

Demographic and Economic Data

Its Impact on Residents, Expectations and Property Taxes

Tri-Board Meeting

January 21, 2019

20-Year Perspective

In the years leading up to the recession, the actual tax levy (funds raised through taxes) grew at a high rate, the impact of which was somewhat offset by significant grand list growth

- The **tax levy** grew **79%** or an **average of 9.9% per year** from **FY2001 through FY2009**
- The **grand list** for that time period **grew 140%**

Post recession, the Town responded by scaling back the rate of growth of the tax levy

- **FY2009 to FY2014** actual growth of **15%** or an **average of 2.98% per year**
- **FY2015 to FY2020** actual growth of **10%** or an **average of 1.63% per year**

20-Year Perspective

During the period from FY2010 through FY2020, we have experienced

- **Reduced growth rates in school budgets**
- **Reduced growth rates in town budgets** and a downsizing of town government
- **Increase in debt service** to fund projects, including Miller Driscoll, Comstock and road paving
- **Losses in State grants** for education and municipal reimbursements
- **A net reduction of 15.5% in the grand list** due primarily to **declining values for residential properties and corporate office buildings**

20 Year Perspective

During those same years

- *Resident **advocacy for more spending fell off***
 - Meeting attendance declined
 - Correspondence to the BOF declined
- *The **2018 BOF Survey results demonstrated limited support for tax increases***
 - **45%** of respondents were **opposed** to a **1% tax increase**
 - **58%%** of respondents were **opposed to a 2% tax increase**
 - Only **54%** of respondents **with children in the WPS**, typical advocates for additional spending, were **open to a 2% tax increase**

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The same trends that necessitated a response in 2009 still continue

- *Collective earnings continue to lag pre-recession earnings and recently declined from 2014 to 2017*
- *Total Population has begun to decline*
- *Population continues to age*
- *Prices for high valued and larger homes continue to decline, some down up to 60%*
- *FY2021 grand list growth will be stronger, but the next revaluation is only two years away with continued concerns about single-family home & corporate office building values*
- *Migration out of Fairfield County has exceeded migration in. Income leaving exceeded income coming in. These are not just Wilton issues*

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The same trends that necessitated a response in 2009 still continue

- ***What are the ways we can work together creatively to meet residents expectations about taxes, while***
 - Maintaining **quality services and schools?**
 - Bonding needed **infrastructure improvements?**
 - **Properly maintaining** other infrastructure through operating budgets?
 - Maintaining **existing businesses** and **attracting new businesses** which **drive the grand list** or **fill a void?**
- ***How do we prepare for curveballs from the State like we saw proposed last year?***

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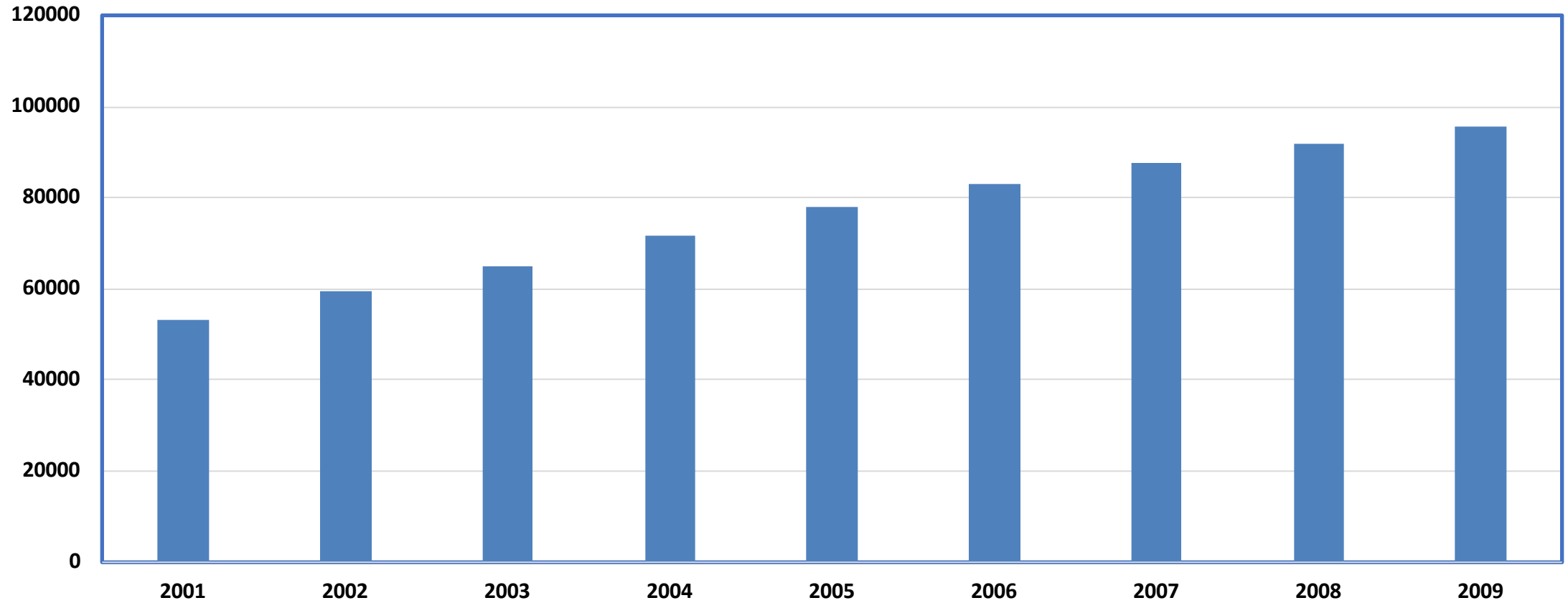
SUPPORTING DATA

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Source: Audited Financial Statements

FY2001 to FY2009 Tax Levy

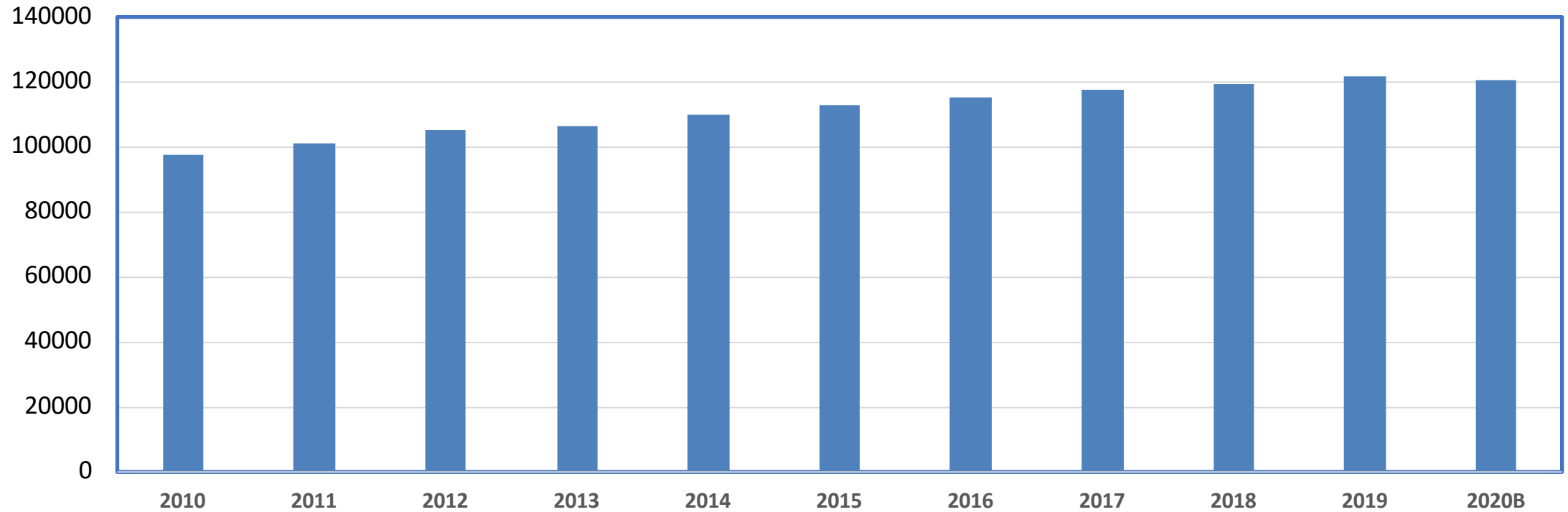
In thousands



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Source: Audited Financial Statements

