## ABOUT THE SEVENTH EDITION

This 2023 edition of *Freedom in the 50 States* presents a completely revised and updated ranking of the American states on the basis of how their policies protect or infringe on individual liberty.

This edition improves on the methodology for weighting and combining state and local policies to create a comprehensive index. Authors William Ruger and Jason Sorens introduce many new policy variables suggested by readers and changes in the broader policy environment (e.g., universal school choice and state laws that shape local zoning authority).

More than 230 policy variables and their sources remain available to the public on our website for the study (www.freedominthe50states.org). New policy variables include a battery of state-level land-use laws affecting housing, several new occupational licensing measures, a reworked household goods moving company licensing variable that focuses on the "competitor's veto" element, qualified immunity limitations, and new abortion laws for the alternative indices.

In this edition, the authors have updated their findings to

- Provide the most up-to-date freedom index yet, including scores as of January 1, 2023.
- Retrospectively evaluate how state COVID-19 responses affected freedom during the COVID-19 pandemic and beyond.
- Refresh their analysis of how the policies driving income growth and interstate migration have changed—before and after the Great Recession and during the pandemic.

In addition to providing the latest rankings as of the beginning of 2023, the 2023 edition provides annual data on economic and personal freedoms and their components back to 2000 and for some variables, back to the 1930s.

Published by the Cato Institute and accompanied by demographic and economic data on each state, *Freedom in the 50 States* is an essential desk reference for anyone interested in state policy and in advancing a better understanding of a free society.

**www.freedominthe50states.org**

Where liberty dwells, there is my country.

—Benjamin Franklin

# FREEDOM IN THE 50 STATES

## An Index of Personal and Economic Freedom

Seventh Edition

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# INTRODUCTION

Political and cultural polarization has led many Americans to "vote with their feet" to find communities and states more amenable to their views and values.[1] Of course, when they do so, these foot voters often rely on an intuitive sense of where they will find their own promised land. Their assumption often seems to be that partisanship is a good proxy for the type of regime and community they want to live in. In other words, they look to how red or blue the state is during national and statewide elections. However, while partisanship is an important reflection of what a place might be like, it doesn't necessarily reflect the quality of governance and the more specific picture of the state and local policies they'll have to live under. States of similar partisan hue can differ greatly in their efficiency, corruption, and respect for freedom. That is where we come in.

This study ranks the American states according to how their public policies affect individual freedoms in the economic, social, and personal spheres. The 2023 edition updates and expands on the six previous editions of *Freedom in the 50 States*. It examines state and local government intervention across a wide range of policy categories—from taxation to debt, from eminent domain laws to occupational licensing, and from drug policy to educational choice.

For this new edition, we have added several more policy variables while continuing to improve the way we measure land-use regulation, occupational licensing, and (for the alternative indexes) abortion policy. Our time series now covers the 22 years in the period 2000–2022. Finally, we continue to

1. Xi Liu, Clio Andris, and Bruce A. Desmarais, "Migration and Political Polarization in the U.S.: An Analysis of the County-Level Migration Network," *PLOS One* 11, no. 4 (2019); Wendy K. Tam Cho, James G. Gimpel, and Iris S. Hui, "Voter Migration and the Geographic Sorting of the American Electorate," *Annals of the Association of American Geographers* 103, no. 4 (2013): 856–70.

explore the causes and consequences of freedom with detailed, up-to-date methods.

We began this project to fill a need: *Freedom in the 50 States* was the first index at any level to measure both economic and personal freedoms and remains the only index to do so at the state level. We also strive to make it the most comprehensive and definitive source for economic freedom data on the American states.

Measuring freedom is important because freedom is valuable to people. It is both a means to their flourishing or "life projects" and an end in itself. At the very least, it is valuable to those whose choices are restricted by public policy. Although the United States has made great strides toward respecting each individual's rights regardless of race, sex, age, or sexual preference, some individuals face growing threats to their interests in some jurisdictions. Those facing more limits today include smokers, builders and buyers of affordable housing, aspiring professionals wanting to ply a trade without paying onerous examination and education costs, and less-skilled workers priced out of the market by minimum-wage laws. Moreover, although the rights of some have increased significantly in certain areas, for the average American, freedom has declined generally because of federal policy that includes encroachment on policies that states controlled 20 years ago.

In the American system, even "benefit to others" cannot justify trampling on certain freedoms. The government may not ban adult access to books simply because the ideas and arguments they present offend some readers. Racial segregation would be unjustified even in the unlikely event it was somehow considered efficient. State and local governments ought to respect basic rights and liberties, such as the right to practice an honest trade or the right to make lifetime partnership contracts, regardless of whether respecting these rights "maximizes utility." Some infringements on these rights may seem to some people to be relatively small, almost harmless, or only symbolically significant, such as laws that allow police to build automated license plate databases that track drivers, or laws that authorize DNA collection from nonviolent arrestees without a court hearing. Nevertheless, even minor infringements on freedom can erode the respect for fundamental principles that underlie our liberties. The idea of respecting the moral dignity of individuals through the legal protection of their rights is underrated, and its erosion by thinking of people abstractly or primarily as members of groups is underappreciated. This index measures the extent to which states respect or disrespect basic rights and liberties; in doing so, it captures a range of policies that threaten to chip away at the liberties we enjoy.

Our index encompasses both economic and personal freedoms because the two are complementary. A state scoring high in economic freedom but not in personal freedom—a hypothetical American Singapore—would not be

a really free state in the way the liberal tradition understands it. Nor would a state high in personal freedom but low in economic freedom—an American Argentina—provide the liberal conditions necessary for human flourishing in the broadest sense.

Even to Nobel Prize–winning economist Milton Friedman, a mere "economic freedom index" would not be a real freedom index. In his 1962 book *Capitalism and Freedom*, Friedman explores the connection between economic and political freedoms, finding that political freedom in the absence of economic freedom is unlikely to last. He writes, "It is a mark of the political freedom of a capitalist society that men can openly advocate and work for socialism," while a socialist society does not permit the reverse.[2]

Similarly, at the state level, Americans will derive more value from their economic freedom the more extensive are their personal freedoms, and vice versa. That does not mean that states scoring high on a particular dimension of freedom—fiscal, regulatory, or personal—will also score high on the others, but Friedman's work suggests that the different dimensions of freedom are most valuable in combination.

