

Price of Government Background

What is the Price of Government?

- ▶ “The amount of purchasing power a community is willing to commit to its government.” -David Osborne

How is the Price of Government figured?

- ▶ Sum of all taxes, fees, charges collected by a locality, state or nation/divided by jurisdiction's economic resources (GDP, GSP, total AGI)

What is the value of the Price of Government?

- ▶ Provides a starting point for elected officials to evaluate how much citizens are willing to spend for govt. services.

Historical Price of Government (POG)

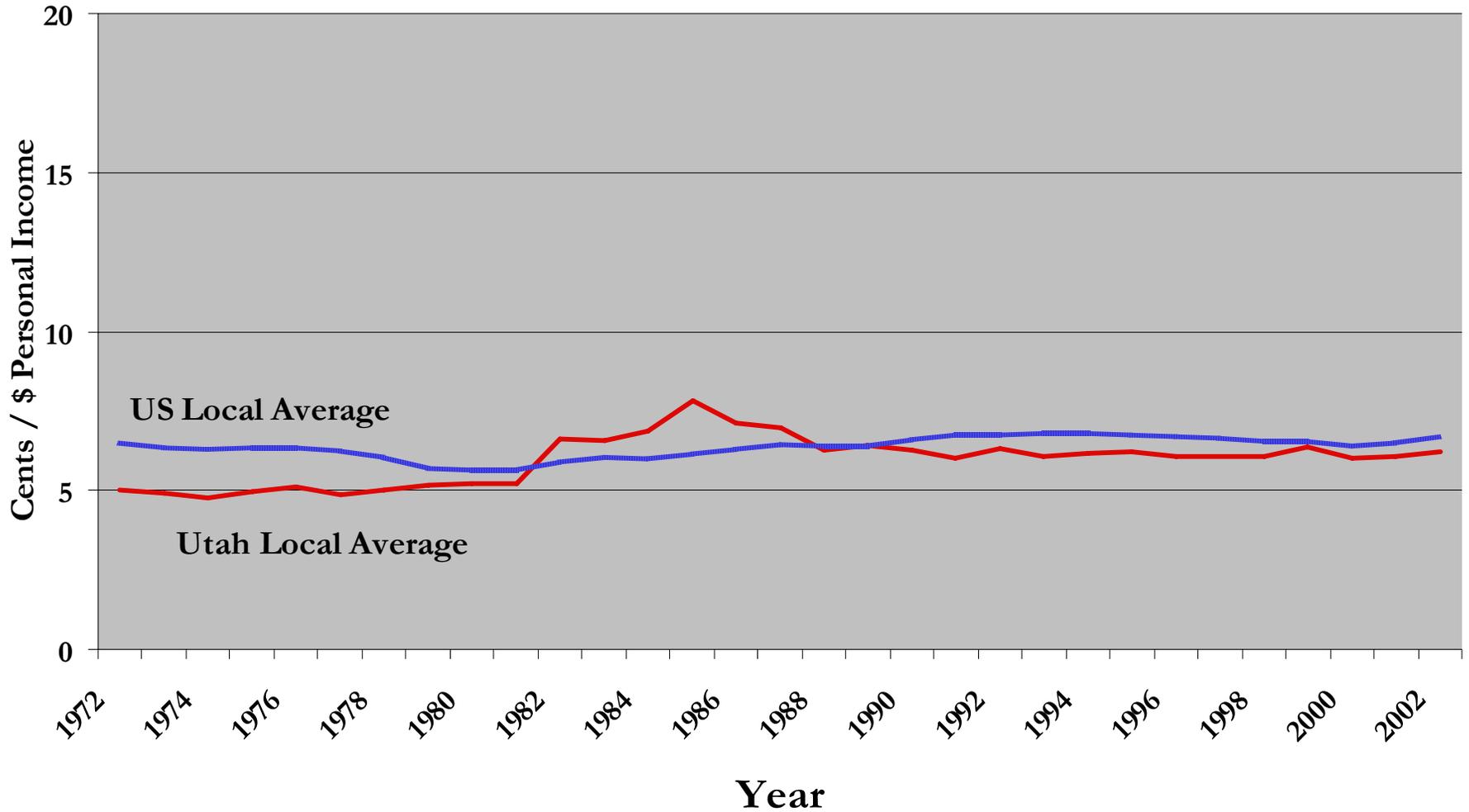
- Citizens demand more from government, but at a fixed cost
- Price of Government acts as a government spending thermostat
- Price of Government is primarily self-regulating
- Consistent POG trends the past 30 years

