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GEORGIA'S BRAIN GAIN

Georgia continues its popularity as a migration destination. This policy brief examines the migration patterns of college educated individuals, aged 26-35, within the Southeastern United States since 1990. This particular segment of the population is important because it helps improve the overall quality of Georgia's labor pool. With firms looking for a well-educated workforce to draw upon, growth in this segment of the population can be an important precursor for future economic growth.

Strong growth in net migration of individuals in this demographic is desirable for several reasons. College educated individuals earn more on average than their counterparts and are less at risk of becoming unemployed during a recessionary downturn. Higher wages and job stability translate into larger consumer spending and increased tax revenues for the state. Further, high concentrations of these individuals creates a network effect which leads to higher productivity and increases the attractiveness of the state to other highly educated individuals and "knowledge-based" businesses.

To maintain its competitiveness in attracting top tier corporations that drive high end economic development, Georgia must have a higher skilled workforce relative to that of its neighbors. Although Georgia consistently ranks near the top in overall net migration, the composition of these migrants is rarely

addressed. The total migration numbers shed no light on whether the workers coming to Georgia are the "knowledge-based" workers that drive innovative growth or are unskilled workers that will have trouble competing in an increasingly global economy. Examining the composition of migration to Georgia will shed light on whether state policies have had any effect on increasing the net migration of highly skilled workers to the state.

Table 1 details actual migration flows of college educated individuals aged 26-35 for Southeastern states. Note that for the five years 1995 to 2000, Georgia had the largest net gain in the Southeast of over 16,000 young college graduates, nearly double the next highest state (Virginia). In terms of migration between 2005 and 2006, Georgia ranked 3rd in the Southeast states in net migration (behind North Carolina and Florida). The 2006 data is for one year migration; if we were to extrapolate this number for 5 years, Georgia would appear to be on track to have a gain of 23,000 young college graduates move into the state between 2006 and 2010, which would represent an average growth of 6 percent per year since 1985. Overall, migration to Georgia by this demographic has been high and consistent. While other states may have higher or more consistent numbers, none match Georgia with both. Only North Carolina has shown a consistent pattern of improvement in this regard,

TABLE 1. NET MIGRATION OF COLLEGE GRADUATES AGED 26-35

	1985-1990	1995-2000	2005-2006
Alabama	-1,293	-4,957	-1,257
Arkansas	-2,911	-3,053	1,596
Florida	15,678	5,304	5,551
Georgia	11,427	16,543	4,602
Kentucky	-2,541	-843	1,213
Louisiana	-6,782	-3,345	-8,878
Mississippi	-3,303	-3,297	-3,179
North Carolina	6,183	6,842	9,869
South Carolina	69	-1,402	792
Tennessee	670	2,777	1,250
Virginia	18,132	8,567	-1,756

Source: Authors' calculations from IPUMS and ACS data.

while four Southeastern states have consistently lost population within this demographic group since the 1985-1990 Census period.

Table 2 shows the net migration numbers as a percentage of the state's overall population at the end of the period. Again, Georgia ranks 3rd behind North Carolina and Arkansas. Arkansas' relatively small population base and deviation in 2006 from its negative trend enable it to jump Florida and Georgia. Though the deviation from its trend could indicate an underlying change in Arkansas' attractiveness, it is more likely an artifact of refugees from the 2005 hurricane season which grossly affected its neighbors, Louisiana and Mississippi. Therefore, it appears as though North Carolina remains Georgia's largest rival in terms of this measure as well.

Georgia again exhibits high consistency in this measure, with the migrants of this demographic representing, on average, 0.04 percent to 0.05 percent of the population in any given year. Georgia was particularly successful in the period between 1995 and 2000, when this group made up 0.2 percent of the population, a proportion that was significantly higher than the average for the Southeast. As with the number of migrants, Georgia exhibits a steady upward trend in migrants as a share of population. Projecting 2006 numbers onto a 5-year period, Georgia's proportion of net migration due to this demographic group would be 0.25 percent of the population.

