Migration of wealth in New Jersey and the impact on wealth and philanthropy

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Introduction and Background

Over the past few years there have been reports from three separate academic institutions concerning the effects of migration into and out of the state of New Jersey.

This is the third and most recent report and was funded by the Community Foundation of New Jersey and the Enterprise Trust at the New Jersey Chamber of Commerce. It documents the research conducted at the Center on Wealth and Philanthropy at Boston College during the summer and fall of 2009 and focuses primarily on the movement of household wealth and secondarily on the movement of household charitable capacity into and out of New Jersey in two time periods: the years between 1999 and 2003 and the years 2004 and 2008.

The first report in the series, "Where Have All the Dollars Gone?" documented research conducted at the Edward J. Bloustein School of Planning and Public Policy at Rutgers University in October of 2007. The Rutgers report focused on the loss of income and skills due to net out-migration, and it concluded that New Jersey's economy is "strong and well balanced." Nevertheless, the state is experiencing a net outflow of residents that takes a large toll on the state's economy. The Rutgers report details a loss of $453.5 million in revenue and suggests that the out-migrants "have been either pushed out or pulled to elsewhere in the country – pushed by high costs of living (especially housing), high taxes, and congestion, or pulled by greater private-sector job opportunities and lower housing and living costs in other states."

The second in the series of reports, "Trends in New Jersey Migration: Housing, Employment, and Taxation," documented research conducted at The Policy Research Institute for the Region at Princeton University in September of 2008. The Princeton report also focused on the loss of income and skills due to net out-migration of individuals. However, it concluded that, "the economic impact of migration is ambiguous." Unlike the report from Rutgers the report from Princeton contends that workers are migrating from the state but the jobs are not. The Princeton report suggests that the over-crowded Garden State might be experiencing some benefits from the migration as the migration opens opportunities for unemployed residents. The Princeton report does concede that net migration loss is a valid trend in New Jersey with negative effects on the state's economy, but suggests that the negative effect might be less than previously predicted.

The Rutgers and the Princeton reports on the migration into and out of New Jersey mostly focused on the subsequent changes in *income* and *labor force skills*. By contrast, in the current report, we examine the impact on *wealth* and *expected giving patterns* in addition to income.

Summary of Findings

In the first half of the decade 1999-2008, the net effect of migration for New Jersey resulted in a substantial increase in both household wealth and charitable capacity. In the second half, the direction of flow was reversed. The net effect of household migration resulted in a loss of substantial household wealth and expected amounts of charitable giving. The change was due mostly to a large decline in the number of wealthy households entering New Jersey between 2004-2008 and a moderate increase in the outflow of wealthy households leaving New Jersey. The result of the net loss in wealth was a net loss in charitable capacity, making it more difficult for charitable causes to raise money from New Jersey households

Specifically:

1. From 1999 through 2003, there was a net influx of $98 billion (in 2009 dollars) in household wealth and concomitant net increase of $881 million in charitable capacity.

2. Most of the wealthy in-migrants came from the states of New York and Pennsylvania and from foreign countries.

3. In the subsequent five years from 2004 through 2008, New Jersey experienced a near total reversal of the flow. The inflow of wealth dropped from $300 billion to $117 billion – a difference of $183 billion (see Table 1). While the outflow fell from $202 billion to $187 billion – a difference of slightly more than $15 billion before rounding (see Table 1). The result was a shift from a net inflow of $98 billion ($300 billion minus $202 billion) to a net outflow of $70 billion ($187 billion minus $117 billion) for a <u>total decline in wealth of $168 billion ($70 billion plus $98 billion).</u>

4. Charitable capacity or the expected giving pattern changed from a net inflow of $881 million to a net outflow of $1.132 billion. As a result of the wealth flow reversal New Jersey <u>lost a total of $2 billion in the expected giving or in charitable capacity.</u>

5. In proportional terms, the major change came from large reductions of in-migration by wealthy[1] households from foreign countries, New York State, and Pennsylvania.

6. The out-migration of more affluent and wealthy households rose while the out migration of less wealthy households was reduced.

7. Throughout the entire period (1999-2008) there was a remarkable balance in the aggregate income of in-migrant and out-migrant households.

8. The flow of households moving from New York State to nearby states fell for both New Jersey and Connecticut between 1999 and 2008 however it fell proportionately more for New Jersey than Connecticut.

9. In recent years wealthy heads of households migrating to New Jersey have been younger and less well educated than wealthy heads of households migrating out. The heads moving in are concentrated in management and support positions in manufacturing. The heads of those moving out tend to be self-employed or working in finance and professional industries (see Table 4).

10. Although there was a decline in the aggregate wealth for households migrating from New York to New Jersey and households migrating from New York to Connecticut, the proportional decline in wealth to New Jersey was greater. In aggregate, the wealth of households moving from New York to New Jersey declined 73% and from New York to Connecticut by 32% between the two periods. The wealth of households migrating from New York to other destinations increased by about 15% between the two periods. The wealth declined nearly twice as much for New Jersey than for Connecticut**.**

[1] We define wealthy households as those with a net worth of one million dollars or more.

Why We Look At Wealth:

While income is related to wealth, they are different concepts. Wealth measures the value of assets net of debt at a particular time. Income measures the flow of assets, usually cash or depository assets, during a period of time, typically a year. Income is not the same as wealth nor does it function in the same way as wealth, and the reverse also holds.

Unearned income is derived from assets. Large values of unearned income imply large values of assets and high levels of wealth. Unearned income typically consists of interest, dividends, rents, royalties, disbursements from trusts, and other income derived from capital. Since unearned income derives from assets, variations in unearned income are usually associated with similar variations in the value of assets.

The reports from Rutgers and Princeton primarily focused on personal income. Wealth, the focus of the Boston College report, is arguably at least as important as income for issues involving general economic growth and for supporting philanthropic behavior[2].

In 2007, according to the Federal Reserve Data, only 9% of U.S. households had at least $1 million in net worth. That 9% made the majority of charitable contributions, owned the majority of equity in unincorporated and closely held businesses, and had a disproportionately large share of investable assets as compared with the remaining 91% of the population. These "wealthy households" made 53% of all household charitable contributions ($117 billion). They also owned 93% ($13.7 trillion) of business equity owned by all households in unincorporated and closely held businesses, and they had 41% ($10.3 trillion) of investable assets owned by all households, i.e. liquid assets, stocks, bonds, and mutual funds. Typically, wealthy households do not have million dollar incomes. In 2006, the average wealthy household income before tax amounted to $354 thousand, while the median amounted to $159 thousand. Only 6% of millionaire households made as much as $1 million in 2007. The pattern is similar for unearned income. The average household unearned income of millionaire households was $145 thousand in 2006 and the median was $18 thousand. Only 6% of wealthy households had unearned income of as much as $500 thousand. Nevertheless, wealthy households received 86% of total unearned income received by all households in 2006.

Among wealthy households, both household income and household assets are importantly related to charitable giving, but assets, especially investable assets, are much more important than income. Statistically, the relationship between the value of assets and the amount of charitable giving is roughly 7 times stronger than the relationship between the level of income and the amount of charitable contributions. Put simply,

[2] One might consider access to additional assets through, for example, credit or collaborators, as a third type of financial resource, but its inclusion will have to await the fourth study in this series.

millionaire households make charitable contributions more because they are wealthy than because they earn a high income.

Most (more than 90%) millionaires acquired their wealth in their own lifetimes through business, investment, or service as corporate executives rather than through inheritance. The majority became wealthy through growing their own business or investing in businesses of others. They tend to be entrepreneurial and agents of economic expansion. In earlier paragraphs we saw that as a group they own 93% of the equity in unincorporated and closely held businesses owned by all households in the U.S. Even in retirement millionaires participate in business opportunities. They contribute to local economic development as a source of funds, as a potential investor, and as an agent for creating new businesses and expanding established ones.

