

WithumSmith+Brown Tax Services Group

# Tax Tip



February 15, 2010

## New Jersey's Wealth Declines by \$70 Billion

**Where has all the wealth gone? Yes, some of New Jersey's wealth may have evaporated due to the recent market conditions but what about the impact on New Jersey's business environment, rules and regulations and the tax laws over the recent years?**

Boston College's Center on Wealth and Philanthropy showed that from 2004 through 2008 \$70 billion in wealth left New Jersey, including a \$1.13 billion decline in the state's charitable capacity. The study ironically was commissioned by the Community Foundation of New Jersey and the Enterprise Trust. This decline followed an immigration of wealth of \$98 billion for the period 1999 through 2003, coupled with an \$888 million increase in New Jersey's charitable capacity.

It is important to note the study focused on wealth rather than household income because wealth closely tracks to charitable giving.

The migration of wealth and people out of New Jersey is significant because it has significant consequences on communities across the state including the non-profit community.

The study indicates there is a correlation between the wealth exodus and the series of New Jersey tax law changes on businesses and individuals. New Jersey has some of the most onerous rules in the nation.

New Jersey's tax policies are having a significant impact on New Jersey wealth and charitable giving.

Please let us know if you need additional information on this study.

If you have any questions please contact our Tax Services Group:

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