'Acceptable' Price of Government

Local	→	6 to 6.6 Cents per dollar
State	→	7.3 to 8.3 Cents
Federal	→	20 to 22 Cents
Total	→	35 to 37 Cents

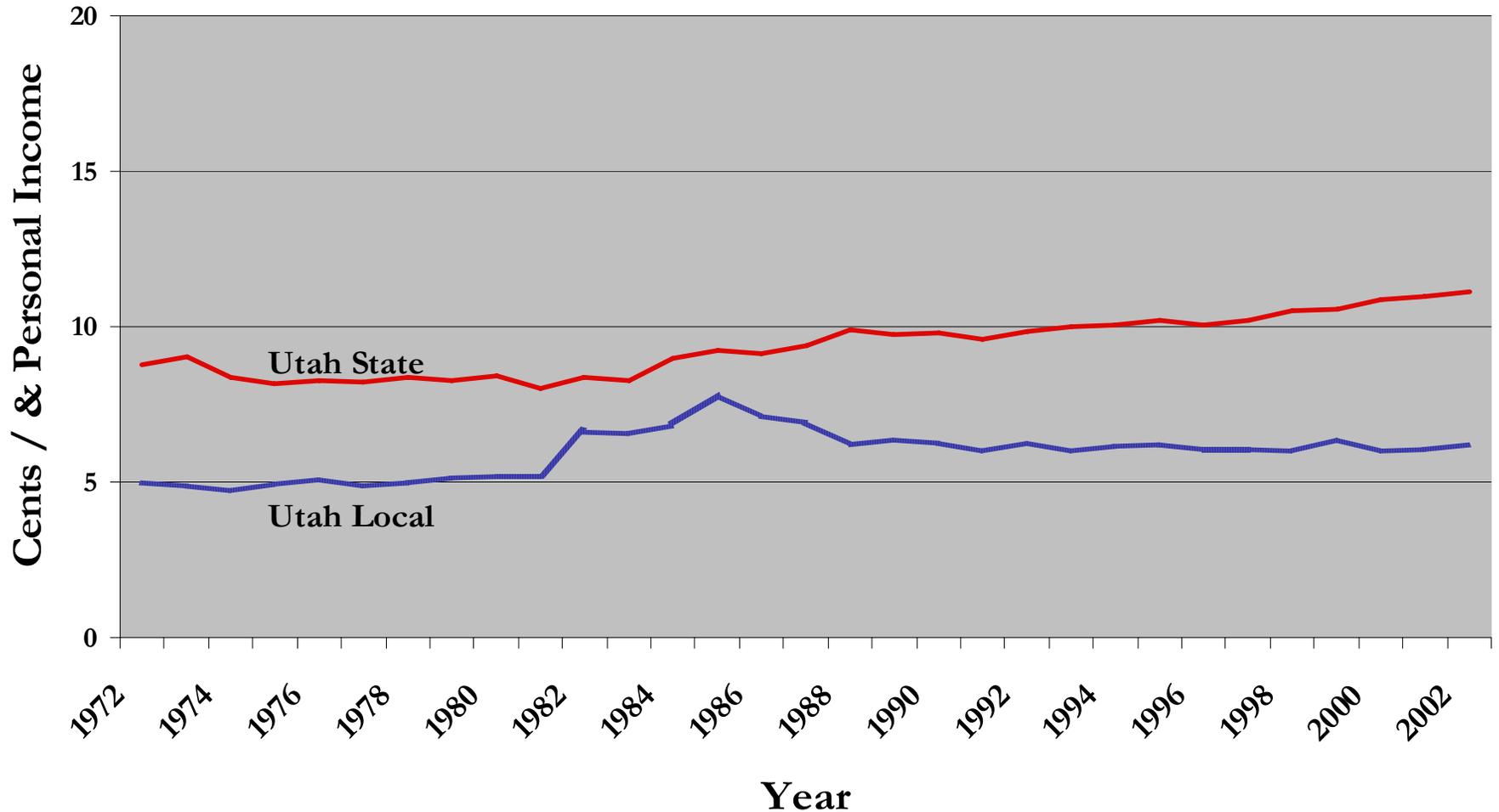
