

## Frilling, Tara

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**From:** Mike Chadwick <mike@fiscalwisdom.com>  
**Sent:** Monday, May 11, 2015 8:18 AM  
**To:** Sen. Fasano, Len  
**Cc:** Frilling, Tara; Krautler Patricia; jagargiulo@gmail.com  
**Subject:** Tax Hike - Public Hearing Testimony

Dear Senator Fasano and Representative Klarides:

Re: Proposed Tax Hikes May 11, 2015

My name is Michael Chadwick and I own a financial planning practice with 2 offices in CT and one in NY. I work mainly with retirees, corporate employees, state employees and self-employed business people. The proposed tax hikes are a catastrophe in our economically limping state. Our state is doing a horrible job fiscally and our residents with money are leaving in droves. I have no less than one meeting each week with clients about their plans to move to FL, TN, TX or some other southern state to get away from our spendthrift government. This sample is from a pool of about 800 of our residents all over the state, mostly affluent ones. Note state employees are one of my main client sources, they've become wealthy they're no longer the have nots but the haves and that is just in the form of their saved money, often their pensions have net present values in the millions that nobody quantifies.

Our leadership often compares our states "success" or "competitive advantage" to NY, RI, NJ or MA, but the reality is we are losing our smart and wealthy residents to fiscally sane and responsible locales, mainly in the south. This is an epidemic, we are rewarding sloth and punishing those who are doing the right things in CT and our residents are fuming over it. We need to help those who cannot help themselves but it's to the point of lunacy here where we are giving away the farm without any testing, questions or common sense. We provide more "benefits" for the needy than any other state other than Hawaii. If someone with young kids uses all of the services we offer, they're getting about 55k/yr in tax free benefits. How does this happen? Compare this to the working man struggling at a low wage and paying \$1k/m in daycare expenses who can barely meet his or her monthly obligations. It's a joke and people are speaking with their feet and wallets and fleeing CT.

Our political class does not have the slightest understanding of economics, none of what we're doing is sustainable over time. We're going down the path of Greece or Detroit and we need to get back to common sense, thrift and self-reliance. It really saddens me to see this happen to people I know and love, this is my home too and my home state. Many of our residents who own businesses are fleeing as do many state and municipal employees once they retire. They take their businesses, employees and benevolent pensions with them and spend that money in another state so they can keep more of it and deal with less government minutia and hassle in general. These people are willing to leave all family and loved ones to get away from the economic pain and political ignorance of our leaders.

I too can see myself doing the exact same thing in time if this pathetic trend doesn't reverse itself. I'm in my early 40's and I cannot defend what is going on nor can I talk people into staying because economically it's in their best interests to move. I would love for these people to stay and they would if it weren't so obnoxious what Hartford is doing to our state. The state employees are now making far more than their private sector counterparts with benefits the private sector cannot fathom.

Our state mandates and endless government minutia on the little guy has created an environment where we must provide corporate welfare to the business giants to keep them here. ESPN, the insurers and other large corporations have the resources to walk so we give them tax free deals and all types of incentive to stay. What about everyone else? Many just put up with it but many, many are leaving and it apparently isn't on the radar screen of anyone in Hartford as it's never a talking point. Ladies and Gentlemen, step back and look at what we've created in this state economically, it's embarrassing on every level. What part of this endless tax and spend, reward sloth, punish hard work system we now have is sustainable? None of it, not one bit.

Hartford needs to get out of the meetings at the Capital and go talk to those who are producing that you're taxing away. Don't just talk to those in need, talk to the common man and the common woman who does most of living and paying,



breathing and dying in our community. These are the ones we're missing, they're quiet and don't say much but they're at the end of their rope and they're leaving because Hartford is more interested in buying votes than doing the right thing. Common sense fiscal sanity needs to be combined with self-reliance and government help only when it's the only option, not as an easy out.

