

Jonathan Schechter “Corpus Callosum” Column  
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Around April 15 every year, Syracuse University’s invaluable Transactional Records Access Clearinghouse (TRAC) releases income tax data from two years earlier. Here’s what the 2006 data show.

For each of America’s 3140 counties, TRAC gets a variety of data from the IRS, including total adjusted gross income, the components of that income, returns filed, and the number of exemptions claimed (if you live by yourself, you get one exemption; if you are married without children, or a single parent with one child, you get two exemptions, etc.).

From these data, TRAC makes some basic calculations and ranks the Top and Bottom 50 counties in a few categories. Table 1 shows the 20 counties with the highest mean per-return adjusted gross income (i.e. the wealthiest counties); Table 2 shows the 20 counties with the fewest mean per-return exemptions (i.e. the counties with the smallest household size).

A few things jump off these tables.

One is that – duh – compared to both the US and Wyoming, Teton County is pretty wealthy: our per-return income is around twice that of the nation and state.

Another is that you wouldn’t expect us to be so wealthy: among the top 20 counties, all except Teton County and Pitkin County, Colorado (location of Aspen) are proximate to major financial or corporate capitals.

A third is that, in 2006, among the Top 20 counties, only Teton County saw a decline in its 2005-2006 per-return income. As a result, our rank among all counties fell from 2<sup>nd</sup> place in 2005 to 5<sup>th</sup> place in 2006.

Fourth, the places with smallest household size (i.e. the places with the lowest proportion of families and/or children) tend to be corporate centers, college towns, or resort communities. For resort communities, this is particularly vexing in its housing implications.

Statistically, small household size also means that corporate centers, college towns, and resorts are less likely to have two-income families. As a result, rather than per-return income, a more accurate measure of a county’s wealth is its per capita income (or, in the case of IRS data, per exemption income). Sadly, TRAC doesn’t make this calculation. However, by combining TRAC’s rankings of the 50 highest per-return income and 50 lowest per-return exemption lists, six counties emerge as having the highest per-exemption income. In 2005, Teton County’s per-exemption income ranked highest in the nation; in 2006, both Aspen and New York City edged us out (Table 3).

As readers of this column know, when comparing Jackson Hole to other resort communities, I focus on the nine counties which, along with New York City, saw the biggest increase in median home values during the 1990s. Besides ourselves, these counties are the homes of Aspen, Breckenridge, Steamboat, Telluride, and Vail in Colorado; Nantucket in Massachusetts; Park City in Utah, and Sun Valley in Idaho. Collectively, I refer to these counties as the “A9,” for “Archetypal 9” – I feel the changes sweeping over these communities are representative of changes sweeping over all “nice” places to live, both around the country and around the world.

In that vein, to put Teton County’s per-exemption income figure in perspective, Table 3 also includes per-exemption income data for all the A9 counties. These figures show how much better-off Pitkin and Teton counties are than other prominent resort communities. This point is made even clearer by Graph 1, which compares per-exemption income for Pitkin and Teton counties to that of the U.S., the A9, and the “A7” counties (the A9 less Pitkin and Teton). In particular, it shows that, over the last decade, the per-exemption income in Teton and Pitkin

counties has not only ranked among the top 2 or 3 nationally, but exceeded that of the other A9 counties by 50-100 percent.

I recently had a conversation with the head of a local non-profit, during which the concept of “best practices” came up. I have little use for “best practices,” for it fails to take into account the unique circumstances that hallmark every entity, be it a business or a community.

That noted, comparisons are valuable for setting context and highlighting big-picture patterns and trends. In that light, while we may fear becoming another Aspen, there is no other community in the world more similar to us than our Colorado neighbor. We have much we can learn from them, just as they have much they can learn from us.

**Clarification:** During the past month, I wrote two columns outlining my belief that a “Statement of Ideal” – a tool integral to the Toyota Production System – should be integrated into the town’s and county’s revised comp plan. In those columns, I pointed out how, over the last few decades, a combination of Toyota’s acumen and GM’s mistakes have allowed Toyota to surpass GM as the world’s largest car manufacturer. Given this reality, I then asked whether we, as a community, would rather emulate Toyota or GM.

This did not sit well with Dave Auge, co-owner of Teton Motors, the local GM dealer. Dave’s ire was based on his belief that, today, GM is producing vehicles every bit as good as Toyota’s. While acknowledging that GM floundered for much of the 1980s and 1990s, Dave feels any clear-eyed look at the current evidence would show that, in recent years, GM has closed the quality gap. By extension, GM is also battling a perception gap, a problem Dave felt my column only fanned.

Accepting that Dave isn’t exactly neutral on this issue, I also feel he’s an honorable, straight-shooting guy, someone who wouldn’t have called me out if he couldn’t back up his statements. This doesn’t alter my view that, if we truly want to sustain what’s best about Jackson Hole, we need to take a fundamentally different approach to how we think about and act toward our future. Nor does it alter my view that Toyota offers the best model I know of to effect that change. However, one key to the Toyota system is taking an objective look at changing circumstances and acting accordingly. In that spirit, next time I look to buy a new vehicle, I will go to Teton Motors and put Mr. Auge’s claims to the test.

