

Wirepoints Special Report March 2019

Illinois' demographic collapse: fewer immigrants, fewer babies and fleeing residents

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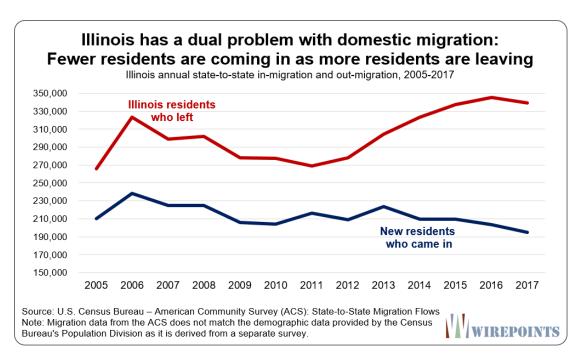
Introduction

Since the turn of the century, Illinois has been in the midst of a perfect demographic storm. Residents are leaving the state in record numbers. The number of Americans moving into Illinois has hit new lows. Net foreign immigration has fallen by half. And the number of births has dropped by more than 20 percent.

These demographic forces have all combined into a single troubling fact: Illinois is shrinking. The state has lost population five years in a row. In 2018 alone, the state lost 45,000 people, the second-biggest population drop in the country.

Illinois popula	tion dro	ps as de	emographic	s decline
Demographics	2001	2018	Total change: 2018 vs. 2001	Comment
Births minus deaths (Net natural increase)	79,202	38,025	-41,177	Driven by 37,000 fewer births.
Net foreigners coming in (Net international migration)	58,863	30,735	-28,128	48 percent drop in net international migration.
Net loss of Illinois residents (Net domestic migration)	-69,699	-114,154	-44,455	Driven by 28 percent increase in residents leaving.
Population increase/decrease	69,068	-45,116		
Source: U.S. Census Bureau: State and County Con Estimated Components of Resident Population Char			2000-2010 (March 2012);	WIREPOINTS

The state's growing domestic out-migration has been especially problematic. More Illinoisans are leaving the state at the same time that fewer Americans from other states are moving in.





Wirepoints has analyzed Illinois' demographics over the past 18 years, using data from the U.S. Census Bureau's <u>Population Division</u> and <u>American Community Survey</u> as well as <u>migration data</u> from the IRS.

The story the data tells is simple: every negative demographic trend that can hit Illinois has done so – and more so than in most other states. Illinois is not simply losing people because it's part of the Midwest. Other states that make up the Rust Belt have not shared in Illinois' clear demographic decline. They are still growing on an absolute, percentage and per capita basis. Illinois is not.

Illinois' full demographic profile includes the following data:

- **Net natural increase in population:** The number of annual births in the state minus the number of annual deaths.
- **Net international migration:** The annual number of international immigrants moving to Illinois minus the number of Illinoisans moving to a foreign country.
- **Net domestic migration:** The annual number of Americans moving to Illinois from another state minus the number of Illinoisans moving out of Illinois to another state.
- **Net change in population:** Annual gain/loss of total population after combining the results of a state's natural increase, international migration and domestic migration.
- **Per 1,000 population national ranking:** 50-state ranking of the demographics listed above. The annual change is divided by the population of the state in that year. Ranking goes from high to low (1=highest growth to 50=lowest growth).



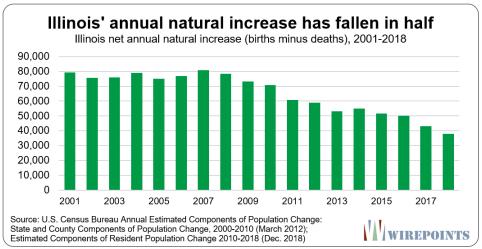
Demographics

Net natural increase

At the turn of the century, Illinois' net natural increase in population, the difference between births and deaths, was one of the best in the country – ranked 12th-best in the nation (per 1,000 in population). Illinois' natural increase added a net 80,000 new Illinoisans to the state's population in 2001.

