

## The Effects of Migration on The Median Reported Income in Dade County

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In last year's issue of *The Florida Geographer* I addressed the effect of Hurricane Andrew on migration to and from Dade County, Florida (Winsberg 1996). Using data obtained from the United States Internal Revenue Service (1996), it was noted that Dade County (Miami-Hialeah) had experienced a net out-migration of approximately 20,000 tax filers and their exemptions during each of the first two tax years of this decade. As a consequence of the damage wrought in the county when Hurricane Andrew struck in August, 1992, in the third year of the decade net out-migration more than doubled (45,519), but in the next two for which data are available it fell back to approximately 30,000 each tax year. Although Dade County's population continues to grow, albeit at a slower pace than most counties in Florida with large populations, it does so primarily from natural increase and immigration from abroad, and not from people arriving from elsewhere in the United States.

This essay, using median reported income data also provided by the Internal Revenue Service (IRS), seeks to better understand the economic impact of this net out-migration, as well as to better comprehend the economic characteristics of those who are coming to Dade and those who are leaving it. The population of Dade County has undergone enormous change in the past half century. In 1950 its majority population was nonHispanic white, and it had a substantial black minority. By 1997 over half the population was Hispanic, and nearly a quarter of the population was nonHispanic black. This demographic transformation has had a profound effect upon the economy of Dade County. Of Florida's fourteen largest counties in population in 1990, Dade in 1950 had the highest per capita income. Since that year its rank has declined. In 1960 it fell to second place, in 1970 it reached fourth, where it stood in 1980. By 1990 it had sunk to seventh, and in 1995 it was ninth among the fourteen. Although much of that decline resulted from a dramatic change in the employment structure of the county, with a sharp rise

in the share of employees in low wage services and equally low wage manufacturing, some is a consequence of the income of those who leave being higher than that of those who arrive. The data provided by the Internal Revenue Service can offer some indication of the role migration has played in this decline.

Dade County is one of the three most important ports of entry for Latin American immigrants, Los Angeles and New York being the other two. Although, as will be discussed below, the IRS data does not give information concerning ethnicity, race or, if an immigrant, the 1990 population census identifies the enormous importance of Hispanics in the movement to and from metropolitan Dade County. The Hispanization of Dade County has been well documented, an incomplete, but extensive bibliography being published in this issue of *The Florida Geographer* (Tremblay 1997).

## Data

For many years the Internal Revenue Service has released data on the movement of tax filers and their exemptions between counties. Originally the data were on expensive to purchase and difficult to use magnetic tape, but now they can be purchased cheaply on diskettes that can be easily loaded into spreadsheets.<sup>1</sup> The data include the number of tax filers and their exemptions who leave and enter every county in the United States as long as there were a minimum of ten tax filers that moved. The counties of destination and origin are indicated. In the case of Dade County, using the most recently available data, there were 294 counties throughout the United States in which there were at least ten tax filers in 1995 who had filed in Dade County the previous year. There were 242 counties from which at least ten tax filers had left in 1994 who filed in Dade County in 1995. Some may question using tax payers and their exemptions to measure migration. At least in the case of Dade County, when 1990 IRS data were used, there was an extraordinarily close similarity to the number of tax filers and their exemptions living in Dade County and the size of that year's census count for the county. The IRS figure was just two percent less than that of the census.

Since 1992 the Internal Revenue Service has included reported income of the tax filers. We now know the total and median income reported of all those who filed for the first time in a county, and where they came from. In the case of Dade County, in each of the three periods for which the IRS has released data, those who have

left reported a higher median income the year after they left Dade County than did those who filed in Dade for the first time after leaving another county. The difference was especially great the year that Hurricane Andrew struck (1992). Those who left Dade County reported a median income in their new counties of residence that was 29 percent higher than first time filers in Dade. This probably resulted from the huge migration of Dade residents whose homes were damaged in the hurricane. Following the massive out-migration that took place between 1992 and 1993 the difference between the median income of first filers in another county who left Dade County the previous year, and the median income of those who filed for the first time in Dade after coming from another county declined. Between 1993 and 1994 it fell to 24 percent higher, and between 1994 and 1995 it plummeted to 11 percent higher.

It would be dangerous to draw too many conclusions from these IRS data, since occupation of filers is not provided. The higher median income of those who have left Dade and those who have come might mean that filers who leave Dade County are more highly skilled and command higher incomes than those who come. Then, it also might mean that filers are moving to counties where the wage scale for similar professions might be higher than in Dade. Whatever the explanation, in the case of Dade County it does mean that migration has contributed to a considerable loss in its reported income during the three years that data are available, especially in the year of Hurricane Andrew. If those who left Dade County in 1992 (the year of Hurricane Andrew) had stayed, and reported the income they did in the county they filed in, and those who came would have reported the median income of non-migrant Dade filers, it would have increased Dade's total reported income by nine percent. Between 1993 and 1994 and between 1994 and 1995 it would have increased it by eight percent.

