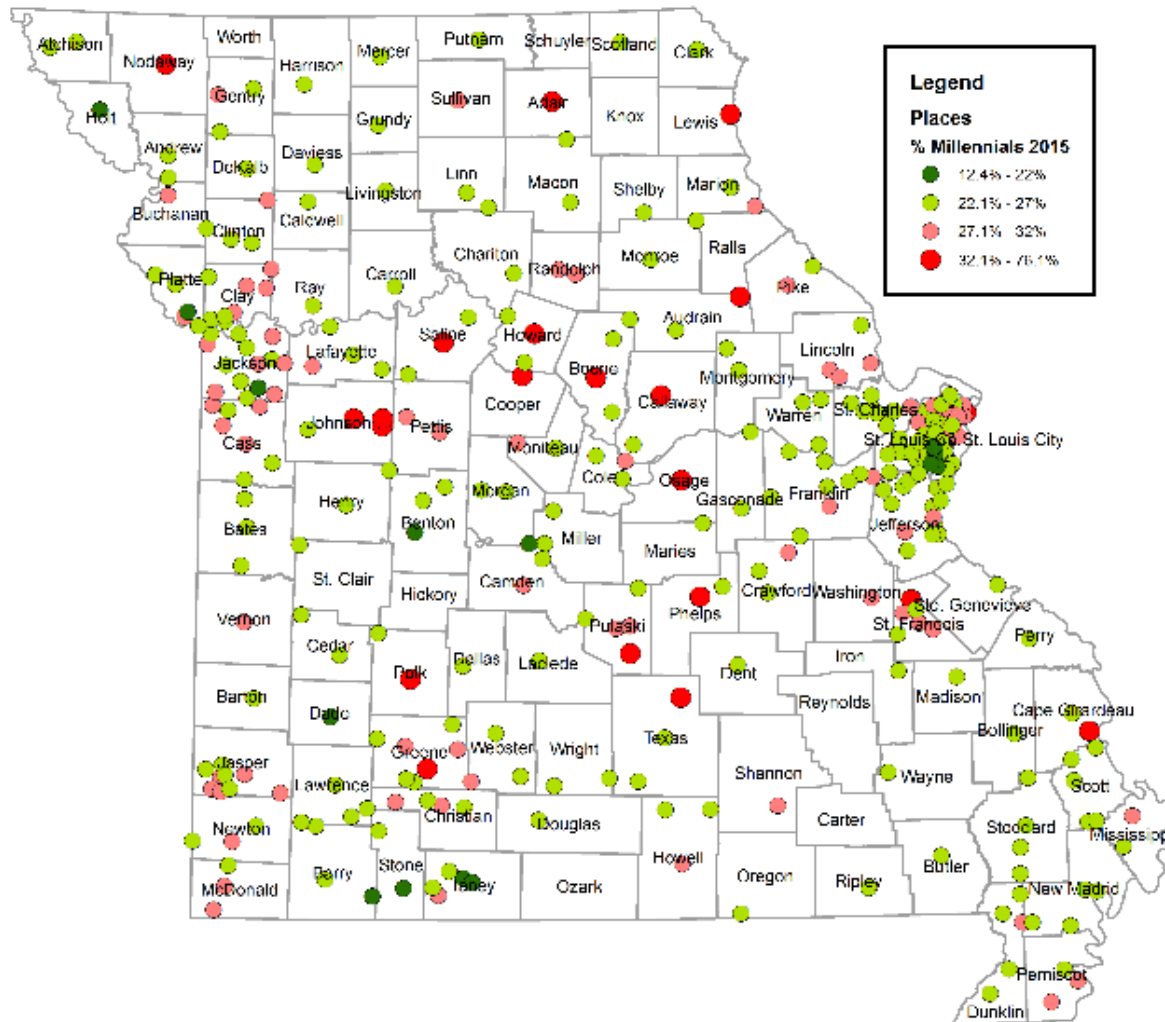
# Millennial Population Change 2010 to 2015



- 46 counties have experienced losses in the Millennial age group since 2010
- This is a result of population redistribution since the Millennial population increased by nearly 10,000
- Pemiscott had the largest proportional loss (-5.6%) while Pulaski had the largest gain 6.4%