That contribution, however, fell by a third between 2009 and 2013 and continued to decline over subsequent years.

By 2018, Illinois' net natural increase contributed less than 40,000 people to Illinois' total population, a 52 percent decline compared to 2001. Illinois' national ranking for natural increase fell to 23rd in the nation that year.

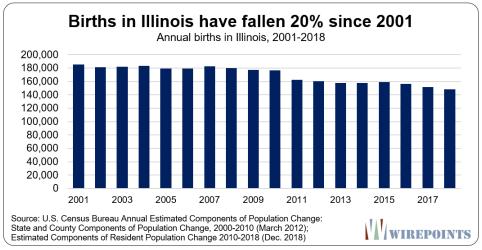


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Net natural																		1
increase	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Per 1,000	6.3	6.0	6.0	6.2	5.9	6.1	6.3	6.1	5.7	5.5	4.7	4.6	4.1	4.3	4.0	3.9	3.4	3.0
National ranking	12	12	13	14	16	17	18	21	21	19	21	23	22	23	23	22	22	23

The big driver in that collapse was a fall in births. Deaths remained fairly constant over the period analyzed (about 105,000 annually, see Appendix A), but annual births have dropped from over 185,000 in 2001 to 148,000 in 2018. That's a drop of over 37,000 births, or 20 percent, since 2001.

It's true that births have declined nationally, but Illinois has been more deeply affected by that decline than other states. By 2018, the state's births per-1,000-residents ranking had fallen to 30th in the nation, from 12th in 2001.

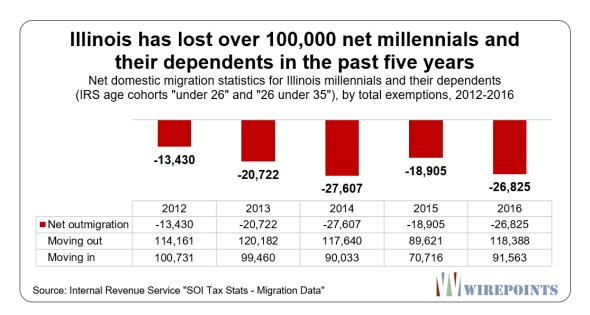




Births in Illinois have fallen to 11.6 for every 1,000 residents U.S. Census annual estimated components of population change: Annual births in Illinois per 1,000 in population, 2001-2018 National ranking (1=highest number of births per 1,000)																		
Births	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Per 1,000	14.8	14.5	14.4	14.5	14.2	14.1	14.3	14.0	13.8	13.7	12.6	12.4	12.2	12.2	12.4	12.2	11.8	11.6
National ranking	12	13	17	16	18	19	22	23	22	18	27	29	31	29	27	29	29	30
Source: U.S. Census Bureau Annual Estimated Components of Population Change: State and County Components of Population Change, 2000-2010 (March 2012); Estimated Components of Resident Population Change 2010-2018 (Dec. 2018)																		

More analysis into Illinois' particular drop in births is needed, but one clue to the decline is the flight of millennials. Illinois has lost a net of 107,000 millennials and their dependents to other states since 2012, according to data from the Internal Revenue Service. And a Brookings Institution report found Illinois and West Virginia were the only two states in the nation to lose millennials between 2010 and 2015.

Illinois will struggle to grow its population while it's losing its younger generation.



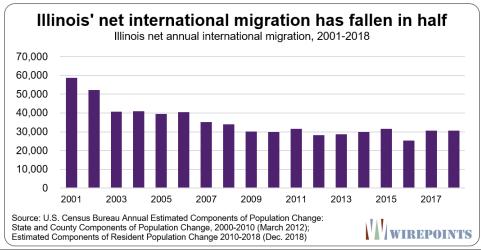


Net international migration

Illinois' rate of international immigration has also fallen. It, like the state's natural increase, dropped by half over the 2001-2018 period.