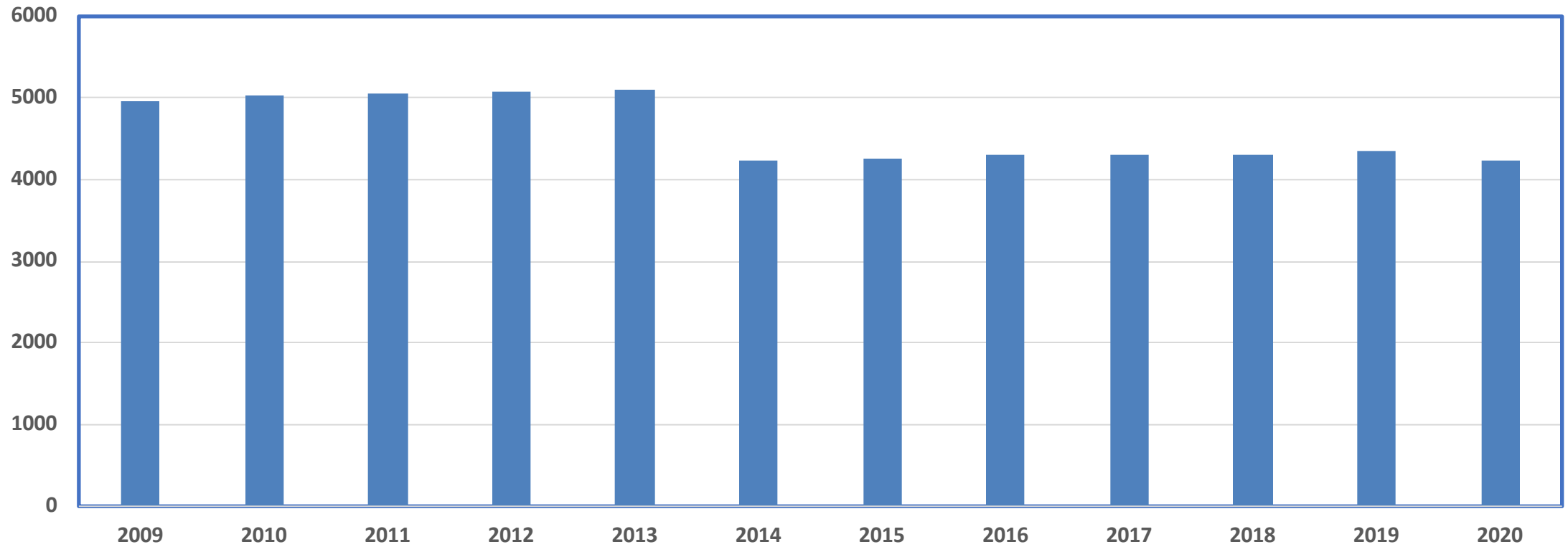
FY2010 actual to FY2020 budgeted Tax Levy
In thousands



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Source: Audited Financial Statements

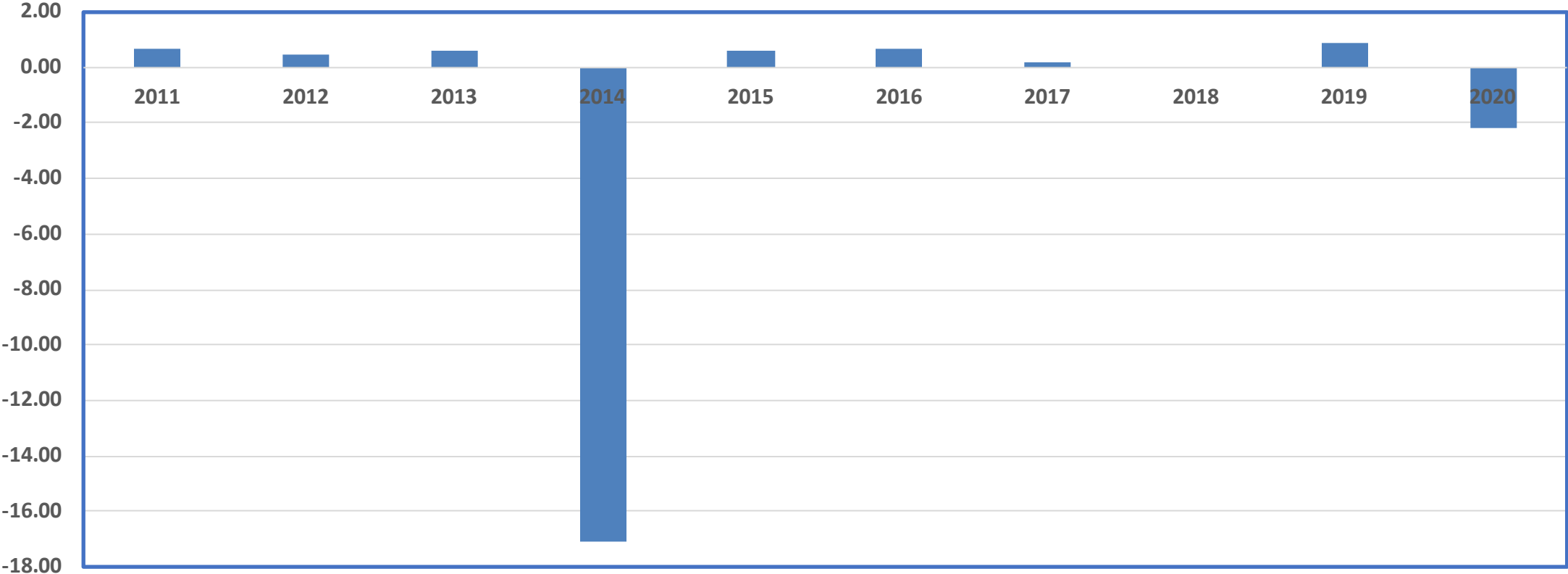
FY2009 to FY2020 Taxable Grand List
in millions



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Source: Audited Financial Statements

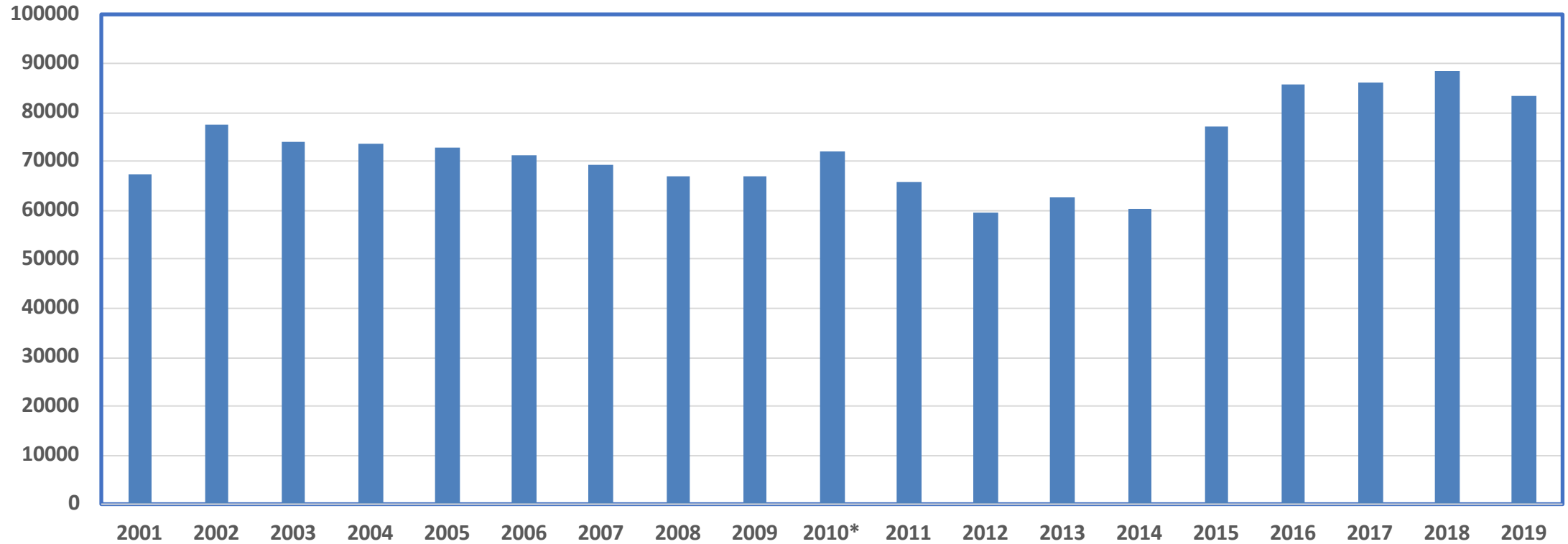
Taxable Grand List Change FY2010 to FY2020



