

Fairfield Senior Advocates

November 15, 2016
Fairfield Library
Advocate Forum





Make Fairfield an attractive town for older adults because it is an affordable, desirable, vibrant and engaged community in which to live



Seniors are Integral to the Community

- Builders of schools, churches, parks, libraries, businesses....Enriching/shaping the community today.Contributing to the future
- Valuable experience, knowledge, ideas, perspective
- Substantial tax revenues
 - Property – real & personal (auto)
 - Income
 - Sales
 - Estate
- Spending at local merchants
- Charitable giving and volunteering
 - Time, experience and expertise for non-profits
- Senior voter participation is higher
- Minimal utilization of Town schools

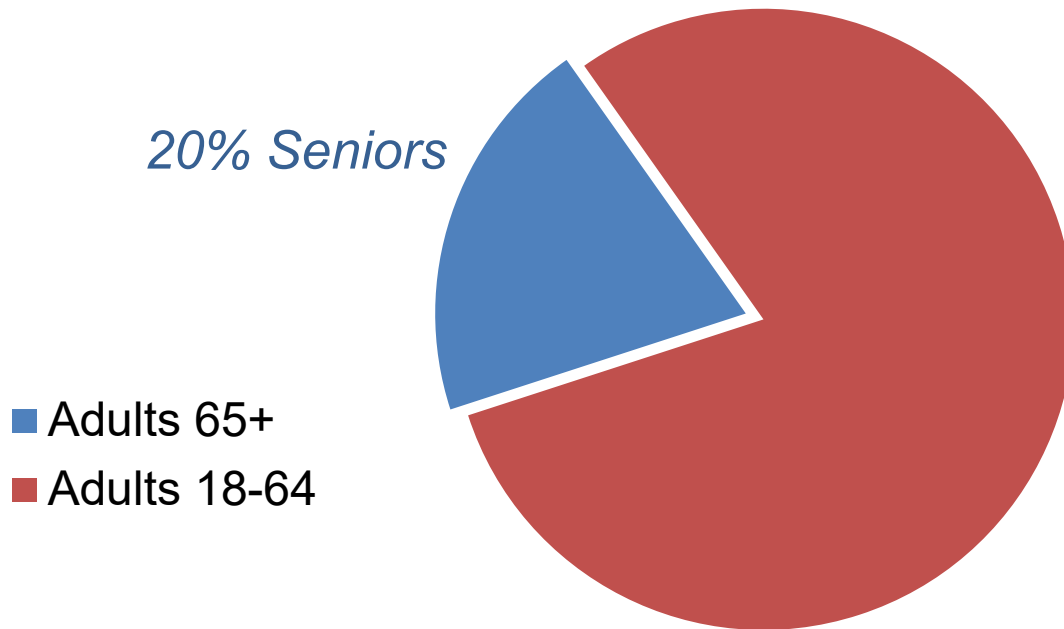


Fairfield Profile

All adults(18+): 44,378

Seniors (65+): 8,967

Fairfield Adult Population



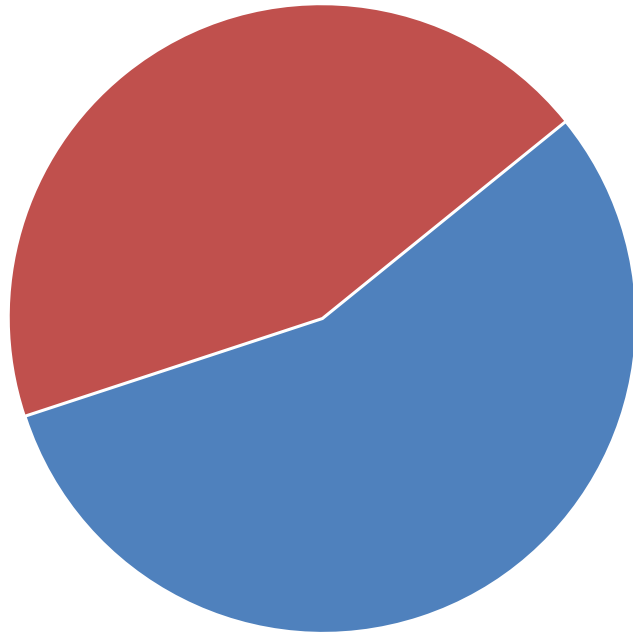
Plus:
~\$50mm+
tax
payments
from
Seniors