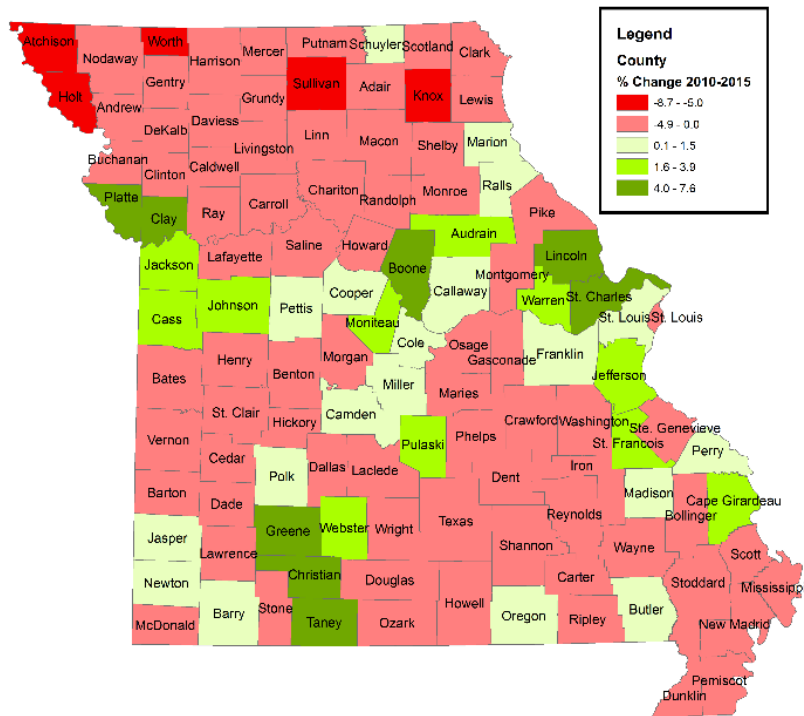
Source: University of Missouri Extension from Census Bureau and Synergos Technologies, Inc. data

# Millennial Population in Places 2015 (places 500+)



- High densities of Millennials are found in college towns and military bases – all places with highly transient populations
- 655 places (out of 1,029) had fewer Millennials in 2015 than in 2010
- The losses were not confined to small towns but included many larger cities in metro areas