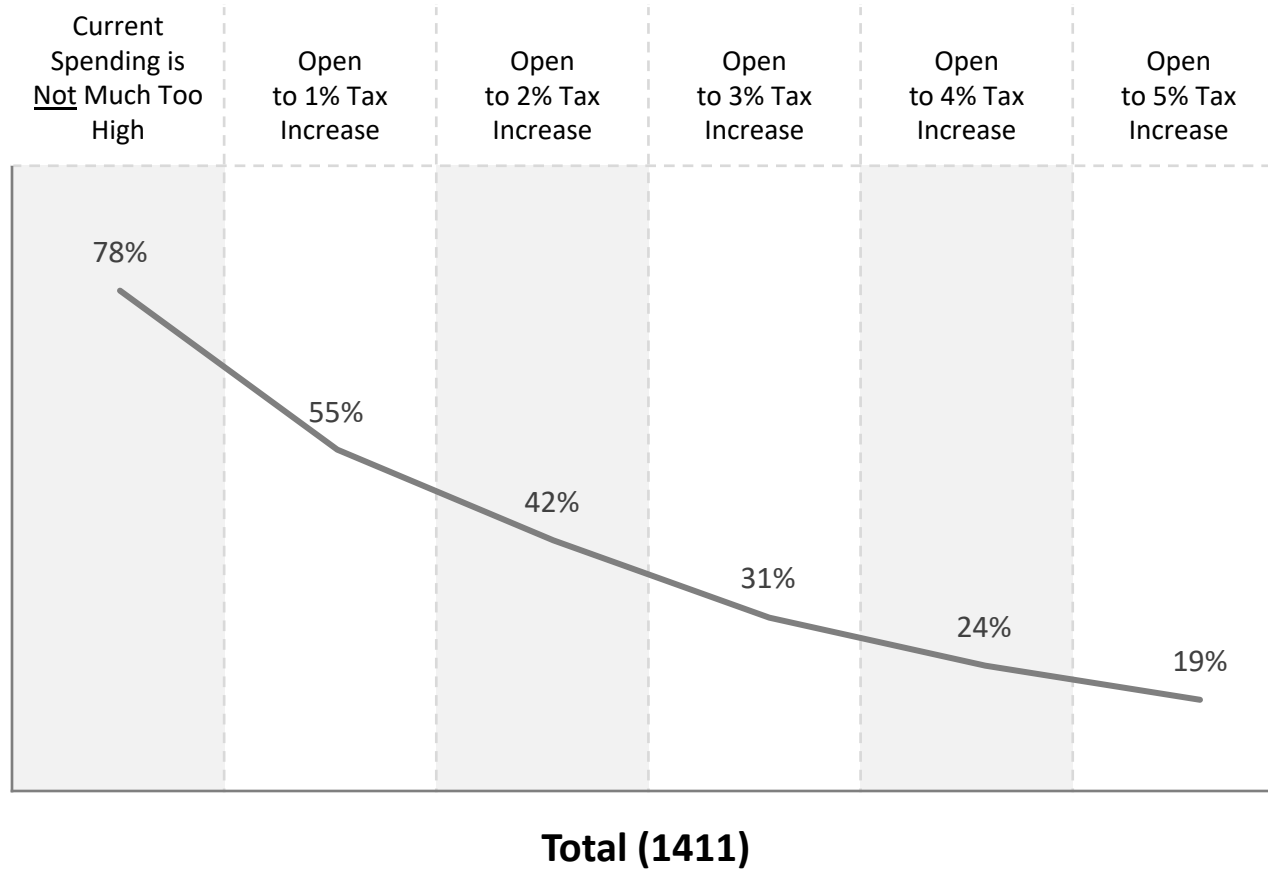
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Source: Audited Financial Statements

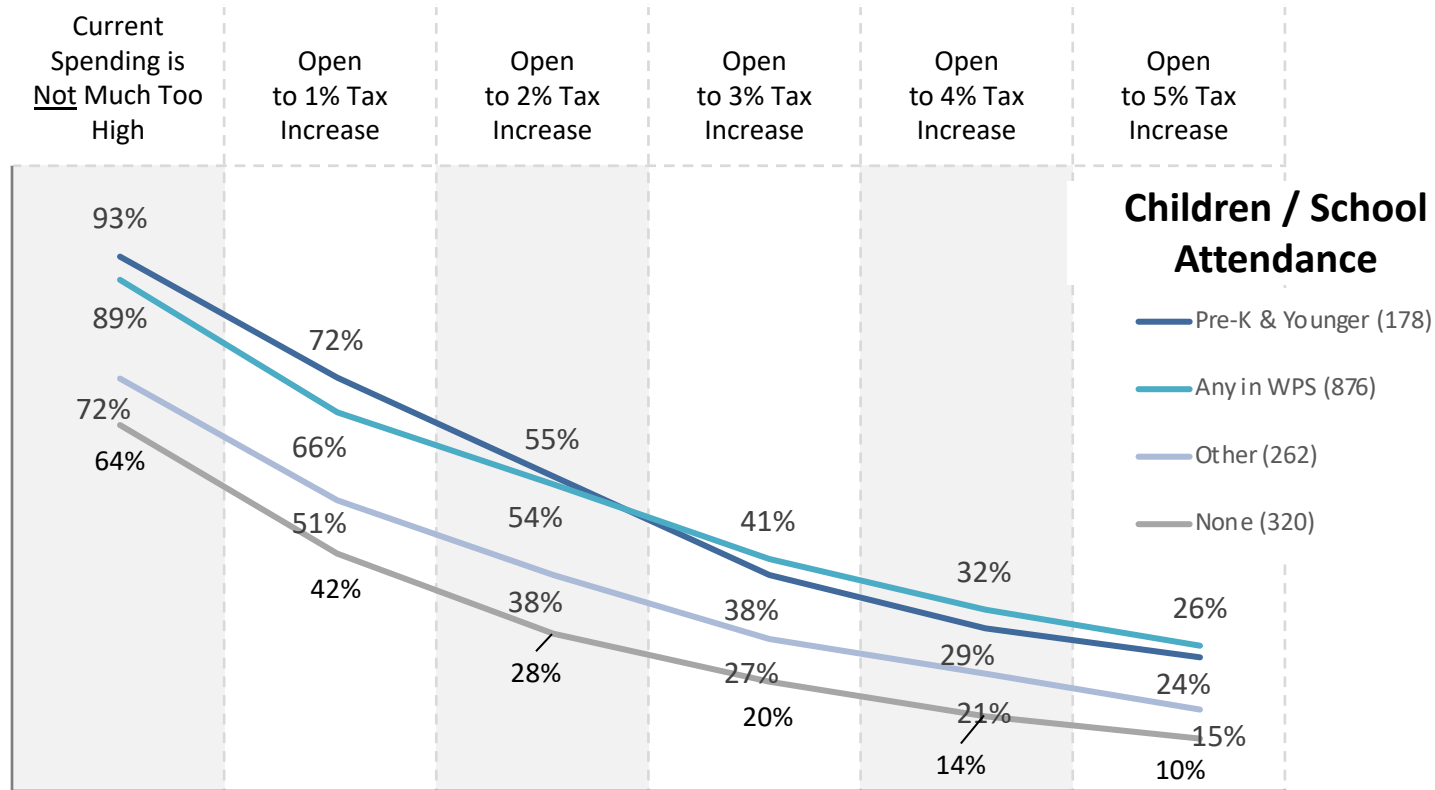
General Obligation Bonds
In thousands



Openness to Tax Increase (Not Strongly Opposed)



