

Migrants to Oregon in the 1990's

Working Age, Near-Retirees, and Retirees Make Different Destination Choices

The rate of immigration is high in Western States; hence, the characteristics of the immigrants are of great policy interest for both communities and States. Younger families need different services than older retirees and near-retirees, while middle-aged professional and managerial workers need still different services. Different regions in Oregon attract dramatically different kinds of migrants: metro areas attract young professionals, some retirement/recreation areas attract the often-wealthy "near-retirees," and still other retirement/recreation areas attract older retirees. Migrants who move primarily for quality-of-life reasons are willing to absorb substantial declines in income to do so, while migrants who move for job-related reasons will accept little or no income decline.

From April 1990 to July 1998, Oregon netted nearly 260,000 domestic and over 58,000 international migrants, according to Census Bureau estimates (table 1). This unprecedented level of net immigration to Oregon (as well as many other Western States) has pushed the construction and service sectors of the State economy to new heights. Oregon's growing economy was an anomaly in 1991-92 when the rest of the country was in recession. Simultaneously, public policy in Oregon was hemmed in by the passage of "Measure Five," a strict limit on property taxes that restricted growth in State government budgets.

The potential costs of heavy immigration have often been the focus of State government discussions. For instance, a recent report concluded that migrants to Oregon were more likely to be poor than nonmigrants. Such analyses raise the specter of the "welfare migration" that caused such a stir in 1994 California politics. Of course, wealthy people also migrate to Oregon; taxes paid to the State from a new immigrant on just one estate equalled \$20 million.

The increasing stream of migrants to Oregon and other Western States since 1990 is of interest to demographers

Dean H. Judson is the Nevada State Demographer at the University of Nevada, Reno. Sue Reynolds-Scanlon is a Ph.D. candidate in Aging Studies at the University of South Florida. Carole L. Popoff is President of Decision Analytics, Inc.

and other social scientists who study movements of populations and the consequences of such movements. An influx of new residents may create demand for improved infrastructure and greater services; these areas are of concern to State and local officials. Thus, the reasons for categorizing the destinations of immigrants and the characteristics of these new residents are both political and scientific. Some of the many questions that policymakers and researchers need to resolve are as follows:

- (1) Will this new population alter the composition of an area's population?
- (2) Will new migrants demand additions to infrastructure and new services?
- (3) Will they be a drain on available community services?
- (4) Is the socioeconomic profile of nonmetro migrants dramatically different than their metro counterparts?
- (5) Will the baby boom's future migration overwhelm the resources of the communities they join?
- (6) Are nonmetro immigrants finding job opportunities, or are they seeking to trade income for amenities?

Table 1

Western domestic migration, 1990-98

California's population declined by 2 million from net migration while other Western States gained 2.7 million

State	Net domestic migration
Arizona	518,820
California	-2,081,928
Colorado	359,054
Idaho	128,531
Nevada	396,647
New Mexico	55,265
Oregon	259,512
Texas	541,020
Utah	86,168
Washington	373,946
Total (excluding CA)	2,718,963

Source: U.S. Bureau of the Census, 1999.

(7) Are nonmetro areas growing because of aging baby boomers who want to leave urban areas?

This article examines the types of migration that have contributed to Oregon's net immigration since 1990. Using data from a special survey of migrants to Oregon, we examine three types of migrants by the types of areas they favor. Migrants move for distinctly different reasons, with younger migrants economically motivated, near-retirees moving for a mix of economic and lifestyle reasons, and older migrants choosing high-amenity areas (see box, "What Is an Amenity?").

Is Migration Driven by Economics or by Amenities? It Depends on the Migrant

Domestic outmigration from California was nearly 2.1 million from April 1990 to July 1998. This unprecedented mass exodus seems now to be from all social and economic groups, with all other Western States net recipients. (1998 estimates from the Census Bureau indicate that the outmigration has now slowed substantially, although net domestic outmigration from California continues.)

Western policymakers must consider whether Californians are moving to improve their human capital and economic condition, to escape challenges in Californian society, to search for more pleasant climates, or for some other reason or bundle of reasons.

