

Household Migration Flows to and from Hamilton County, 1992--2006 December, 2007

Chattanooga-Hamilton County Regional Planning Agency

Summary

For the first time in eight years, Hamilton County had a net in-flow of households from 2004 to 2005 (+51). This was followed by a second consecutive net in-flow from 2005 to 2006 of 515 households, representing 866 people. The jump from 2005 to 2006 was partially attributable to households migrating into Hamilton County from Gulf Coast areas affected by Hurricane Katrina in 2005. Even discounting the in-migrating households from these areas, the net in-flow would have been over 300 households.

The Adjusted Gross Incomes (AGI) of those households migrating into Hamilton County and those migrating out of Hamilton County have been very similar in most of the fourteen years for which data is available. In nine of the fourteen years the average Adjusted Gross Income per household was somewhat higher for households migrating into the County compared to those migrating out. The 2005 AGI of the households migrating into Hamilton County was \$41,745, only 1% lower than the \$42,164 for households migrating out of Hamilton County.

Introduction

The data source for this analysis is the *County-to-County Migration Flow Data* developed by the Internal Revenue Service (IRS) with assistance from the Census Bureau. According to documentation from the IRS:

"The IRS data extracts include records from the domestic tax forms 1040, 1040A and 1040EZ as well as the foreign tax forms 1040NR, 1040PR, 1040VI and 1040SS. These extracts are processed until the 39th week in the IRS's processing year, which is known as "cycle 39" which occurs in late September. Returns processed after that time period are not included in the data. The cycle 39 extracts contain about 95% to 98% of all returns filed during any given tax year."

The migration flow data were developed by matching records of individual income tax returns filed in a base year with tax returns filed in the following year. If the taxpayer's address was in the same county from one year to the next, the taxpayer was deemed to be a "non-migrant." If the address was not in the same county from one year to the next, the taxpayer was counted as a migrant. For instance, if the filer's address was in Hamilton County, TN in 2000 and in Catoosa County, GA in 2001, the filer was counted as an "out-migrant" from Hamilton County and an "in-migrant" to Catoosa County for the 2000-2001 period.

The three basic measures included in the IRS data are:

- The number of individual tax **returns**, which can be used as a proxy for the number of households (A household represents a person, or a group of people, occupying the same housing unit.);
- The number of **exemptions**, which can be used as a proxy for number of people ("extra" exemptions for blindness or age 65+ are not included);
- **Adjusted gross income** (AGI), which can be used as an approximation of household income.

There are some limitations in the data as noted by the IRS:

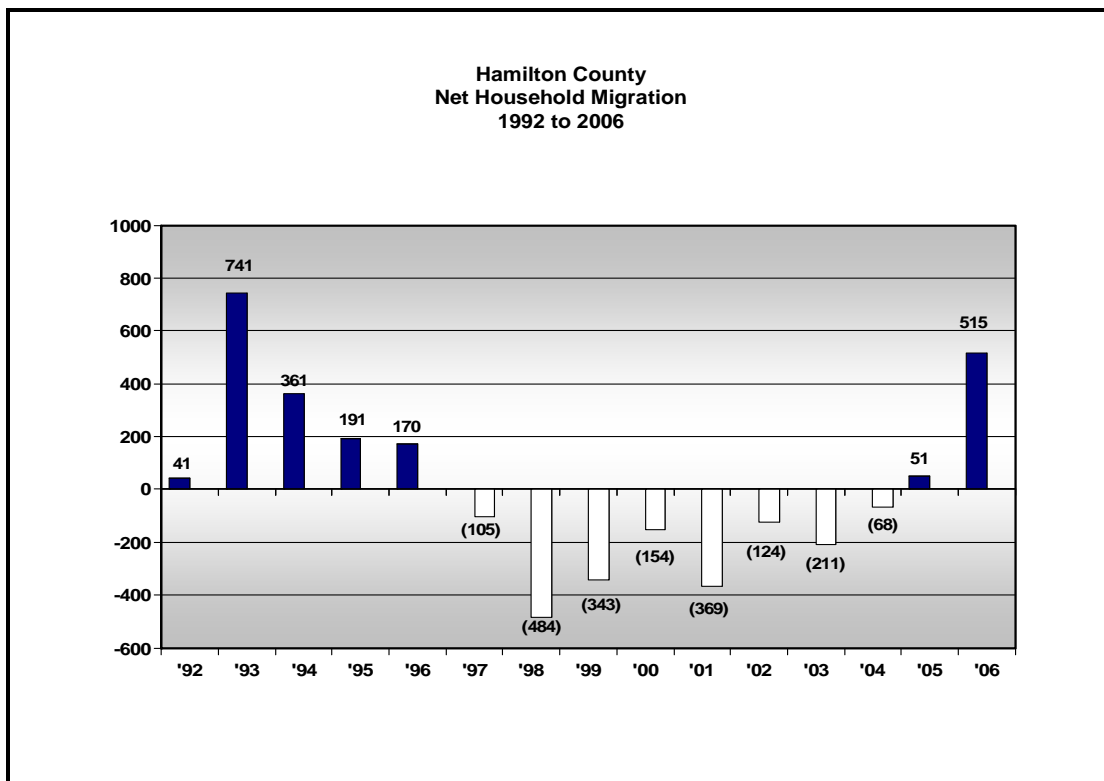
“There are two limitations of these data sources that deal with file coverage and population coverage. First, the cycle 39 data does not represent the entire population and any control counts shown in these tables will not match analogous control counts in other IRS statistical data products. Second, there are segments of the population that are not well represented by tax returns, most notably, the elderly and the poor. Care should be exercised when using these data as proxies for other population universes.”