### **Out-Migration between 1994 and 1995**

*Florida Out-Migration.* 75 percent of all who filed taxes in Dade County in 1994 but in another county in 1995 did so in another Florida county. It therefore is appropriate to begin the discussion of the effects of out-migration on the Dade County economy by examining movement to other Florida counties. Between 1994 and 1995, as well as for the two previous periods for which there were data, the largest out-migration was to nearby Broward County. Those who left for Broward reported a median income that was 26

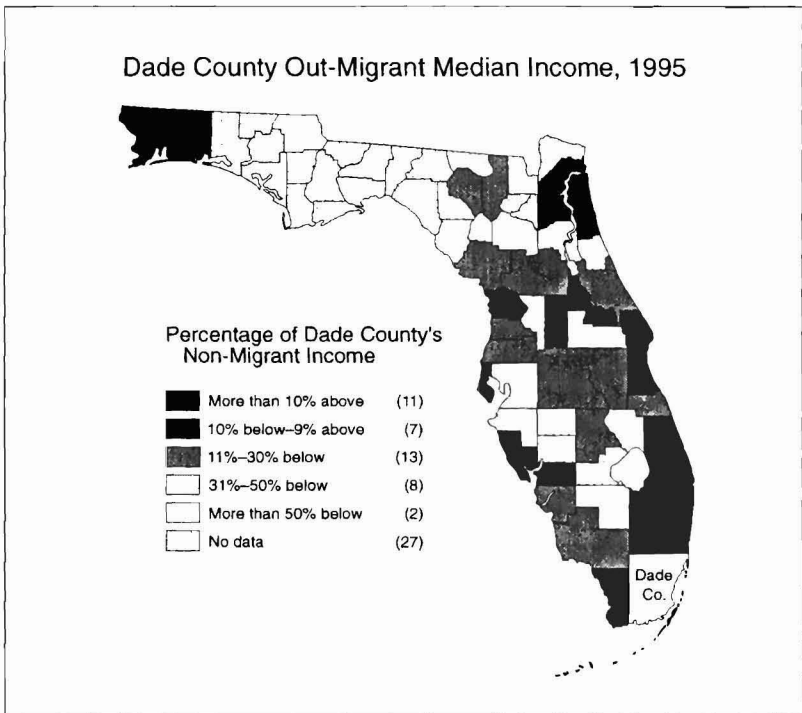
percent higher than the median income of Dade's non-migrants. It is fair to believe that many of those who migrated to Broward were professionals who continued to work in Dade but moved to southern Broward, which is within easy commuting distance to Dade. It can be seen from Figure 1 that the whole Gold Coast through Martin County, as well as Monroe County immediately to the south of Dade, also attracted migrants from Dade County whose median reported income was considerably higher than that of Dade non-migrants. Given the distance from Palm Beach and Martin County to Dade County, and from large communities in Monroe County, it is doubtful if many who moved there have continued to work in Dade. Whether they have continued to work in Dade County or not, the flow of out-migrants is so large, and their median reported income so great that their departure must significantly lower the median reported income of Dade's non-migrants.

There were Florida counties where the median income of people who left Dade in 1994 and filed there in 1995 was well below the median income of Dade's non-migrants. Most appear to be identified with labor intensive agriculture or college students. The most extreme example was Okeechobee County where the median reported income of a 1994 Dade migrant who filed there for the first time in 1995 was 61 percent below that of Dade's non-migrant median income. Although data are not available to support it, it seems reasonable to assume that a large number who left Dade County have become involved in that county's huge dairy industry. Many, perhaps most migrants to the county from Dade are Hispanic, and it is well known that employment in Okeechobee County's dairy industry is heavily Hispanic. Hendry, Manatee and Hillsborough counties are also identified with low wage agricultural employment, and might, in part, account for the low median income of 1994 Dade migrants compared to those who did not leave Dade County.

Both Alachua and Leon counties, the home of the state's three state universities which may be considered "residential," had median reported incomes of 1994 Dade out-migrants well below that of those who did not leave Dade. This is probably a consequence of the large number of students who are attracted there, and who must work for low wages while they receive a higher education.