Seniors comprise *substantial* portion of population
Seniors' taxes comprise *substantial* portion of Town and
education revenues

Benefits from Town Services

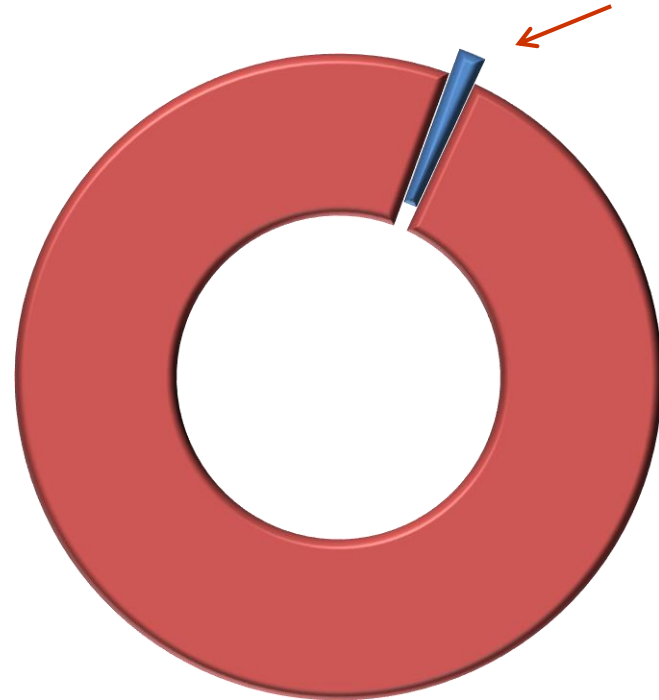
\$294 mm Budget

- *\$130mm (44%) Town*
- *\$164mm (56%) School*



■ Schools ■ Town

\$4mm for direct Senior benefit

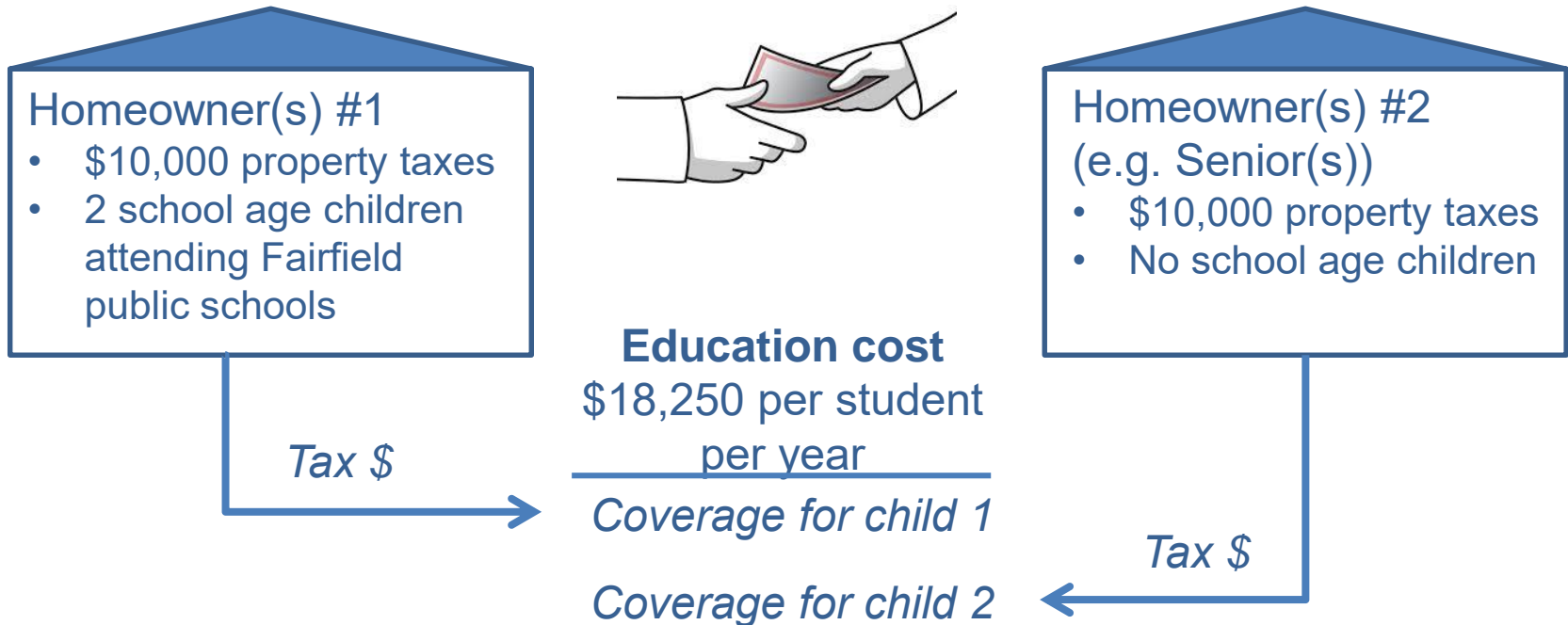


- Seniors' budget contributions disproportionate to benefits derived
- Only 1.4% allocated for direct Senior benefit

Seniors Help Subsidize Schools

Every homeowner with a school age child benefits from a homeowner with no school age child

Illustrative example:



Without tax revenue from Homeowner # 2 and others, #1 would have to pay more than \$30,000 in taxes.

Challenging Conditions for Seniors

Connecticut residents pay some of the highest property taxes in the U.S.¹

- FL 1.06%
- MA 1.21%
- NY 1.64%
- **CT 1.98%**

CT taxes Retiree private pension and social security income versus:

- NY, MA & FL exempt all social security
- FL exempts all private pension
- NY has partial (& increasing) private pension exemption

Home value comparisons:

- NY Metro Up 7%
- MA Up 4%
- RI Up 4%
- **CT Down 1%**

What we should be hearing from CT leaders:

“Senior citizens are vital contributors to our communities and families...reducing the tax burden on seniors will help improve their quality of life, encourage them to stay...”³



Sources:

- 1) Tax Foundation, August 2015
- 2) Zillow Home Values, June 2016
- 3) NYS Senate announcement, Sen Hugh Farley, June 2016