In this report we estimate the interstate movement of household financial resources, particularly wealth, and their expected giving patterns. We examine this mobility of wealth for recent years and during the past decade. Our analysis includes the financial resources of all migrating households, not just those that are wealthy. As households migrate, their skills, their civic engagement, their cultural norms, their financial wherewithal, and over time their philanthropy accompany them to their new destinations. Because millionaire households contribute disproportionately both to the support of charitable institutions and to economic development and growth, we concentrate more on them in this report than on migrating households of lesser wealth.

Before presenting the findings, we note that our report does not address the overall levels of wealth and charitable giving in New Jersey but rather the changes in wealth and charitable giving associated with household migration.

Characteristics of Migrating Wealthy Households

In 2004-2008 the wealthy households entering the state of New Jersey differed in several ways from those leaving the state. The heads of wealthy households entering New Jersey are younger, earn higher incomes, and are more frequently employed. Heads of wealthy households leaving New Jersey tend to be older, more likely to be retired or widowed and have more wealth. According to the Survey of Consumer Finances, sponsored by the Board of Governors of the Federal Reserve, on a national basis households with net worth of at least $1 million, headed by a person age 60 or older, comprise 4% of all households but donated approximately 25% of all household charitable contributions in 2007 (the most recent year for which data is available).

The wealthy entering are more frequently employed in manufacturing and less frequently in finance, legal, or other professional industries. The households entering New Jersey less frequently hold CEO type positions than the departing heads of households. In comparison, the wealthy coming to New Jersey are less likely to be retired or widowed and they own substantially less wealth than their out-going counterparts. As a result, the giving pattern or charitable capacity of the households leaving is greater than those entering New Jersey.

Determining Wealth and its Mobility – The Methodology

Determining wealth mobility is a complex task because the data concerning the geographic *mobility* of wealth are thin and the data on wealthy households are even sparser.[3] It is necessary, therefore, to bundle the analysis into five-year periods and use multiple sources of data.

The Survey of Consumer Finances (SCF) is conducted triennially by the Board of Governors of the Federal Reserve. The SCF is a good source of information about national patterns on household wealth and charitable giving, even for very wealthy households. However, the SCF is insufficient as a basis for measuring interstate migration because it does not identify the states where respondents reside.

Fortunately there are additional government data sources that support an analysis of migration; however, they contain no measures of financial wealth or of charitable donations. In this study we used three sources of migration data, in addition to the Survey of Consumer Finances, in order to track the geographic mobility of wealth. They were the:

1. Current Population Survey (CPS), conducted annually since 1954 by the Bureau of Census;
2. American Community Survey (ACS), conducted annually since 2004 by the Bureau of Census;
3. Annual State-to-State Migration File of the Statistics of Income Division of the Internal Revenue Service, available for interstate migration since 1988.

The Bureau of the Census, in partnership with the Bureau of Labor Statistics, conducts the Current Population Survey (CPS). The CPS is designed to be representative of income, employment, poverty, and unemployment nationally and by large states (e.g., New Jersey, New York, Pennsylvania, Florida, Connecticut) and by metropolitan areas (e.g., New York City Consolidated Metropolitan area, Philadelphia Consolidated Metropolitan area) and it is also representative of the population with respect to income and employment. It is the main source of household data used for the official federal estimates of poverty and unemployment by state.

The ACS is designed to be representative of housing, the population and the population characteristics of states, metropolitan areas, and county groupings. For each household surveyed it obtains less detail about financial resources but a broader range of other population characteristics than the CPS.

[3] The Survey of Income and Program Participation (SIPP), conducted by the Bureau of the Census, measures wealth and supports an analysis of migration; however, SIPP under-represents wealthy households as well as under estimates their wealth according to the Office of Research, Evaluation, and Statistics of the Social Security Administration among several other federal agencies.

We estimated household wealth based on unearned income, total income, and value of residential housing in conjunction with several demographic characteristics. Based on statistical relationships derived from the Survey of Consumer Finances and other national data from the Federal Reserve, we can estimate both household net worth and the household's likely giving pattern or charitable capacity[4].

Most of our findings are based on relatively simple tabulations directly from the data. In our summary tables we present data about unearned income. We also present household net worth and household capacity for charitable giving. In a sense the charitable giving is a *capacity* measure rather than a *behavioral* measure, since migrating households may need to adapt their giving behavior to new surroundings and new demands on their *largesse*.

The Tables

CPS Data -Table 1

The analysis (in Table 1) is based on the Current Population Survey (CPS) in two five-year periods. In the first half of the decade, the net effect of migration resulted in a substantial increase in both household wealth and expected charitable giving patterns. In the second half the net effect of household migration resulted in a substantial loss of household wealth and charitable capacity. The change was due mostly to a large decline in the number of wealthy households entering New Jersey between 2004-2008 and a moderate increase in the outflow of wealthy households leaving New Jersey. Again, the net effect of household migration resulted in a loss of substantial household wealth and expected amounts of charitable giving.

It is worth noting the following:

1. The net impact of household migration in the first half of the decade was an increase of nearly $100 billion in household wealth and an aggregate gain of nearly $1 billion in charitable capacity.

2. The net impact of household migration in the second half of the decade was a decrease of nearly $70 billion in household wealth and an aggregate loss of slightly more than $1 billion in charitable giving.

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[4] We developed our estimation process for this study based solely on data from the 2007 Survey of Consumer Finances from the Federal Reserve. We applied the method to an independent sample of data from their 2004 survey. Our estimated values of net worth correlated at the .92 level with the observed values on a household by household basis. For charitable contributions our estimated values correlated at the .87 level with their observed counterparts. A value of 1 denotes perfect estimation. For an independent sample of data our household-by-household estimates are in the good to excellent range.

3. The net impact of migration on aggregate household *income* was negligible throughout the decade, consistent with prior studies.

Migration Based on CPS - Table 2

Table 2 presents trends in migration comparing the northeast to other regions of the country. Some of the migration patterns we find in New Jersey appear to be reflections of more general patterns that affect the larger geographic area encompassing New York and Connecticut and, in some instances, the entire northeast.

Among these broad trends are the following:

1. Nationally, from 2004 through 2008, there was roughly a 22 percent reduction in the level of interstate migration of households in comparison with the prior five years.

2. There has been a gradual general net migration of households from the northeast to all other regions, particularly to the southern regions of the country. Wealth holders have followed this general pattern and the net wealth that has left the northeast has increased the wealth in all regions of the country, with a concentration in the south.

3. There has been an extensive net inflow of households to the northeast from abroad. Nearly a third of these households are headed by persons who were U.S. citizens when they arrived. The remaining two thirds were not citizens when they entered the United States. In the last five years there were more households migrating from Asia into the North East than from any other continent, including Europe, and North America.

Migration Based on ACS Data - Table 3

Table 3 summarizes some of the broad flow migration patterns into and out of New Jersey based on the ACS. In the past five years there has been net out flow of households from New Jersey to all regions of the country with a concentration to the south. Wealth holders have followed the same pattern. The net wealth that left New Jersey has resulted in modest increases in wealth in all other regions of the country again with a concentration in the south. Most of the migration in and out of New Jersey involves three states (New York, Pennsylvania, and Florida) plus in migration from foreign countries.

New York, Pennsylvania, and Florida were the source of 50% of the households, 58% of the wealth, and 52% of the charitable capacity (expected giving pattern) moving to New Jersey in the past 5 years. These states also account for 49% of the households, 51% of the wealth, and 59% of the charitable capacity leaving the state. Migration from New

York *increases* the wealth and the expected giving pattern of New Jersey. Migration to Florida *decreases* the wealth and the expected giving pattern.