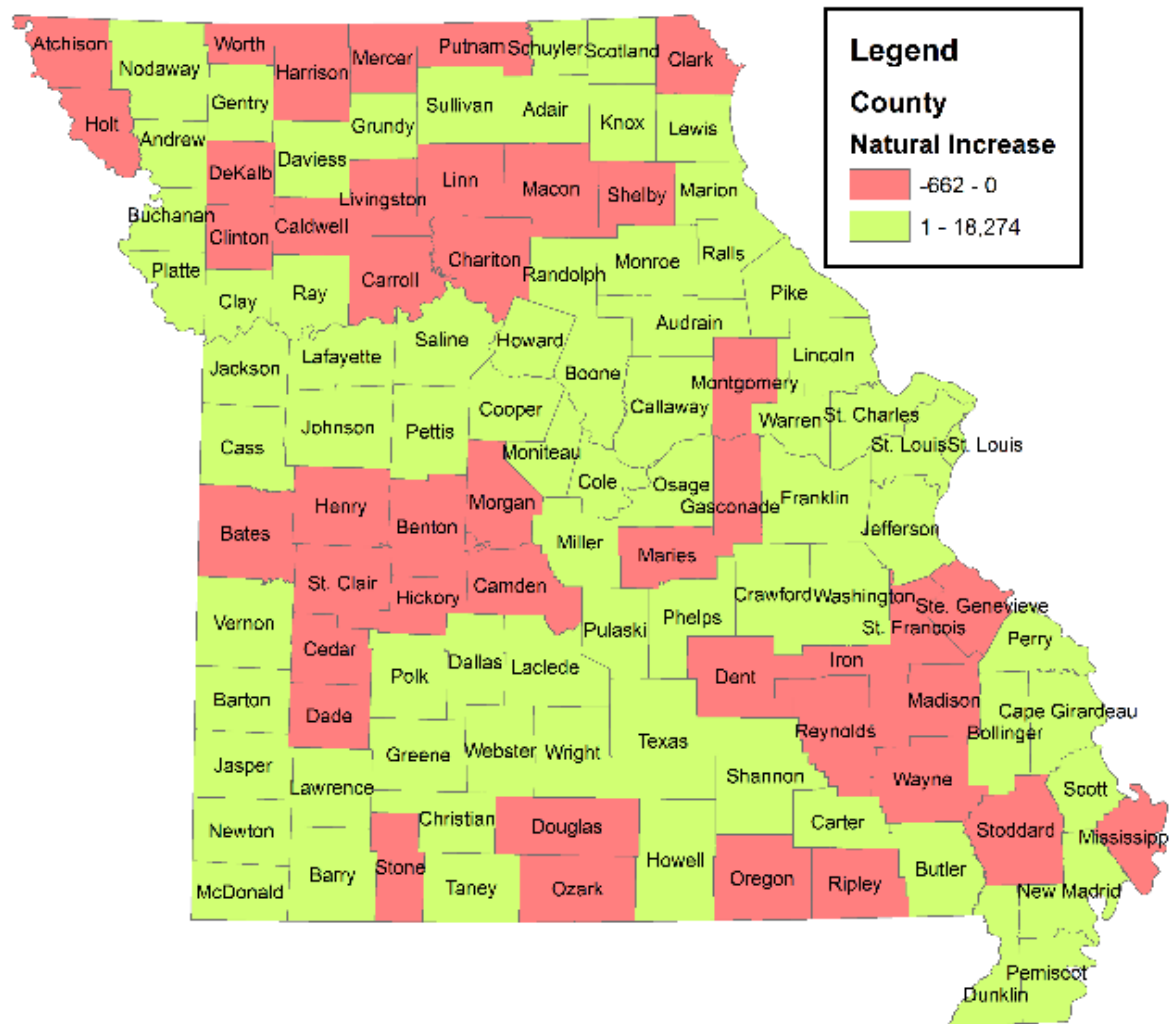
# Total Population Change 2010 to 2015



- 75 counties lost population – the largest widespread losses since the 1980's
- Rural areas experienced the largest proportional losses
- No Central Metro counties lost population
- St. Charles, Clay, Jackson, Greene and Boone all added 10,000 or more
- Micropolitan counties grew at the slowest rate in over 30 years.

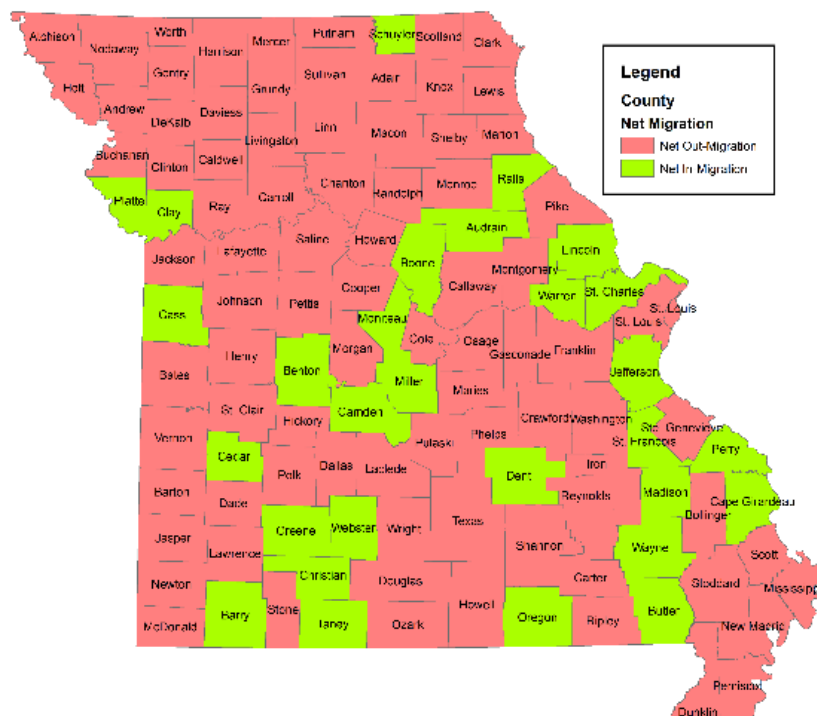
Population Change	
<b>Metro Central</b>	<b>103,173</b>
<b>Metro Outlying</b>	<b>2,827</b>
<b>Micro Central</b>	<b>4,066</b>
<b>Micro Outlying</b>	<b>-1,563</b>
<b>Rural</b>	<b>-13,758</b>
<b>Grand Total</b>	<b>94,745</b>