*Out-migration Elsewhere in the United States.* Although small compared to the migration to Florida counties, between 1994 and 1995 there was considerable movement from Dade County to places

Figure 1



elsewhere in the United States. Among the destinations that drew large numbers of tax filers and their exemptions from Dade County between those years were Greater New York 5365, Greater Atlanta 2128, Greater Los Angeles 1550, Greater Washington 1328, Greater Boston 982, and Greater Chicago 944.

Few would doubt that most who left Dade County for counties outside of Florida were Hispanic. The data show that in most of their destinations they earned less money than the median reported income of Dade County residents. This was particularly true of Dade residents who had settled in counties within Greater New York. In fact, there was only one county of the sixteen for which data are available where former Dade residents reported a larger income than a Dade non-migrant, and that was Somerset, N.J. Few Dade residents moved there between 1994 and 1995 (49). Since Dade County now is over half Hispanic, it can be assumed that a large

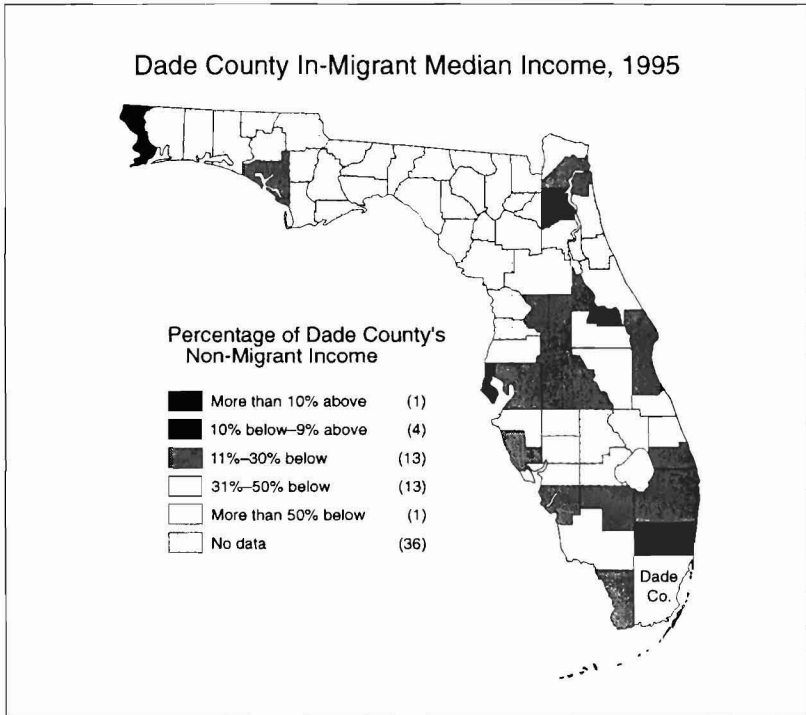
share of migrants from Dade to New York, and all the other large cities mentioned were members of that ethnic group. The median income of Dade migrants who in 1995 filed in New York City's Bronx and Queens only earned about half as much as the median Dade County non-migrants. The situation was better for those who migrated to Manhattan. Their median income was about 12 percent less. For Dade migrants to Los Angeles, Chicago, Boston and Washington it was between 5 and 12 percent less.

### **In-Migration Between 1994 and 1995**

*In-Migration from other Florida Counties.* The share of Florida migrants in the total flow of in-migrants into Dade County has long been much smaller than the share of out-migrants to other Florida counties from Dade County. Between 1994 and 1995 it was only 36 percent, which is about typical of most years. About 20 percent of all in-migrants to Dade County between 1994 and 1995 came from Broward County. Large as that share was, in actual numbers it was only 13386, and was dwarfed by the 36411 who left Dade to live in Broward. Whereas the median income of people who left Dade for Broward was 26 percent higher than that of the median Dade non-migrant, those who came from Broward to Dade earned four percent less than the median Dade non-migrant. There was only one county in the entire state of Florida which between 1994 and 1995 sent taxpayers to Dade County whose median reported income reported from Dade County was higher than the median income of Dade County non-migrants. That county was Pinellas (St. Petersburg-Clearwater) and the median income of former residents of that county who arrived in Dade County in 1995 was 19 percent higher than the median income of Dade non-migrants. Unfortunately there were too few taxpayers involved in this migration from Pinellas to Dade County (173) for their income to have had much an effect on the total for the county.