**Table 1**  
**Adjusted Gross Income – Mean Gross Income per Return**  
**Tax Returns Filed in 2006 v. 2005**

		<b>2006</b>				<b>2005</b>		<b>2005-2006</b>	
				<b>Gross</b>	<b>Rank</b>	<b>Gross</b>	<b>\$</b>	<b>%</b>	
				<b>Income</b>		<b>Income</b>	<b>Change</b>	<b>Change</b>	
		United States		\$54,449		\$50,680	\$3,769	7%	
		Wyoming		\$54,940		\$51,458	\$3,482	6%	
<b>Top 20 U.S. Counties</b>									
<b>Rank</b>	<b>County</b>	<b>State</b>	<b>Noted for...</b>	<b>Gross</b>	<b>Rank</b>	<b>Gross</b>	<b>\$</b>	<b>%</b>	
				<b>Income</b>		<b>Income</b>	<b>Change</b>	<b>Change</b>	
1	Fairfield	CT	New York City suburb	\$112,908	1	\$109,661	\$3,247	3%	
2	Goochland	VA	Richmond VA suburb	\$108,513	3	\$104,476	\$4,037	4%	
3	Falls Church City	VA	Washington DC suburb	\$107,602	9	\$97,868	\$9,734	9%	
4	Marin	CA	San Francisco suburb	\$106,693	4	\$101,503	\$5,190	5%	
5	Teton	WY	Jackson Hole	\$104,840	2	\$108,171	(\$3,331)	-3%	
6	Hunterdon	NJ	New York City suburb	\$104,054	5	\$100,922	\$3,132	3%	
7	Morris	NJ	New York City suburb	\$103,558	8	\$98,065	\$5,493	5%	
8	Somerset	NJ	New York City suburb	\$103,380	6	\$100,774	\$2,606	3%	
9	Williamson	TN	Nashville suburb	\$101,890	7	\$98,243	\$3,647	4%	
10	Pitkin	CO	Aspen	\$100,709	17	\$90,186	\$10,523	10%	
11	Westchester	NY	New York City suburb	\$99,742	10	\$97,868	\$1,874	2%	
12	Ozaukee	WI	Milwaukee suburb	\$96,274	12	\$93,137	\$3,137	3%	
13	Loudoun	VA	Washington DC suburb	\$96,009	14	\$91,382	\$4,627	5%	
14	New York	NY	New York City	\$95,760	13	\$92,646	\$3,114	3%	
15	San Mateo	CA	San Francisco suburb	\$95,507	18	\$89,449	\$6,058	6%	
16	Douglas	CO	Denver suburb	\$95,428	11	\$93,855	\$1,573	2%	
17	Fairfax	VA	Washington DC suburb	\$94,600	16	\$91,032	\$3,568	4%	
18	Lake	IL	Chicago suburb	\$94,271	15	\$91,223	\$3,048	3%	
19	Summit	UT	Park City/ Salt Lake City suburb	\$93,410	29	\$83,692	\$9,718	10%	
20	Hamilton	IN	Indianapolis suburb	\$93,313	21	\$87,812	\$5,501	6%	

**Table 2**  
**Exemptions Claimed – Mean per Return**  
**Tax Returns Filed in 2006**

<b>2006</b>					<b>2005</b>		<b>2005-2006</b>			
				<b>Exemptions Claimed</b>	<b>Exemptions Claimed</b>	<b># Change</b>	<b>% Change</b>			
United States				2.16	2.15	0.01	0%			
Wyoming				2.11	2.13	-0.02	-1%			
<b>Bottom 20 U.S. Counties</b>										
<b>Rank</b>	<b>County</b>	<b>State</b>	<b>Noted for...</b>	<b>Exemptions Claimed</b>	<b>Rank</b>	<b>Exemptions Claimed</b>	<b># Change</b>	<b>% Change</b>		
1	New York	NY	New York City	1.60	1	1.61	-0.01	-1%		
1	Arlington	VA	Washington DC suburb	1.60	1	1.61	-0.01	-1%		
3	Pitkin	CO	Aspen	1.62	5	1.65	-0.03	-2%		
3	Alexandria City	VA	Washington DC suburb	1.62	3	1.62	0.00	0%		
5	San Francisco	CA	San Francisco	1.64	4	1.64	0.00	0%		
6	District of Columbia	DC	Washington DC	1.67	6	1.68	-0.01	-1%		
7	San Juan	CO	Total population = 577	1.70	6	1.68	0.02	1%		
7	Nantucket	MA	Nantucket	1.70	11	1.73	-0.03	-2%		
9	Suffolk	MA	Boston & Cambridge	1.71	8	1.72	-0.01	-1%		
10	Monroe	FL	Florida keys	1.72	14	1.74	-0.02	-1%		
10	Charlottesville City	VA	University of VA	1.72	8	1.72	0.00	0%		
12	San Miguel	CO	Telluride	1.73	11	1.73	0.00	0%		
12	Williamsburg City	VA	Williamsburg/ College of William & Mary	1.73	8	1.72	0.01	1%		
14	Summit	CO	Breckenridge	1.75	11	1.73	0.02	1%		
15	Richmond City	VA	Richmond VA	1.79	16	1.79	0.00	0%		
16	Teton	WY	Jackson Hole	1.80	15	1.78	0.02	1%		
17	Lexington City	VA	Virginia Military Institute/Washington & Lee University	1.81	17	1.80	0.01	1%		
18	Dukes	MA	Martha's Vineyard	1.82	19	1.84	-0.02	-1%		
19	Gunnison	CO	Gunnison/ Crested Butte	1.83	19	1.84	-0.01	-1%		
19	Fredericksburg City	VA	Washington DC	1.83	18	1.81	0.02	1%		