Economic factors driving migration are often reduced to job opportunities and wages. One in four job-related moves are merely job transfers across the United States, motivated by little more than a decision to stay with the same employer. However, natural amenities can promote migration and further job growth, so the distinction may not be clear between economic and amenity migration, either in destination choice or in the changes migration brings to the area.

The cost of housing, both owned and rented, is an economic factor in the migration decision, but it can also be considered an amenity cost with some predictable patterns. The level of rural migration is more affected by rent and housing costs than is urban migration. Medium- and high-income migrants, both in the labor force and out, are less influenced in their choice of destination by rent levels than are low-income migrants who are not in the labor force.

Given that low-rent areas are often correlated with high unemployment, States with high levels of unemployment often have high levels of immigration. If amenity values are "paid for" by low wages, then the elderly migrant, who is less tied to wage levels, is better able than a younger worker to take advantage of destinations such as the Oregon coast or the San Juan Islands of Washington State. Labor force migrants tend to prefer higher wage destinations such as New York or Silicon Valley, which often have less to offer in terms of the usual "natural" amenities.

Amenity migration also has consequences for residents of the area, particularly the poor and working-class residents. In many high-amenity towns (Sedona, AZ, or Bend, OR, for example), low-wage workers catering to the tourist sectors typically commute from outside the town. This is because those who live in the natural beauty and cultural ambience pay almost twice as much for rent as those living outside of town. Workers in such towns cannot afford the rent there.

Different Locations Appeal to Different Types of Migrants

Economic considerations interact with amenity concerns in migration. Wage levels tend to motivate those firmly in the labor force, rents matter to those with limited incomes, and amenities attract retirees or those near-retirees who can afford such locations. We present regions typical of Oregon and its multifaceted draw on migrants.

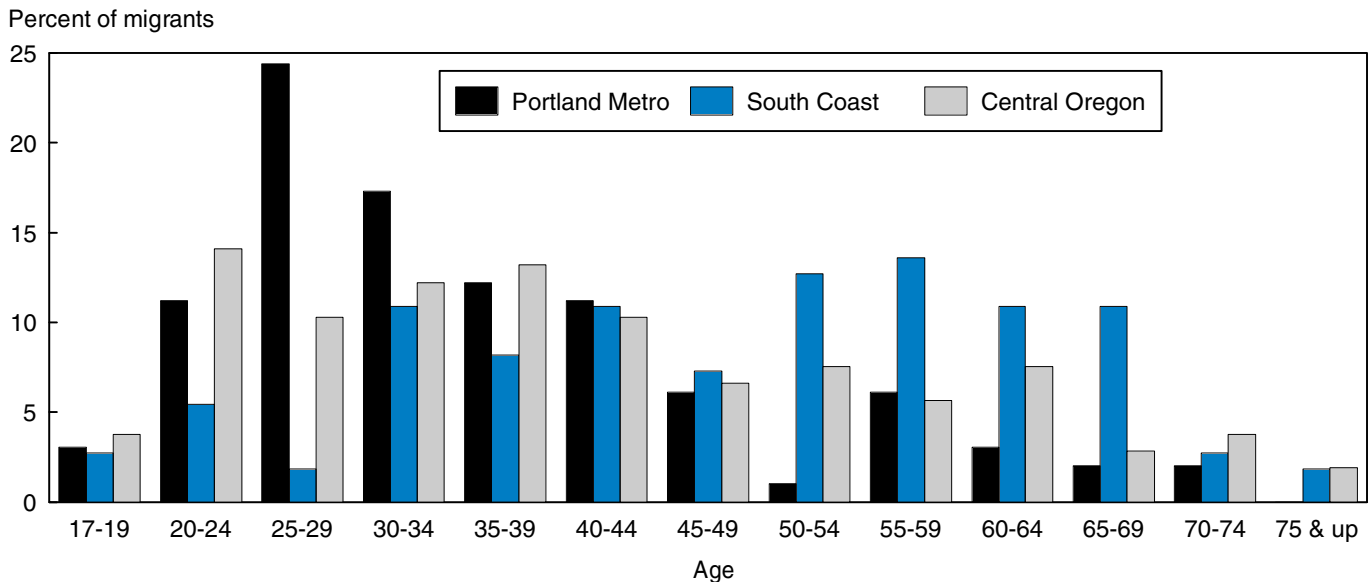
What Is an Amenity?