New Jersey Migration and New York

The northern part of New Jersey is within close orbit of New York City and New York State. In fact, New York is the largest source of households migrating to New Jersey. In the past five years 30% of households migrating to New Jersey came from New York. New Jersey bound New Yorkers owned 37% of the wealth and provided 32% of the charitable capacity of all the households migrating to New Jersey. At the time of migration, the heads of 81% of these households were in the labor force and 54% of them worked in New York.

New York State was also a major destination of households migrating out of New Jersey. In the past five years, 14% of households migrating from New Jersey moved to New York. They owned 19% of the wealth and had 15% of the charitable capacity of all the households leaving New Jersey.

New Jersey Migration and Pennsylvania

Pennsylvania is the second largest state bordering New Jersey. It is also the second largest source of households migrating to New Jersey. In the past five, years 14% of households migrating to New Jersey came from Pennsylvania. They owned 15% of the wealth and 13% of charitable capacity of all households migrating to New Jersey.

Pennsylvania is the most frequent destination for households leaving New Jersey. In total 18% of households moving out of New Jersey went to Pennsylvania. The migrating wealth constituted 12% of all households leaving New Jersey and their charitable capacity was 7% of the charitable capacity leaving.

New Jersey Migration and Florida

Many wealth holders own at least two residences, and when one of the homes is in the northeast corridor of the U.S. the second residence is often in the south. In the past five years Florida was the destination of 17% of households, 20% of the wealth, and 37% of the charitable capacity leaving New Jersey.

During the same time period 6% of households migrating to New Jersey came from Florida. In fact Florida is the third largest source of households migrating to New Jersey and they owned 6% of the wealth and provided 7% of the charitable capacity of all households migrating to New Jersey.

New Jersey Migration and Foreign Countries

Foreign countries are a large source of household migration into New Jersey. In the past five years, 17%of households, 11% of wealth, and 14% of charitable capacity of all households migrating to New Jersey came from foreign countries. Households headed by U.S. citizens migrating from abroad accounted for 6% of households, 7% of wealth, and 6% of charitable capacity of all households migrating to New Jersey. Households headed by foreign citizens migrating from abroad accounted for 11% of households, 4% of wealth and 8% of charitable capacity of all households migrating to New Jersey. From IRS data we very roughly estimate that in the past five years roughly 7,500 households moved from New Jersey to foreign countries. We have no information about their wealth or charitable capacity.

Reduction of Wealthy Households Moving To New Jersey

From the Current Population Survey, when we compare the period of 1999 through 2003 with 2004 through 2008, – we find that the decline in households, in wealth, and in charitable capacity is mostly due to a decline of in-migration of households. As we noted earlier, the in-migration was largely from foreign countries, New York State, and to a lesser extent from Pennsylvania. Although the number of households from foreign countries remained about constant, their average wealth declined significantly – roughly from $1 million to $200,000. The number of wealthy households coming from New York declined by half, their average wealth declined by half, their aggregate wealth declined by 75%, and their the expected giving pattern by 70%.

The number of households arriving from Pennsylvania declined by 45%, their average wealth declined by 45%, and their aggregate wealth and aggregate charitable capacity each declined by 70%. The number of households entering New Jersey from other states, their aggregate wealth, their average wealth, and their aggregate charitable capacity increased by less than 10% between the first five years and the second, and thus did not come close to offsetting the declines from New York, Pennsylvania, and foreign countries.

The second indication from the CPS involves the out migration of households. Reflecting national trends, the number of households leaving New Jersey declined roughly 28% between the first and second half of the period from 1999 through 2008.

More importantly the average wealth of the out-migrants in the period 2004–2008 was somewhat higher than the out-migrants in the period 1999-2003.

Characteristics of Migrating Households ACS Data - Table 4

Table 4 contains social and economic characteristics of households migrating into and out of New Jersey based on data from the ACS for 2004 through 2008. The data indicate that households entering New Jersey are younger and better educated than those moving out. In addition, those in-migrating heads of households are more likely to be employed but less likely to be self-employed, and they are more likely to hold broadly defined professional employment in a professional industry (e.g., architectural firms, legal services firms, software design firms, etc.) Although their household income is higher, their wealth and the expected giving pattern is lower than the out-migrating households.

Since a considerable fraction migrated from foreign countries the in-migrants are less likely to be citizens[5] and less likely to have been born in New Jersey.

The profile is a bit different among wealthy households, which we define as households with a net worth of one million dollars or more. On average, the head of wealthy in-migrating households is more than 6 years younger than heads of out-migrating households. They are not as well educated. They are more likely to be employed but considerably less likely to be self-employed than heads of out migrating wealthy households. They are considerably more likely to work in a broadly defined professional occupation but not in professional or financial industries. Rather they tend to work in manufacturing (including pharmaceuticals, chemicals, and petroleum products). Wealthy heads of out-migrating households tend to work in finance and professional industries. Wealthy in-migrants earn higher incomes but they own considerably less net worth and consequently have a lower expected giving pattern.

Summary of Migrating Households From NJ CPS Data - Table 5

Comparison with New York and Connecticut

In Table 1 we saw that there was a major shift in the pattern of household migration into and from New Jersey during the period from 1999 through 2008. In Table 2 we saw that some of the changes in migration for New Jersey reflect broader patterns of migration affecting the entire Northeast. In this section we examine the summary pattern of migration from 1999 through 2008 for New York and Connecticut. Our main objective is to provide a basis of comparison with New Jersey.

Table 5 shows summary migration data for New York, Connecticut and New Jersey between 1999 and 2008 in five-year segments. There are several similarities and several differences between New Jersey and the other two states.

The major similarities are that between the first five years and the second five years each state shows

1) A sizeable reduction in the number of migrating households,
2) A sizeable reduction in their aggregate wealth, and
3) A sizeable reduction in their aggregate charitable giving pattern.

At this broad level, these similarities suggest a commonality among the states for the reduction in migration of households, wealth, and charitable capacity. This commonality may reflect the factors resulting in the broad shifts we found in Table 2 or other factors more idiosyncratic to the New York metropolitan area.

However, there are differences that suggest New Jersey's migration pattern changed due to idiosyncratic factors in addition to those affecting New York and Connecticut. In

[5] Some of the in-migration consisted of heads of households who are U.S. citizens returning from military duty and overseas corporate assignments.

particular the differences suggest that one or more factors may have decelerated in-migration and accelerated out-migration of NJ wealthy households.

We see the major dissimilarities when contrasting the first five years and the second five years between 1999 and 2008.

1) New Jersey experienced a proportionately larger decline in the average wealth of in-migrating households (46%) than either New York (31%) or Connecticut (32%).

2) In the last five years, the average wealth of out-migrating households as a proportion of the average wealth of in-migrating households is a much larger for New Jersey (1.70) than for either New York (1.37) or Connecticut (1.25).

3) During the past five years, the average charitable donations of out-migrating households is 133% higher than the average charitable donations of in-migrating households in contrast with New York and Connecticut whose in-migrants and out-migrants are donating comparable amounts per household.

These three dissimilarities, taken together, suggest a factor or factors idiosyncratic to New Jersey that accelerated the net outflow of wealth from New Jersey in comparison to New York and Connecticut, and that tended to affect the high wealth households more than households of lesser wealth. Moreover, the charitable giving per household for households leaving New Jersey was <u>not</u> replaced with comparable amounts of charitable giving in New Jersey, although they were replaced in New York and Connecticut.

<u>Summary of Migrating Households from New York to New Jersey and Connecticut CPS Data - Table 6</u>

As context for this section, we have previously concluded that New Jersey is losing wealth and charitable capacity for giving more because of a decline in wealthy households moving to New Jersey in recent years than from wealthy households leaving New Jersey. We have also seen that New York is a major source of households migrating to New Jersey. In the prior section we found that the wealth of households leaving New York decreased substantially in recent years. In this section we examine how many of these households moved to New Jersey as opposed to Connecticut or someplace else.