While most Florida counties have been receiving Dade residents whose median income is higher than that of a Dade non-migrant, most Florida counties are sending people to Dade County whose median income reported in Dade County is less than that of Dade non-migrants. This is particularly true of those who come from Marion County, where in 1995 it was approximately half (Figure 2). There were many counties from which a typical tax filer who arrived in Dade County reported an income that was 31 percent to 50 percent lower. These included counties with large populations

Figure 2



like Orange (Orlando), Volusia (Daytona Beach) and Collier (Naples) as well as many with far fewer residents. The IRS data are not able to definitively answer the question of why Dade County is attracting people from elsewhere in Florida whose median income when they file for the first time in Dade is far below that of Dade County non-migrant. It probably results from people coming to Dade that have lower earning power than the non-migrants. It is doubtful that the wages for comparable work are much different in Dade than elsewhere in Florida. Since Dade County never has attracted many Florida retirees, it cannot be attributed to a large number of people who ceased work to come live there on a retirement income far below what they had previously earned.

Although it probably is stretching the possibilities of interpreting the IRS data, it is of interest to note that both median income of out-migrants to and in-migrants from Alachua and Leon counties to Dade is considerably lower than Dade non-migrant income. As

previously mentioned, a large share of migrants between Dade and these counties are probably university students. Whereas it is understandable that students from Dade to these counties would be earning little once they reached them, it is more difficult to explain why students who leave, many of whom must have received college degrees, should earn so little after they returned to Miami.

*In-Migration From Elsewhere in the United States.* There are several large metropolitan areas outside of Florida which have been sending many people to Dade County. Between 1994 and 1995 Greater New York provided the largest number (11882), followed by Greater Los Angeles (3466), Greater Chicago (1552), Greater Washington (1337), Greater Boston (1279), and Greater Atlanta (1018). Among these six metropolitan areas, only that of Atlanta had a larger in-migration from Dade County than an out-migration to that county. Net migration to Greater Atlanta from Dade County was 1110. Dade County received 6517 more migrants from Greater New York than it sent between 1994 and 1995. The net in-migration from Los Angeles was 1916, from Chicago 608, Boston 297, and from Washington a mere 24.

The IRS data suggests that Dade County's economy would have benefitted more if they had not come, since most counties within the large metropolitan areas mentioned above sent migrants to Dade whose median income once they got there was below that of the median Dade County non-migrant who filed. Of the sixteen counties within Greater New York for which there are data, migrants to Dade from only five reported median incomes in Dade higher than Dade's non-migrant median income, and all but one was a suburban county from which the movement to Dade was small. The one county with a large population that was an exception was New York (Manhattan), whose residents once they reached Miami reported a median income that was 17 percent above that of the Dade non-migrant. Those who came from Brooklyn, Queens and the Bronx, all boroughs with large "barrios," in Miami filed returns that were from 25 percent to 15 percent lower than non-migrants. The median income of those who came from Los Angeles was one-quarter less than that of Dade's median non-migrant, approximately the same for those who came from the Queens and Bronx of New York. Median income of those who came from Boston, Atlanta, Chicago and Washington earned between 5 percent and 10 percent less than Dade non-migrants.



**Conclusion**

Dade County (Miami-Hialeah) finds itself economically in a difficult position. The Internal Revenue Service data on tax filers who leave and arrive in the county indicate that it is experiencing a much larger out-migration than in-migration in the movement between it and the rest of the nation. Furthermore, those who leave, when they file income tax in their new place of residence, report much higher income than is reported by Dade County non-migrants. The reverse is true of those who come to Dade County. On arrival they report considerably less income the year they arrive than the Dade non-migrant.

The data used can be interpreted in several ways, but I am convinced the evidence supports the idea that the huge migration from Latin America and the Caribbean into Dade is largely responsible. Numerous studies, using decennial census data, show convincingly that a process of invasion and succession within the county is well underway. Those who can afford it often move out. This succession first began to dislodge nonHispanic whites and today there are relatively few left in the county. More recently nonHispanic blacks have been leaving in appreciable numbers. Affluent Hispanics, many second generation, also have joined the movement out. Most are moving north along Florida's Gold Coast, the majority settling in Broward County. Those who come to live in Greater Miami from other parts of the United States typically earn less than Miamians when they first arrive. This is probably because they bring with them lower earning power than the typical Dade resident.

Among Florida's heavily populated counties, over the past 40 years, Dade has experienced a slower per capita income growth than most. Of the 14 largest counties it has fallen from the leader in 1950 to ninth in 1995. With poor immigrants from abroad settling within it, and what appears to be less skilled workers in-migrating from elsewhere in the United States, and more affluent Miamians leaving for other counties throughout the nation, this trend is likely to continue into the future.

**Note**

1. *County Inflow and Outflow Migration Data* is available on 3 1/2 inch diskette either in ASCII or Excel at a price of \$50.00 for each state.

Data may be obtained from:

Statistics of Income CP:S:P  
Internal Revenue Service  
Box 2608  
Washington, DC 20013-2608  
Phone: (202) 874 0944

## **REFERENCES**

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