Several different audiences have found the information and analysis in this book useful. We believe this book will continue to be valuable to the following readers:

- State legislators and governors, their staffs, and local policymakers interested in liberty can use the data and rankings to see where their states stand relative to other states and to determine where real improvements can be made. Although policymakers are better situated than we are to make precise judgments about the benefits of specific legislation, this book does offer reform ideas tailored to each state. These ideas are contained in the state profiles located at the end of the study.
- Scholars can use the index to model political and policy outcomes in areas such as economic growth and migration. These data are also a valuable resource for teachers and students, providing easy access to information that can be used for policy analysis or statistical projects.[3]
- Businesses considering new investment opportunities or relocation can use the data to analyze state tax and regulatory regimes and the relative openness and "toleration" (in the older, more proper sense of that term[4]) that attract highly productive employees.

2. Milton Friedman, "The Relation between Economic Freedom and Political Freedom," chapter 1 in *Capitalism and Freedom* (Chicago: University of Chicago Press, 1962), p. 16.
3. See our State Policy Database at www.statepolicyindex.com or footnote 21 in this book for citations of research using the data.
4. William Ruger, "Why Tolerance Is Different than Acceptance," *The Federalist,* August 18, 2015.

- Reporters can use the data to understand their states' policy debates in a national context. They could also use them to hold elected officials accountable for infringements on freedoms and deficiencies in state performance.
- Individual citizens can use the data to better understand what their state governments are doing and thus be better-informed participants in the democratic process. The data are also useful to those seeking to move to a freer state, something we have observed more and more, especially during the COVID-19 period.

This book scores all 50 states on their overall respect for individual freedom and on their respect for three dimensions of freedom considered separately: fiscal policy, regulatory policy, and personal freedom. To calculate these scores, we weight public policies according to the estimated costs that individuals suffer when government restricts their freedom. However, we happily concede that different people value aspects of freedom differently. Hence, our website provides the raw data and weightings so that interested readers can construct their own freedom rankings; this information is available at www.freedominthe50states.org.

## DEFINING FREEDOM

"Freedom" is a moral concept. What most people mean by freedom is the ability to pursue one's ends without unjust interference from others. Of course, reasonable people can disagree about what counts as unjust interference. It is also controversial whether freedom in this sense ought to trump other values, such as social welfare, equality of outcome, or equity. These questions cannot be answered in a value-neutral way, but citizens and policymakers must try to answer them nonetheless. We are forthright about our moral philosophy so that we can be precise about what counts as "freedom" for us, but we recognize that others may define freedom differently. We have made the data and weights available online so that people can alter our index to fit their own conceptions of freedom. We consider it an open, but interesting, question whether freedom is in any way related to indicators of aggregate social welfare, such as income growth and migration. Part 2 takes up this question in more detail.

We ground our conception of freedom on an individual rights framework. In our view, individuals should not be forcibly prevented from ordering their lives, liberties, and property as they see fit, as long as they do not infringe on the rights of others.[5] This understanding of freedom follows from the

5. We recognize that children and the mentally incompetent must be treated differently from mentally competent adults, and also that some rights may not be alienated even by consenting adults.

natural-rights liberal thought of John Locke, Immanuel Kant, and Robert Nozick, but it is also consistent with the rights-generating rule utilitarianism of Herbert Spencer and others.[6] From the Declaration of Independence, through the struggles for the abolition of slavery, and up to the 20th century, this conception of freedom was the traditional one in the United States. As Justice Louis Brandeis wrote in his 1928 dissent in *Olmstead v. United States*, "The makers of our Constitution . . . conferred, as against the government, the right to be let alone—the most comprehensive of rights and the right most valued by civilized men."[7] In the context of the modern state, this philosophy engenders a set of normative policy prescriptions that political theorist Norman Barry characterized as "a belief in the efficiency and morality of unhampered markets, the system of private property, and individual rights—and a deep distrust of taxation, egalitarianism, compulsory welfare, and the power of the state."[8]

In essence, this index attempts to measure the extent to which state and local public policies conform to this ideal regime of maximum, equal freedom.[9] For us, the fundamental problem with state intervention in consensual acts is that it violates people's rights. To paraphrase Nozick, in a free society the government permits and protects both capitalist and noncapitalist acts between consenting adults.[10] Should individuals desire to "tie their own hands" and require themselves to participate in social insurance, redistributive, or paternalist projects, they should form voluntary communities for these purposes.[11]

Those who endorse the "law of equal freedom" at the heart of classical liberalism do not necessarily reject the notion of "constraints." Neither the liberal order nor even the libertarian approach requires that one take an ethically or normatively neutral stance about how people use their freedom. For instance, it is perfectly consistent to reject "libertinism" ("do whatever you want so long as you do not hurt anyone else, whether it be snorting cocaine or engaging in casual sex") and even make strong moral claims about

6. See John Locke (2021 [1690]), *Second Treatise of Government* (Salt Lake City: Project Gutenberg); Immanuel Kant (1989 [1785]), *Foundations of the Metaphysics of Morals,* tr. Lewis White Beck (London: Pearson); Robert Nozick, *Anarchy, State, and Utopia* (New York: Basic Books, 1974); and Herbert Spencer, *Social Statics, or the Conditions Essential to Happiness Specified, and the First of Them Developed* (London: John Chapman, 1851).

7. *Olmstead v. United States,* 277 U.S. 438 (1928).

8. Norman Barry, "The Concept of 'Nature' in Liberal Political Thought," *Journal of Libertarian Studies* 8, no. 1 (1986): 16n2.

9. The "equal freedom" that persons enjoy in a free society is, for us, equality of rights and equality before the law, not equality of opportunities or "positive freedom." On positive freedom, see Isaiah Berlin, "Two Concepts of Liberty," in *Four Essays on Liberty* (Oxford: Oxford University Press, 1969).