In 2001, Illinois had a net international migration gain of nearly 60,000 people. That year, the state ranked 8th nationally in the net number of foreigners, per 1,000 residents, entering the state.

But by 2018, the number of net immigrants coming into Illinois that year had fallen in half, to just 31,000, and the state's rank had fallen to 20th.



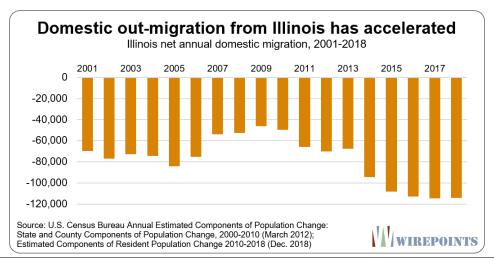
	nious uni	idai ooti	mateu c			ranking				al interna migration			per 1,00	o iii pop	ulation,	2001-20	10	
							(/						
Net international																		
migration	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Per 1,000	4.7	4.2	3.2	3.2	3.1	3.2	2.8	2.7	2.3	2.3	2.5	2.2	2.2	2.3	2.4	2.0	2.4	2.4
National ranking	8	Q	9	18	14	16	15	16	15	16	16	20	21	18	23	29	19	20

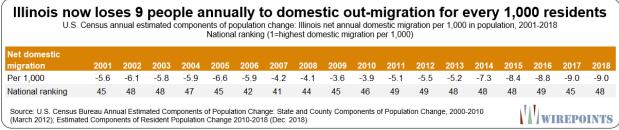
For sure, international immigration fell across the entire country over the time period, but Illinois' falling ranking shows the state was more impacted than the rest of the nation. The overall rate of immigration to the U.S. was down 17 percent compared to 2001, falling to just over 975,000 people in 2018 from 1.17 million in 2001. In Illinois, it was down nearly 50 percent (60,000 to 31,000 net immigrants).



Net domestic migration

An acceleration in out-migration during the last decade has contributed the most to Illinois' population loss. In 2009, Illinois lost a net 48,000 residents, or 5.6 people for every 1,000 residents, to other states. By 2018, the net loss had increased to 114,000 residents a year, or more than 9 people for every 1,000 residents.





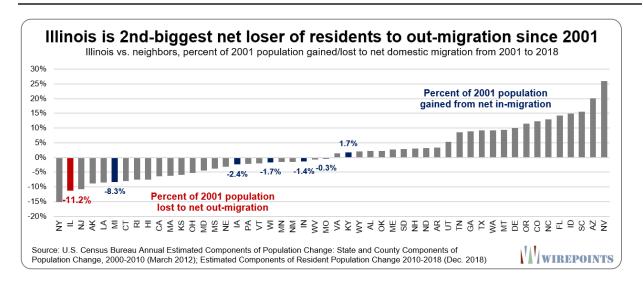
That growing loss of people isn't reflected in a fall of Illinois' per capita ranking because the state has consistently ranked near the bottom nationally. But the scale of the problem has grown. States experiencing out-migration, Illinois included, are seeing more people leave than ever before.

In total, Illinois lost a net of more than 1.4 million residents from 2001 through 2018 to domestic out-migration. That's 11.2 percent of Illinois' 2001 population. Only New York fared worse over the 17-year period.

Meanwhile, Illinois' closest neighbors experienced much smaller losses. Wisconsin, Indiana and Missouri all had net out-migration worth less than 2 percent of their 2001 population. Iowa lost 2.4 percent. Michigan, which suffered the nation's worst rates of domestic out-migration during the Great Recession, lost 8.3 percent.

Kentucky actually gained people from migration over the period: about 70,000 people, or 1.7 percent of its 2001 population.

