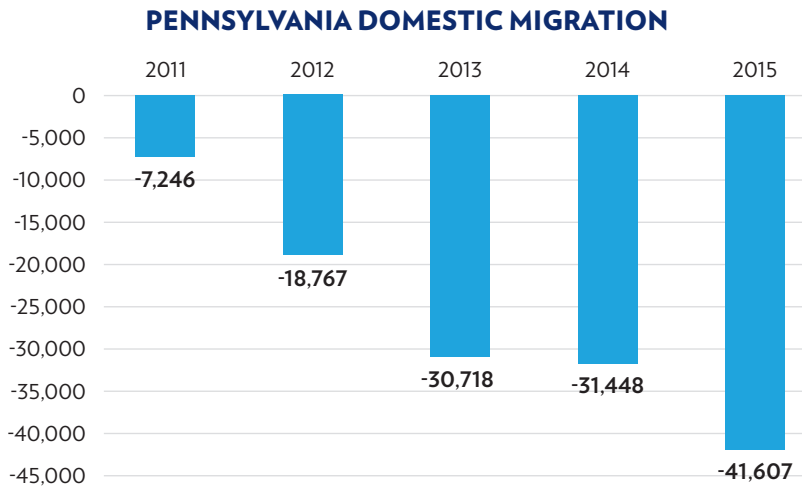


## Pennsylvanians Flee from High Taxes

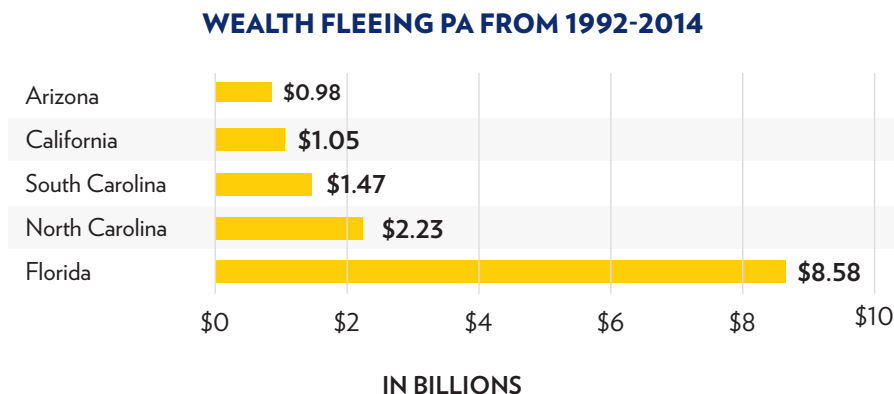
*Elizabeth Stelle*

New Census figures paint a sobering picture. In 2015 alone, [Pennsylvania lost 41,600 residents](#) to other states in net migration. This amounts to one person every 12.5 minutes—nearly the entire population of York.



Source: U.S. Census Bureau

The economic impact is staggering. The chart below shows Pennsylvania [lost \\$11.6 billion](#) per year in adjusted gross income between 1992 and 2014. Domestic migration also cost the state \$350 million annually in state income tax revenue.



Source: IRS Migration Data

The [Independent Fiscal Office estimates](#) Pennsylvania’s total population will grow at an anemic rate of 0.3% per year over the next ten years. Florida’s total population, in comparison, is projected to grow [about 1.5%](#) per year. Declining or slowly growing population will also reduce Pennsylvania’s political influence in the U.S. Congress. Given current population projections, Pennsylvania [will drop from 18 to 17 congressional seats](#) after the 2020 census.

## Major Cities are Losing Ground

Urban centers are losing residents, too. Pennsylvania’s metro areas [increased by roughly 104,000 people](#), or 0.06%, in 2015. This is far below the [national growth rate of 0.8%](#).

In greater Philadelphia, [population gains of 1.6%](#) over the last five years lagged behind the national average of 3.9% for a metro area. As a result, the region fell from the [6th largest metro area in 2014 to the 7th](#) in 2015. As recently as 2005, the Philadelphia metro area enjoyed the 4th largest population in the nation. If not for steady birthrates and an influx of international immigrants, the region would have lost population over the last five years.

Pittsburgh [fell from 22nd largest metro region to 26th in 2015](#). Of the 30 largest metro areas in America, Pittsburgh was the only region to lose residents from 2010 to 2015.