Openness to Tax Increase — Presence of Children / School Attendance



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Source: IRS Statistical Data

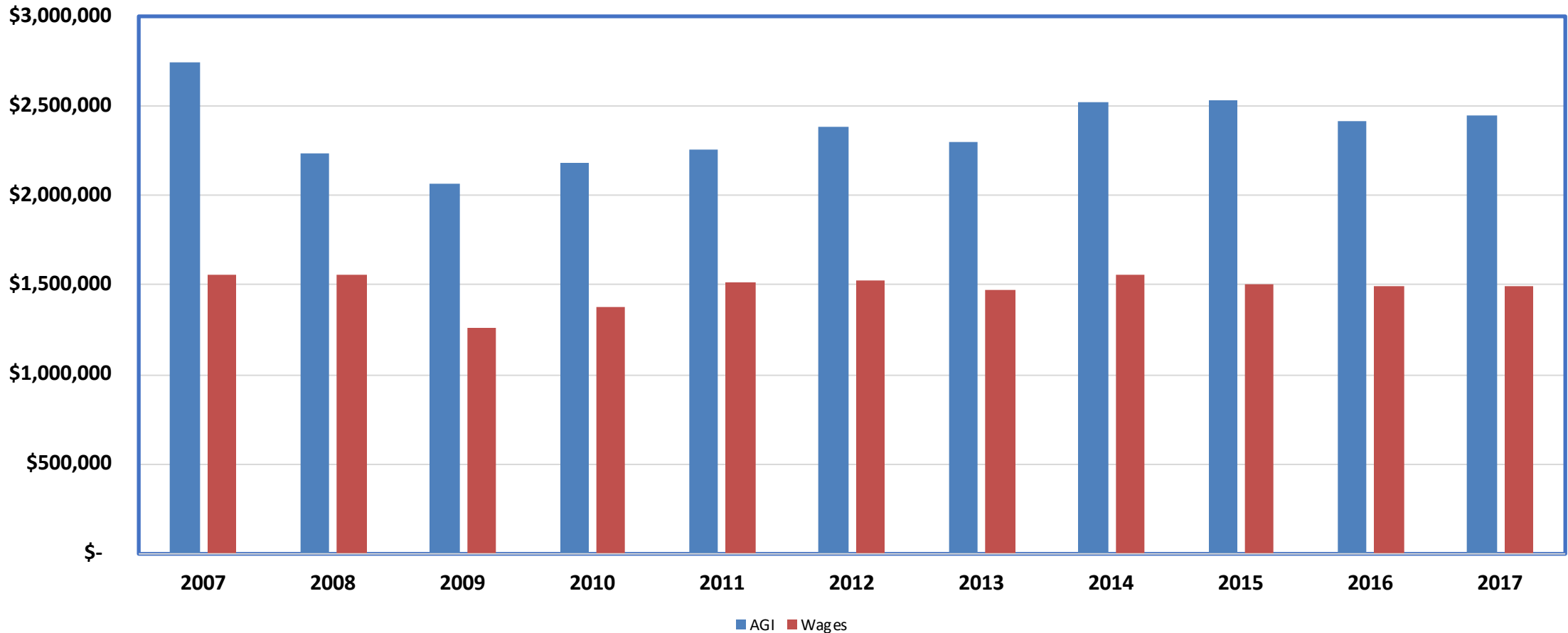
Collective Earnings Continue to Lag 2007

- Total **2017** adjusted gross income (**AGI**) lags **2007** by **11%**
- Total **2017** wages lag **2007** by **4%**
- **2017 Average AGI** for filers **above \$200,000 lag 2007 by 23%****. (See historical chart)
 - The number of filers with AGI above \$200,000 has increased, but do appear to be not enough to reasonably account for the 23% decline

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Source: IRS statistical data

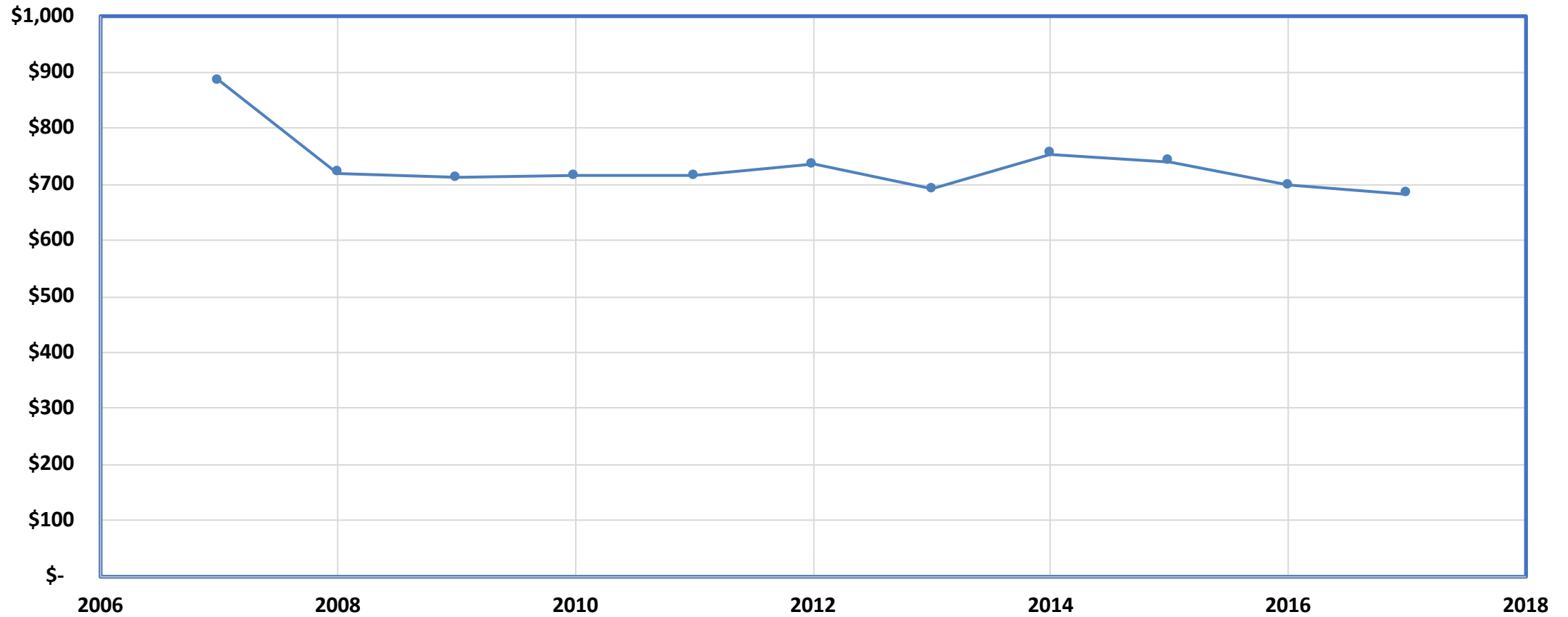
Total AGI & Total Wages for 06897 Zip Code
(in thousands)