Another limitation is that the IRS does not identify individual counties with less than ten returns in a given year, so if a particular county is not shown, it means that it may have had zero or up to nine returns counted in the period. Despite these limitations, the data are useful in analyzing the approximate magnitude and the direction of migration flows into and out of Hamilton County.

Net Migration Patterns

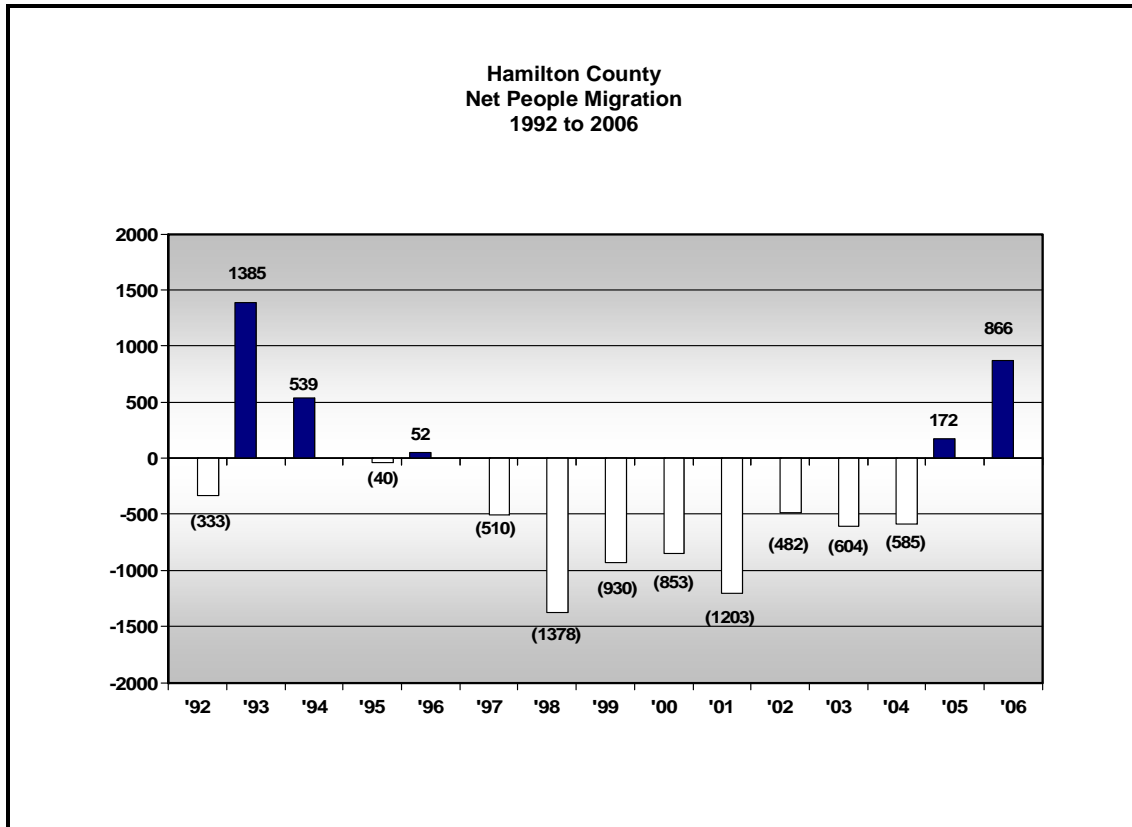
This section of the report covers a fifteen year period from 1991 to 2006. (Our last report of this data, *Inter-County Commuting and Migration Patterns, Hamilton County*, was issued in July of 2003 and covered the period 1991 to 2001.)

