

Comparison of Connecticut and Selected States Millionaires Per Capita

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Issue

Compare the ratio of millionaires per capita for the New England states, New Jersey, and New York (i.e., selected states).

Summary

An analysis of IRS data and an annual 50-state household wealth survey shows that Connecticut's millionaire per capita ratio compares favorably with those of the selected states.

The IRS's Statistics on Income Division annually reports total federal income tax returns for each state, broken down by income categories, including, since 2010, returns reporting incomes of \$1 million or more (i.e., millionaire returns). Using this data, we averaged the selected states total annual millionaire returns for 2010 to 2015 and calculated the number of millionaire returns per 1,000 returns. Connecticut had six millionaire returns per 1,000 returns, the highest for the selected states, followed by New York (five), and Massachusetts and New Jersey (four). Our calculation of the selected state's share of the nation's millionaire returns found that New York had the largest share (15%), followed by New Jersey (6%), Massachusetts (5%), and Connecticut (4%).

Connecticut's and New Jersey's average number of millionaire households per 1,000 households was 71, the highest among the selected states, based on our analysis of [Phoenix Marketing International's](#) (PMI) annual surveys of millionaires for 2006 to 2016. Massachusetts and New Hampshire were the next highest (64 and 61, respectively), followed by New York (56), Rhode

Island (54), Vermont (52), and Maine (45). The average for the United States was 51. The states' rankings change when compared based on their respective shares of the nation's average total millionaire households. Connecticut's share was 2%, behind New York (7%), New Jersey (4%), and Massachusetts (3%). PMI determined the number of millionaire households based on Federal Reserve consumer finance studies and Nielsen Claritas's market research data.

Selected States Millionaire Filings

Number of Millionaire Filings per Total Filings

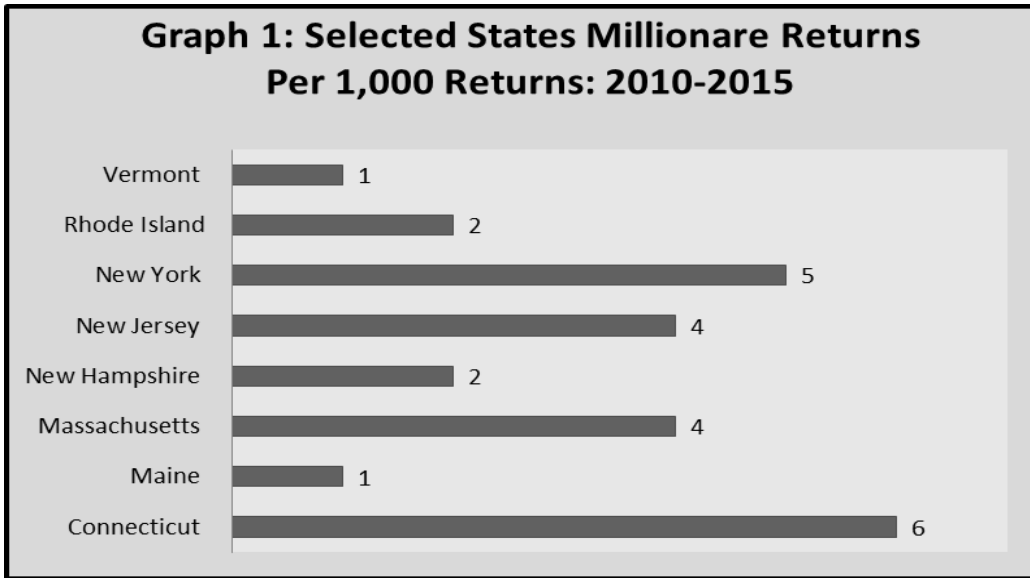
One way to measure a state's concentration or density of millionaires is to calculate the ratio of federal income tax returns reporting income of \$1 million or more to the total number of the state's returns (i.e., ratio of millionaire returns to total returns). For each selected state, Table 1 shows the average total returns and average total millionaire returns for 2010 to 2015, the average percentage of millionaire returns, and the number of millionaire returns per 1,000 returns.

Table 1: Analysis of Selected States Millionaire Returns: 2010-2015

State	Average Total Returns	Returns \$1 Million or More (i.e., Millionaire Returns)		
		Average Number of Millionaire Returns	Percent of Total Average Returns	Average Millionaire Returns Per 1,000 State Returns
Connecticut	1,746,105	10,291	0.59%	6
Maine	634,953	668	0.11%	1
Massachusetts	3,294,588	13,189	0.40%	4
New Hampshire	680,331	1,288	0.19%	2
New Jersey	4,324,508	16,470	0.38%	4
New York	9,434,149	42,817	0.45%	5
Rhode Island	517,066	886	0.17%	2
Vermont	321,710	421	0.13%	1

