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## Abstract

Individuals over the retirement age often move out of New Jersey. My research observes the changes in the percentages of the population in New Jersey, and develops a tax structure that would entice older individuals to remain in New Jersey post-retirement. Living on a fixed income is hard, but living with high tax rates, like in New Jersey, is even more challenging. Through using the most recent Census data and creating a tax plan geared towards helping seniors stay in the state, trends may begin to change in the future.

From the 2000 Census to the 2010 Census, there was an 18% decrease in the population of people born between 1936-1945. This same age group experienced approximately a 28% decrease in the population from the 2010 Census to the 2019 American Community Survey (ACS) results. These results are similar for states within the tri-state area. However notable differences are seen in states where retirees find themselves migrating to. New Jersey could find ways to financially attract retirees to stay in the state, which would help the economy of the state. The tax structure of New Jersey has seen slight modifications over the previous few years, but there is more that the state could do to entice their residents to reside in the Garden State after retirement.

## Objectives

- Observe the trends of different age groups in relation to the New Jersey population
- Compare the changes in population, within selected age groups, between states in the Northeast and Southern regions
- Propose potential ideas for a tax restructuring for New Jersey which entices retired individuals to remain in New Jersey

## New Jersey Census Findings

2000 Census		
	population	percentage
45-54 years	1,158,898	13.77%
55-64	753,984	8.96%
65-74	574,669	6.83%
75-84	402,468	4.78%
85+	135,999	1.62%
<b>total NJ population</b>	<b>8,414,350</b>	

2010 Census		
	population	percentage
45-54 years	1,379,799	15.68%
55-64	1,053,784	11.97%
65-74	617,461	7.02%
75-84	394,159	4.48%
85+	179,410	2.04%
<b>total NJ population</b>	<b>8,801,624</b>	

2019 ACS		
	population	percentage
45-54 years	1,199,976	13.51%
55-64	1,223,616	13.78%
65-74	867,002	9.76%
75-84	444,063	5.00%
85+	194,010	2.18%
<b>total NJ population</b>	<b>8,882,190</b>	

## Proposed Tax Restructure

- Limit taxes taken out of paychecks for retirees working part-time jobs
- “Freeze” the income tax rate for individuals 65 years of age or older
  - Distributions
  - Dividends
  - Interest
  - Capital payouts
  - rollovers

## State-to-State Comparison

### Northeast

New Jersey		
years born	2000-2010 change	2010-2019 change
1926-1935	-31.41%	*-50.78%
1936-1945	-18.11%	-28.08%
1946-1955	-9.07%	-17.72%
1956-1965	^-3.85%	^-11.32%
*Data includes 85+ age group for 2019 ACS		
^younger than retirement age		

New York		
years born	2000-2010 change	2010-2019 change
1926-1935	-31.99%	*-49.34%
1936-1945	-19.10%	-27.32%
1946-1955	-9.03%	-19.74%
1956-1965	^-7.78%	^-9.53%
*data includes 85+ age group for 2019 ACS		
^younger than retirement age		

Connecticut		
years born	2000-2010 change	2010-2019 change
1926-1935	-30.09%	*-45.32%
1936-1945	-16.19%	-27.34%
1946-1955	-7.38%	-20.83%
1956-1965	^-1.04%	^-10.38%
*data includes 85+ age group for 2019 ACS		
^younger than retirement age		

### South

Florida		
years born	2000-2010 change	2010-2019 change
1926-1935	-25.15%	*-48.38%
1936-1945	11.52%	-15.22%
1946-1955	13.80%	4.59%
1956-1965	^10.25%	^5.76%
*data includes 85+ age group for 2019 ACS		
^younger than retirement age		

North Carolina		
years born	2000-2010 change	2010-2019 change
1926-1935	-27.53%	*-52.36%
1936-1945	-2.68%	-26.29%
1946-1955	5.37%	-8.39%
1956-1965	^5.64%	^-0.08%
*data includes 85+ age group for 2019 ACS		
^younger than retirement age		

Arizona		
years born	2000-2010 change	2010-2019 change
1926-1935	-23.02%	*-53.30%
1936-1945	13.43%	-15.38%
1946-1955	16.78%	2.53%
1956-1965	^10.11%	^4.44%
*data includes 85+ age group for 2019 ACS		
^younger than retirement age		

## Findings and Results

- Difficult for some, if not all, retirees to live on a fixed income in New Jersey
- Increasing percentages of New Jersey residents migrating out-of-state after reaching retirement age threshold
  - Other factors not considered (climate, proximity to family or friends)
- Government has potential to take more action
  - State or local levels

Scan below for sources