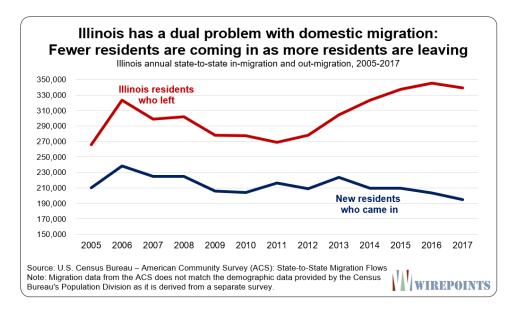




However, looking at *net* domestic migration only tells part of the story. The migration equation is made up of two parts: current residents leaving and new residents coming in.

The problem for Illinois is that both parts have gotten worse. According to U.S. Census American Community Survey data, more Illinoisans are leaving the state at the same time that fewer Americans from other states are coming in. (The American Community Survey's [ACS] State-to-State Migration data differs from the full demographic data provided by the Census Bureau's Population Division because they are based on different surveys. The ACS data says Illinois' net out-migration equaled 144,000 residents in 2018 while the demographic data set says 114,000 net residents left. Wirepoints relies primarily on the demographic data's out-migration because it also measures states' total annual population change while the ACS state-to-state survey data does not.)

The percentage of residents leaving Illinois jumped 28 percent between 2001 and 2018, to 340,000 from 266,000. At the same time, the number of people moving into the state shrank a total of 7 percent, to 195,000 from 210,000. Not only is Illinois driving more residents away, also it's attracting fewer residents than it once was.



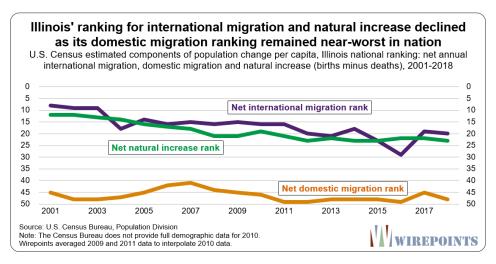


Putting it all together

Add up all of Illinois' demographic data and the trend becomes obvious. Falling immigration totals, a drop in the natural increase (births minus deaths) and an increased flight from Illinois have led to a shrinkage in the population for five years running.



Illinois' decline is clearly captured in its per capita rankings nationally. While Illinois has consistently ranked among the worst in the nation for domestic migration, the state's natural increase and international migration rankings have also worsened significantly between 2001 and 2018.

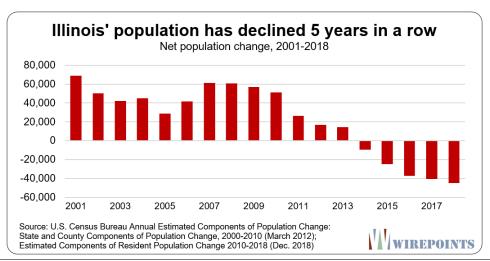




Net change in population

Illinois' population grew, on average, by 50,000 people a year between 2001 and 2009. Growth began to decline steadily after that. The 2009-2014 period saw the state's population gains slow down by about 11,000 people a year. Illinois' per capita national ranking also declined over the period. Ranked 27th-highest in the nation for population growth (per 1,000 residents) in 2001, Illinois' ranking fell into the high 30s between 2002 and 2010.

The tipping point for Illinois' demographics was 2014, the first year the state's population actually declined. Out-migration jumped and overwhelmed foreign immigration and the state's natural increase. Illinois' population fell by over 9,000 people, dropping Illinois to 46th-best nationally.