I see so much abuse on so many levels it is mind boggling things have come to this level. I work with public school administrators who are mandated to spend 20% of their budget on less than 1% of the student population with special needs and they're eliminating gifted programs and making kids pay to play for sports. I feel deeply for the special needs kids but this is a catastrophe, some of the kids we're mainstreaming have such challenges they'll be institutionalized for life after high school but we're spending six figures per year on many of these children because the law ignores common sense. A local superintendent of schools recently told me he's no longer in the educating children business, he's in the keeping the lawyers at bay business. That is pathetic and you should all be ashamed we've come to this level. We're cutting gifted programs and these are the future leaders of our society? We can justify spending 20% of our schools budget on 1% of the student body of disabled students but we cannot spend 1% on the top 5% of kids? This ratio should be inverted, if we spent 20% on the top 5% and 1% on the bottom 1% we'd be better off societally. What am I missing? This is a joke on every level.

Mainstreaming kids with these massive challenges has become nothing more than very expensive babysitting program paid for by the taxpayers. We've got municipal employees stacking pensions to earn more retired than they did working and then repeating the process in another town or state agency so they're retiring with 2 pensions. I could go on and on about the absurd waste that is our system that you're likely completely unaware of. Nobody is talking about becoming efficient, giving municipal and state employee's incentive to work and changing union powers. Today unions are nothing more than legal extortionists who are politically connected and can twist the arms of government to get what they want regardless of how absurd it is. Why don't unions want their negotiations to be public? Because of their absurdity and the fact that they'd be run out of town. Just as our towns appointed negotiators do the same to keep the public in the dark. The unions bankrupted Detroit, Stockton, Hostess, Greece, the auto makers and they'll kill our state and towns if Hartford doesn't step up and do the right thing here and soon.

It's just common sense, many years ago we needed the unions to protect workers from abuse. Today there are labor laws to do this and unions have become a massive political machine which is hurting our society as a whole and dividing us. We need to come together to succeed, not divide. The motto here in CT is just tax and spend more every year. Can you elected officials do this with your home budgets? Just always get more money and spend as you wish? Of course not you cannot just increase income with the stroke of a pen and you behave very differently at home. A powerful quote illustrates this concept – what a politician does with public's money is what an addict does with his own. Sad but true. It's high time we cut spending, cut taxes, made common sense a priority and stepped into economic reality.

Our economy isn't as strong as the numbers would have you believe, we're printing money on every level and it will likely lead us to another massive recession or perhaps a depression. How long do you think we can continuously spend more than we take in? We cannot continue to raise taxes infinitely! All of this is avoidable if you can look far enough ahead and make some responsible adult decisions. It's not a game and we cannot just keep kicking this economic can down the road. Our states pension is one of the least funded in the nation and we haven't even began to address that sad reality, just more can kicking. Folks, the easy economic road is about to end. We're spending more today than we ever have as a state and none of our problems are going away, they're simply multiplying as more and more people get on the government gravy train of insanity and us-sustainability. One could argue it's also massive stupidity and I could not provide a good argument against that.

I'm so disappointed in our leaders and where we've come to in my wonderful home it makes my heart hurt. It also kills me to see so many good people leave. I'm now doing business in 26 states simply because people leave CT to go elsewhere. We are an economically hostile state to our working class resident behind only CA, NY & IL. The hedge fund industry in Fairfield County has supported most of Hartford's bad habits but these habits are really hurting our ordinary people who work to support themselves.

Can we please step back, re-asses our situation, start working on the real issues and create a sustainable economic system to reward hard work and self-reliance? We need to cut out the systems that are not logical or common sense based, we need state and municipal workers to have to work hard for their jobs, not know that the union has them so protected they can do whatever they want and it's impossible to fire them. We need a system like the public sector has and sadly if you look at many of our state employees, they'd never survive in the public sector. With our system they not

only survive they thrive and can hide behind the veil of nonsense that has become our public servants. We need to make our laws pay attention to common sense, we need to think about thrift and sanity over an endless system of tax and spend.

Disgusted,

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