Senior Concerns

- HIGH local property taxes
- HIGH State income taxes
- HIGH cost of living

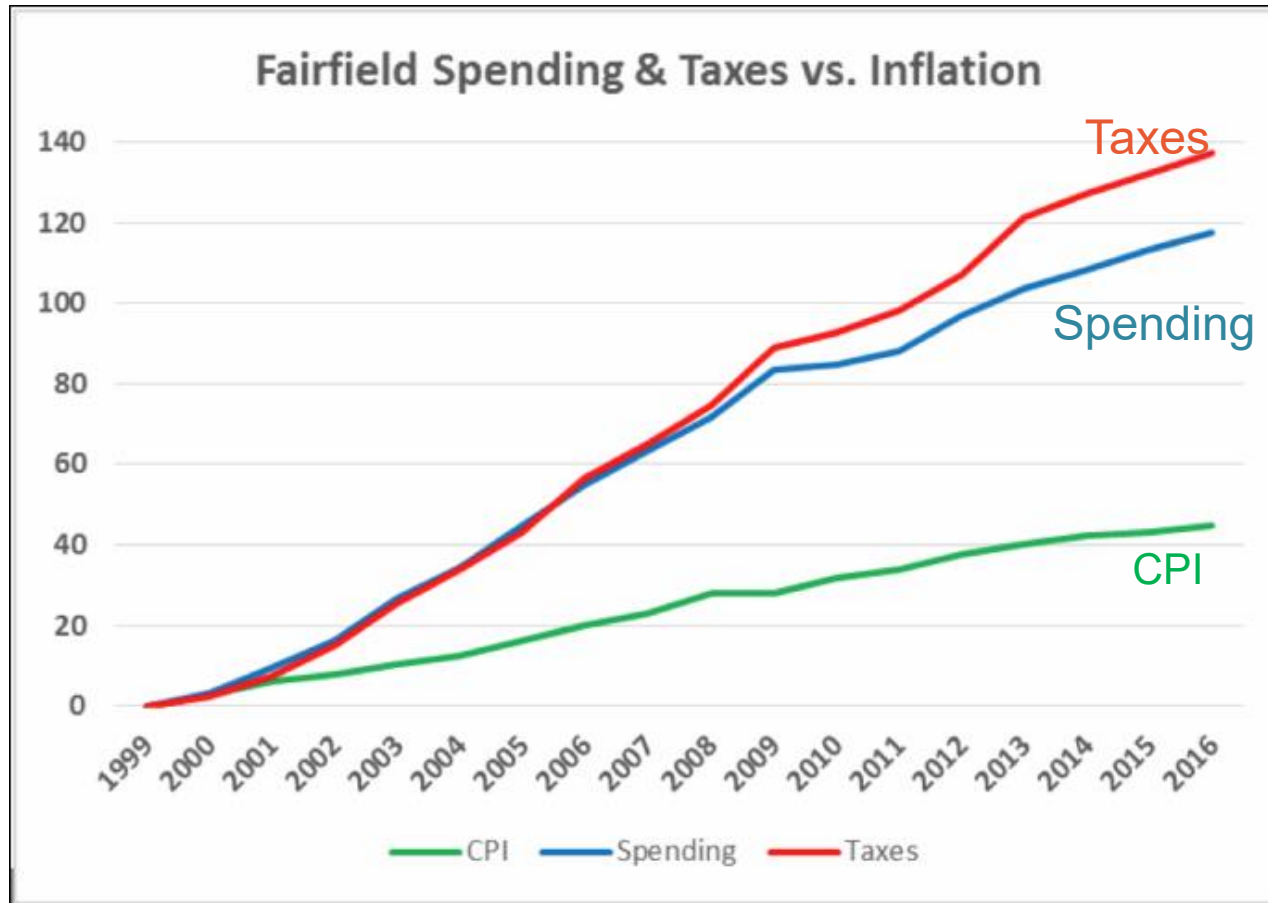
*CT ranks #2 on the list
of LEAST TAX
FRIENDLY STATES for
Retirees**

- For Fairfield specifically, survey data has shown taxes as #1 concern.
- Senior incomes have not keep pace with Town and State spending.
- Property values are not increasing (many decreasing); many properties have become more difficult to sell.

State Issues Affecting Seniors

- State income taxes
- Estate and gift taxes
- Budget outlook for 2017-18
- Population decline impact on revenues