10. Nozick, *Anarchy, State, and Utopia,* p. 163.

11. Almost all real-world governments do not constitute voluntary communities because their constitutions do not en joy the unanimous consent of the governed. Homeowners associations, by contrast, fit into this category in theory.

the proper way to live a virtuous, flourishing life without sacrificing one's credentials as a friend of liberty.[12]

Libertarianism does not imply libertinism, and the two may even stand in some tension, if Steven Pinker is correct that the "civilizing process" has encouraged the adoption of moral and mannerly constraints to allow people to interact more peacefully with each other without Leviathan.[13] Supporting the right of consenting adults to use drugs or of bakers to contract with bakeries to employ them more than 60 hours a week does not require judging those behaviors to be wise or even morally justified. Therefore, the freedom index makes no claim about the wisdom or morality of the behaviors that states should allow adults to pursue freely. It is left to philosophers, theologians, and all of us as moral agents to make arguments about the legitimacy of particular moral constraints.[14] However, we think the evidence of human experience strongly suggests that freedom is more likely to survive if there is a supportive moral ecology that emphasizes respect for the moral dignity of all people, the importance of personal responsibility (including an active concern about minimizing negative externalities), thrift, probity, temperance, benevolence, courage (which in this world might mean opposing "safetyism" and the "precautionary principle"), humility, and other traditional and bourgeois virtues.

Although our belief in limited government and a free society is based on the moral dignity of each human being, empirical evidence suggests that the protection of individual rights tends to foster economic growth and the coinciding improvements in people's living standards. Economist Robert Lawson explains the relationship between economic freedom and economic growth:

> Numerous studies have shown that countries with more economic freedom grow more rapidly and achieve higher levels of per-capita income than those that are less free. Similarly, there is a positive relationship between changes in economic freedom and the growth of per-capita income. Given the sources of growth and prosperity, it is not surprising that

12. Elsewhere we define libertinism more specifically as "radically indifferent to the choices that people make with their freedom. This line of thinking holds that as long as an act is consensual and respects at least one truth—the inviolability of the person's fundamental right to choose how to use his or her person and property—not only should the law not get involved, but there is also no ground for moral criticism of the act." See William Ruger and Jason Sorens, "The Case for 'Virtue Libertarianism' Over Libertinism," *Reason*, June 9, 2016.

13. Steven Pinker, *The Better Angels of Our Nature: Why Violence Has Declined* (New York: Viking, 2011).

14. We consider ourselves to be "virtue libertarians" (a term we have adopted as the result of many conversations over the years about our particular "conservative libertarian" brand of ethical and political thinking)—espousing strong support for a libertarian or classical liberal political order but also strong convictions about what a flourishing, moral life demands and how we ought to use our freedom (with proper humility, of course, about our ability to know with any certainty what the best life is for any individual or for people in general). We also think that certain behaviors are more consistent than others with the preservation and security of a free society. Our approach owes much to the work of Frank Meyer, Albert Jay Nock, and Walter Block.

> increases in economic freedom and improvements in quality of life have gone hand in hand during the past quarter of a century.[15]

We also recognize that freedom, properly understood, can be threatened as much by the weakness of the state as by overbearing state intervention. Individuals are less free when they have reason to fear private assaults and depredations, and a just government punishes private aggression vigorously and consistently. However, this book focuses on threats to individual liberty originating from state action. Therefore, we do not code the effectiveness of state governments in reducing rights violations. For instance, we do not calculate measures of the efficacy of state and local police and courts or of violent and property crime rates.[16] Thus, our "freedom index" does not capture all aspects of freedom (even in theory) and we encourage readers to use our scores in conjunction with other indicators when assessing government effectiveness or quality of life. At the same time, we attempt to capture the extent of "overcriminalization" by states, as well as the extent to which state civil liability systems put property rights at risk.

Our definition of freedom presents specific challenges on some high-profile issues. Abortion is a critical example that has become even more salient in the wake of the *Dobbs* Supreme Court decision that returned abortion policy to the states.[17] According to one view, a fetus is a rights-bearing person, and abortion is therefore almost always an aggressive violation of individual rights that ought to be punished by law. The opposite view holds a fetus does not have rights, and abortion is a permissible exercise of an individual liberty, which entails that legal regulation of abortion is an unjust violation of a woman's rights. A third view holds that a fetus gains personhood and rights at some threshold during its development, and at that point legal regulation is therefore justified. Rather than take a stand on one pole or the other (or anywhere between), we have not included the policy in the main freedom index. We have coded the data on state abortion restrictions and made them available online at www.statepolicyindex.com, and *Freedom in the 50 States* has a section that includes alternative indexes based on three of many possible state abortion regimes.

15. Robert A. Lawson, "Economic Freedom and the Wealth and Well-Being of Nations," in *The Annual Proceedings of the Wealth and Well-Being of Nations,* 2009–2010, vol. 2, ed. Emily Chamlee-Wright and Jennifer Kodl (Beloit, WI: Beloit College Press, 2010), p. 69.

16. Measuring the efficacy and justice of criminal penalties, arrest procedures, and so forth with regard to deterrence, proportionality, retribution, rehabilitation, and the like is an extremely complex endeavor that deserves a lengthy treatment on its own. See Richard A. Posner, *The Economics of Justice* (Cambridge, MA: Harvard University Press, 1981). See, for example, the CIRI Human Rights Dataset, www.humanrightsdata.com/p/data-documentation.html.

17. *Dobbs v. Jackson Women's Health Organization,* No. 19-1392, 597 U.S. ___ (2022).

Another example is the death penalty. Some argue that murderers forfeit their own right to life, and therefore state execution of a murderer does not violate a basic right to life. Others contend that the right to life can never be forfeited, or that the state should never risk taking away all the rights of innocent individuals by falsely convicting them. State sentencing policies short of the death penalty could also be debated, such as lengthy periods of solitary confinement. We personally have serious reservations about some of these punishments, but we do not include them in the freedom index, although we have coded the death penalty data and made them available online at www.statepolicyindex.com.