Source: [IRS, Statistics of Income Division](#), calculations by OLR

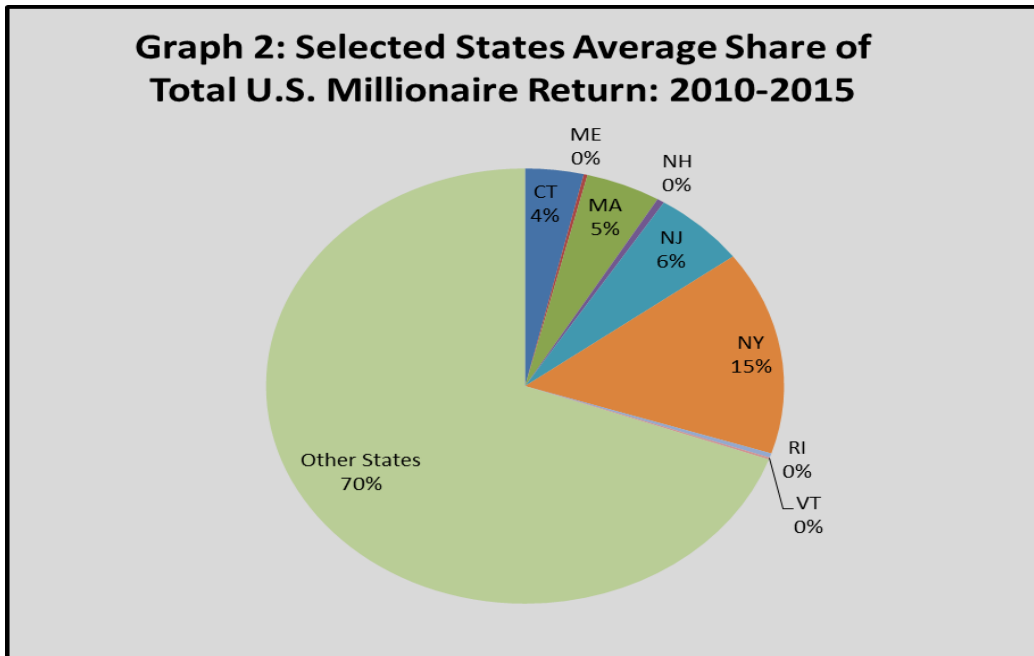
As Table 1 shows, Connecticut had the highest number of average millionaire returns to total returns, with six, followed by New York, with five, and Massachusetts and New Jersey, each with four. The other states had two or less. Graph 1 presents these ratios as bar graphs.



Source: [IRS, Statistics of Income Division](#) and OLR

Selected States' Percent of Total U.S. Millionaire Filings

We also used the IRS data to calculate each state's share of the nation's average total millionaire returns for the six-year period. As Graph 2 shows, Connecticut, Massachusetts, and New Jersey averaged between 3% and 6% of total U.S. average millionaire filings, placing these states ahead of New Hampshire, Rhode Island, and Vermont, but behind New York, with 15% of the nation's total average millionaire returns. Together the selected states accounted for over 30% of the nation's total average millionaire returns.



Source: [IRS, Statistics of Income Division](#) and OLR

Millionaire Households

Per Capita

[Phoenix Marketing International](#) (PMI) annually estimates each state’s percentage of “millionaire households” (i.e., household with at least \$1 million in cash accounts, stocks, bonds, annuities, and other “investable assets”) based on the Federal Reserve’s [Survey of Consumer Finances](#) and demographic data compiled by [Nielsen Claritas](#) for the Healthy Communities Institute. For 2006 to 2015, we averaged Phoenix’s annual estimates for each selected state’s total households, total millionaire households, and percent of millionaire households, and present the results in Table 2.

Table 2: Analysis of Selected States’ Millionaire Households Per Capita: 2006-2016

State	Average Total State Households	State Millionaire Households		
		Average Total Millionaire Households	Percentage of Millionaire Households	State Millionaire Households Per 1,000 Households
Connecticut	1,366,715	96,395	7	71
Maine	559,427	25,107	4	45
Massachusetts	2,547,410	163,291	6	64
New Hampshire	519,765	31,821	6	61
New Jersey	3,220,824	229,435	7	71
New York	7,304,395	405,835	6	56
Rhode Island	416,218	22,551	5	54
Vermont	256,110	13,300	5	52
U.S.	116,872,375	5,988,524	5	51