Migration researchers often talk about amenities, but the definition remains elusive. In some respects, an amenity is "in the eye of the beholder," with one person preferring cool and another preferring warm climates. Amenities come in many forms, and include low crime rates, warmer climate, topographic relief (that is, a room with a view), cultural activities, shopping, medical care, educational opportunities, etc. We consider an "amenity" to be any area feature for which the migrant would be willing to pay, either through a lower wage, a higher rent, long waiting lines, or some other cost. Most migration researchers claim that migrants trade economic rewards, like wages, for amenities.

Figure 1

Age distribution of migrants to Portland Metro, South Coast, and Central Oregon

Migrants to South Coast are older than migrants to Central Oregon, who are much older than migrants to Portland Metro



Source: 1993 Oregon Immigration Survey.

Portland Metro (Multnomah and Washington Counties). The bulk of migrants to Oregon went to this region; its job growth was strongest of the three regions over the period covered by the survey (1991-93). The Portland metro area is an economically vigorous, high-density urban area set on the Willamette River, and is a center for shipping, manufacturing, and trade.

South Coast (Coos and Curry Counties). These two counties on the southern Oregon coast are noted for their rugged beauty. Anecdotal evidence and employment estimates suggest that this region has only limited job opportunities, but has experienced an influx of older migrants attracted by the lower cost of living, amenities, climate, and recreational opportunities. During the 1980's, this region was a major destination for older migrants from California.

Central Oregon (Crook, Deschutes, and Jefferson Counties). These counties contain several rural-amenity towns and are classified as retirement/recreation counties by USDA's Economic Research Service (ERS). Central Oregon is noted for its skiing, fishing, and hunting, and has grown rapidly in the past decade. Migrants to this area have been referred to as "lifestyle refugees."

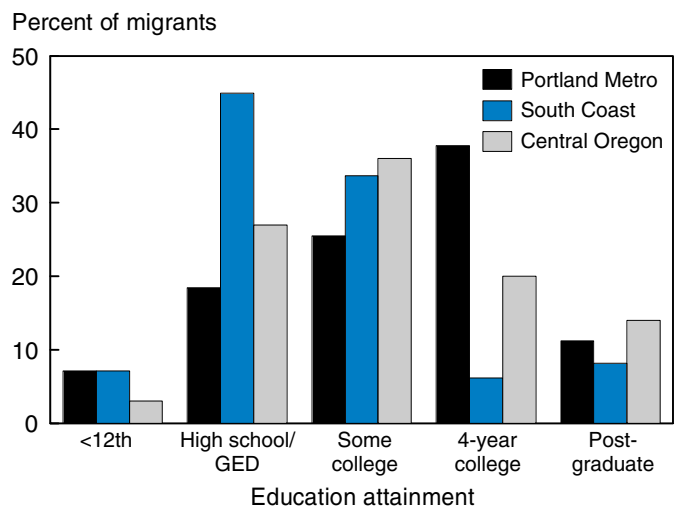
These three regions differed substantially in the age distribution of migrants coming to the region (fig. 1). Portland Metro had a typical employment-related age distribution, with a large share of younger (20-39) migrants and far fewer migrants near or past retirement. In contrast, the South Coast had a much older immigrant profile, especially age 50-69. Central Oregon had an "in-between" age dis-

tribution, with a large share of migrants age 30-64 years old.

