**The New Jersey Exit**

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**Fiscal Policy:** Too many of those pain-in-the-neck productive people living in your state, making everyone else look bad? Want to get rid of them? Let the Garden State show you how it's done through the tax code.

At one time in the not-too-distant past, New Jersey was by some measures the wealthiest state in the country. No more. Wealth is fleeing at an alarming rate. Between 2004 and 2008, more than $70 billion in wealth headed for the exit, according to a new study by Boston College's Center on Wealth and Philanthropy.

Worse, it's not being replaced. Though more people moved into the state than moved out during the period of the study, the net worth of the people who fled was, at $618,300, 70% higher. Those who left also tended to be better educated, more entrepreneurial and more professional.

The problem isn't New Jersey's cold winters. The productive are leaving for states where the climate is more favorable. Increases in levies on income, sales, property and millionaires have all contributed to the exodus.

This, of course, should be a lesson for lawmakers everywhere: Keep taxes low. If you don't, the wealthiest among us, who tend to be the most productive, will find more favorable places to put talents and energy to work.

Too many lawmakers never seem to understand this. They keep raising taxes to redistribute the wealth and miss the evidence before their eyes: The rich and the productive increase wealth across the full spectrum of an economy.

They don't bury their cash in coffee cans to keep it away from the masses. They create jobs. They drive consumer spending. Wealth — not stimulus spending or any other redistribution scheme — begets more wealth.

It won't be popular to say so, but middle-class Americans need the wealthy if they are to move into the upper class, just as lower-class Americans need the wealthy if they are to move into the middle class.

New Jersey voters, apparently fed up with the tax-and-spend policies of former Gov. Jon Corzine, a wealthy man himself, elected Chris Christie in November to run the state government. The Republican, whose platform acknowledged that "our tax rates are oppressive and are driving residents out of state," has a chance to reverse the trend.

But Democrats still hold the majority in the legislature, so it won't be easy. But if Christie is successful, then he'll have taught a lesson that no other governor can afford not to learn.