It is important to note that the freedom index stands within the mainstream tradition in social science of measuring normatively desired phenomena, such as democracy,[18] civil liberties,[19] and human rights.[20] Clearly, our index will have intrinsic interest for classical liberals and libertarians. However, nonlibertarian social scientists will also benefit from the index because it is an open question how individual liberty relates to phenomena such as economic growth, migration, and partisan politics in the American states. In the same way, political scientists may value democracy for its own sake, yet they can also research empirically what causes democracy and how democracy affects other phenomena. In fact, a broad range of social scientists and policy analysts have already used this index to investigate a range of interesting questions, including the effects on growth, migration, corruption, entrepreneurship, accident death rates, veterans' earnings, and state bond ratings.[21]

## CREATING THE INDEX

We started this project by collecting data on more than 230 state and local public policies affecting individual freedom as previously defined. For

18. See, for example, the Polity IV Project, http://www.systemicpeace.org/polity/polity4.htm.

19. See, for example, the Freedom House indicators, http://www.freedomhouse.org.

20. See, for example, the CIRI Human Rights Dataset, http://www.humanrightsdata.com/p/data-documentation.html.

21. Noel D. Johnson et al., "Corruption, Regulation, and Growth: An Empirical Study of the United States," *Economics of Governance* 15, no. 1 (2014): 51–69; Richard J. Cebula, "The Impact of Economic Freedom and Personal Freedom on Net In-Migration in the U.S.: A State-Level Empirical Analysis, 2000 to 2010," *Journal of Labor Research* 35, no. 1 (2014): 88–103; Nicholas Apergis, Oguzhan C. Dincer, and James E. Payne, "Live Free or Bribe: On the Causal Dynamics between Economic Freedom and Corruption in U.S. States," *European Journal of Political Economy* 28, no. 2 (2012): 215–26; Rick Weber and Benjamin Powell, "Economic Freedom and Entrepreneurship: A Panel Study of the United States," *American Journal of Entrepreneurship* 6, no. 1 (2013): 67–87; Leland K. Ackerson and S. V. Subramanian, "Negative Freedom and Death in the United States," *American Journal of Public Health* 100, no. 11 (2010): 2163–64; Alberto Dávila and Marie T. Mora, "Terrorism and Patriotism: On the Earnings of U.S. Veterans Following September 11, 2001," *American Economic Review* 102, no. 3 (2012), 261–66; Ariel R. Belasen, Rik W. Hafer, and Shrikant P. Jategaonkar, "Economic Freedom and State Bond Ratings," *Contemporary Economic Policy* 33, no. 4 (2015): 668–77; Wenchi Wei, "Fiscal Slack, Rule Constraints, and Government Corruption," *Public Administration Review* 82, no. 5 (2021): 850–65; Joshua C. Hall, Donald J. Lacombe, and Timothy M. Shaughnessy, "Economic Freedom and Income Levels across U.S. States: A Spatial Panel Data Analysis," *Contemporary Economic Policy* 37, no. 1 (2019): 40–49; Dean Stansel and Meg Tuszynski, "Sub-National Economic Freedom: A Review and Analysis of the Literature," *Journal of Regional Analysis and Policy* 48, no. 1 (2017): 61–71.

data other than taxes and debt, we code laws enacted as of December 31, 2022 (even if they come into force later). We also code these variables for 2000–2021 and, in some cases, for prior years. For taxes and debt, the latest available data covering states come from fiscal year (FY) 2022 and for local governments from FY 2021, which for most states ran from July 2020 to June 2021. To create a fiscal policy index, we assume that FY 2022 local debt, assets, and taxes are equal to FY 2021 local debt, assets, and taxes, whereas we have actual FY 2022 data for the state level. For each year's freedom index, we use tax and debt data from the subsequent fiscal year because state budgets are enacted in the year before. As noted earlier, the most recent fiscal year featured in the index is FY 2022, which represents the budget that had been enacted as of December 31, 2021, in each state.

For a few variables in the index that we do not have available for every year, we have to carry forward or back or interpolate the data for these policies to include them. The master spreadsheet includes comment fields explaining exactly what was done in each of these cases. This spreadsheet is available at www.freedominthe50states.org.

The index also includes variables that do not differ across states for particular years. Usually, this lack of variation is a result of policies being nationalized at the federal level. Sometimes, this centralizing process occurs in a pro-freedom direction, as when the Supreme Court struck down Chicago's gun ban and several states' sodomy laws, but more often it occurs in an anti-freedom direction, as when the Patient Protection and Affordable Care Act (PPACA), colloquially known as Obamacare, legislated the following policies: health insurance community rating, guaranteed issue, prior approval of premiums, and an individual health insurance mandate nationwide. The last policy, the individual mandate, has since been ended by Congress. This is the only example in our data set in which Congress explicitly decentralized a policy to the states and increased freedom. Federalization of state policies has now happened frequently enough over our time series that we continue to include alternative freedom indexes that exclude all policies that were federalized at any point (see Appendix A). These indexes are particularly useful for investigating the freedom impact of state-level policymakers, rather than the freedom environment enjoyed by state residents.

The top-level data used for creating the index are available in a downloadable spreadsheet at www.freedominthe50states.org. However, to obtain details on data sources and the construction of indexes (such as the eminent domain reform and renewable fuels standards indexes), interested readers should navigate to www.statepolicyindex.com and download the policy category spreadsheets. Each variable in the top-level spreadsheet has a code, such as "adebtpia" (state and local debt divided by adjusted personal income). The first letter of that code corresponds to the particular spread-

sheet where its details may be found. Thus, "adebtpia" comes from the "a_fiscal_22.xls" spreadsheet for fiscal policies. Quite often, these spreadsheets contain additional policies not included in the freedom index, as well as data for additional years when available. Some state and local tax and spending data are available annually back to FY 1977 and quinquennially back to FY 1957. Some alcohol policies are available from 1937, and some licensing and labor market policies are available from 1913.

Because we want to score states on composite indexes of freedom, we need a way to weight and aggregate individual policies. One popular method for aggregating policies is "factor" or "principal component" analysis, which weights variables according to how much they contribute to the common variance—that is, how well they correlate with other variables.