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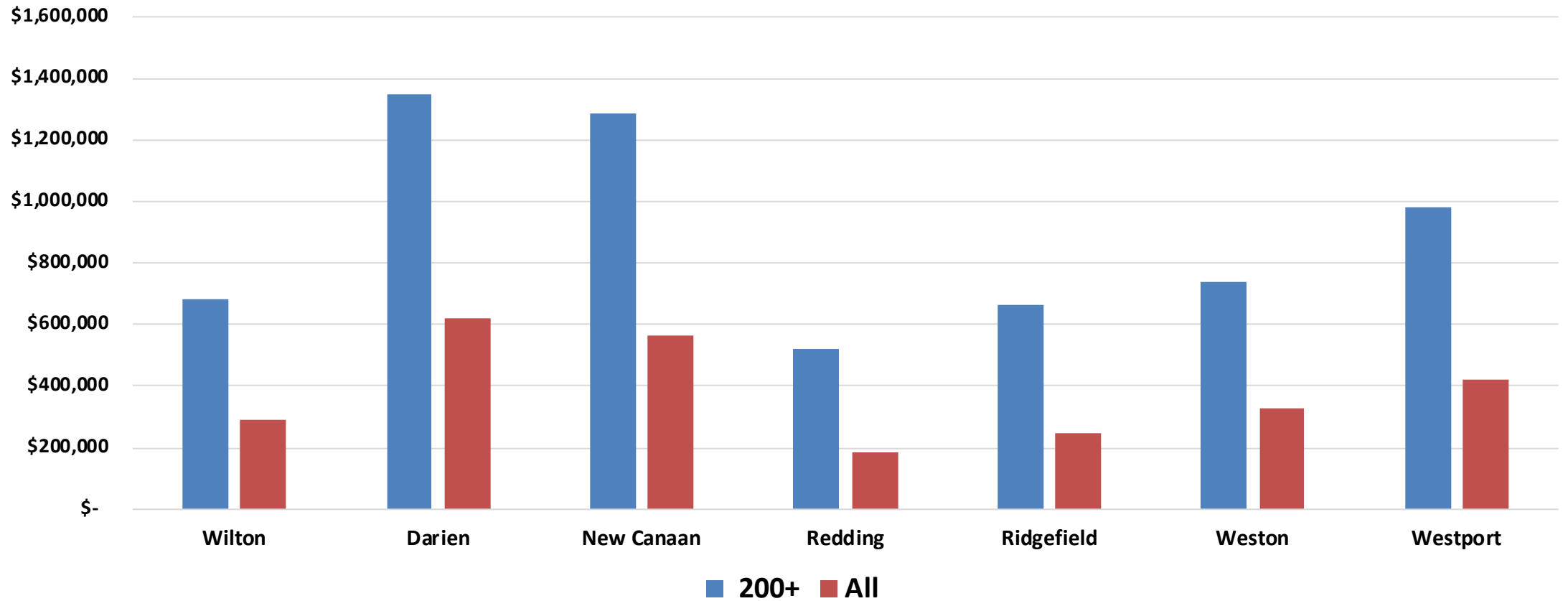
Source: IRS statistical data

Avg AGI for returns with AGI over \$200,000
(in thousands)



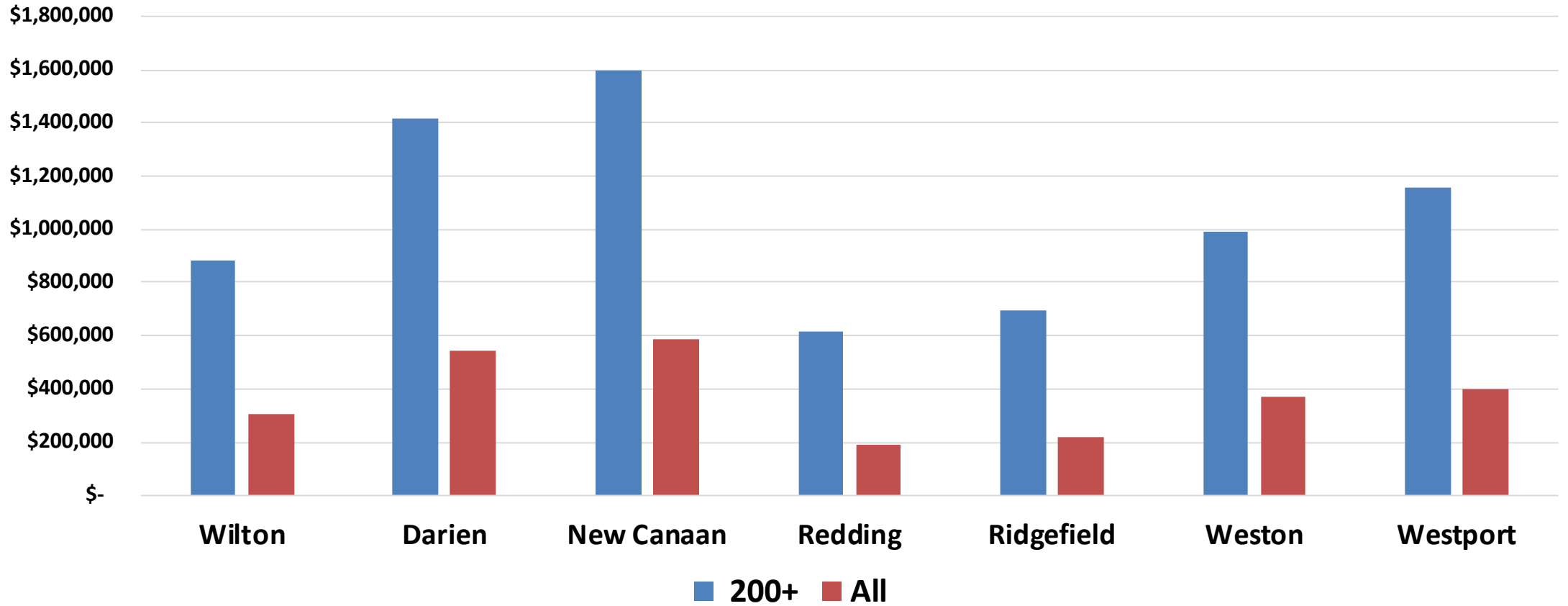
Tri-Board
Additional Data
Source: IRS Statistical Data

2017 Average AGI-Wilton and Surrounding Towns \$200,000 and Above & All Filers



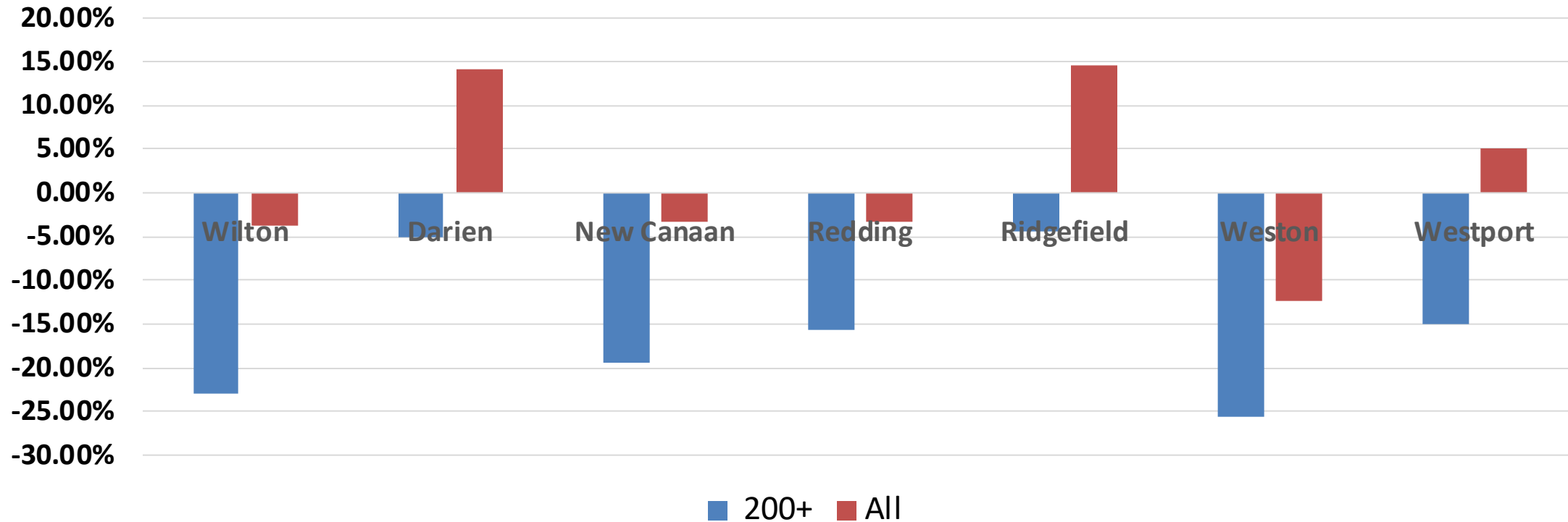
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Additional Data
Source: IRS Statistical Data

