Written by **Bob Adelmann** on December 14, 2022

Rich New Yorkers Fleeing the Big Apple

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The results of a study by New York City's Independent Budget Office (IBO) released last week revealed what common-sense economics predicted: High-income earners in New York City are fleeing the Big Apple for lower- or no-income tax states such as Florida and Texas.

It's common sense, something clearly lacking among progressives in Albany. They raised state taxes by $4 billion last year, making New York the state with the highest tax rate in the country. And just last week those same economic illiterates launched a campaign for another $40 billion in new taxes on the rich.

Surely they must know that the top one percent of New York City's taxpayers provide nearly half of the city's budget. Wouldn't one think politicians would want to cater to them, make things easier for them, and reduce their tax liabilities to make their state more competitive with low-tax states?

As Walter Wriston, the former chairman and CEO of Citicorp, famously said, "Capital goes where it's welcome, and stays where it's well treated." But Wriston died in 2005, apparently taking with him the last semblance of reason, reality, and economic good sense.

And the wealthy are getting out before things get worse. Between April 2020 (the start of the Covid-19 pandemic) and June 2021, 337,000 people left New York City for warmer and lower-tax climes. That's an astonishing *three times* the number who leave in a typical year.

Arthur Laffer (the creator of the "Laffer Curve") and Stephen Moore, one of those few "common sense" economists who works at the Heritage Foundation, reported recently the impact the transition of such large amounts of capital is having on the "move-in" states such as Florida and Texas. They found that those states created more jobs and had faster economic growth. Where capital is treated well, it appears, it goes to work creating additional capital, not only for its owners, but for those who are employed by its owners.

It didn't have to be this way, as Laffer and Moore point out:

> Consider the fiasco of New Jersey [another high tax state]. In the early 1960's, the state had no income tax and no state sales tax. It was a rapidly growing state, attracting people from everywhere and running budget surpluses.
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> Today, its income and sales taxes are among the highest in the nation … [and] it suffers from perpetual deficits.

It turns out that even after driving away high-income taxpayers, progressives continue to run the government programs they love, creating enormous and increasingly larger budget deficits. This leaves the middle class — those without the means to move — holding the proverbial bag. Progressives seeking to close those budget gaps have only one place left to go: the middle class.

So, raising taxes on the rich is in reality an attack on the middle class. And this is Marxism in action. According to Marxist ideology, capital is the enemy and thus private property should be abolished. History shows that a strong, well-educated, and prosperous middle class is the primary bulwark against tyranny. Damage or destroy the middle class, and Marxists are then free to inflict their regressive “back to the Middle Ages” economic system onto the country.

Perhaps the “progressive” legislators in Albany and elsewhere know exactly what they are doing.