The chart below shows the yearly **net** migration of Hamilton County households (as measured by individual income tax returns) from 1991 to 2006.



In the first five years of this series, Hamilton County experienced a net inflow of households. This was followed by eight consecutive years of net outflow. Then, in the most recent two years, 2005 and 2006, the County experienced net inflows of households, reversing the negative trend from 1996 to 2004.

The net migration of people (as measured by exemptions) followed a pattern similar to that of households as illustrated in the chart below. In 2005 and 2006 the net inflow of people was 172 and 866 respectively.



In Migration

In total, there were 6,865 households, accounting for 13,704 people that migrated into Hamilton County in the most recent period from 2005 to 2006. Of these households, 1,911 (28%) came from other Tennessee counties—863 (13%) were from the six Tennessee counties that adjoin Hamilton County (Bledsoe, Bradley, Marion, Meigs, Rhea and Sequatchie). There also were 1,007 (15%) households that migrated to Hamilton County from the neighboring North Georgia counties of Catoosa, Dade and Walker.

The top ten counties from which households migrated to Hamilton County in the 2005-2006 period are listed below, with the number of returns shown for each:

- | | |
|-------------------|-----|
| 1. Catoosa, GA | 536 |
| 2. Bradley, TN | 376 |
| 3. Walker, GA | 373 |
| 4. Knox, TN | 174 |
| 5. Rhea, TN | 151 |
| 6. Marion, TN | 149 |
| 7. Davidson, TN | 143 |
| 8. Sequatchie, TN | 98 |
| 9. Dade, GA | 98 |
| 10. Whitfield, GA | 97 |

Interestingly, a fair number of households migrated into Hamilton County from areas affected by Hurricane Katrina which struck in August 2005. The 2005-2006 IRS data showed 144 households migrating to Hamilton County from the coastal Louisiana parishes of Orleans, Jefferson, St. Bernard, and St. Tammany, and 55 from the coastal Mississippi counties of Harrison, Jackson, and Hancock. These numbers are significantly higher than in any previous period covered by this analysis, but probably represent an unlikely recurring event. However, even without these 199 households, the net in-migration for the 2005-2006 period would have been a positive 316 households.

Out Migration

From 2005 to 2006, 6,350 households (12,208 people) migrated out of Hamilton County. Of these households, 1,928 (30%) went to other counties in Tennessee—908 (14%) went to the six adjoining Tennessee Counties. Another 1,242 (20%) moved from Hamilton County to the adjoining Georgia counties of Catoosa, Dade and Walker.

