As states suffer budget shortfalls and move to increase taxes, a study by Boston College’s Center on Wealth and Philanthropy shows how that can cause wealthy families and businesses to flee elsewhere.

That’s just what happened in New Jersey, the center’s study found. It said the flight of wealthy families deprived the Garden State of $70 billion dollars in wealth and some $1.1 billion in expected charitable giving from 2004 through 2008.

The center’s study looked at changes to the state’s tax structure in 2004 that raised levies on business owners and wealthy families to levels above New York, Pennsylvania and Connecticut. Before those changes, from 1999 through 2003, New Jersey saw an inflow of wealth of $98 billion and, in the same period, expected charitable giving increase by $881 million. From 2004 through 2009, that trend reversed.

“What we are seeing here is that wealth – and those who hold it – are not only leaving New Jersey, but they are also not being replaced at the same rate,” said Hans Dekker, President of the Community Foundation of New Jersey. “This has major consequences for communities across the state, especially on the nonprofit community which relies on these families to fund their critical programming.”