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Florida TaxWatch Report: Establishing a Retirement Visa Would Help Revive Florida's Real Estate Industry

New federal policy would prompt investment and create jobs in Florida

TALLAHASSEE — The implementation of a federal retirement visa policy would create new jobs, increase economic output, and put more money into the pockets of Floridians, according to a Florida TaxWatch study on the potential economic impact of the creation of such a visa in the United States. The study, which uses survey research data and econometric modeling to estimate the potential economic impacts of a retirement visa policy, shows that the creation of a retirement visa could be “helpful in creating substantial investment and demand in the Florida housing market,” and could potentially provide substantial benefits to Florida’s economy as a whole.

A retirement visa is a specialized type of immigration authorization that allows foreign persons meeting certain requirements (usually minimum age and asset thresholds) to “retire” in the issuing county – i.e., a U.S. retirement visa program would allow foreign citizens who could afford to retire in Florida an opportunity to do so through special immigration status. Currently, this program does not exist in the United States.

The Florida TaxWatch analysis of the potential economic impact of such a policy shows that the additional investment in the housing market created by a retirement visa could potentially create or sustain **113,000 - 339,000 jobs in Florida**. The study also shows that a retirement visa could potentially generate an **additional \$25 billion in Gross State Product**, as much as **\$44.7 billion in additional output** (total sales), and as much as **\$15.4 billion in additional real disposable income** (wage and salary) for Floridians by 2018.

“During these difficult economic times, we must look to new and creative ways to generate investment in Florida and stimulate the economy,” explained **Dominic M. Calabro**, President and CEO of Florida TaxWatch, the nonpartisan, nonprofit, independent research institute that published the study. “The creation of a retirement visa would provide new and lucrative opportunities for Florida to attract long-term visitors from around the world to invest and consume in Florida. This policy would have a significant, and likely immediate, positive effect on the housing market, which is vital to Florida’s

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economic health and recovery. Now is the time for the federal government to enact this policy and help Florida take advantage of new economic opportunities that will benefit us now and in the future.”

A federal retirement visa program is especially significant to Florida because of the importance of the housing market to the state’s economy. Florida’s economy has largely relied on a strong housing market for decades. Additionally, research shows that Florida has three times the percentage of foreign home buyers as the United States as a whole, meaning that Florida would likely benefit from the creation of a federal retirement visa program disproportionately compared to other states.

Referring to the findings of the study, **Cynthia Shelton**, 2009 President of the Florida Association of Realtors®, added; "A recent study from the National Association of Realtors® and the Florida Association of Realtors® showed that almost 30 percent of real estate transactions in Florida are with an international buyer. This same study found that current immigration laws that limit buyers' ability to reside year round in the United States deters them from purchasing a property here. A retirement visa will help jumpstart the housing market, especially in states like Florida, California, Arizona and Nevada, which are attractive spots for retirees."

The report concludes that the creation of a retirement visa could not only significantly benefit the economy of Florida, but also provide a stimulus for the U.S. economy as whole, and it recommends that now is the time for the federal government to develop such a policy.

According to the report, “Evidence suggests that quickly implementing a responsible retirement visa policy would reap significant rewards. With a new Administration and Congress focused so intently on creating economic initiatives to stimulate and diversify the U.S. economy, now is the time to initiate a retirement visa which will encourage international trade, tourism, and commerce. This legislation could provide additional revenues and aid the recovery of the economies of Florida and the U.S.”

The analysis of the economic impact of the policy was conducted by Florida TaxWatch Senior Research Analyst **Necati Aydin, Ph.D.**, who is also an Economist at the Florida State University Center for Economic Forecasting and Analysis, with the supervision of Florida TaxWatch Senior Director of Research **David Macpherson, Ph.D.**, who is also the Rod and Hope Brim Eminent Scholar Chair in Economics at Florida State University, with the assistance of Florida TaxWatch research staff. For this study, Florida TaxWatch used an economic modeling analysis tool, known as the Regional Economic Models, Inc. (REMI), to estimate the impact of implementing the proposed retirement visa on the United States' and Florida's economies. This Florida TaxWatch independent research project was requested by the Florida Association of Realtors®, whose financial support made the study possible.

Click here to view the full report – which is also available at www.FloridaTaxWatch.org/research

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Florida TaxWatch is a statewide, non-profit, non-partisan research institute that over its 30 year history has become widely recognized as the watchdog of citizens’ hard-earned tax dollars. Its mission is to provide the citizens of Florida and public officials with high quality, independent research and education on government revenues, expenditures, taxation, public policies and programs and to increase the productivity and accountability of Florida state and local government. Its support comes from homeowners and retirees, small and large businesses, philanthropic foundations, and professional associations. On the web at www.FloridaTaxWatch.org.