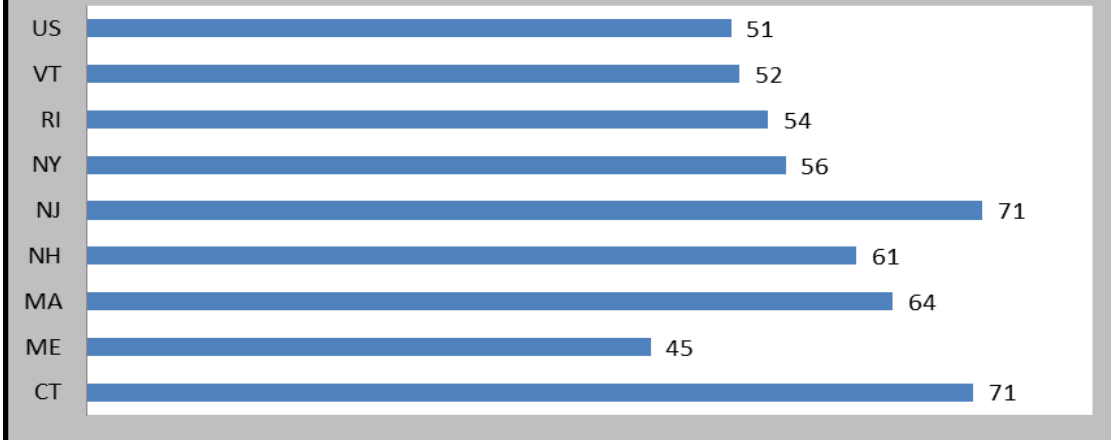
Sources: Phoenix Marketing International:

- [Global Wealth Monitor, Affluent Market Intelligence: Ranking U.S. States by Millionaires Per Capita 2006-2013](#), 2014
- [Global Wealth Monitor, Affluent Investor Intelligence: 2015 Market Sizing Update & Millionaires by State Ranking](#), 2016

As Table 2 shows, New Jersey and Connecticut had the highest percentage of millionaire households during the 10-year period, 7% each, followed by Massachusetts, New Hampshire and New York, each with 6%, and Rhode Island and Vermont, each with 5%. The percentage of millionaire households for the nation was 5%.

Using Phoenix’s data, we calculated each selected state’s number of millionaire households per 1,000 households and again, New Jersey and Connecticut led the selected states with 71 millionaire households per 1,000 households. Graph 3 presents the selected states’ ratios as bar graphs.

Graph 3: Selected States Average Millionaire Households per 1,000 Households: 2006-2015

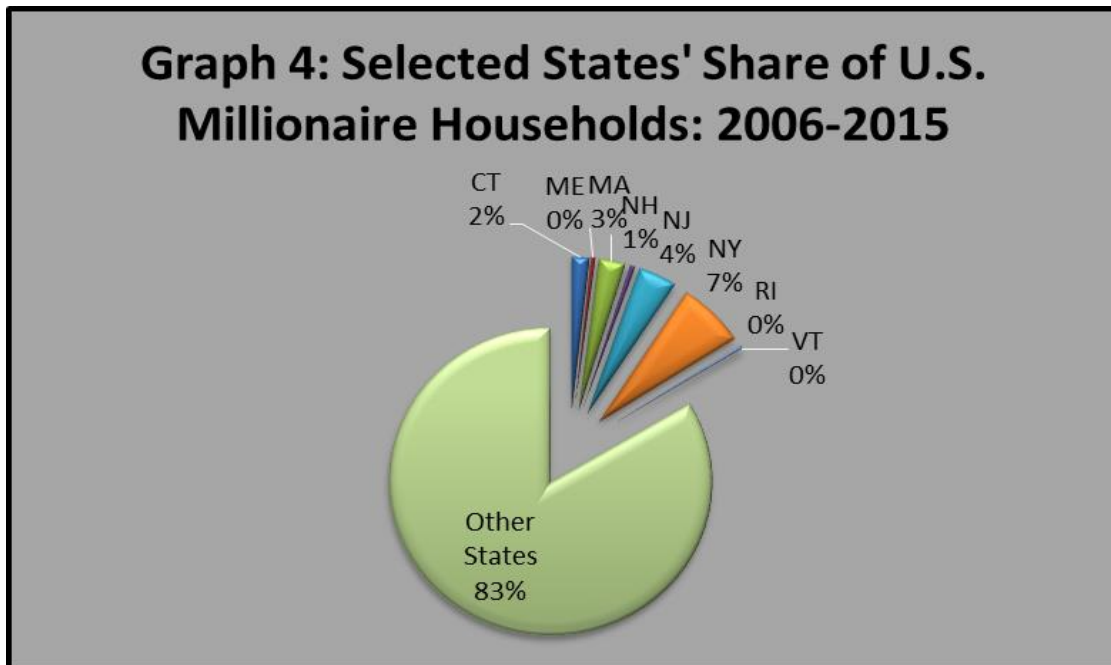


Source: Phoenix Marketing International and OLR

Percent of U.S. Millionaire Households

We also calculated each selected state’s average share of the nation’s total millionaire households for the period. As Graph 4 shows, New York had the highest share with 7%; followed by New Jersey with 4%; Massachusetts with 3%; Connecticut with 2%; New Hampshire with 1%; and Maine, Rhode Island, and Vermont, each less than 1%.

Graph 4: Selected States' Share of U.S. Millionaire Households: 2006-2015



Source: Phoenix Marketing International and OLR