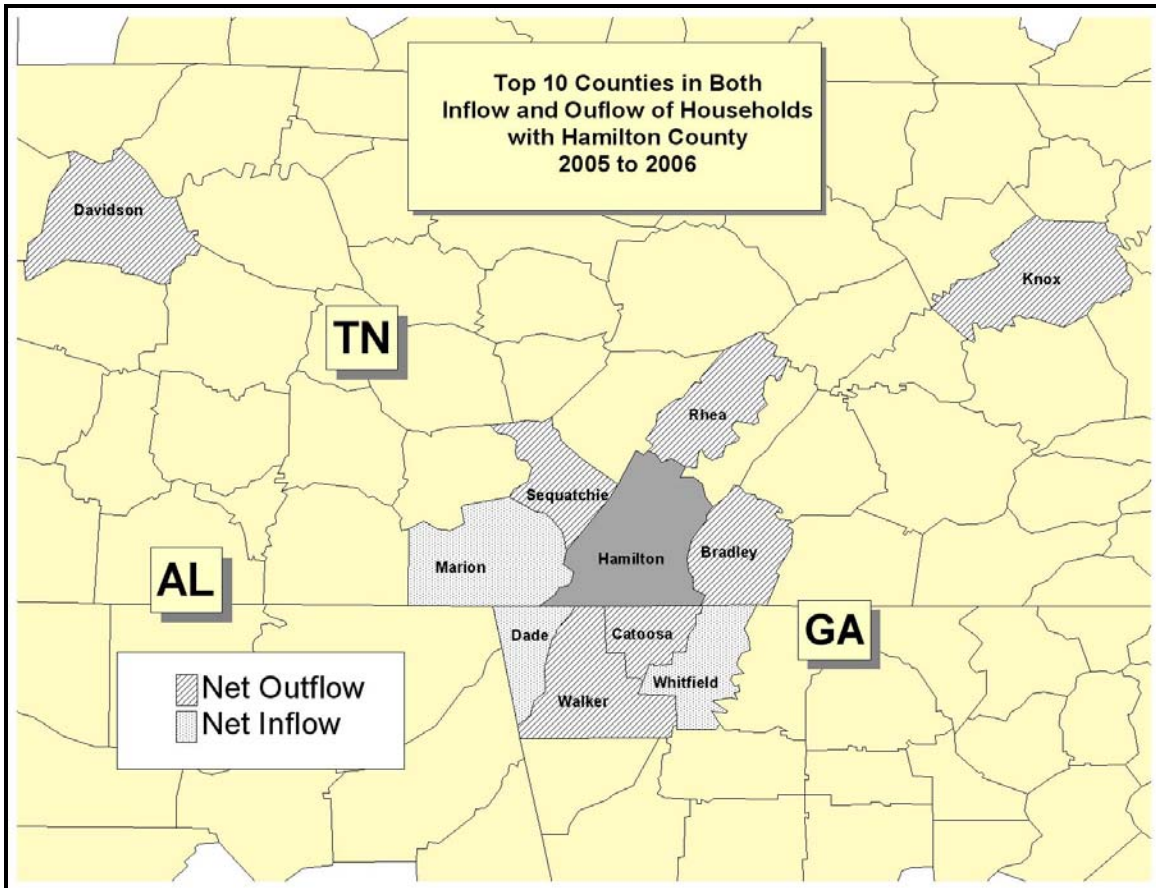
The top ten counties from which Hamilton County households migrated to in the 2005-2006 period are listed below, with the number of returns shown for each. Interestingly, these are the same top counties shown above which contributed the highest number of in-migrating households.

1. Catoosa, GA	710
2. Walker, GA	442
3. Bradley, TN	390
4. Davidson, TN	209
5. Knox, TN	204
6. Rhea, TN	149
7. Marion, TN	137
8. Sequatchie, TN	129
9. Dade, GA	90
10. Whitfield, GA	84

Looking at the net migration of households from 2005 to 2006 between Hamilton County and these ten counties, we see a net inflow from four counties (Rhea TN, Marion TN, Dade GA, and Whitfield GA) and a net outflow to the other six:

1. Catoosa, GA	-174
2. Walker, GA	-69
3. Bradley, TN	-14
4. Davidson, TN	-66
5. Knox, TN	-30
6. Rhea, TN	+2
7. Marion, TN	+12
8. Sequatchie, TN	-31
9. Dade, GA	+8
10. Whitfield, GA	+13

The map on the following page shows the location of the top ten counties in both inflow and outflow of households with Hamilton County.



Income of Migrating Households

The Adjusted Gross Income (AGI) reported on the individual income tax returns is used as a surrogate measure for household income, and this was available for fourteen of the fifteen years. The aggregate 2005 AGI for households migrating into Hamilton County between 2005 and 2006 was \$286.6 million, which was \$18.8 million higher than the aggregate income of those migrating out of Hamilton County in the same period.

In general, the average AGI per household was similar for households migrating out of Hamilton County and households migrating into Hamilton County. In nine of the fourteen years, the average was higher for households migrating into Hamilton County than for those moving out of the County, but in the returns filed in 2006, the average AGI for those moving out was \$42,164 compared to \$41,745 for those moving into Hamilton County—a difference of 1%.

Conclusions

Perhaps the trend for Hamilton County in recent years of more out-migration than in-migration of households has turned as indicated by one period (2003 to 2004) of relatively minor negative flow followed by two consecutive periods (2004 to 2005 and 2005 to 2006) of positive flow. Further, although Hamilton County continues to have a net outflow of households to neighboring Catoosa County in Georgia, the magnitude has diminished in the last three years from a peak in the 2002 to 2003 period when outflow exceeded inflow by 366 households.

Other than the inflow from the Gulf Coast counties in the 2005 to 2006 period, we cannot pinpoint any particular events to explain the change in the direction of recent periods. However, this change does appear to be supported by the recent successful challenge of the U. S. Census Bureau's 2006 population estimate for the city of Chattanooga. In that situation the Census Bureau had been showing a declining population since 2002, but after reviewing data compiled by the Regional Planning Agency on new residential building permits, the Bureau revised its 2006 population estimate by over 13,000 people, a significant trend reversal.

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