2007 Average AGI-Wilton and Surrounding Towns \$200,000 and Above & All Filers



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Additional Data
Source: IRS Statistical Data

% Change in Average AGI-Wilton and Surrounding Towns \$200,000 and Above & All Filers



Population is Declining

According to **Census Estimates**

- Population **growth from 2010 to 2014, followed by declines** including a **decline of .3% to 18,397 for 2018**

According to **IRS statistical data**

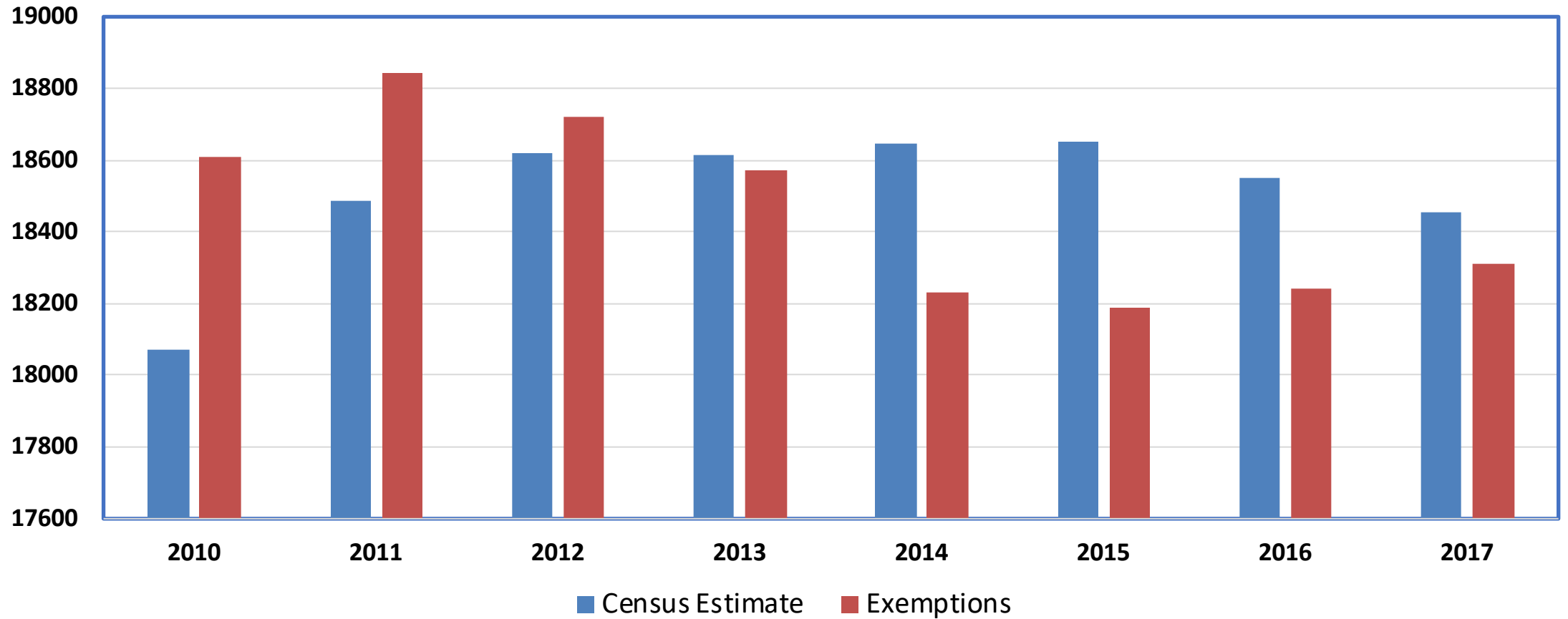
- **Exemptions began declining in 2012. 2017 Exemptions of 18,310 are down 339 or 1.8% since 20**

Declines occurring despite an **increase in housing units**, including RT 7 Avalon, Wilton Commons, and River Ridge Townhomes

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Source: IRS statistical data and US Census

Census Data and IRS Exemptions



Wilton is Aging

According to **Census Estimates**

- **Since 2000**, the population share under age 44 has been decreasing & the population share over 55 has been increasing

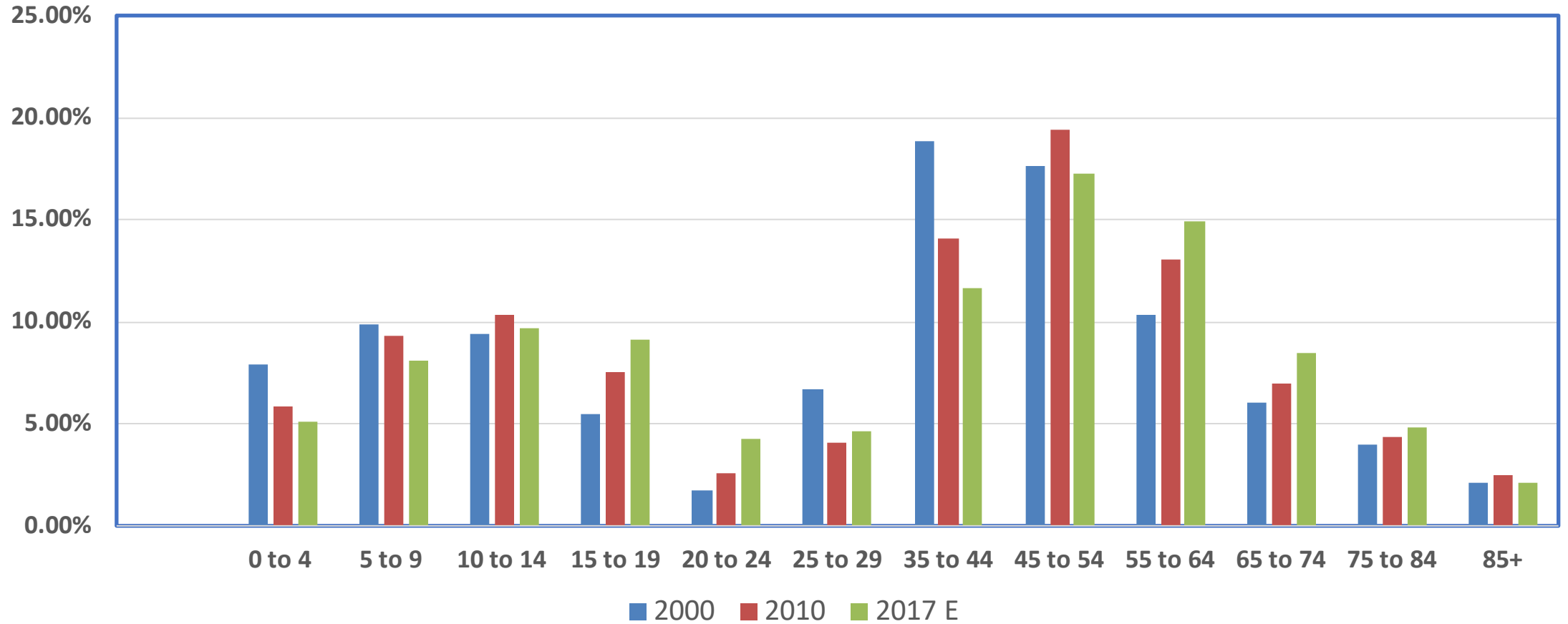
According to **IRS statistical data**

- Returns reporting **income from retirement sources are up** since 2007:
 - **Pension up 8%**
 - **Social Security up 17%**
 - **IRA distributions up 52%**
- Returns with one or more **filers 60 or over increased by 120 returns or 5%** in the two years **from 2015 to 2017**
(information not available before 2015)