# Natural Increase 2010 to 2015



- 42 counties had a negative rate of natural increase (deaths exceeded births), nearly all are rural.
- This is the result of out-migration of young adults and slightly lower birth rates.
- If this trend persists many community institutions are at risk

# Net Migration 2010 to 2015

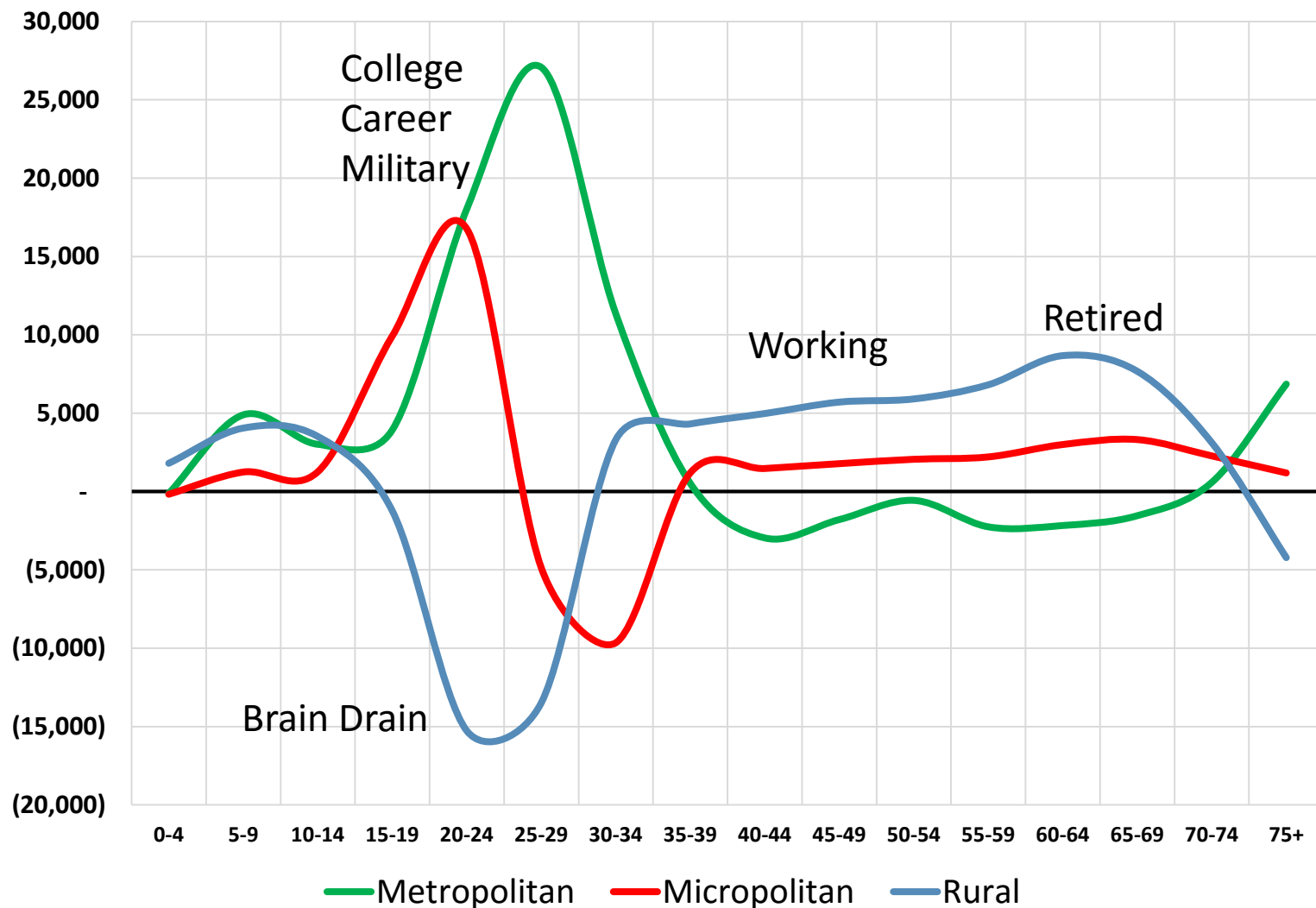


- 86 counties had net out-migration
- Overall the State lost 51,818 to domestic migration but had positive international migration of 47,373
- This includes county-to-county migration within the State.
- Nearly 100,000 households move within the state each year.