Table 6 presents summary migration data (based on the CPS) for migration to New Jersey, Connecticut, and elsewhere from New York for the period from 1999 through 2008. The table shows the number of households migrating, their aggregate wealth, and their average wealth per household for the first five years and the second five years. The percentage figures indicate the increase and decrease between the first five years and the second five years. The number of households migrating from New York to New Jersey declined 49%. The wealth of the households migrating from NY to NJ declined 73%. Even though the number of households migrating from New York to Connecticut increased 2%, their household wealth declined 32%.

The first finding based on this table is that the number of households migrating from New York to New Jersey declined by about 50% between the first and second five year segments. In contrast, the number of households migrating from New York to Connecticut remained essentially unchanged and the number migrating to other destinations increased by about 7%.

The second finding is that although there was a decline in the aggregate wealth for households migrating from New York to New Jersey and households migrating from New York to Connecticut, the proportional decline in wealth to New Jersey was greater. In aggregate, the wealth of households moving from New York to Connecticut declined 73% and from New York to Connecticut by 32% between the two periods. The wealth of households migrating from New York to other destinations increased by about 15% between the two periods. The key point is that the wealth declined nearly twice as much for New Jersey than for Connecticut.

The third finding is that, when comparing the two five year periods, the average wealth per household for those migrating from New York to New Jersey declined by 46% and the households migrating from New York to Connecticut declined 33% with average wealth per household increasing by 7% for households migrating from New York to other destinations. In the first five year segment, the average wealth per household was slightly higher for households migrating from New York to New Jersey than for households migrating from New York to Connecticut. In the second five year segment, it was lower for households migrating from New York to New Jersey than for those migrating from New York to Connecticut.

These findings suggest that wealthy households leaving New York shifted their destinations from both New Jersey and Connecticut to other states, but that more wealthy households eschewed New Jersey than Connecticut. These findings once again suggest differences in the dynamic of migration from New York to New Jersey as compared with migration from New York to Connecticut. The disparities in dynamics were likely due to one or more idiosyncratic factors between one or both states in question.

Conclusion

During the December 13, 2009 edition of "Meet the Press" former Chairman of the Federal Reserve, Alan Greenspan, touted the importance of rising stock prices to economic recovery. In a broader context Greenspan's words highlight the importance of wealth to economic growth. During decades of research at the Center on Wealth and Philanthropy we have consistently found that wealthy households contribute disproportionately more to charitable causes both from their household assets and from their foundations, trusts, and donor advised funds.

Our analysis indicates that in recent years wealth has been leaving New Jersey in larger amounts than wealth has been entering the state due to household migration. This has not always been the case. In the early years of the current decade the flow was just the reverse and wealth was entering New Jersey in amounts larger than amounts leaving the state. The net outflow of wealth from New Jersey over the last five years has been accompanied by a net outflow in charitable capacity and charitable giving from the state.

Part of the change reflected a general increase in households moving out of the Northeast, including wealthy households. Comparisons with New York and Connecticut imply that the shift in New Jersey was larger and likely involved factors idiosyncratic to New Jersey. The pattern is clear and if the trend continues it will have a significant accumulative impact.

Migration of Wealth in New Jersey and the Impact on Wealth and Philanthropy

Selected Notes on Data and Methodology

Selected Notes on Data and Methodology

Our findings are based on analysis of data from the Current Population Survey and the American Community Survey, supplemented by selected findings from the Survey of Consumer Findings, and the state-to-state migration files of the Statistics of Income Division of the Internal Revenue Service.

Temporal analysis that compare the period 1999 through 2003 with the period from 2004 through 2008 are based on data from the March supplement of the Current Population Survey. The CPS data provide consistent and detailed data on household income and demographic characteristics by state that span the decade from 1999 through 2008, inclusive. In this report we use the CPS to develop summary estimates of wealth and charitable giving for in-migrating and out-migrating households for each of the five-year periods cited above.

Prior to 2005 the American Community Survey was in testing and demonstration phases and not fully implemented for all counties in New Jersey. Therefore the ACS data span only the period from 2004 through 2008. It is therefore insufficient to measure temporal changes between the period 1999 through 2003 and the period 2004 through 2008. Nevertheless, we do use the ACS to develop breakouts and comparisons of in-migrants and out-migrants for New Jersey within the 2004 through 2008 period. We use the ACS because the CPS does not have sufficiently large sample size to support the breakouts.

Were the CPS large enough to support the breakouts we would have used it for the breakout estimates as well as the temporal estimates for the 5 year periods. Because of differences in sampling and measurement there would likely be differences in our estimates based on the CPS in comparison with estimates based on the CPS. In order to understand how the ACS and CPS are dissimilar it is necessary to consider some major differences in the surveys. There are four major relevant distinctions:

1. Size: the ACS data is roughly 15 times the size of the CPS sample.
2. Survey Period: the ACS is conducted throughout the calendar year while the CPS sample is collected in March of each year.
3. Residency Status: the ACS considers that a person resides in a house or apartment if he or she has lived there for at least two months; the CPS considers that a person lives at his or her usual place of residence (generally a year). Thus the ACS considers the most recent short term move to be migration while the CPS considers only annual moves to be permanent. In addition, the CPS excludes attendance at college and other temporary absence from the usual place of residence from migration.
4. Component Detail: the ACS divides household and personal income into 9 categories and records the value of each category for each member of the household; the CPS divides household and personal income into 50 categories and records the value of each category for each member of the household.

Because of its larger size the ACS supports analysis of more geographic and demographic characteristics as compared with the CPS. However, because of its protocols for measuring residency and the 12-month length of its survey period, it tilts somewhat toward short term and temporary "migrants" (both in terms of inflows and outflows) as compared with the CPS.

Migration of Wealth in New Jersey and the Impact on Wealth and Philanthropy

<u>Tables</u>

Table 1: Migration of Households, Wealth, and Charitable Capacity into and out of New Jersey by Recent 5-Year Groups based on CPS Data

(Inflation Adjusted to 2009 Dollars)

	1999 - 2003		2004 - 2008		1999 - 2008	
	Into NJ	Out of NJ	Into NJ	Out of NJ	Into NJ	Out of NJ
Number of Households	443,777	417,907	323,354	302,779	767,131	720,686
Aggregate Unearned Income	$1,200,511,277	$1,668,169,385	$553,099,962	$1,686,335,305	$1,753,611,239	$3,354,504,690
Mean Unearned Income	$2,705	$3,992	$1,711	$5,570	$2,286	$4,655
Aggregate Income	$32,996,031,526	$32,981,953,936	$23,217,843,277	$22,348,231,225	$56,213,874,803	$55,330,185,161
Mean Income	$74,353	$78,922	$71,803	$73,810	$73,278	$76,774
Aggregate Net Worth	$299,986,111,489	$201,662,840,618	$117,418,395,103	$187,216,371,424	$417,404,506,592	$388,879,212,042
Mean Net Worth	$675,984	$482,554	$363,126	$618,328	$544,111	$539,596
Aggregate Charitable Contributions	$2,411,182,756	$1,530,001,349	$961,062,807	$2,093,119,619	$3,372,245,562	$3,623,120,968
Mean Charitable Contributions	$5,433	$3,661	$2,972	$6,913	$4,396	$5,027
Number of Millionaire HH	45,108	47,028	22,627	33,771	67,736	80,798
Number of HH with Contributions>=$50k	10,624	1,421	1,316	10,296	11,939	11,717

Source: Calculated at the Center on Wealth and Philanthropy at Boston College based on data from the Current Population Survey and other federal sources.
Note: Inflow includes households coming to New Jersey from foreign areas; the outflow does not account for households moving to foreign areas.