The regions are also dramatically different in educational attainment (fig. 2). Portland Metro again illustrated the effect of employment immigration, with the largest share of college graduates and beyond (about 48 percent of immigrants). In contrast, only 14 percent of the immigrants

Figure 2
Educational attainment of migrants to Portland Metro, South Coast, and Central Oregon

Migrants to South Coast are more likely to have only a high school education, while migrants to Portland Metro are most likely to have a 4-year college degree



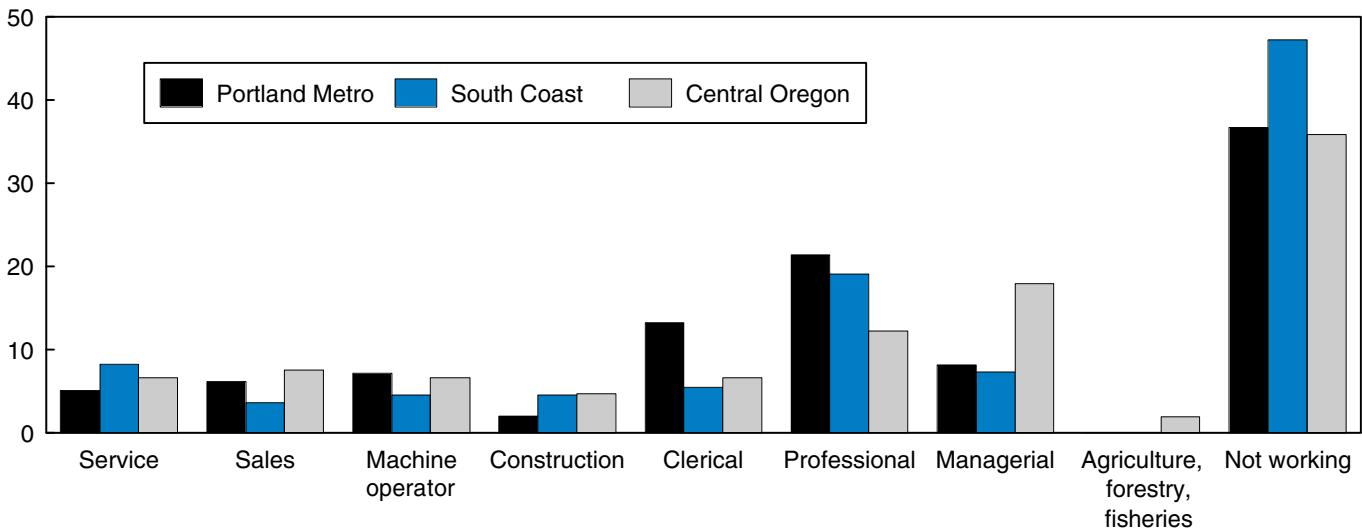
Source: 1993 Oregon Immigration Survey.

Figure 3

Occupation of migrants who are working

Central Oregon attracts those with managerial occupations, while Portland Metro attracts those with professional or clerical occupa

Percent of migrants



Source: 1993 Oregon Immigration Survey.

to the South Coast had attained a 4-year degree or greater, while Central Oregon captured the most postgraduate degrees.

Portland Metro received a larger share of migrants whose occupation was professional and clerical than did the other regions (fig. 3). South Coast had easily the largest percentage not working prior to coming to Oregon, but also 20 percent in professional occupations. The most notable distinction was in Central Oregon, where a substantially higher proportion of the immigrants reported themselves as in managerial occupations, and 15 percent were self-employed. Likewise, Central Oregon had the lowest percentage not working prior to coming to Oregon.

Migrants to these three regions gave different reasons for migrating to Oregon (fig. 4). Of the multiple choices given them, responses were categorized as either job-related or as amenity-related. Portland Metro received the largest share of migrants who cited a job-related reason only and not an amenity-related reason, while South Coast migrants overwhelmingly cited amenities reasons only and not job reasons. All three regions had their largest share of migrants citing amenities reasons only.

Different Areas Attract Migrants With Different Income Levels

Income distributions for each of the three areas were dramatically different (fig. 5). Central Oregon gained more migrants in the higher income ranges than did Portland Metro or the South Coast, including a surprisingly high percentage of migrants with very high incomes (annual household incomes of \$95,000 and above). Portland

Metro received a larger share of lower income migrants (<\$25,000), while the South Coast region received a larger share of moderate-income migrants (\$25,000-\$65,000).