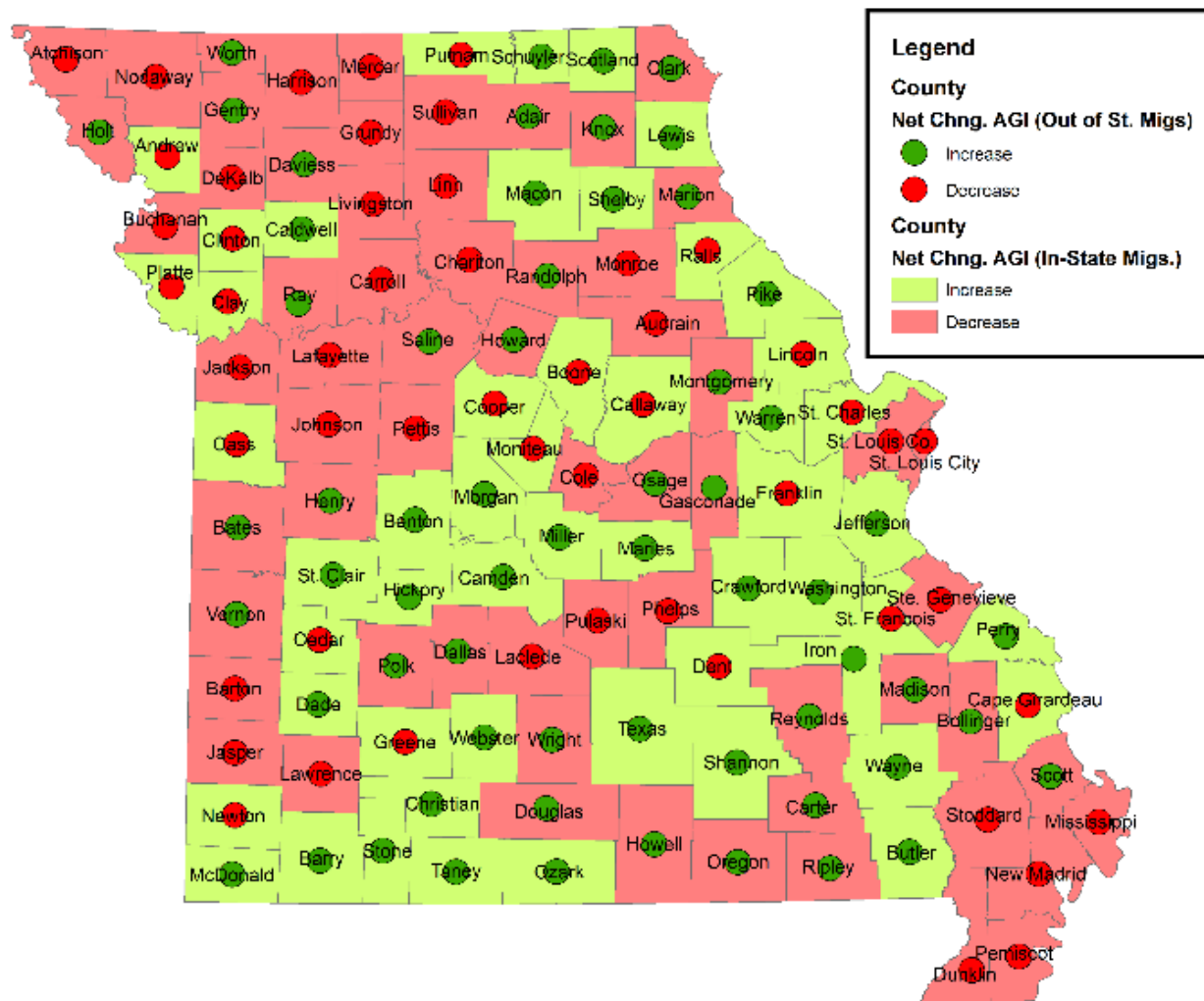
Net Migration	
<b>Metro Central</b>	<b>16,741</b>
<b>Metro Outlying</b>	<b>-4,610</b>
<b>Micro Central</b>	<b>-5,223</b>
<b>Micro Outlying</b>	<b>-841</b>
<b>Not Metro or Micro</b>	<b>-10,512</b>
<b>Grand Total</b>	<b>-4,445</b>