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US Census

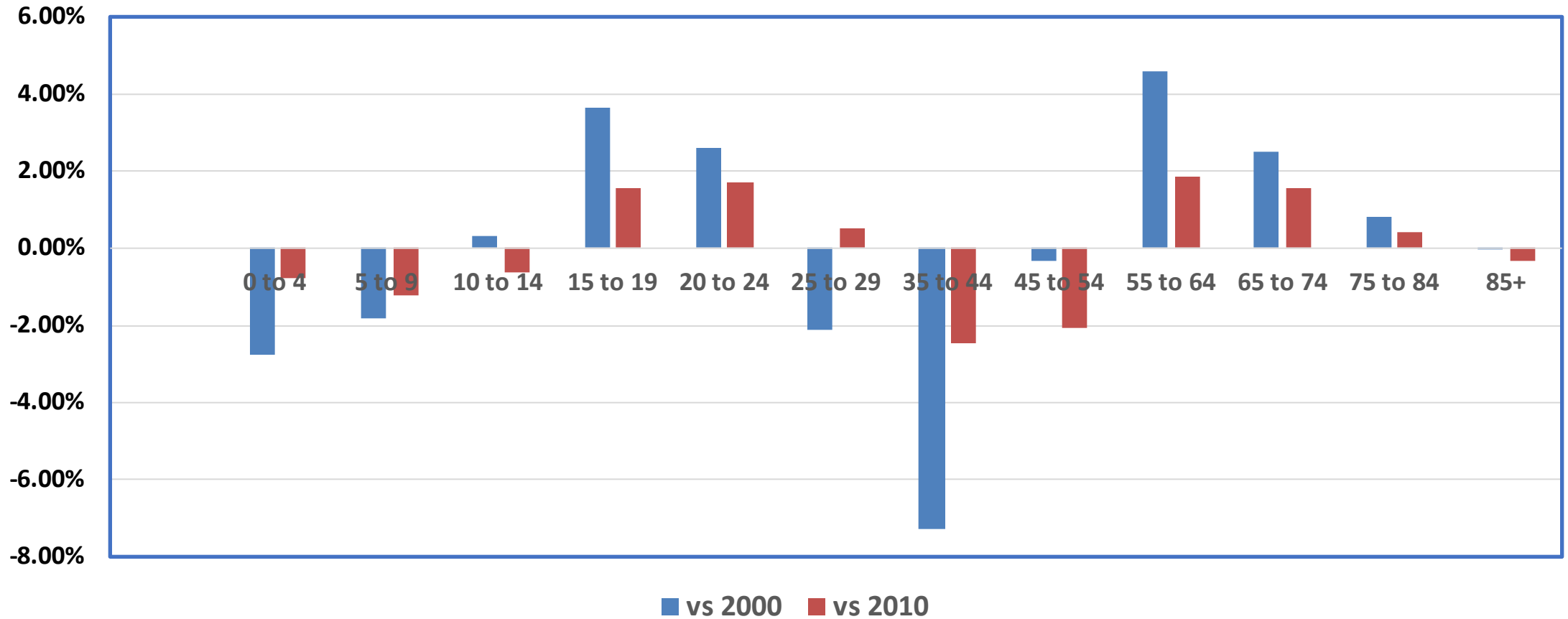
Population Distribution



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Source: US Census

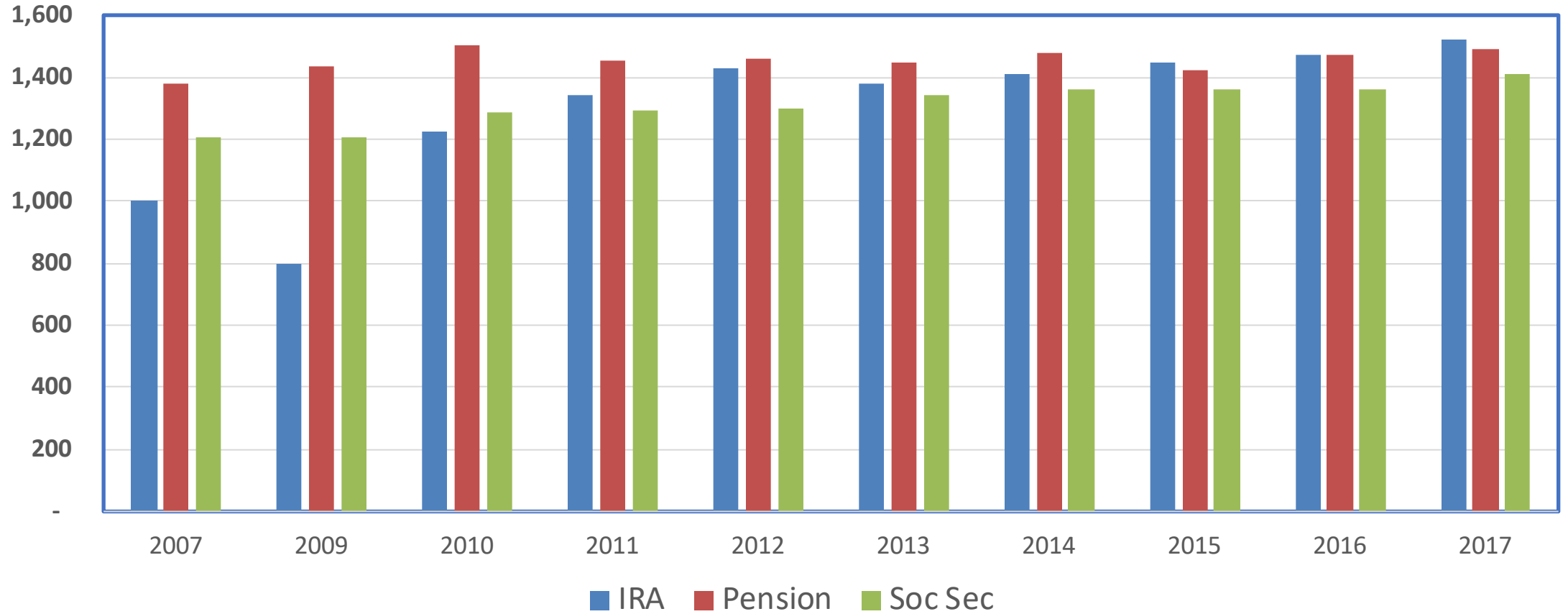
2017 Estimate Population Distribution vs 2000 and 2010 Census



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Source: IRS statistical data

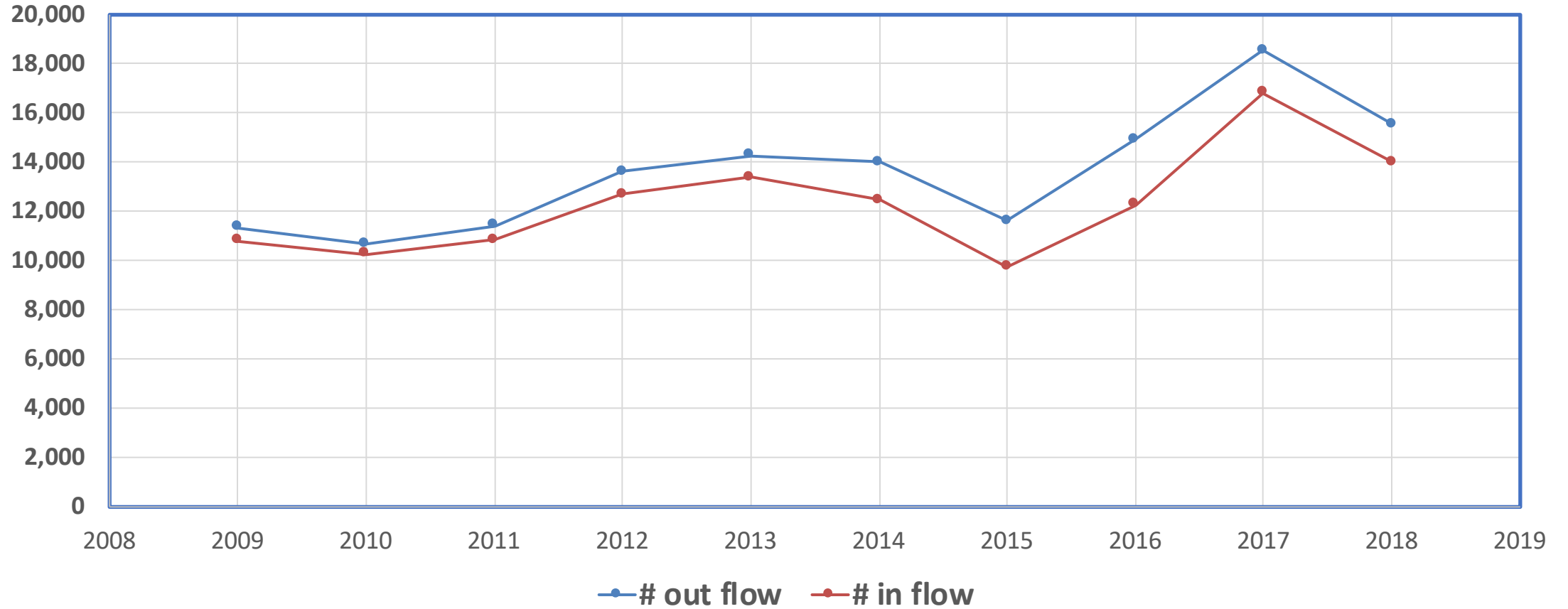
Returns with Retirement Income



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Source: IRS statistical data

