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
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
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?**
FY2001 to FY2009 Tax Levy

In thousands

Source: Audited Financial Statements
FY2010 actual to FY2020 budgeted Tax Levy
In thousands

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<td>92000</td>
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<td>108000</td>
<td>112000</td>
<td>116000</td>
<td>120000</td>
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</tbody>
</table>

Source: Audited Financial Statements
FY2009 to FY2020 Taxable Grand List
in millions

Source: Audited Financial Statements
Taxable Grand List Change FY2010 to FY2020

Source: Audited Financial Statements
Board of Selectman
January 21, 2019

Source: Audited Financial Statements

General Obligation Bonds
In thousands

[Bar chart showing General Obligation Bonds from 2001 to 2019]
Openness to Tax Increase (Not Strongly Opposed)

Current Spending is Not Much Too High

- Open to 1% Tax Increase: 78%
- Open to 2% Tax Increase: 55%
- Open to 3% Tax Increase: 42%
- Open to 4% Tax Increase: 31%
- Open to 5% Tax Increase: 24%

Total (1411)

q7. If ensuring Wilton schools are [GOAL FROM Q.4] meant your town property taxes increased by about 1% annually, would you...? Question asked repeatedly for 2, 3, 4, and 5% until respondent indicates they “strongly oppose the increase”
Openness to Tax Increase — Presence of Children / School Attendance

q7. If ensuring Wilton schools are [GOAL FROM Q.4] meant your town property taxes increased by about 1% annually, would you…?
Question asked repeatedly for 2, 3, 4, and 5% until respondent indicates they “strongly oppose the increase”
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
Total AGI & Total Wages for 06897 Zip Code
(in thousands)
Avg AGI for returns with AGI over $200,000
(in thousands)
2017 Average AGI-Wilton and Surrounding Towns
$200,000 and Above & All Filers
2007 Average AGI-Wilton and Surrounding Towns
$200,000 and Above & All Filers

<table>
<thead>
<tr>
<th>Town</th>
<th>200+</th>
<th>All</th>
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<tbody>
<tr>
<td>Wilton</td>
<td>800K</td>
<td>400K</td>
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<tr>
<td>Darien</td>
<td>1,200K</td>
<td>600K</td>
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<td>Redding</td>
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<td>Ridgefield</td>
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<td>Weston</td>
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<tr>
<td>Westport</td>
<td>1,000K</td>
<td>500K</td>
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</tbody>
</table>
% 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
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)
Population Distribution

- 0 to 4
- 5 to 9
- 10 to 14
- 15 to 19
- 20 to 24
- 25 to 29
- 35 to 44
- 45 to 54
- 55 to 64
- 65 to 74
- 75 to 84
- 85+

*2000, 2010, 2017 E*
Returns with Retirement Income

Source: IRS statistical data
Migration-Fairfield County -# Returns

Source: IRS statistical data
Source: IRS statistical data
Board of Selectman
January 21, 2019

Source: IRS statistical data

Migration-Fairfield County-Average AGI

Avg Out Flow  Avg Inflow
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**