Utah Local Price of Government

Utah's Price of Local Government
Cents / \$ Personal Income



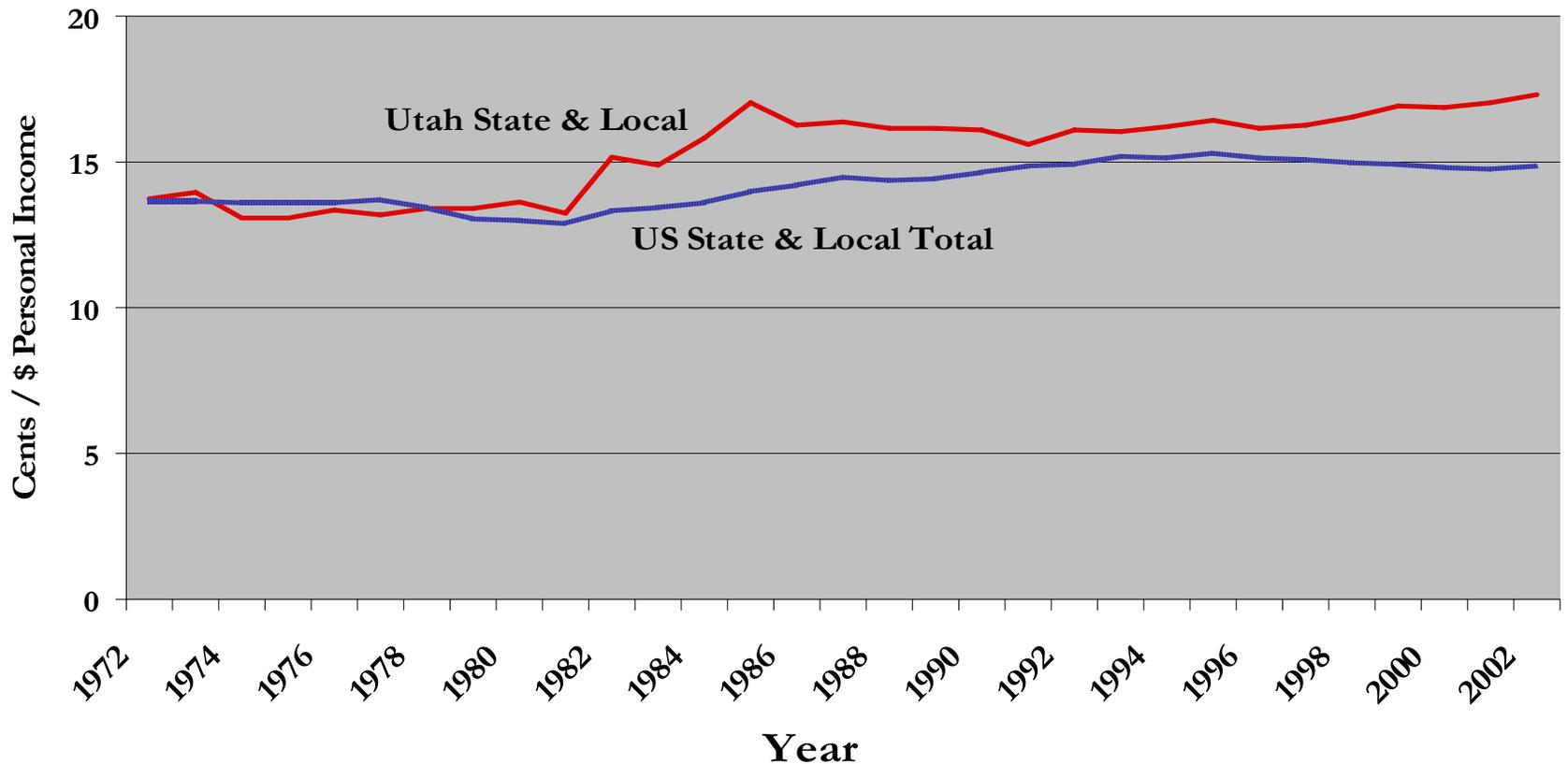
Utah Price of Government, State and Local