## Taxes are a Major Culprit

Over the last five years, states with the largest migration losses—including Pennsylvania—had a [higher average tax burden](#) (10.93%) than states with the most significant migration gains (8.84%). The [Philadelphia Inquirer notes](#) that sluggish population gains are “symptomatic of a region that continues to struggle with high taxes, a city school system in chaos, and industries that aren’t hiring at the rates they did in the region’s heydays.”

### TEN STATES WITH THE LOWEST RATE OF DOMESTIC MIGRATION

States	Domestic Migration (2010-2015)	State-Local Tax Burden as a Share of State Income
New York	-653,071	12.70%
Illinois	-425,954	11.00%
New Jersey	-269,194	12.20%
California	-266,115	11.00%
Michigan	-191,130	9.40%
Ohio	-153,296	9.80%
Pennsylvania	-132,073	10.20%
Connecticut	-104,537	12.60%
Maryland	-56,054	10.90%
Kansas	-52,597	9.50%
Total pop./Avg. tax burden	-2,304,021	10.93%

### TEN STATES WITH THE HIGHEST RATE OF DOMESTIC MIGRATION

States	Domestic Migration (2010-2015)	State-Local Tax Burden as a Share of State Income
Georgia	82,493	9.10%
Oregon	93,408	10.30%
Tennessee	104,944	7.30%
Washington	124,326	9.30%
South Carolina	159,023	8.40%
Arizona	160,346	8.80%
North Carolina	180,189	9.80%
Colorado	192,337	8.90%
Florida	650,660	8.90%
Texas	736,492	7.60%
Total pop./Avg. tax burden	2,484,218	8.84%

## Individuals Moving Out

A recent [Gallup Poll revealed](#) one-third of Pennsylvanians would rather move to another state than stay in the commonwealth. Residents in states with higher state and local tax burdens are more likely to want to move than those in lower-tax states. Here's a few real-life stories of Pennsylvanians on the move:



### **Brett Wells' oldest son moved to South Carolina after a fruitless teaching job search.**

"He attended Shippensburg University and graduated Magna Cum Laude in May of 2014. Since the work was spotty, he supplemented his income by working for a furniture moving company and a local GNC store. By the summer of 2015 it became obvious that there were few, if any, opportunities for him in Pennsylvania. He was offered a position teaching 8th grade history in Mt. Pleasant, South Carolina. This move has provided them with the opportunity to earn more money, save for retirement, and medical benefits. None of these were available to him in PA."

*Job Growth since 1991: South Carolina – 35%, Pennsylvania – 17%*

### **John C. left central Pennsylvania in 2013 for South Dakota.**



"I love Pennsylvania, and there are many things I miss about the commonwealth. I miss my family and friends, as well as water ice and hoagies! However, the ever-increasing taxes convinced me to move to South Dakota, a state with no income taxes, and no corporate taxes. Even in its isolated location, South Dakota continues to grow by plucking off business from high tax Minnesota and Iowa. Pennsylvania needs to drastically reduce, or outright eliminate many taxes, and then aggressively go after businesses in their border states. Otherwise, it will be condemned to be an over-sized New Jersey without the shore."

*Job Growth since 1991: South Dakota – 43.7%, Pennsylvania – 17%*

### **Anthony M. is moving to avoid a higher personal income tax.**



"Raising the income tax was my breaking point. Look between my wife and I are annual income is approximately \$150,000 and with all the local, state, federal taxes it's not happening for us in Pennsylvania or the Northeast. I didn't go to college and work in order to pay for others living standards. We will be moving to Florida [where the] living standards and taxes are manageable in two years."

*Job Growth since 1991: Florida – 57%, Pennsylvania – 17%*

### **Greg O. is moving across the border to avoid tax increases.**



"As soon as my daughter is done with school, we are gone. I lived in Pa my whole life and never thought I'd ever move away. But as long as Wolf is bent on raising taxes I will be moving to Delaware when my daughter finishes community college."

*Job Growth since 1991: North Carolina – 33%, Pennsylvania – 17%*

## How to Make Pennsylvania a Destination State

Pennsylvanians bear the 10th highest overall tax burden and the highest corporate tax rate in the country. In addition, we hold the dubious distinction of spending the **most on “economic development”** of any state since 2007.

Yet, our economy **continues to struggle** with Pennsylvania placing a disappointing 45th in job growth, 47th in personal income growth, and 48th in population growth since 1991.

Years of high taxes and corporate welfare schemes have only accelerated Pennsylvania’s brain drain. It’s time to try a different approach.

Reducing state spending and taxes is the only way to spur the widespread job creation that will retain young Pennsylvanians and attract families from around the country.