Fairfield Historical Trends

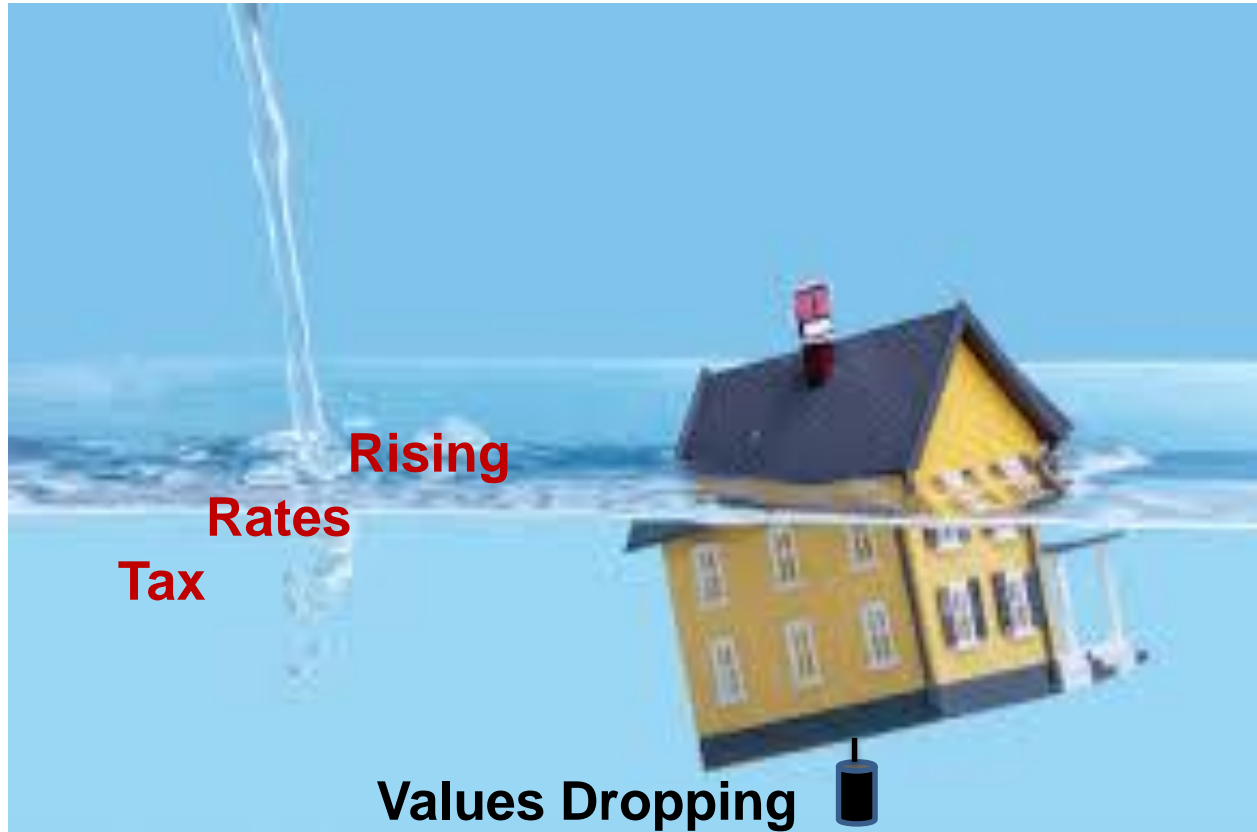


Taxes have continued to rise above the cost of living, placing pressure on Seniors with fixed incomes

Fairfield Taxes and Values

Latest Town real estate revaluation results:

Fairfield grand list down 2%; tax rate up



*Meanwhile in
Westport:
Grand list up 8.3%
Tax rate down*

We Need a Bigger Seat at the Table...



**Government
spending**

**Senior Tax
Payers**

...to get more than just crumbs!

We Need to Stop this Incessant Squeeze



Working Together – We Can Drive Change!

Each of us can make a difference...



...Together we can make change.

B. Mikulski, American Politician

FSA Mission and Core Values

Mission

- Make Fairfield an attractive town for older adults: an affordable, desirable, vibrant, engaged community

Core Values

- Seniors are important to our town: to its economy, diversity, and sense of community.
- We are non-partisan and represent all Fairfielders.
- We are inclusive and consider all points of view.

Our Work to Date

Focused on economic issues: surveys indicate these are critical to attracting and retaining seniors.