Factor analysis is equivalent to letting politicians weight the variables, because correlations among variables across states will reflect the ways in which lawmakers systematically prioritize certain policies. Partisan politics is not always consistent with freedom (e.g., states with more marijuana freedom offer less tobacco freedom; indeed, the correlation between tobacco freedom and marijuana freedom is –0.57, which is quite strong). The index resulting from factor analysis would be an index of "policy ideology," not freedom.[22]

Factor analysis is also not justified if important variables do not line up with a clear ideological position but have a major effect on freedom. That is in fact the case. Occupational licensing is neither more nor less prevalent in conservative versus progressive states. The lawsuit environment is also only weakly related to state ideology. In a factor-analysis approach, these variables would be discounted, but they are important variables in our study because of their economic impact.

Another approach, used in the Fraser Institute's *Economic Freedom of North America*, is to weight each category equally, and then to weight variables within each category equally.[23] This approach assumes that the variance observed within each category and each variable is equally important. In the large data set used for the freedom index, such an assumption would be wildly implausible. We feel confident that, for instance, tax burden should be weighted more heavily than court decisions mandating that private malls or universities allow political speech.

To create the freedom index, we weight variables according to the value of the freedom affected by a particular policy to those people whose freedoms are at stake. Each variable receives a dollar estimate, representing the

22. Jason Sorens, Fait Muedini, and William P. Ruger, "U.S. State and Local Public Policies in 2006: A New Database," *State Politics and Policy Quarterly* 8, no. 3 (2008): 309–26.

23. Dean Stansel et al., *Economic Freedom of North America: 2022* (Vancouver, BC: Fraser Institute, 2022).

financial, psychological, and welfare benefits of a standardized shift of the variable in a pro-freedom direction to those people who enjoy more freedom. We base these values on estimates derived from the scholarly literature in economics and public policy that quantifies the effects of policies on behavior.

The "freedom value" of each variable represents the benefits only to those people whose freedoms have been respected. We do not include the benefits to those who wish to take away freedoms. For instance, private companies may benefit from receiving eminent domain transfers, but we count only the costs to those whose property has been taken away.

We do so because we do not want to create a utilitarian calculus. An index of social welfare is not the same as an index of freedom. We leave it an open question as to whether deprivations of freedom have net social benefits or costs. Of course, the costs of these deprivations to their victims would be part of a utilitarian calculus, but we do not want to foreclose future empirical research on whether government intervention that classical liberals consider unjust might nevertheless have some beneficial social consequences.

Our approach shares something in common with political philosopher John Rawls's famous criticism of utilitarianism:

> As an interpretation of the basis of the principles of justice, classical utilitarianism is mistaken. It *permits* one to argue, for example, that slavery is unjust on the grounds that the advantages to the slaveholder as slaveholder do not counterbalance the disadvantages to the slave and to society at large burdened by a comparatively inefficient system of labor. Now the conception of justice as fairness, when applied to the practice of slavery with its offices of slaveholder and slave, would not allow one to consider the advantages of the slaveholder in the first place. . . . The gains accruing to the slaveholder, assuming them to exist, cannot be counted as in any way mitigating the injustice of the practice.[24]

That is precisely our position, not only with regard to the extreme example of slavery, but also to the more mundane but equally systematic deprivations of freedom in contemporary American society. Therefore, we count only the disadvantages to victims of government action.

In addition, we have techniques for including second-order victims in our calculations, who may not lose property or freedom directly, but who can be expected to suffer fear of having their rights violated in the future ("if they

24. John Rawls, "Justice as Fairness," *Philosophical Review* 67, no. 2 (1958): 187–88 (emphasis in original).

can do that to X, they can do that to me"). We discuss some of these techniques in the relevant sections that follow. Our raw data contain detailed comments describing the justification for each variable's weight and citing relevant sources.

Consistent with the method used in the last several editions of the index, the value of the freedom affected by a given policy represents the dollar value of the freedom to potential victims if a one-standard-deviation change in that variable were imposed nationwide. That common standard allows us to compare variables with each other and total up their costs. When we discuss the values of a particular freedom or, equivalently, the victim costs of restrictions on that freedom, we are referring to that metric. The following two equations express how each variable is standardized and then compiled to build the freedom index.

$$(1) \qquad z_i = (-)\ \frac{(x_i - \bar{x})}{s_x}$$

$$(2) \qquad f_i = \sum_{z=1}^{Z} z_i \frac{v_z}{\sum V}$$

The standardized variables $z \in Z$ represent the standard deviations freer than the mean of the raw variable $x$ that each state $i$ is. The negative operator applies when higher values on the raw variable (for instance, cigarette taxes per pack) represent less freedom. The freedom score for each state $f_i$ is a weighted sum of values on the standardized policy variables, where the share of each variable's freedom value $v \in V$ in the sum of all variables' freedom values is the weight.

Again, the value of a freedom represents not just financial benefits, but consumer surplus, psychological benefits, and so on. These estimates are based on economic and policy research, but admittedly that research does not always allow precise estimates. We lack the resources to conduct in-depth statistical analysis on the social and economic consequences of each of the 184 top-level variables in the data set. Absent that capability for precision, our aim in this edition was to construct weights that are accurate within an order of magnitude. Using dollar values derived from the literature imposes greater discipline on our weighting choices than a rougher, more qualitative assessment of individual policies' significance like that used in the first two editions of this index.