**Table 3**  
**Adjusted Gross Income – Mean Income per Exemption**  
**Tax Returns Filed in 2006**

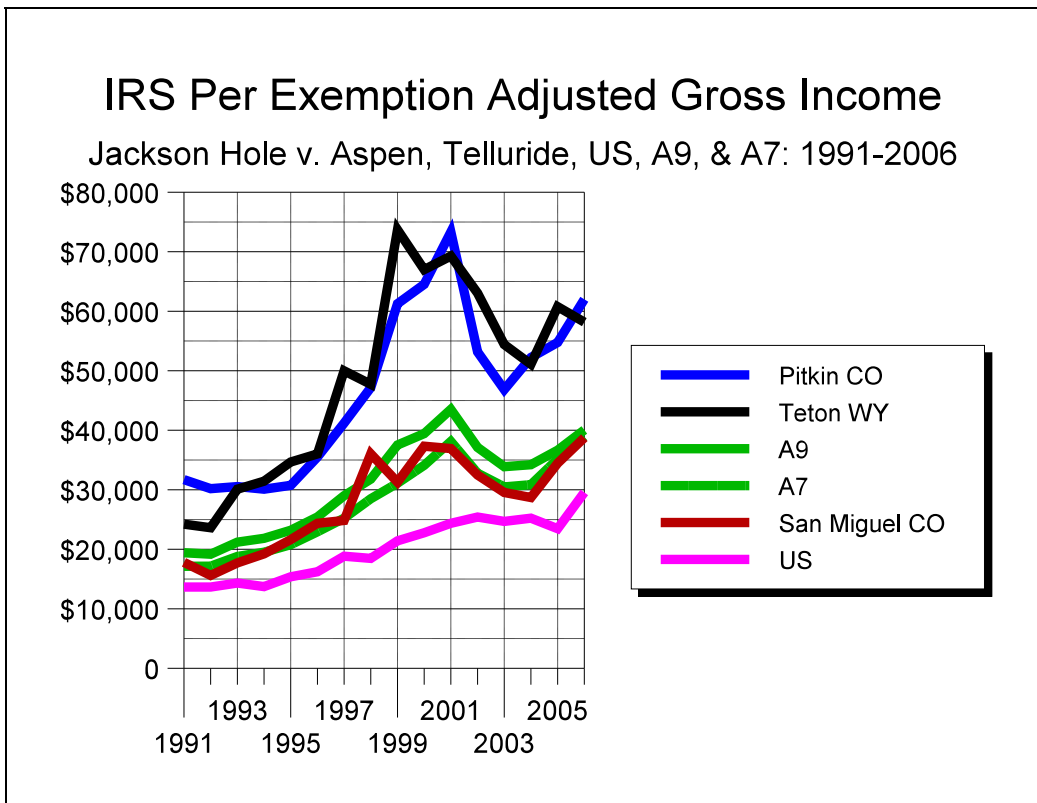
County	State	Total Adjusted Gross Income (000s)	Total Exemptions Claimed	Mean Income/Exemption
United States		\$7,364,640,131	249,103,370	\$29,565
Wyoming		\$11,679,660	449,465	\$25,986

<b>Top 6 US Counties</b>				
County	State	Total Adjusted Gross Income (000s)	Total Exemptions Claimed	Mean Income/Exemption
Pitkin	CO	\$677,467	10,924	\$62,016
New York	NY	\$67,971,895	1,134,081	\$59,936
Teton	WY	\$1,013,070	17,417	\$58,166
Marin	CA	\$10,730,105	188,498	\$56,924
Arlington	VA	\$7,843,017	157,070	\$49,933
San Juan	WA	\$547,001	12,117	\$45,143

<b>"A9"Counties</b>				
County	State	Total Adjusted Gross Income (000s)	Total Exemptions Claimed	Mean Income/Exemption
Pitkin	CO	\$677,467	10,924	\$62,016
Teton	WY	\$1,013,070	17,417	\$58,166
Nantucket	MA	\$404,217	8,850	\$45,674
Blaine	ID	\$799,716	19,023	\$42,039
Summit	UT	\$1,221,151	30,770	\$39,686
Summit	CO	\$812,817	20,808	\$39,063
San Miguel	CO	\$189,168	4,881	\$38,756
Routt	CO	\$601,953	16,533	\$36,409
Eagle	CO	\$1,358,222	37,524	\$36,196



Graph 1