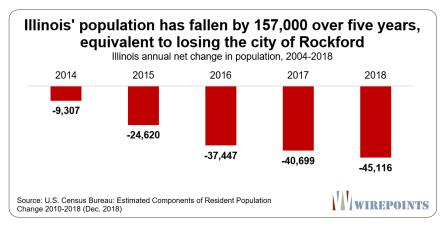


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Net population change	2001	2002	2003	2004	2005	2006	g (1=nig	hest por	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Per 1,000	5.5	4.0	3.4	3.6	2.3	3.3	4.8	4.7	4.4	4.0	2.1	1.3	1.1	-0.7	-1.9	-2.9	-3.2	-3.5
National ranking	27	36	39	37	39	37	36	36	37	38	44	45	44	46	48	49	48	49
	National ranking 27 36 39 37 39 37 36 36 37 38 44 45 44 46 48 49 48 49 Source: U.S. Census Bureau Annual Estimated Components of Population Change: State and County Components of Population Change, 2000-2010 (March 2012); Estimated Components of Resident Population Change 2010-2018 (Dec. 2018)																	

Illinois has lost population every year since, declining by a record 45,000 in 2018. In all, Illinois lost more

than 157,000 people between 2014 and 2018, enough to empty out the entire city of Rockford (2017 population: 147,051) and then some.

Illinois is an extreme outlier among states when it comes to population loss. It shares its 5-year decline with just two other states: West Virginia and Connecticut.

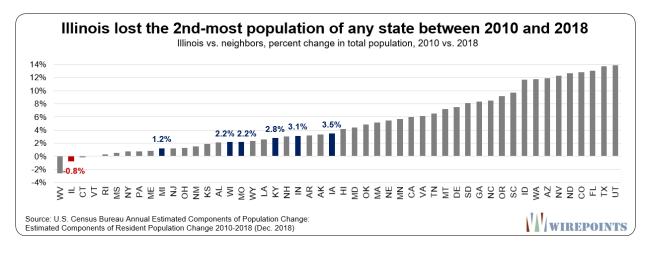


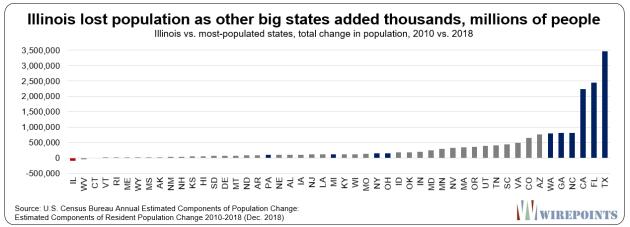


In fact, Illinois was one of only three states to actually lose population in between the end of the Great Recession and 2018. Illinois' population has fallen 0.8 percent since 2010, the 2nd-worst decline in the nation. Only West Virginia's decline was worse at 2.6 percent.

In contrast, Illinois' neighbors all grew over the period. Iowa's population is up 3.5 percent. Wisconsin and Missouri's are up 2.2 percent. Even Michigan, which suffered the nation's worst rate of domestic out-migration during the Great Recession, managed to grow its population by 1.2 percent.

The difference in absolute numbers is stark. While most of the other big states in the nation have added thousands or millions of people since 2010, Illinois has lost them. Illinois' population dropped by 100,000 while Pennsylvania eked out a gain of 95,000 people. Ohio added 150,000. Georgia added 808,000. California and Florida added more than 2 million people. And Texas added nearly 3.5 million people, the most in the nation.





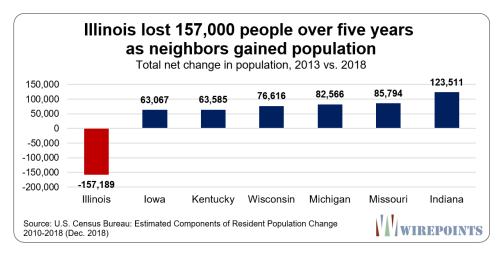


Illinois vs. its neighbors

Comparing national rankings

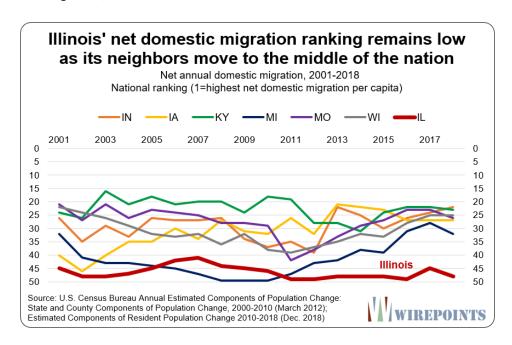
Some might argue that Illinois' population problems are largely beyond its control, that it's suffering from a decline felt by Rust Belt states and that cold weather is driving residents away.