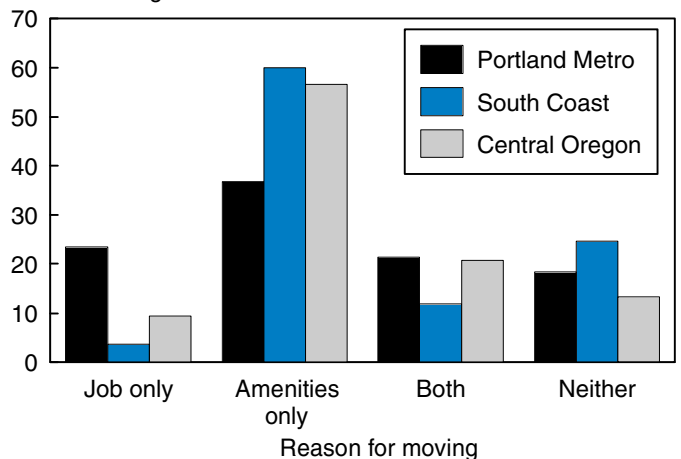
Other studies have shown that income declined for as many as half of all migrants to nonmetro areas after they migrated. In these studies, older migrants were more inclined to accept lower incomes than younger migrants; migrants who moved for employment reasons typically realized income gains, while people who migrated to amenity regions tended to lose income.

Figure 4

Reasons cited by migrants for moving to South Coast, Central Oregon, and Portland Metro

Migrants to South Coast and Central Oregon are the most likely to indicate amenities only in their decision

Percent of migrants



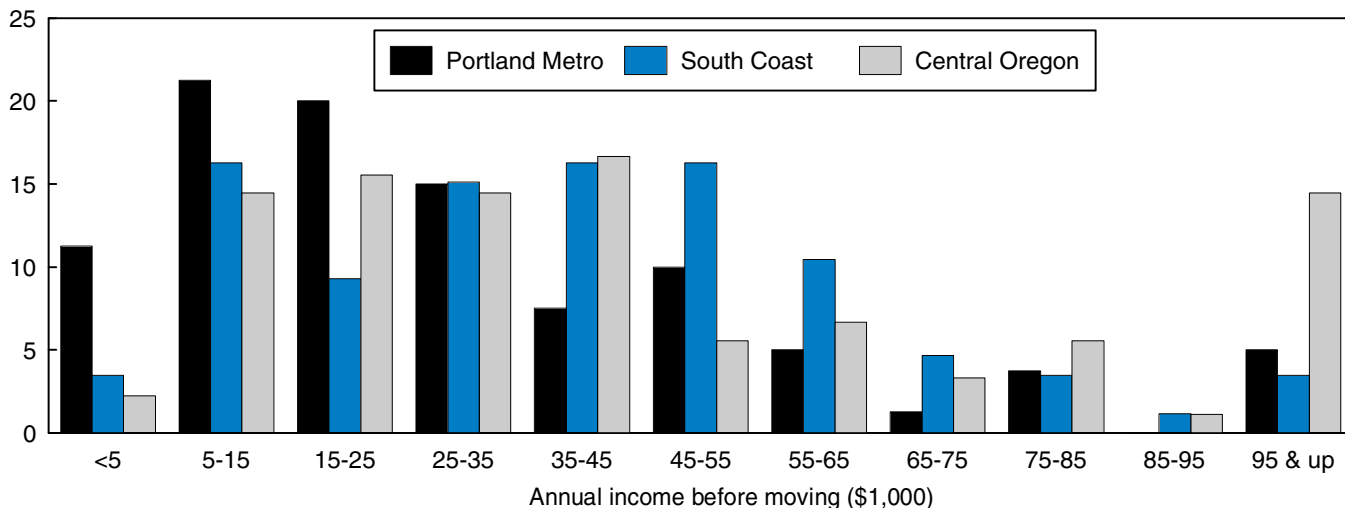
Source: 1993 Oregon Immigration Survey.

Figure 5

Household income of migrants to South Coast, Central Oregon, and Portland Metro

Over 1 in 7 migrants to Central Oregon indicate a household income of \$95,000 or greater before moving; most migrants to Portland Metro indicate income in the \$5,000-\$15,000 and \$15,000-\$25,000 ranges

Percent of migrants



Source: 1993 Oregon Immigration Survey.