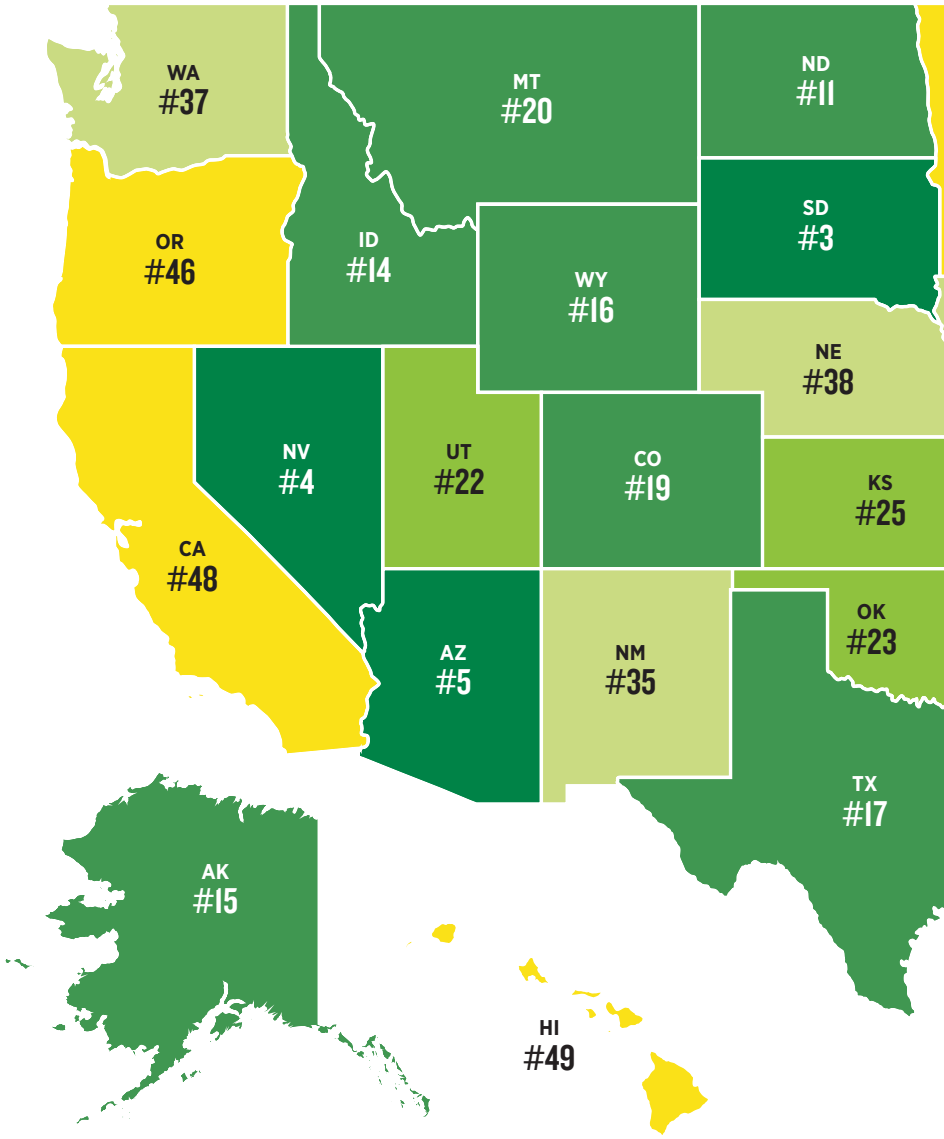
With plausible variable weights, quantifying freedom permits researchers to investigate the relationship between freedom and other desiderata quantitatively and to judge changes in freedom over time objectively, rather than anecdotally. Measurements of freedom will improve as scientific esti-

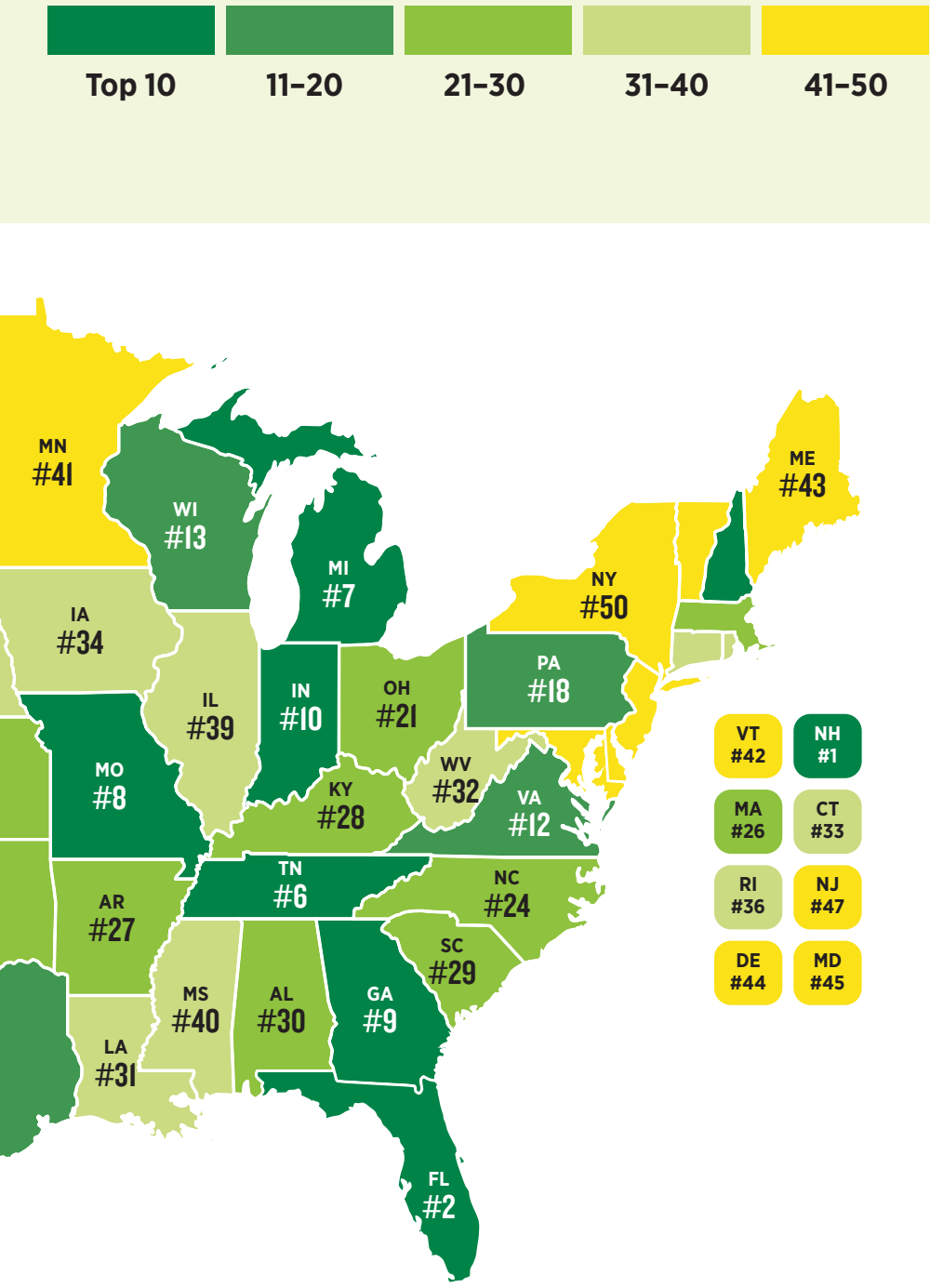
mates of the relative values of different freedoms improve, but taking the first step toward an objective assessment of different freedoms' values is essential to the social-scientific enterprise.