Utah's Price of State and Local Government
Cents / \$ Personal Income

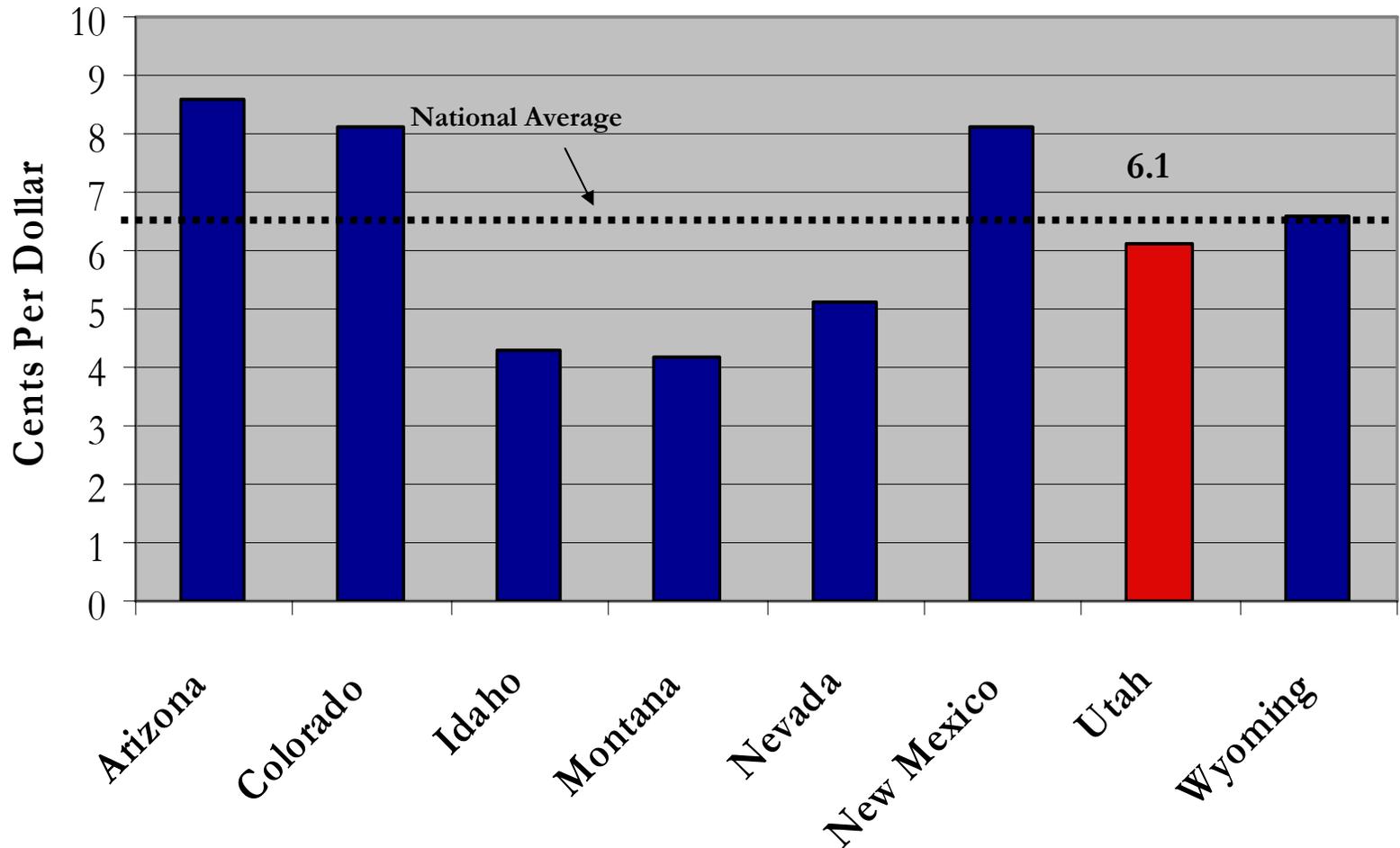


UT Price of Government