In Oregon, the income loss of migrants varied quite a bit by region in the early 1990's, reflecting patterns similar to these previous findings. Migrants to Portland Metro typically had a small income gain. Migrants to South Coast, where retiree migrants were most numerous, lost almost \$5,000 in annual household income, while migrants to Central Oregon lost \$3,500.

Given the age profile of migrants to South Coast, the income loss is likely accounted for partly by retirement. These results suggest that elderly migrants take an income loss, either because they can afford the income loss better than younger migrants or because they are more willing to trade income for amenities. However, some of the income loss may be a function of the desire for amenities and/or a near-retirement "trading down" of jobs.

Across all three regions, individuals who indicated only an amenities-related reason for migrating suffered income losses, those who indicated both job-related and amenity-related reasons had a mixed income gain/loss, and those who indicated only job-related reasons actually realized income gains, albeit not by the same amount across regions (fig. 6). Thus, the regional differences were more a result of the migrants' agenda than of anything inherent in the region itself.

Tradeoffs Faced by Migrants Depend on Their Age

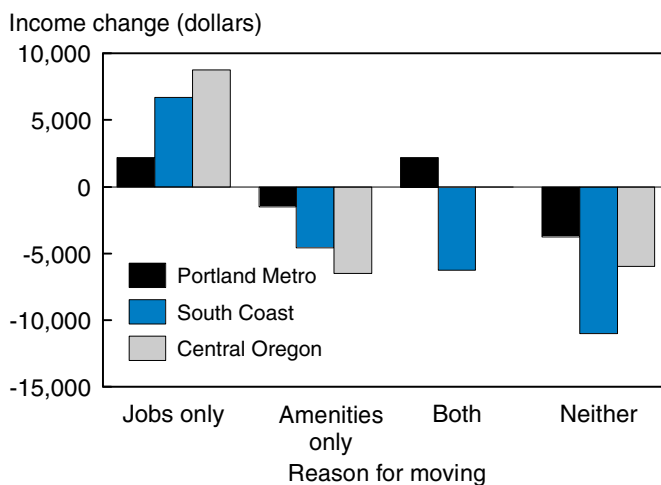
Characteristics of migrants into Oregon, including reasons for moving, differ by age. People face different tradeoffs as they age and hence choose different locations.

Young Migrants. Migrants younger than age 40 were the least likely to have moved from California; only 33 percent had moved from there. Thirty-six percent of young migrants moved into the Portland Metro region. Thirty-four percent cited amenities reasons only, while 19 percent cited job reasons and not amenities reasons (fig. 7). This group of migrants had the largest share with a college degree or beyond (37 percent), and their households averaged incomes of \$31,000 before moving. As is common in

Figure 6

Change in household income by reason for migrating

Migrants who indicate a job-related reason for moving enjoy, on average, an increase in household income

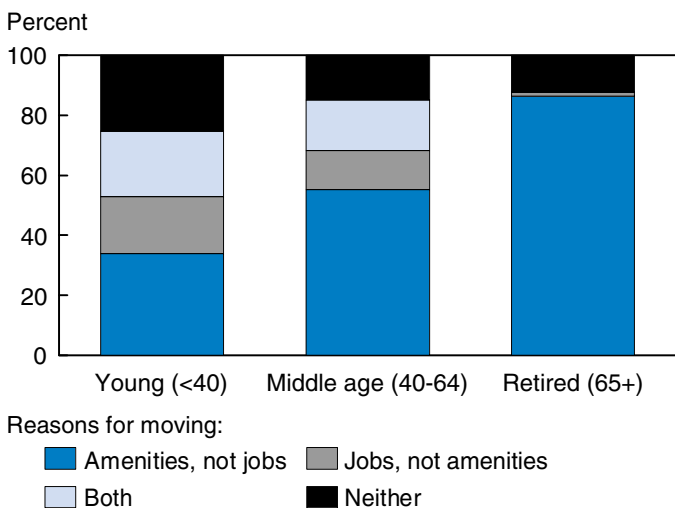


Note: "Income change" indicates the difference in annual household income reported from before the move and after the move, averaged over all migrants.
Source: 1993 Oregon Immigration Survey.