Table 2: Migration of Wealth and Giving Capacity In and Out of the Northeast by Region based on CPS Data

(Inflation Adjusted to 2009 Dollars)

		1999-2003		2004-2008		1999-2008	
		Into Northeast	Out of Northeast	Into Northeast	Out of Northeast	Into Northeast	Out of Northeast
	HH	1,456,077	1,456,077	868,296	868,296	2,324,373	2,324,373
	Net Worth	$533,971,997,336	$533,971,997,336	$282,035,201,341	$282,035,201,341	$816,007,198,677	$816,007,198,677
Northeast	Contribution	$4,419,413,252	$4,419,413,252	$2,406,796,785	$2,406,796,785	$6,826,210,037	$6,826,210,037
	HH	145,529	158,252	149,379	174,444	294,908	332,697
	Net Worth	$74,071,427,663	$61,441,359,346	$23,514,736,336	$92,193,736,834	$97,586,163,999	$153,635,096,180
Midwest	Contribution	$726,650,704	$496,401,705	$411,243,786	$775,833,438	$1,137,894,490	$1,272,235,143
	HH	421,096	723,100	413,421	868,466	834,517	1,591,566
	Net Worth	$185,810,444,196	$210,474,361,416	$140,339,625,334	$374,442,163,628	$326,150,069,530	$584,916,525,044
South	Contribution	$1,431,533,109	$2,062,248,305	$1,607,761,073	$5,325,520,313	$3,039,294,182	$7,387,768,618
	HH	235,998	223,973	140,202	243,028	376,200	467,001
	Net Worth	$60,632,112,401	$156,700,845,289	$47,550,492,429	$70,492,948,630	$108,182,604,830	$227,193,793,919
West	Contribution	$622,365,571	$1,601,835,193	$524,480,103	$534,265,391	$1,146,845,674	$2,136,100,584
	HH	2,258,699	2,561,402	1,571,299	2,154,235	3,829,998	4,715,636
	Net Worth	$854,485,981,596	$962,588,563,387	$493,440,055,440	$819,164,050,433	$1,347,926,037,036	$1,781,752,613,820
U.S. States	Contribution	$7,199,962,636	$8,579,898,455	$4,950,281,747	$9,042,415,927	$12,150,244,383	$17,622,314,382
	HH	339,036		343,463		682,499	
	Net Worth	$126,001,382,020		$53,308,426,845		$179,309,808,865	
Foreign	Contribution	$1,151,309,548		$602,873,789		$1,754,183,337	
	HH	2,597,734		1,914,762		4,512,497	
	Net Worth	$980,487,363,616		$546,748,482,285		$1,527,235,845,901	
Total	Contribution	$8,351,272,184		$5,553,155,536		$13,904,427,720	

Source: Calculated at the Center on Wealth and Philanthropy at Boston College based on data from the Current Population Survey and other federal sources.

Table 3: Migration of Households, Wealth, and Charitable Capacity into and from New Jersey, by State

	In Migration to NJ by State 2004-2008 based on ACS						Out Migration from NJ by State 2004-2008 based on ACS					
	Number of HH	**Percent of HH**	**Aggregate Wealth**	**Percent of Wealth**	**Aggregate Chatiable Capacity**	**Percent Charitable Capacity**	**Number of HH**	**Percent of HH**	**Aggregate Wealth**	**Percent of Wealth**	**Aggregate Chatiable Capacity**	**Percent Charitable Capacity**
Alabama	1,089	0.33%	$696,254,865	0.57%	$910,040	0.10%	2,430	0.66%	$1,719,356,847	1.12%	$10,834,580	0.57%
Alaska	1,379	0.41%	$126,257,885	0.10%	$1,109,393	0.13%	402	0.11%	$45,047,664	0.03%	$749,519	0.04%
Arizona	3,483	1.04%	$1,324,234,401	1.08%	$3,044,125	0.34%	6,942	1.88%	$4,308,087,867	2.80%	$23,189,576	1.22%
Arkansas	509	0.15%	$28,696,026	0.02%	$729,315	0.08%	1,420	0.38%	$434,436,495	0.28%	$446,815	0.02%
California	10,957	3.28%	$4,536,772,900	3.70%	$41,007,884	4.62%	19,018	5.15%	$12,326,648,069	8.01%	$267,659,617	14.06%
Colorado	1,705	0.51%	$600,445,871	0.49%	$7,351,118	0.83%	3,265	0.88%	$1,735,646,929	1.13%	$6,526,280	0.34%
Connecticut	5,389	1.62%	$3,278,474,898	2.67%	$27,279,107	3.07%	5,242	1.42%	$3,472,099,483	2.26%	$23,917,319	1.26%
Delaware	1,902	0.57%	$413,277,451	0.34%	$2,854,394	0.32%	6,878	1.86%	$2,032,563,357	1.32%	$11,114,813	0.58%
District of Colum	663	0.20%	$15,956,361	0.01%	$1,804,607	0.20%	2,464	0.67%	$291,736,389	0.19%	$3,168,481	0.17%
Florida	**18,949**	**5.68%**	**$7,625,632,740**	**6.22%**	**$59,128,988**	**6.66%**	**64,507**	**17.46%**	**$30,579,759,478**	**19.88%**	**$700,960,728**	**36.82%**
Georgia	7,842	2.35%	$2,385,402,976	1.95%	$15,469,729	1.74%	13,824	3.74%	$4,184,926,170	2.72%	$18,854,968	0.99%
Hawaii	594	0.18%	$210,101	0.00%	$762,823	0.09%	1,099	0.30%	$1,463,954,340	0.95%	$11,041,768	0.58%
Idaho		0.00%		0.00%		0.00%	299	0.08%	$41,853,426	0.03%	$98,768	0.01%
Illinois	4,958	1.49%	$2,334,492,998	1.90%	$14,755,791	1.66%	7,040	1.91%	$2,997,233,538	1.95%	$25,727,852	1.35%
Indiana	1,355	0.41%	$98,659,267	0.08%	$822,284	0.09%	3,051	0.83%	$2,184,412,977	1.42%	$12,715,143	0.67%
Iowa	369	0.11%	-$7,395,178	-0.01%	$209,306	0.02%	529	0.14%	-$7,150,876	0.00%	$114,258	0.01%
Kansas	571	0.17%	$53,914,576	0.04%	$1,045,417	0.12%	647	0.18%	$12,816,310	0.01%	$925,933	0.05%
Kentucky	928	0.28%	$139,229,077	0.11%	$1,475,787	0.17%	1,625	0.44%	$85,698,316	0.06%	$3,012,531	0.16%
Louisiana	445	0.13%	$125,414,362	0.10%	$524,026	0.06%	859	0.23%	$2,250,796,949	1.46%	$14,366,767	0.75%
Maine	703	0.21%	$86,237,026	0.07%	$880,902	0.10%	1,635	0.44%	$331,635,244	0.22%	$2,189,857	0.12%
Maryland	7,337	2.20%	$1,465,486,258	1.20%	$15,004,450	1.69%	9,562	2.59%	$2,287,460,055	1.49%	$17,025,092	0.89%
Massachusetts	8,901	2.67%	$2,502,257,049	2.04%	$22,931,209	2.58%	9,056	2.45%	$3,990,334,260	2.59%	$28,185,028	1.48%
Michigan	2,728	0.82%	$21,374,350	0.02%	$2,020,425	0.23%	2,247	0.61%	$153,294,373	0.10%	$2,986,856	0.16%
Minnesota	2,100	0.63%	$283,318,646	0.23%	$5,342,947	0.60%	908	0.25%	$143,459,104	0.09%	$1,431,307	0.08%
Mississippi	273	0.08%	$43,829,490	0.04%	$1,060,929	0.12%	497	0.13%	$35,194,711	0.02%	$172,477	0.01%
Missouri	805	0.24%	$636,722,023	0.52%	$5,527,227	0.62%	1,240	0.34%	$582,672,371	0.38%	$5,759,329	0.30%
Montana	52	0.02%	-$13,612,285	-0.01%	$11,487	0.00%	1,316	0.36%	$1,179,092,180	0.77%	$13,608,179	0.71%
Nebraska	63	0.02%	$10,565,868	0.01%	$148,609	0.02%	505	0.14%	$275,045,874	0.18%	$185,675	0.01%
Nevada	1,570	0.47%	$462,630,850	0.38%	$3,182,268	0.36%	2,074	0.56%	$539,263,213	0.35%	$4,100,459	0.22%
New Hampshire	1,486	0.45%	$577,503,088	0.47%	$2,230,097	0.25%	1,631	0.44%	$1,034,013,894	0.67%	$4,638,305	0.24%
New Mexico	477	0.14%	$1,188,968	0.00%	$198,491	0.02%	369	0.10%	$118,097,256	0.08%	$908,643	0.05%
New York	**99,815**	**29.92%**	**$45,739,048,456**	**37.32%**	**$285,306,489**	**32.16%**	**53,061**	**14.36%**	**$28,976,513,281**	**18.83%**	**$278,257,818**	**14.62%**
North Carolina	7,039	2.11%	$2,385,689,444	1.95%	$19,073,952	2.15%	19,666	5.32%	$4,808,027,698	3.13%	$34,602,186	1.82%
North Dakota	152	0.05%	-$3,524,370	0.00%	$43,424	0.00%		0.00%		0.00%		0.00%
Ohio	3,754	1.13%	$1,947,096,055	1.59%	$15,448,029	1.74%	3,984	1.08%	$480,271,643	0.31%	$3,726,811	0.20%
Oklahoma	521	0.16%	$9,836,155	0.01%	$545,507	0.06%	837	0.23%	$506,163,872	0.33%	$727,899	0.04%
Oregon	292	0.09%	$452,276,688	0.37%	$791,795	0.09%	1,134	0.31%	$2,274,617,487	1.48%	$25,046,645	1.32%
Pennsylvania	**48,196**	**14.45%**	**$18,879,025,062**	**15.40%**	**$111,001,232**	**12.51%**	**65,493**	**17.73%**	**$18,908,682,256**	**12.29%**	**$135,569,483**	**7.12%**
Rhode Island	2,539	0.76%	$201,901,272	0.16%	$1,279,884	0.14%	2,292	0.62%	$2,275,191,849	1.48%	$13,693,932	0.72%
South Carolina	1,435	0.43%	$209,255,632	0.17%	$1,533,648	0.17%	9,868	2.67%	$3,007,933,709	1.96%	$59,449,969	3.12%
South Dakota	300	0.09%	$44,152,415	0.04%	$140,149	0.02%	59	0.02%	$49,768,569	0.03%	$1,378,317	0.07%
Tennessee	1,404	0.42%	$264,161,725	0.22%	$3,862,250	0.44%	2,310	0.63%	$810,557,397	0.53%	$2,117,344	0.11%
Texas	5,847	1.75%	$2,780,911,302	2.27%	$28,649,443	3.23%	14,258	3.86%	$4,067,381,897	2.64%	$81,354,239	4.27%
Utah	722	0.22%	$251,132,113	0.20%	$2,443,676	0.28%	868	0.23%	$402,961,416	0.26%	$5,763,805	0.30%
Vermont	545	0.16%	$74,845,419	0.06%	$304,055	0.03%	623	0.17%	$271,091,501	0.18%	$973,779	0.05%
Virginia	6,372	1.91%	$4,398,182,289	3.59%	$45,460,141	5.12%	12,434	3.37%	$3,557,243,989	2.31%	$27,024,579	1.42%
Washington	1,053	0.32%	$321,577,193	0.26%	$2,971,731	0.33%	3,461	0.94%	$1,541,991,609	1.00%	$9,122,032	0.48%
West Virginia	118	0.04%	$21,921,840	0.02%	$44,775	0.01%	490	0.13%	$31,449,976	0.02%	$95,920	0.01%
Wisconsin	1,014	0.30%	$522,565,314	0.43%	$1,765,028	0.20%	3,155	0.85%	$216,805,374	0.14%	$4,586,552	0.24%
Wyoming	330	0.10%	$32,895,213	0.03%	$1,190,107	0.13%	148	0.04%	$680,791,370	0.44%	$3,016,519	0.16%
Foreign	**62,616**	**18.77%**	**$14,188,269,572**	**11.58%**	**$126,544,362**	**14.26%**	**2,702**	**0.73%**	**$147,078,245**	**0.10%**	**$469,026**	**0.02%**
ALL	**333,646**	**100.00%**	**$122,574,651,693**	**100.00%**	**$887,222,851**	**100.00%**	**369,424**	**100.00%**	**$153,844,009,400**	**100.00%**	**$1,903,593,775**	**100.00%**