The data doesn't bear that out. All of Illinois' neighboring states – even the cold-weather ones – have grown their populations over the same period that Illinois shrunk.



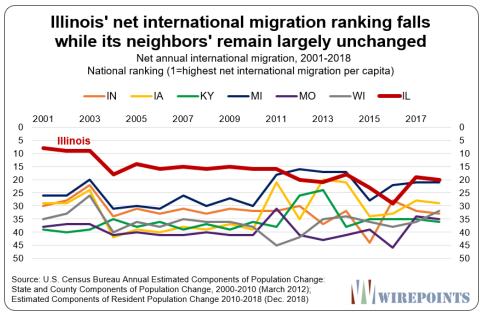
Just look at how Illinois and its neighbors' compare in national per capita rankings.

Illinois' rank for domestic migration has been one of the worst in the nation for nearly two decades. The state's neighbors, on the other hand, now all rank near the middle of the nation. They're still losing residents to out-migration, but at a much lower rate than Illinois is.

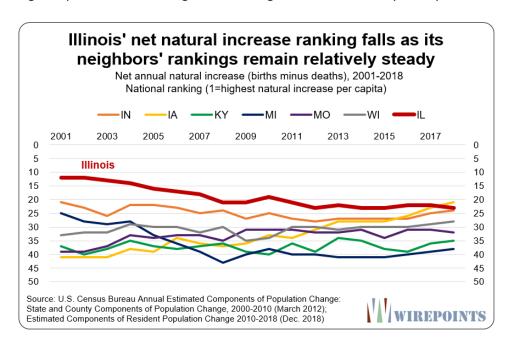




In terms of international migration per capita, Illinois used to be highly ranked compared to its neighbors. But immigration to Illinois has tanked over the years, more so than in other states. That's caused Illinois' ranking to steadily fall while many of its neighbors' rankings, while volatile, are largely unchanged.



The story is much the same for the natural increase per capita. Originally high at the turn of the century, Illinois' ranking collapsed even as its neighbor's rankings remained relatively steady.





Illinois can't afford to lose more people

Illinois' problems with out-migration are deeper than the census numbers suggest. Illinois isn't just losing its people, it's losing its tax base as well. But that's an issue for another report.

Illinois politicians are faced with an uncomfortable reality. The state is no longer the beacon it once was. It's been tarnished by <u>decades-long</u> policies of <u>mal-governance</u>, <u>increasing tax burdens</u> and <u>reform</u> avoidance.

Without spending and structural reforms that make the state more competitive, Illinois will be trapped in a downward spiral. One where growing government debts will fall on a continuously shrinking population.



Appendices

Appendix A. Estimated components of Illinois population change: Amount

Illinois shrinks due to fewer immigrants, fewer babies and increased domestic out-migration

Illinois net annual natural increase (births minus deaths), international migration, domestic migration and population change, 2001-2018