the short term among migrants (especially those moving to amenity areas), they lost \$2,168 (the difference in their total household income before moving minus their total household income after moving)—the smallest income loss of any group in the sample. However, as with other age groups, those who cited amenities reasons for moving lost income (fig. 8). Most of them moved to metro areas

Figure 7
Reasons given for moving by age of migrant

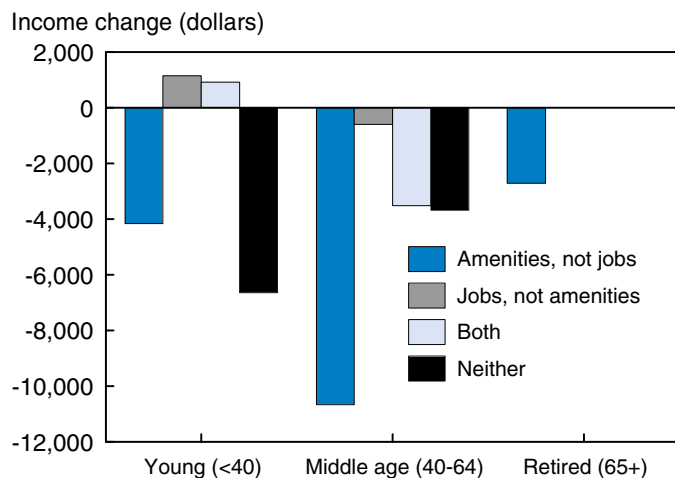
Young migrants were least likely to indicate amenities only and most likely to indicate job only



Source: 1993 Oregon Immigration Survey.

Figure 8
Average income loss by age of migrant and reason for moving

Middle-aged migrants lost income regardless of why they moved, but especially those who moved for amenities



Note: There are too few cases to reliably estimate retirees' loss (except those who chose amenities and not jobs).

Source: 1993 Oregon Immigration Survey.

where their numbers had little impact on the much larger total population, both because their profile was similar to existing residents and because they were a small portion of the total population. The diverse and strong economy in metro areas absorbed this population without difficulty.

Middle-Aged Migrants. Fifty-four percent of migrants age 40-64 came from California, and 24 percent chose Portland Metro as their destination, with the next highest destination (southern Oregon) at 12.5 percent. Fifty-five percent cited amenities only, while 13 percent cited job reasons only and not amenities reasons for moving (fig. 7). This group had the highest proportion of managerial occupations and professional occupations (52 percent), and 34 percent had attained a college degree or more. This group's household income averaged \$48,117 before coming to Oregon, and a significant number reported incomes greater than \$95,000. However, on average, they suffered a household income loss of \$7,200, the largest of any age group. For those in this age group who cited amenities and not jobs as the reason for moving, their household income loss was even greater (over \$10,000), indicating a substantial income/amenity tradeoff. Those who cited jobs only lost the least.

This group of immigrants may affect education and infrastructure costs for their new host communities, as they and their children need educational opportunities and support for their lifestyle. Much has been made in the media of this wealthier professional population and its impact on a rural community. They can provide a pool of workers that are very attractive to "clean" (nonpolluting) and tourism-based industries looking to relocate into a State. They often bring substantial assets and incubate small businesses. This group also has the propensity to age in place in their new communities, a type of "pre-retirement" migration.

Retiree Migrants. Migrants who were 65 and older were predominantly from California (66 percent), and the largest share of them (21 percent) chose southern Oregon as their destination. Their destination choices were more likely to be away from urban areas than either young or middle-aged migrants. They were predominantly nonlabor migrants who almost entirely (86 percent) cited amenities only (just 1 percent cited job reasons). This group averaged a household income of \$32,000 before moving to Oregon, and lost an average of \$2,494 in household income upon migration to Oregon, probably associated with retirement and almost entirely based in amenities reasons (fig. 8). Their educational status, although representative for their generation, was the lowest of the migrating groups; 37 percent had a high school diploma, GED, or lower education. As their income stream tends to be portable and not dependent on the local economy, it generates local property and sales taxes, forms capital via housing and bank deposits, and creates jobs.