- Reform of selected State taxes
- Senior/disabled property tax programs
- Alternative senior housing

CT Issues Affecting Seniors

- State income taxes are too high!
 - Two (2) major increases \$4.5B in last four (4) years
 - CT ranks *next-to-last* in “tax-friendliness” to Seniors (Kiplinger)
 - Our neighbor states fully exempt Social Security income
 - CT exempts only if AGI less than \$50k(I)/\$60k(J)
- Budget outlook for 2017-18 is challenging
 - Overall financial health, deficit, debt, state payroll levels....
- Burdensome estate and gift taxes
 - Estate tax begins at \$2M vs. Federal at \$5.4M
 - Only state with a gift tax
- Population decline impact on revenues

Action Plans - State

Make Fairfield more *Affordable and Desirable* for Seniors

| Issue | Objective | Actions |
|---|--------------------------------|--|
| State <i>Income</i> Taxes | Exempt tax on Social Security. | <ul style="list-style-type: none">• Met with two key senators• Identified 20+ bills “in Committee” supporting our positions |
| State <i>Estate and Gift</i> Taxes | Eliminate these taxes. | <ul style="list-style-type: none">• Established working team• Wrote to Democratic candidates (175) that support no tax on Social Security• To expand letter campaign (more volunteers, letters to all office holders)• February “March on Hartford” |

Senior/Disabled Property Tax Programs

- Fairfield offers an income based homeowner property tax savings program. Income limits as follows:
 - Credit: max income \$73.5k
 - Freeze: max income \$53.2k
 - Deferral: max income \$84k
- 1,542 households participate (2,037 residents, or 23% of senior population)
- 1,525 households received an average credit of \$2,500

Senior/Disabled Property Tax Programs

Work Completed To Date:

- Gathered feedback from FSA working group
- Contacted members of the RTM Subcommittee
- Performed initial research on Property tax programs
- Presented range of options to RTM Subcommittee (10/13)

Early Observations:

- RTM Subcommittee appears supportive of change.
- Multiple levels of board review likely
- Likely timing for review: 2018-19 budget year
- Town budget pressures represents ongoing challenge to any increase in funding

Senior/Disabled Property Tax Programs

Potential Program Changes:

- Increase participation in current program
- Increase benefit levels to strengthen impact
- Explore approaches used by other towns/states
- Introduce senior/disabled property tax cap
- Advocate changes to Town budget management

Senior/Disabled Property Tax Programs

Anticipated Ongoing Activities:

- Complete research on programs/attributes.
- Attend RTM Subcommittee meetings; coordinate work with members.
- Meet with Town officials; understand existing data capture and recordkeeping.
- Evaluate/present potential revisions, with budget implications.
- Participate in Town meetings associated with program review; provide visible support for revisions.

Alternative Senior Housing

Make Fairfield more *Affordable and Desirable* for Seniors

- Monitor activity in other towns/states; formulate best practices program of Fairfield senior housing options
- Propose senior housing section for Fairfield 10 year Plan of Conservation and Development
- Coordinate with Town Affordable Housing Committee
- Advocate for seniors in new development projects
- Outreach to Fairfield adult population

Toward a More Senior - Friendly Fairfield: Beyond Economic Issues

- Study established best practices/programs:
 - Former State Commission on Aging
 - Supplementary research
- Conduct surveys of our seniors
- Build relationships with Fairfield Human Services Commission/Bigelow Center

FSA Action Plans - Summary

- Lobby Legislature for tax exemptions: Social Security and estates/gifts
- Study senior property tax programs; present findings and recommendations
- Advocate for alternative senior housing
- Support needed senior services
- Build FSA volunteer organization

Help FSA Make a Difference!

- Join FSA. Spread the word.
- Get involved in an FSA study team
- Communicate and support our positions on key Town/State issues through:
 - Letters/e-mails;
 - Petitions;
 - Attendance at key meetings;
 - Speaking with Town/State officials.
- Consider joining a Town committee/commission
- Stay informed by visiting the FSA web site



With Your Help...



Brighter Days Ahead!