Thus, our index of freedom should be understood to represent each state's relative respect for freedom, as reflected in the value enjoyed by the "average" person who would otherwise be deprived of the freedoms we measure. However, each individual will value different policies differently, and for that reason, again, we encourage readers to apply their own weights and personalize the freedom index at www.freedominthe50states.org.

Readers can download the master spreadsheet to create their own weights for each variable. We have used Excel's "Note" capability to annotate important information about how variables were coded and weighted and what particular columns and rows mean. To investigate how any variable was created or coded, anyone can download the constellation of policy category spreadsheets at www.statepolicyindex.com or email the authors with any questions.

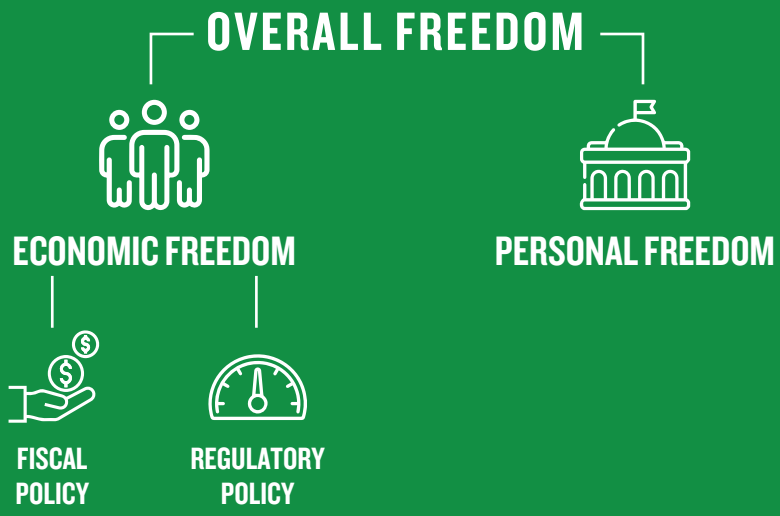
# OVERALL FREEDOM RANKING




Top 10
11–20
21–30
31–40
41–50
MN #41
WI #13
MI #7
ME #43
NY #50
IA #34
IL #39
IN #10
OH #21
PA #18
MO #8
KY #28
WV #32
VA #12
TN #6
NC #24
AR #27
SC #29
MS #40
AL #30
GA #9
LA #31
FL #2
VT #42
NH #1
MA #26
CT #33
RI #36
NJ #47
DE #44
MD #45

# PART I
# DIMENSIONS OF FREEDOM

For the purposes of the freedom index, this book identifies three overarching "dimensions" of freedom and further divides each dimension into categories composed of one or more of the variables used to generate the state scores and rankings. Following our objective weighting system described in the introduction, variables in the fiscal policy dimension end up with 30.5 percent of the summed freedom values of all variables for the average state, variables in the regulatory policy dimension with 33.9 percent, and variables in the personal freedom dimension with 33.8 percent.[25] Taken individually, the categories may interest readers on core topics of concern, such as taxation, state debt, health insurance regulations, restrictions on alcohol sales, and so on. Together, these categories make up the overall rankings, found in the section "Overall Freedom Ranking." To learn how each category was constructed and earned its respective weight within the index, visit www.freedominthe50states.org.

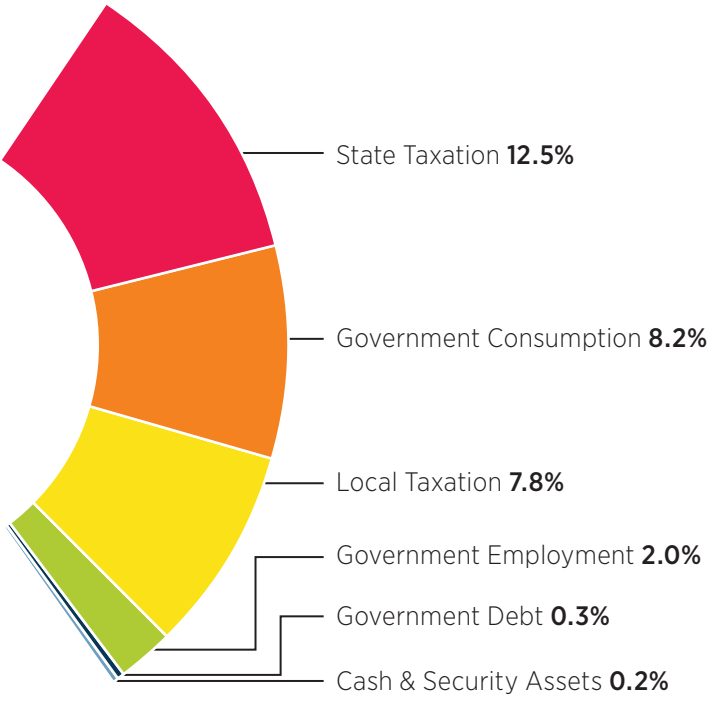



25. Because of the way we weight local taxation, the weights for the fiscal policy dimension vary by state. They range from 29.2 percent (for the state with the most competing jurisdictions) to 31.0 percent (for the state with the fewest competing jurisdictions). For further explanation, see the website section titled "Local Taxation."