vs. National Average

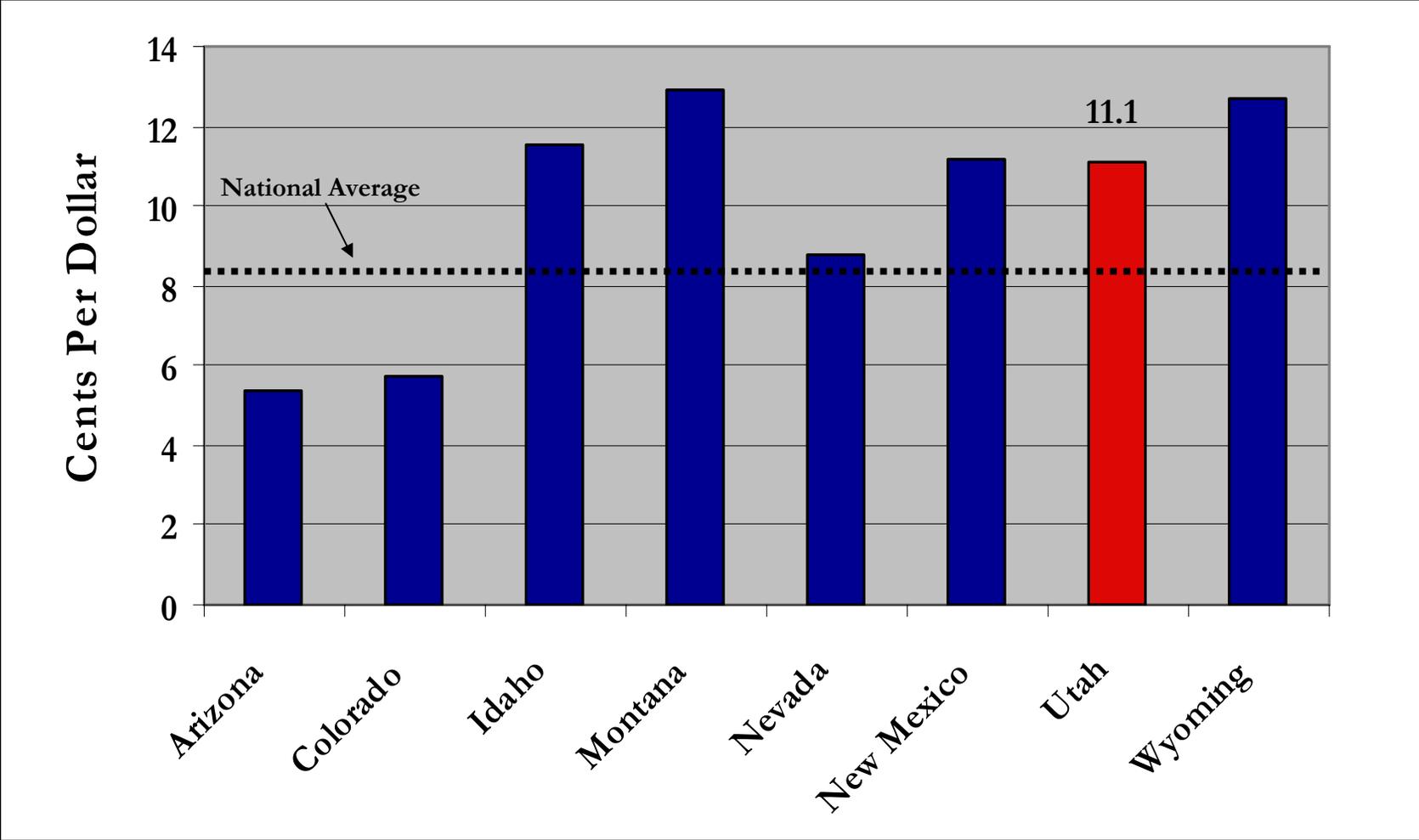
Utah's Price of State and Local Government
Cents/\$ Personal Income



