



Analytics

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The latest data on state to state migration confirms that folks vote rationally with their feet and that Delaware legislators are in denial about this fact.

Census data shows that two-thirds of the net migrants into Delaware from 2007-09 came from just four states: New Jersey, New York, Pennsylvania and Massachusetts. Not surprisingly, these states have among the highest tax burdens, strong unions, and sluggish economies.

Two-thirds of the net out-migrants from Delaware went to five states: North Carolina, Florida, South Carolina, Kentucky and Tennessee. All the states have comparatively low tax burdens, four are right to work, and these four have higher growth economies.

Overall, when weighted by the number of net migrants, the states sending folks to Delaware have a higher tax burden than states receiving Delaware tax resident, including a top marginal income tax rate of 7.9% compared to 5.5%. Even more telling, through legislated tax changes in 2009 and 2010 the states losing residents to Delaware added \$2.04 per \$1,000 of personal income to residents' tax burden. The destination states of former Delaware residents reduced their tax burdens by -\$0.90 per \$1,000 of personal income.

The reality is that folks tend over time to move out of high tax states with slow economies that are partially a result of strong interest groups, including unions, to lower tax states with growing economies. Delaware government appears to be in denial of this reality as it legislated the second largest increase in tax burden per \$1,000 of personal income in the nation (\$9.38).

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