Source: Calculated at the Center on Wealth and Philanthropy based on data from the ACS for 2004 - 2008.

Table 4: Selected Economic and Demographic Charatertistics of Migrating Households: 2004-2008 Based on ACS Data

		All Migrating Households Into NJ	All Migrating Households Out of NJ		Migrating Millionaire Households Into NJ	Migrating Millionaire Households Out of NJ
Number of HH		333,646	369,424		28,243	27,203
Unearned Income	Average	$2,427	$4,658		$19,531	$31,542
	Aggregate	$809,655,154	$1,720,779,039		$551,601,431	$858,032,631
HH Total Income	Average	$87,257	$76,557		$219,032	$196,804
	Aggregate	$29,112,806,501	$28,281,881,867		$6,186,133,818	$5,353,658,812
Head Total Income	Average	$59,485	$53,795		$156,541	$145,269
	Aggregate	$19,845,920,892	$19,872,993,200		$4,418,205,331	$3,951,756,665
HH with $100K + Unearned Income	Percentage	0.7%	1.3%		7.7%	11.2%
	Aggregate	2,197	4,952		2,174	3,058
Head Unearned Income	Average	$1,877	$3,729		$15,903	$25,856
	Aggregate	$626,146,900	$1,377,695,335		$449,136,687	$703,351,253
Household Net Worth	Average	$367,379	$416,443		$3,182,995	$4,045,179
	Aggregate	$122,574,651,693	$153,844,009,400		$89,897,323,639	$110,040,995,114
Household Charitable Capacity	Average	$2,659	$5,153		$17,587	$25,426
	Aggregate	$887,222,851	$1,903,593,775		$496,722,073	$691,649,989
Number of Persons Migrating Together	Average	2.04	2.05		2.35	2.35
	Aggregate	679,136	756,852		66,452	63,896
Number of Persons In HH after Migration	Average	2.35	2.26		2.63	2.47
	Aggregate	783,162	833,945		74,392	67,114
Head Married	Percentage	47.5%	45.4%		65.1%	68.5%
	Number	158,401	167,652		18,374	18,642
Spouse in HH	Percentage	42.1%	42.6%		56.8%	65.4%
	Number	140,546	157,239		16,040	17,797
Age of Head	Average	39.73	41.89		45.21	51.89
Head Older than 64	Percentage	7.8%	10.5%		9.1%	20.2%
	Aggregate	26,089	38,694		2,565	5,500
Head is Female	Percentage	42.0%	44.5%		30.9%	32.0%
	Aggregate	140,103	164,211		8,723	8,698
Owns Home	Percentage	32.4%	38.0%		79.6%	71.7%
	Number	108,154	140,543		22,475	19,492
Value of Home (Owners Only)	Average	$475,900	$386,961		$906,435	$912,126
	Aggregate	$51,445,382,700	$54,321,968,403		$20,377,947,374	$17,790,611,378
Migrated from Foreign Country	Percentage	18.8%	0.0%		10.0%	0.0%
	Number	62,616	0		2,831	0
Born in New Jersey	Percentage	17.2%	31.2%		14.9%	28.1%
	Number	57,265	115,356		4,211	7,631
Born a US Citizen	Percentage	62.9%	74.0%		74.7%	81.5%
	Number	209,732	273,224		21,111	22,183

