

- Each year approximately 200,000 servicemembers leave the military. Approximately 50,000 are military retirees or will qualify for retiree pay. These are mature, disciplined, and responsible adults.
- They bring unparalleled skills honed over a 20+ year career, Medical, Engineering, IT, Teachers, etc.....They are at the top of their experiential level. They are proven managers/supervisors.
- Average retired pay is \$33K. Seventy-two percent of retirees are enlisted, 28% commissioned.
- Military retirees come to a state largely "unburdened." They have a decent income, good health care benefits, great skills, and many are entrepreneurial inclined. They'd like a second career, a new job.
- This retiree pay bundle is \$50.5 Billion dollars annually of Federal Transfer Funds (FTF) that is going to be spent wherever the retirees decide to settle. This is NOT New Mexico funded.
- They are seeking a place to settle, plant roots, buy homes, vehicles, appliances, etc. Start a second career. In most cases, start a business. Uncle Sam will move them to anywhere in the Country.
- One in 10 small businesses in the United States is veteran owned. Retired service members are at least 45% more likely than those without any active duty military experience to be self-employed according to US Small Business Administration.
- Give them an adequate incentive and they will remain in, or come to, New Mexico.
- Many military retirees want to come to, or stay in, New Mexico. Many have served at our four bases and they know we have great quality of life, a super climate, new business assistance, a great veteran service organization and many other attractions. They also know that they can get in-state tuition rates at NM schools for their Post 9-11 GI Bill benefits that are valued at more than \$52K.
- Sixteen States current provide a 100% income tax exemption to military retirees. Nine other states have no income tax. That's 25 states that military retirees will look at before considering New Mexico.
- New Mexico's current 20,300 military retirees are responsible for approximately \$1.6 Billion Dollars flowing to the state's economy (Derived from pensions, 2nd career jobs, social security, property and GRT taxes, health benefits).
- Consider the new jobs created: It's commonly accepted that every million dollars of FTF coming to the state creates 10 or more new jobs. So, for every 3 new retirees one new job is created. Also consider that for every new job created that's one less person on the state's unemployment (and maybe welfare) rolls.
- Proposed legislation is a foot in the door and evidences good faith on the part of the State to keep our military retirees right here and draw in many more. It will not impact the 2014 or 2015 budgets, since it provides a 25% tax exemption the first year and ramps up to a full exemption in 4 years. The Bill has a \$1,000 exemption cap (that most retirees will not approach) and it includes annual metrics to measure effectiveness.
- Many of New Mexico's military retirees are dying every year. It is an aging demographic. The State had a net gain of only 9 retirees in 2011 due to 444 deaths. The incoming pipeline needs to be increased. New Mexico is missing the opportunity to attract hard-working families at no cost.
- The window of opportunity for this economic stimulus to our state is closing. This Bill is a "Win-Win" for the State and for military retirees. Let's make this another to the things we are doing to evidence that we are indeed a "Veteran-Friendly" state.