Source: Census Bureau, 2015 Components of Change

# Migration by OMB Category: 2000 to 2009

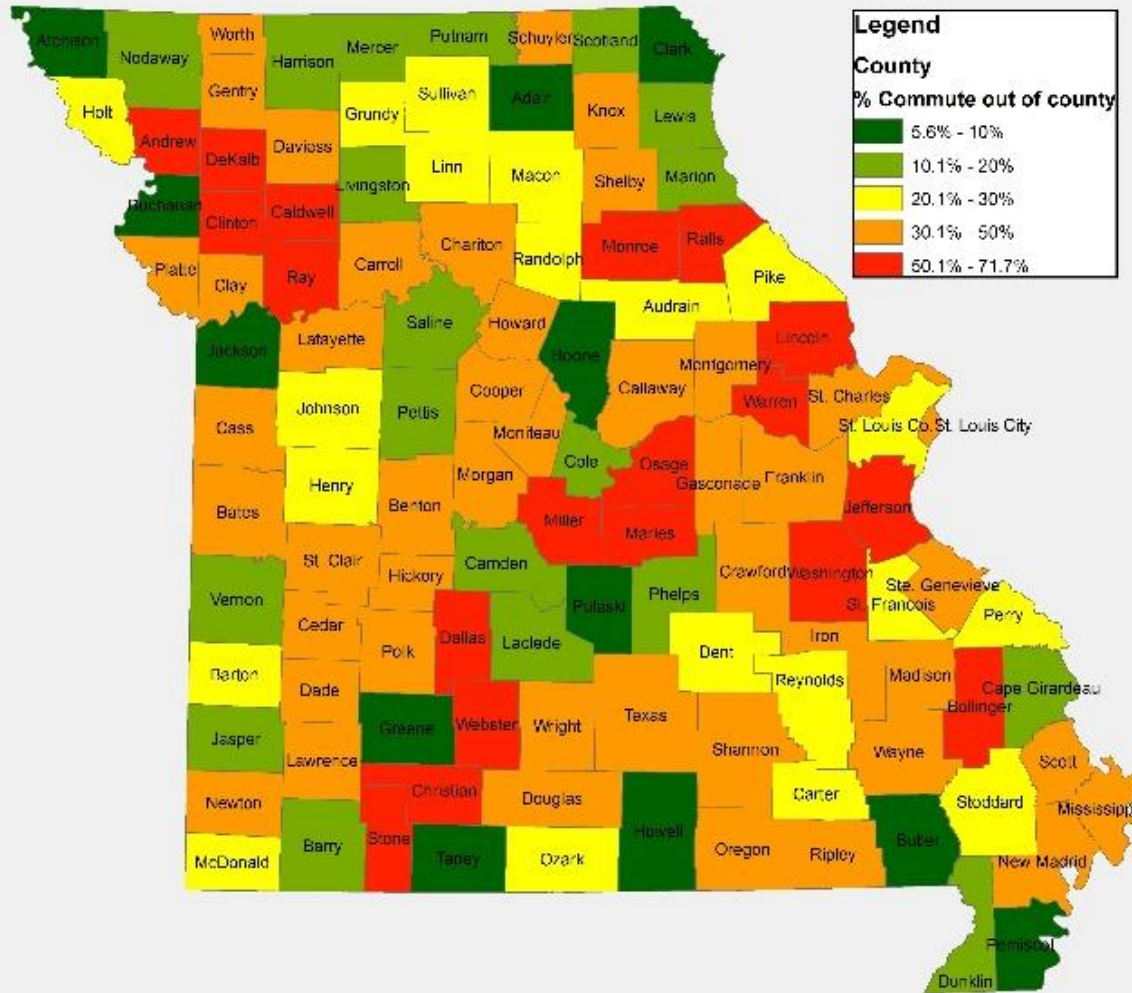


# Net Change in Adjusted Gross Income 2012 to 2014



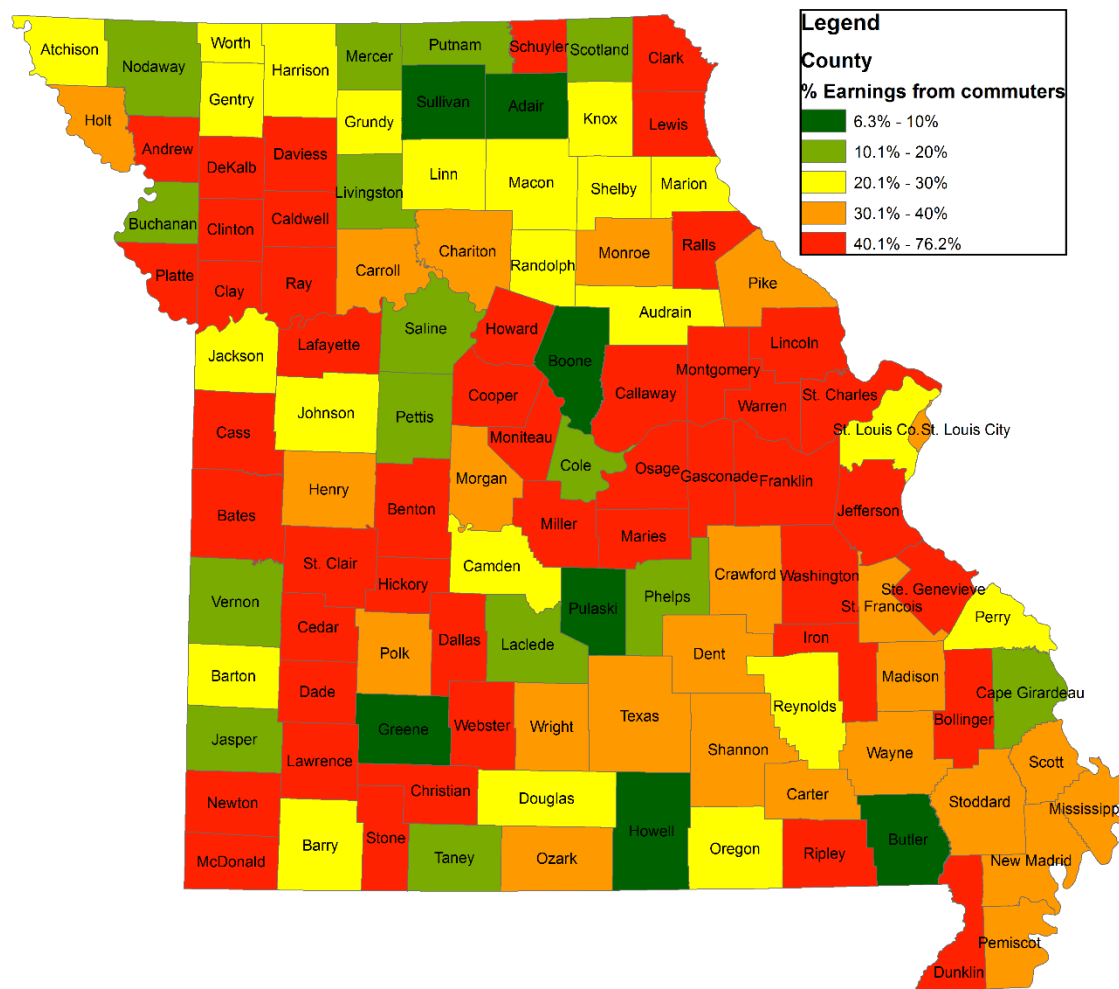
- Using IRS Statistics of Income it is possible to track the incomes of migrants from in and out of state.
- Dots are income differences for out of state migrants (red means in-migrants had lower total income than out-migrants)
- County color indicates income for in-state migrants (pink indicates the county experienced a net loss of income)

# Commuting by County 2014



- 65% of county workers remain in the county of residence, 6% cross state lines and 29% cross county boundaries in-state.
- Commuting has changed very little since the recession
- Many of the counties that recovered quickly from the recession had high rates of commuting

# Percent of Total Earnings from Commuters 2014



- Money flows across county boundaries with commuters – nearly \$26 billion in 2014.
- Many of the most rapidly growing counties, including Christian and St. Charles are heavily dependent on adjoining employment centers.
- Most commuters earn higher incomes than workers that remain in the county of residence

# Afterthoughts

- Many communities, especially urban places, are developing strategies to retain Millennials. You should do the same. One of the best methods is to try and catch them before they leave. Workforce pipeline approaches that connect youth with potential careers near home has proved successful in many places.
- Migration is a result of push and pull factors. What is pushing people out of your community? What could you do to increase the attractiveness of your community?
- Commuters will continue to be an important part of the work force in most Missouri communities. They are one of the primary drivers behind the need for regional planning. Labor force strategies need to include consideration of how commuting may be draining talent out of your city or county.