The 1993 Oregon Immigration Survey

The study was sponsored by the Occupational Information Committee of the Oregon Workforce Quality Council, and funded by the National Occupational Information Coordinating Committee. In 1993, a team of Employment Department analysts developed the procedures for the survey, using model surveys performed in Maine from 1975 to 1988.

The survey was designed to answer policy questions about Oregon's new residents. The survey sampled from 15 regions in the State, covering all counties, and included 2,752 new residents over age 18. Respondents were contacted via mail, and approximately equal numbers responded in each region for a total of 1,412 respondents. Respondents were asked about their (1) labor force characteristics; (2) household characteristics and composition; (3) perceptions about the State, before and after coming; and (4) dissatisfactions with the State. We specifically asked about their reasons for moving to the State, including "job," "livability," "family," "company transfer," "other," and several other choices as reasons.

Attracting Retired Migrants Can Be a Good Economic Development Strategy

In the early 1990's, 443 rural "retirement-destination counties" showed more rapid growth than any other type of nonmetro county (87 percent gained population), according to analyses using ERS county typologies. Elderly retirees tend to value services such as grocery stores, pharmacies, or hospitals, and seem to be fleeing perceived crime and congestion.

As the baby boom generation approaches retirement, these inducements have become the specific focus of some rural economic development strategies in the South and Southwest. Results from Oregon suggest that retirees (1) bring wealth into the community in the form of income and asset transfers; (2) stabilize the business cycle (due to diversification and stability of wealth and transfer payment income); (3) demand less State aid and less of costly public services (particularly education, welfare, and highways); and (4) add to the pool of available capital via equity and pension income and wealth. Communities in Oregon have grown rapidly because of the inflow of retirees and may also have had a concomitant growth of younger age groups.

However, not all of the effects of luring retiree migrants are positive. Since many of the retirees are homeowners, some researchers argue that they are resistant to property tax burdens, spend less on government services, desire lower overall tax burdens, and are less likely to support educa-

tion spending. As with other immigrants, an influx of retirees also causes increased pressures on land use, zoning, waste management, and other environmental issues. Retiree communities tend to develop a dual culture and economy: the affluent retirees and the lower paid service workers who cannot afford to live in the community.

Policy Implications and Speculation on the Future

This study of immigration to Oregon has implications for the rest of the country. The recent migrants described in this survey are an economic benefit to both community and State in the short term. This is true of retirees as well as those who move with or for jobs. Most places' local and State services or infrastructure do not seem to be hurt by elderly migrants and, for the most part, the benefits have far outweighed the burdens.

Economic or wage migrants were usually younger, better educated, and saw gains in income from the move. They were less likely to cite amenities as the sole reason for moving. Middle-aged or pre-retiree migrants were more educated, had more professional status, had some assets and higher income levels, and supported families. These individuals more often cited amenities or lifestyle as reasons for moving and were willing to absorb income losses ranging from moderate (\$4,000) to substantial (\$10,000). Retiree migrants almost entirely cited amenity reasons for moving, and suffered an income loss of about \$3,000 annually. The relationship between reasons for moving and individual migrants' willingness to trade income for amenities was clear. Migrants who cited amenities-related reasons for moving lost significant income. Migrants who cited job-related reasons for moving lost little or no income. Migrants who moved for a mix of reasons fell in the middle and typically lost some income.

Are nonmetro migrants to Oregon finding nonmetro job opportunities or are they seeking to trade income for amenities? This study indicates that both are true. We speculate that this migration involves both a preliminary phase in which early migrants trade income for amenities, and a second phase in which later migrants come for job opportunities created by the early migrants. Because of their life stage and general affluence, middle-aged movers are uniquely able to afford the income loss they face in making amenities and lifestyle migration. In moving, they create opportunities for economically motivated migrants to follow them. Baby boomers make up a large share of these middle-aged movers and can enrich their new communities by injecting income and wealth, increasing job opportunities, and bringing their cultural and educational attainment with them.

For Further Reading . . .

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