This trend indicates that Georgia's population is experiencing a shift toward a higher skill level.

However, this trend is not necessarily indicative of increased success in attracting high skilled workers in particular. It could be the result of the overall increase in net migration to Georgia. Table 3 addresses this issue by examining the net migration of the target demographic as a percentage of total net migration. In other words, of the entire population gain each state is having from migration, how much of that gain is comprised of young college graduates? Recognizing that Louisiana and Mississippi are extreme outliers due to their experience with Hurricane Katrina, we find that, in 2006, Georgia is behind North Carolina, Florida and Arkansas at 3.62 percent. Although Georgia is experiencing a positive net-migration of young college graduates in terms of total volume, this segment of the population represents only 3.6 percent of Georgia's net gain in population. As a result, the overall impact of the net in-migration of young college graduates on Georgia is somewhat mitigated.

While Georgia may become bigger than her neighbors, it will not necessarily become smarter and more skilled than her neighbors. Without a highly skilled, "knowledge-based" workforce, Georgia will not attract top tier corporations and will be more susceptible to economic downturns. In order to attract a larger proportion of the college educated demographic, Georgia must be more attractive to this demographic group than its neighbors. It should

TABLE 2. NET MIGRATION OF COLLEGE GRADUATES AGED 26-35 AS PERCENTAGE OF POPULATION

	1985-1990	1995-2000	2005-2006
Alabama	-0.03%	-0.11%	-0.03%
Arkansas	-0.13%	-0.11%	0.06%
Florida	0.12%	-0.03%	0.03%
Georgia	0.18%	0.20%	0.05%
Kentucky	-0.07%	-0.02%	0.03%
Louisiana	-0.17%	-0.08%	-0.22%
Mississippi	-0.13%	-0.12%	-0.11%
North Carolina	0.10%	0.09%	0.11%
South Carolina	0.00%	-0.04%	0.02%
Tennessee	0.01%	0.05%	0.02%
Virginia	0.30%	0.12%	-0.02%

Source: Authors' calculations from IPUMS and ACS data.

TABLE 3. NET MIGRATION OF COLLEGE GRADUATES, AGED 26-35, AS PERCENTAGE OF TOTAL NET MIGRATION

	1985-1990	1995-2000	2005-2006
Alabama	-4.70%	-17.06%	-3.32%
Arkansas	-8.93%	-7.31%	6.97%
Florida	1.45%	0.89%	7.88%
Georgia	3.84%	4.78%	3.62%
Kentucky	8.09%	-2.36%	4.42%
Louisiana	2.70%	4.62%	5.10%
Mississippi	18.20%	-13.06%	11.95%
North Carolina	2.53%	1.98%	7.77%
South Carolina	0.08%	-1.11%	2.09%
Tennessee	0.58%	1.91%	3.21%
Virginia	8.91%	11.89%	-7.46%

Source: Authors' calculations from IPUMS and ACS data.

actively work to change the mix of migrants to the state to include more high skilled workers. North Carolina seems to have had more success in achieving this goal and, given the similarities in size with Georgia, should be considered for emulation.

Note on Data

The data for this brief come from two sources: the Integrated Public Use Microsample (IPUMS) for 1990 and 2000, and the American Community Survey (ACS) for 2006, both of which are collected by the US Census Bureau. The IPUMS data is derived from the Census Long Form, a one-in-six sample of all U.S. households conducted during the decennial census process. A person is considered to have migrated from one state to another if they lived in one state five years prior to the Census and lived in a different state at the time of the Census. The ACS, on the other hand, was fully implemented in 2005 as a replacement for the Long Form and is conducted every year on a 1-in-100 random sample of American households. The key difference with the ACS from a migration standpoint is that the ACS asks about change of residence and previous state of residence one year previously as opposed to five years previously.

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