Table 4 con't.: Selected Economic and Demographic Charatertistics of Migrating Households: 2004-2008 Based on ACS Data

		All Migrating Households Into NJ	All Migrating Households Out of NJ		Migrating Millionaire Households Into NJ	Migrating Millionaire Households Out of NJ
Has Bachelor Degree	Percentage Number	54.1% 180,571	44.9% 165,840		70.2% 19,814	73.6% 20,027
Has Advanced Degree	Percentage Number	23.7% 78,909	17.9% 66,261		41.0% 11,568	44.5% 12,108
Attending School, College, Training	Percentage Number	9.9% 32,995	10.8% 39,821		5.7% 1,600	4.5% 1,233
Recent Miitary Service	Percentage Number	2.0% 6,766	1.6% 6,000		2.0% 559	1.7% 465
Employed	Percentage Number	87.6% 292,305	88.3% 326,317		89.3% 25,232	86.0% 23,398
Self Employed	Percentage Number	5.4% 18,172	7.4% 27,336		24.6% 6,940	32.1% 8,719
Professional Occupation	Percentage Number	48.3% 16,120,200	41.1% 15,178,900		73.3% 2,070,800	56.2% 1,528,200
Financial Industry	Percentage Number	9.2% 30,854	9.2% 34,084		12.9% 3,634	15.5% 4,208
Professsional Industry	Percentage Number	16.0% 53,550	13.1% 48,260		13.9% 3,916	17.4% 4,724
Medical Industry	Percentage Number	7.6% 25,508	8.3% 30,813		9.5% 2,688	7.8% 2,126
Education Industry	Percentage Number	6.7% 22,244	7.4% 27,248		6.2% 1,737	7.0% 1,900
Information or Communications Industry	Percentage Number	4.3% 14,266	3.9% 14,508		5.0% 1,421	4.4% 1,186
Manufacturing Industry	Percentage Number	9.6% 32,026	8.9% 33,030		14.3% 4,044	8.0% 2,170
Wholesale Industry	Percentage Number	3.5% 11,738	3.4% 12,502		0.9% 268	6.5% 1,771
Retail Industry	Percentage Number	6.7% 22,206	9.8% 36,180		6.7% 1,906	4.3% 1,178
Transportation Industry	Percentage Number	3.3% 11,083	3.1% 11,364		1.3% 357	0.7% 200
Other Industry	Percentage Number	30.8% 68,830	31.6% 78,328		26.3% 5,261	20.2% 3,935

Source: Calculated at the Center on Wealth and Philanthropy at Boston College based on data from the ACS.

Table 5: Summary of Migration of Wealth and Charitable Capacity for New Jersey, New York, and Connecticut (Based on CPS)

New Jersey

	1999 - 2003		2004 - 2008		1999 - 2008	
	Into NJ	Out of NJ	Into NJ	Out of NJ	Into NJ	Out of NJ
Number of HH	443,777	417,907	323,354	302,779	767,131	720,686
Aggregate Wealth	$299,986,111,487	$201,662,840,618	$117,418,395,103	$187,216,371,424	$417,404,506,591	$388,879,212,042
Mean Wealth	$675,984	$482,554	$363,126	$618,328	$544,111	$539,596
Aggregate Charitable Capacity	$2,411,182,756	$1,530,001,349	$961,062,807	$2,093,119,619	$3,372,245,562	$3,623,120,968
Mean Charitable Capacity	$5,433	$3,661	$2,972	$6,913	$4,396	$5,027

Source: Calculated at the Center on Wealth and Philanthropy at Boston College based on data from the CPS.

New York

	1999 - 2003		2004 - 2008		1999 - 2008	
	Into NY	Out of NY	Into NY	Out of NY	Into NY	Out of NY
Number of HH	725,108	802,802	474,386	754,188	1,199,494	1,556,990
Aggregate Wealth	$232,569,109,989	$298,801,481,929	$104,229,015,195	$227,102,546,097	$336,798,125,184	$525,904,028,026
Mean Wealth	$320,737	$372,198	$219,713	$301,122	$280,783	$337,770
Aggregate Charitable Capacity	$1,792,334,033	$2,714,052,987	$1,449,476,421	$2,313,351,446	$3,241,810,455	$5,027,404,432
Mean Charitable Capacity	$2,472	$3,381	$3,055	$3,067	$2,703	$3,229

Source: Calculated at the Center on Wealth and Philanthropy at Boston College based on data from the CPS.

Connecticut

	1999 - 2003		2004 - 2008		1999 - 2008	
	Into CT	Out of CT	Into CT	Out of CT	Into CT	Out of CT
Number of HH	225,875	119,380	179,768	155,727	405,643	275,107
Aggregate Wealth	$104,679,491,113	$20,157,485,295	$56,495,913,232	$61,094,060,132	$161,175,404,345	$81,251,545,427
Mean Wealth	$463,440	$168,852	$314,272	$392,314	$397,334	$295,345
Aggregate Charitable Capacity	$684,004,207	$219,163,778	$587,140,737	$559,412,310	$1,271,144,944	$778,576,088
Mean Charitable Capacity	$3,028	$1,836	$3,266	$3,592	$3,134	$2,830

Source: Calculated at the Center on Wealth and Philanthropy at Boston College based on data from the CPS.

Table 6: Migration from New York to New Jersey and Connecticut (Based on CPS)

Households	To New Jersey	To Connecticut	To Elsewhere
1999-2008	187,352	29,297	586,153
2004-2008	95,311	29,943	628,934
Percent Change	-49.1%	2.2%	7.3%
Aggregate Wealth			
1999-2008	$122,275,294,762	$18,313,717,929	$158,212,470,182
2004-2008	$33,449,464,450	$12,504,416,410	$181,148,665,979
Percent Change	-72.6%	-31.7%	14.5%
Avg Wealth/HH			
1999-2008	$652,650	$625,116	$269,917
2004-2008	$350,952	$417,608	$288,025
Percent Change	-46.2%	-33.2%	6.7%

Source: Calculated at the Center on Wealth and Philanthropy at Boston College.

Table 7: Head of Household's Reasons for Moving Into and Out of New Jersey

	All Households											
	1999 - 2003				2004 - 2008				1999 - 2008			
	Into NJ		Out of NJ		Into NJ		Out of NJ		Into NJ		Out of NJ	
Reasons for Moving	#	%	#	%	#	%	#	%	#	%	#	%
Change in Marital Status	31,972	7.2%	24,342	5.8%	27,999	8.7%	15,744	5.2%	59,971	7.8%	40,086	5.6%
To Establish Own Household	21,081	4.8%	23,449	5.6%	14,885	4.6%	6,481	2.1%	35,966	4.7%	29,930	4.2%
Other Family Reasons	53,225	12.0%	60,347	14.4%	47,300	14.6%	45,830	15.1%	100,524	13.1%	106,177	14.7%
New Job or Job Transfer	97,254	21.9%	98,689	23.6%	68,645	21.2%	70,594	23.3%	165,899	21.6%	169,284	23.5%
To Look for Work or Lost Job	7,285	1.6%	20,622	4.9%	14,199	4.4%	7,950	2.6%	21,485	2.8%	28,572	4.0%
To be Closer to Work/Easier Commute	17,724	4.0%	13,555	3.2%	14,908	4.6%	16,156	5.3%	32,633	4.3%	29,711	4.1%
Retired	0	0.0%	8,443	2.0%	6,029	1.9%	7,206	2.4%	6,029	0.8%	15,648	2.2%
Other Job-Related Reason	9,944	2.2%	7,606	1.8%	21,992	6.8%	13,727	4.5%	31,937	4.2%	21,333	3.0%
Wanted to Own Home, Not Rent	32,672	7.4%	11,250	2.7%	26,398	8.2%	2,750	0.9%	59,070	7.7%	14,001	1.9%
Wanted New or Better House/Apartment	45,133	10.2%	40,690	9.7%	27,848	8.6%	22,092	7.3%	72,981	9.5%	62,781	8.7%
Wanted Better Neighborhood	33,715	7.6%	22,702	5.4%	6,395	2.0%	10,606	3.5%	40,110	5.2%	33,307	4.6%
Cheaper Housing	24,228	5.5%	12,208	2.9%	8,315	2.6%	14,665	4.8%	32,543	4.2%	26,873	3.7%
Other Housing Reason	30,972	7.0%	33,241	8.0%	7,334	2.3%	8,593	2.8%	38,306	5.0%	41,834	5.8%
Attend/Leave College	14,026	3.2%	5,554	1.3%	16,245	5.0%	23,405	7.7%	30,271	3.9%	28,960	4.0%
Change of Climate	3,191	0.7%	12,223	2.9%	0	0.0%	15,579	5.1%	3,191	0.4%	27,802	3.9%
Health Reasons	5,875	1.3%	7,566	1.8%	0	0.0%	9,418	3.1%	5,875	0.8%	16,983	2.4%
Natural Disaster	15,479	3.5%	15,422	3.7%	8,951	2.8%	10,451	3.5%	24,430	3.2%	25,872	3.6%
Other Reason	0	0.0%	0	0.0%	5,909	1.8%	1,532	0.5%	5,909	0.8%	1,532	0.2%
Total	**443,777**	**100.0%**	**417,907**	**100.0%**	**323,354**	**100.0%**	**302,779**	**100.0%**	**767,131**	**100.0%**	**720,686**	**100.0%**