Year	Net domestic migration	Net international migration	Births	Deaths	Net natural increase (Births minus deaths)	Residual*	Net population change
2001	-69,699	58,863	185,576	106,374	79,202	702	69,068
2002	-76,923	52,328	181,621	106,078	75,543	-552	50,396
2003	-72,836	40,666	181,674	105,766	75,908	-1,524	42,214
2004	-74,270	40,915	183,461	104,540	78,921	-594	44,972
2005	-84,182	39,545	179,567	104,502	75,065	-1,811	28,617
2006	-75,230	40,372	178,970	102,007	76,963	-352	41,753
2007	-53,794	35,195	182,396	101,585	80,811	-936	61,276
2008	-52,752	34,073	179,723	101,465	78,258	959	60,538
2009	-46,398	30,261	177,410	104,220	73,190	-177	56,876
2010**	-49,843	29,939	176,292	105,500	70,792	244	51,132
2011	-65,999	31,610	162,426	101,615	60,811	107	26,529
2012	-70,308	28,316	160,152	101,291	58,861	-41	16,828
2013	-67,632	28,700	157,511	104,307	53,204	-122	14,150
2014	-94,459	29,935	157,522	102,709	54,813	404	-9,307
2015	-108,103	31,480	159,244	107,598	51,646	357	-24,620
2016	-113,136	25,446	156,299	106,197	50,102	141	-37,447
2017	-114,689	30,536	151,472	108,248	43,224	230	-40,699
2018	-114,154	30,735	148,117	110,092	38,025	278	-45,116

Source: U.S. Census Bureau Annual Estimated Components of Population Change: State and County Components of Population Change, 2000-2010 (March 2012); Estimated Components of Resident Population Change 2010-2018 (Dec. 2018)

*The census data includes a residual, which represents a change in population that cannot be attributed to any specific demographic component.





Appendix B. Estimated components of Illinois population change: Per 1,000 in population

Illinois' national rankings have fallen significantly since 2001

Illinois net annual natural increase (births minus deaths), international migration, domestic migration and population change, per 1,000 in population and national ranking per capita (1=highest per 1,000), 2001-2018

	Net do			Net international migration		ths	Dea	ıths	incre	atural ease us deaths)	Net population change		
Year	Per 1,000 in pop.	National rank	Per 1,000 in pop.	National rank	Per 1,000 in pop.	National rank	Per 1,000 in pop.	National rank	Per 1,000 in pop.	National rank	Per 1,000 in pop.	National rank	
2001	-5.6	45	4.7	8	14.8	12	8.5	31	6.3	12	5.5	27	
2002	-6.1	48	4.2	9	14.5	13	8.4	31	6.0	12	4.0	36	
2003	-5.8	48	3.2	9	14.4	17	8.4	31	6.0	13	3.4	39	
2004	-5.9	47	3.2	18	14.5	16	8.3	32	6.2	14	3.6	37	
2005	-6.6	45	3.1	14	14.2	18	8.2	32	5.9	16	2.3	39	
2006	-5.9	42	3.2	16	14.1	19	8.0	32	6.1	17	3.3	37	
2007	-4.2	41	2.8	15	14.3	22	8.0	33	6.3	18	4.8	36	
2008	-4.1	44	2.7	16	14.0	23	7.9	33	6.1	21	4.7	36	
2009	-3.6	45	2.3	15	13.8	22	8.1	28	5.7	21	4.4	37	
2010*	-3.9	46	2.3	16	13.7	18	8.2	27	5.5	19	4.0	38	
2011	-5.1	49	2.5	16	12.6	27	7.9	33	4.7	21	2.1	44	
2012	-5.5	49	2.2	20	12.4	29	7.9	33	4.6	23	1.3	45	
2013	-5.2	48	2.2	21	12.2	31	8.1	33	4.1	22	1.1	44	
2014	-7.3	48	2.3	18	12.2	29	8.0	33	4.3	23	-0.7	46	
2015	-8.4	48	2.4	23	12.4	27	8.4	33	4.0	23	-1.9	48	
2016	-8.8	49	2.0	29	12.2	29	8.3	31	3.9	22	-2.9	49	
2017	-9.0	45	2.4	19	11.8	29	8.5	31	3.4	22	-3.2	48	
2018	-9.0	48	2.4	20	11.6	30	8.6	29	3.0	23	-3.5	49	

Source: U.S. Census Bureau Annual Estimated Components of Population Change: State and County Components of Population Change, 2000-2010 (March 2012); Estimated Components of Resident Population Change 2010-2018 (Dec. 2018) *The census data includes a residual, which represents a change in population that cannot be attributed to any specific demographic component.