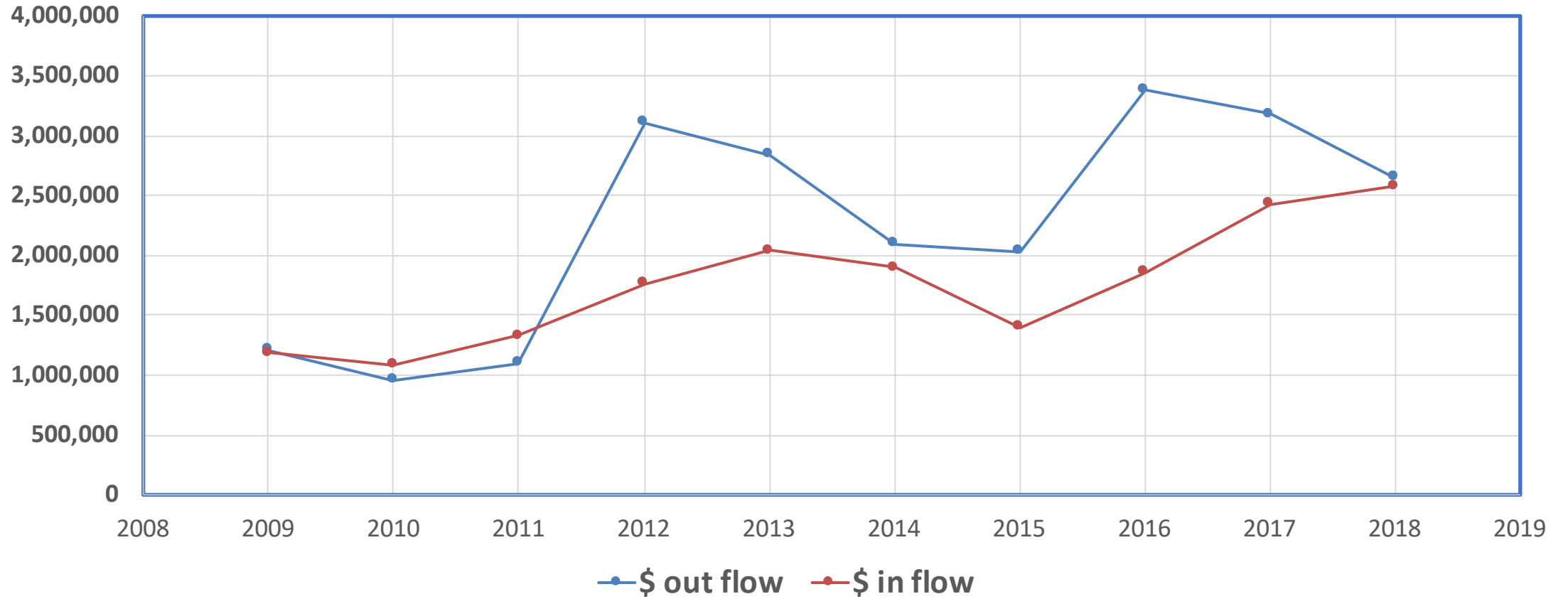
Migration-Fairfield County -# Returns



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Source: IRS statistical data

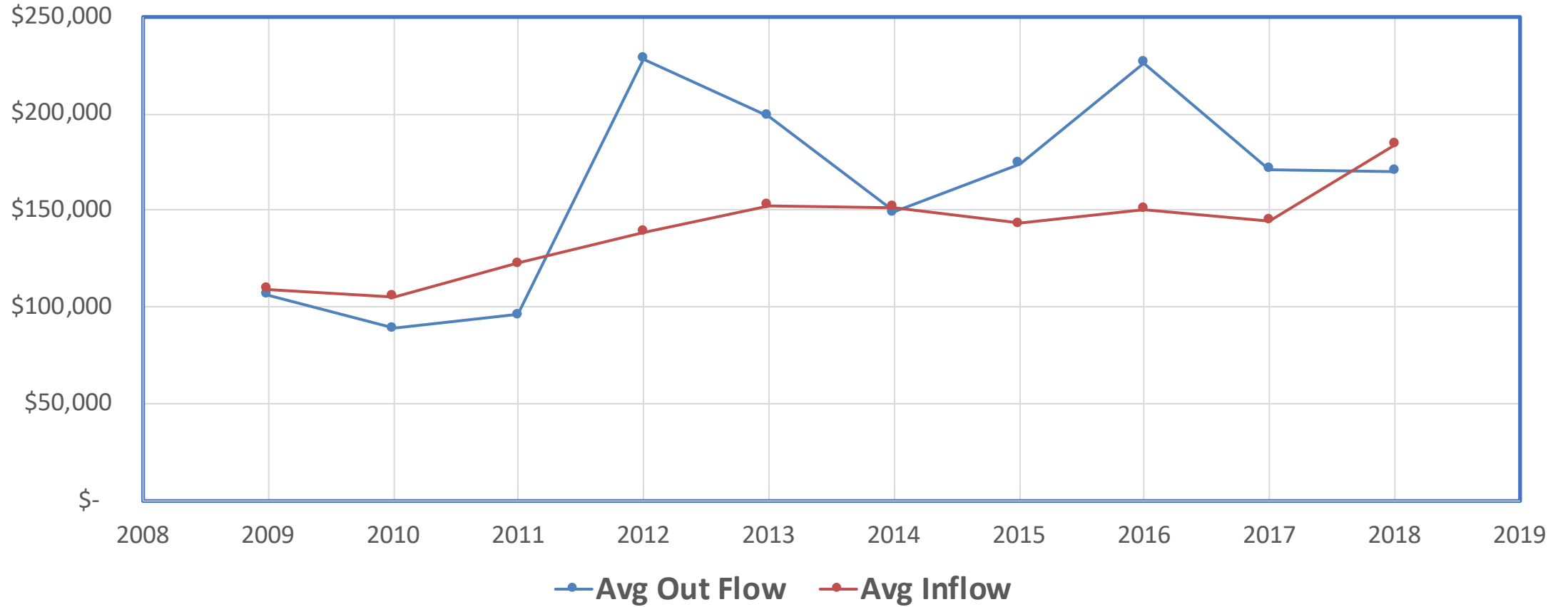
Migration-Fairfield County-Total AGI



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Source: IRS statistical data

Migration-Fairfield County-Average AGI



Data Sources

- **IRS Statistical Data:** The IRS publishes *tax return data by zip code, by line item* and *In and Out Migration data by county*
 - Data is available 12 to 13 months after the October filing deadline for a given year. Most recent year available is for calendar year 2017 tax returns
 - Migration data is determined by comparing mailing addresses from one year to the next. For example, 2018 migration data is the result of comparing the taxpayers 2018 address on their 2017 tax return to their 2016 tax return.
- **US Census Data:** *Census count data for 2000 and 2010* and **American Communities Survey** for remaining
- **CT Data Center** at Ctdata.org
- **Wilton's Audited Financial Reports**
- **2018 Report on BOF Survey Results**