Source: Calculated at the Center on Wealth and Philanthropy at Boston College based on data from the Current Population Survey.

	Millionaire Households											
	1999 - 2003				2004 - 2008				1999 - 2008			
	Into NJ		Out of NJ		Into NJ		Out of NJ		Into NJ		Out of NJ	
Reasons for Moving	#	%	#	%	#	%	#	%	#	%	#	%
Change in Marital Status	1,406	3.1%	5,085	10.8%	1,116	4.9%	0	0.0%	2,522	3.7%	5,085	6.3%
To Establish Own Household	0	0.0%	0	0.0%	0	0.0%	1,251	3.7%	0	0.0%	1,251	1.5%
Other Family Reasons	5,266	11.7%	3,974	8.5%	0	0.0%	3,166	9.4%	5,266	7.8%	7,140	8.8%
New Job or Job Transfer	17,877	39.6%	19,937	42.4%	10,412	46.0%	16,581	49.1%	28,290	41.8%	36,518	45.2%
To Look for Work or Lost Job	0	0.0%	0	0.0%	0	0.0%	444	1.3%	0	0.0%	444	0.6%
To be Closer to Work/Easier Commute	3,329	7.4%	4,112	8.7%	0	0.0%	0	0.0%	3,329	4.9%	4,112	5.1%
Retired	0	0.0%	514	1.1%	0	0.0%	637	1.9%	0	0.0%	1,150	1.4%
Other Job-Related Reason	2,476	5.5%	0	0.0%	0	0.0%	6,925	20.5%	2,476	3.7%	6,925	8.6%
Wanted to Own Home, Not Rent	9,104	20.2%	0	0.0%	3,446	15.2%	663	2.0%	12,551	18.5%	663	0.8%
Wanted New or Better House/Apartment	2,327	5.2%	4,305	9.2%	0	0.0%	0	0.0%	2,327	3.4%	4,305	5.3%
Wanted Better Neighborhood	1,325	2.9%	607	1.3%	0	0.0%	2,178	6.4%	1,325	2.0%	2,785	3.4%
Cheaper Housing	0	0.0%	2,404	5.1%	0	0.0%	1,926	5.7%	0	0.0%	4,330	5.4%
Other Housing Reason	0	0.0%	1,368	2.9%	3,277	14.5%	0	0.0%	3,277	4.8%	1,368	1.7%
Attend/Leave College	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Change of Climate	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Health Reasons	0	0.0%	3,806	8.1%	0	0.0%	0	0.0%	0	0.0%	3,806	4.7%
Natural Disaster	1,998	4.4%	915	1.9%	1,421	6.3%	0	0.0%	3,419	5.0%	915	1.1%
Other Reason		0.0%	0	0.0%	2,955	13.1%	0	0.0%	2,955	4.4%	0	0.0%
Total	**45,108**	**100%**	**47,028**	**100%**	**22,627**	**100%**	**33,771**	**100%**	**67,736**	**100%**	**80,798**	**100%**

Source: Calculated at the Center on Wealth and Philanthropy at Boston College based on data from the Current Population Survey.

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Migration of Wealth in New Jersey and the Impact on Wealth and Philanthropy

Principal Investigator Biography

John J. Havens - Senior Research Associate and Associate Director of the Center on Wealth and Philanthropy at Boston College is the author of this report and the director of project. John received his training in mathematics, economics, and physics at Yale University and his graduate training in economics at the Massachusetts Institute of Technology.

He began his research career as an engineer and mathematician at the Metals Research Laboratories of Olin Matheison Corporation in 1957. Subsequently he conducted research in social psychology at the Laboratory of Psychosocial Studies at Boston College where he was senior economist on a study of African American migration to Boston funded by the Office of Economic Opportunity; he also conducted research in urban transportation for the Transportation Research Board of the National Academy of Sciences; in applied policy and data analysis for the American Institute for Research in Cambridge; and for the past 30 years in economic, public policy, and philanthropy analysis for the Center on Wealth and Philanthropy at Boston College.

At the Center on Wealth and Philanthropy, Havens directed the construction and application of the Multi-Regional Policy Impact Simulation (MRPIS) model, a large-scale but very detailed computer model of the national economy, which was used to estimate the economic impacts in a wide range of public policies, including federal tax proposals, federal budgetary analyses, health care proposals, and peace dividend alternatives. He has also directed a variety of economic impact analyses including the past three studies of the economic impact of the independent colleges and universities of Massachusetts on the state's economy.

From September 1992 to the present, Havens has participated in the study of philanthropy. He directed the "Boston Area Diary Study" (BADS) from 1995-1997, a two year diary study that gathered and analyzed information on giving, volunteering, and caring behavior for 44 participants in the Boston metropolitan area in weekly telephone interviews. In conjunction with Bankers Trust Private Banking he and Paul G. Schervish completed the "Wealth with Responsibility Study/2000;" and also released in 1999 the report "Millionaires and the Millennium: New Estimates of the Forthcoming Wealth Transfer and the Prospects for a Golden Age of Philanthropy," which estimates the wealth transfer over the next half-century to be between $41 trillion and $136 trillion. With Schervish and colleague Mary O'Herlihy, Havens conducted the "2001 High-Tech Donors Study," a qualitative study on the philanthropic interests and practices of high-tech executives based on in-depth interviews.

Havens was recognized for the three consecutive years by the Nonprofit Times as a member of the Power and Influence Top 50 list. Major research projects include "Dilemmas and Decisions Surrounding the Accumulation and Distribution of Financial Resources," funded by the T. B. Murphy Foundation Charitable Trust; "The Emerging Material and Spiritual Determinants of Charitable Giving by Wealth Holders," funded by the Lilly Endowment Inc.; and an expanded and refined estimation of wealth transfer over the next half century. These projects all explore the associations among philanthropy, income, and wealth; the organizational and moral determinants of giving and volunteering; and the implications for fundraising and philanthropy.

The Center on Wealth and Philanthropy at Boston College is a multidisciplinary research center specializing in the study of spirituality, wealth, philanthropy, and other aspects of cultural life in an age of affluence. Founded in 1970, the Center is a recognized authority on the relation between economic wherewithal and philanthropy, the motivations for charitable involvement, and the underlying meaning and practice of care.