Local Price of Government, Western Region



State Price Of Government, Western Region



BIG DISCLAIMER

Be Careful About Making Comparisons

One price is not better or worse. They are different mostly because of the choices being made about adequacy, affordability and competitiveness.

A Tale of 3 Communities...

General City Demographics

<i>City</i>	<i>Population (approx.)</i>	<i>% Population 18-29</i>	<i>% of Population over 65</i>	<i>Avg. Household Size</i>	<i>1990-00% Population growth</i>	<i>Median Age</i>
City A	100,000	51.8%	5.7%	3.34	21.11%	22.9
City B	6,500	16.2%	14.1%	2.97	22.42%	28.7
City C	8,000	17.2%	18.7%	3	95.00%	32.5
State Avg		16.41%	10.6%	3.22	34.36%	27.1

Source: US Census Bureau 2000 data

A Tale of 3 Communities...

Economic and Housing Characteristics

<i>City</i>	<i>Median Household Income</i>	<i>% with Bachelor's Degree or Higher</i>	<i>Owner-Occupied Housing Units</i>	<i>Average Home Value</i>
City A	\$34,313	35.7%	42.6%	\$149,700
City B	\$36,024	17.1%	74.5%	\$95,700
City C	\$35,341	18.4%	82.5%	\$123,000
State Avg	\$45,726	26.1%	71.5%	\$146,100

Source: US Census Bureau 2000 data

A Tale of 3 Communities...

City Revenue Structure

<i>City</i>	<i>Total Tax Revenue</i>	<i>% Tax Revenue (Property)</i>	<i>% Tax Revenue (Sales)</i>	<i>% Tax Revenue (Franchise)</i>
City A	27,623,000	25.84%	50.88%	23.28%
City B	2,384,935	19.40%	72.14%	8.46%
City C	2,238,390	26.72%	66.33%	6.95%
City Avg	2,564,000	32.27%	51.30%	16.43%

Source: ULCT city financial database, 2002 data

A Tale of 3 Communities...

City Expenditures per Household

<i>City</i>	<i>Total City Expenditures</i>	<i>Expenditures Per Household</i>	<i>Police and Fire</i>	<i>Road Construction & Maintenance</i>	<i>Park and Recreation</i>
City A	66,032,091	\$2,262	\$627.53	\$211.60	\$171.21
City B	4,288,964	\$1,980	\$487.52	\$449.92	\$258.23
City C	6,289,787	\$2,406	\$277.51	\$680.42	\$173.30
City Avg	<u>\$5,849,844</u>	<u>\$2,324</u>	<u>\$460.55</u>	<u>\$291.45</u>	<u>\$204.61</u>

Source: ULCT city financial database, 2002 data

A Tale of 3 Communities...

Price of Government

<i>City</i>	<i>Total City Revenue</i>	<i>Total City Personal Income</i>	<i>Price of Govt.</i>
City A	58,100,284	\$1,001,665,096	5.8
City B	4,421,221	\$78,027,984	5.7
City C	5,372,616	\$92,381,374	5.8

Source: ULCT city financial database, 2002 data

“Doing nothing will also undermine the sense of community that binds us together. Those who can afford it will take care of themselves, retreating to private schools and gated communities with private security, and everyone else will be left to fend for themselves.”

-David Osborne