# FISCAL POLICY

The fiscal policy dimension (Figure 1) consists of six variables: (a) state tax revenues, (b) government consumption, (c) local tax revenues, (d) government employment, (e) government debt, and (f) cash and security assets, each of which earns a significant weight because of its importance. The tax, debt, and assets variables are measured for each fiscal year, whereas the employment and consumption variables come from different sources and are available for the calendar year. The weights don't add up to 30.5 percent, because they vary by year, as the federal tax deduction has changed.

FIGURE 1 **Fiscal Policy Weights**



# OVERALL FISCAL POLICY RANKING

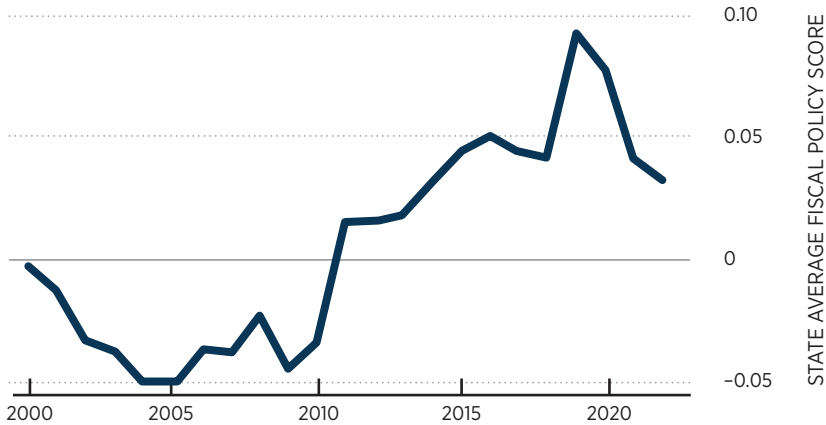
# 30.5%

The fiscal policy ranking is available in Table 1. Florida and New Hampshire are neck and neck at the top, followed by South Dakota and Tennessee. None of these states have broad-based personal income taxes. Florida has seen stunning improvement on government consumption, government employment, government debt, and local taxation since 2009. State taxes have also fallen. New Hampshire has almost kept pace, with government consumption, employment, and debt falling consistently since the Great Recession, while holding state taxes at a very low level.

Because the two taxation variables make up a large share of fiscal policy's weight, it is unsurprising that low-tax states dominate the top of the fiscal policy rankings, whereas high-tax states fall at the bottom. In Table 1, the numbers represent the number of weighted standard deviations by which each state is above the average.

A state that is one standard deviation better than average on every single policy will end up with an overall freedom score of 1.0, while a state that is one standard deviation worse than average on every single policy will end up with an overall freedom score of −1.0. Since fiscal policy represents less than a third of the overall index, Hawaii's score of −0.53 means that it is on average more than a standard deviation worse than average on every fiscal policy.

FIGURE 2 **State Average Fiscal Policy Scores Over Time**



Hawaii outdoes New York for last place mainly because of a spike in state-level taxes in FY 2022. This spike was mostly driven by an increase of more than 25 percent in consumption tax revenues. New York itself has also declined on fiscal policy over time, with government consumption growing and state tax burden rising, even as local tax and state plus local debt burdens have fallen slightly.

Figure 2 shows how the average fiscal policy score has changed for all 50 states since 2000. It appears that states' fiscal policies have improved since the Great Recession, mostly because of declining tax burdens and spending cuts, but have deteriorated since the COVID-19 pandemic.

TABLE 1 **Overall Fiscal Policy Score, 2022**

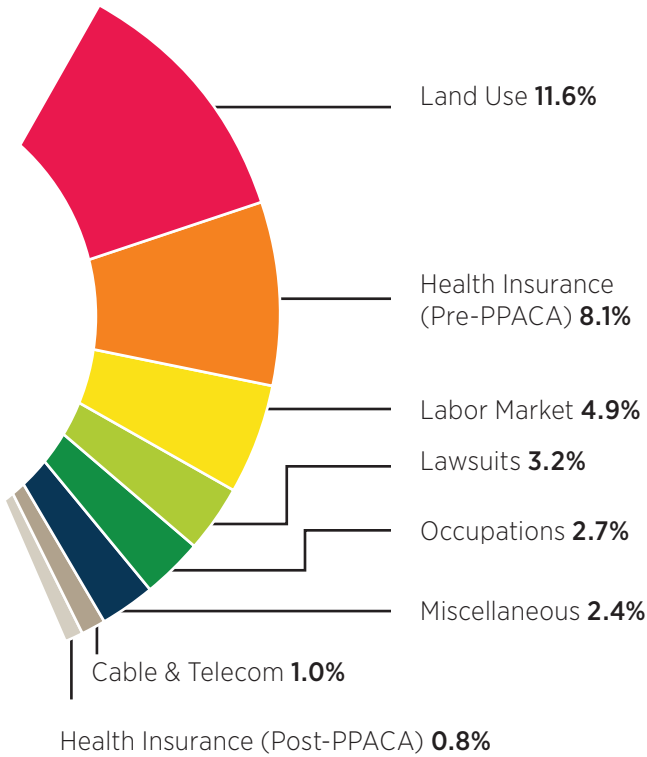
| Rank | State | Overall Fiscal Policy Score, 2022 | Rank | State | Overall Fiscal Policy Score, 2022 |
|---|---|---|---|---|---|
| 1. | Florida | 0.45 | 26. | Louisiana | 0.05 |
| 2. | New Hampshire | 0.45 | 27. | North Carolina | 0.05 |
| 3. | South Dakota | 0.31 | 28. | Washington | 0.04 |
| 4. | Tennessee | 0.30 | 29. | Kentucky | 0.04 |
| 5. | Pennsylvania | 0.22 | 30. | Arkansas | 0.03 |
| 6. | Nevada | 0.22 | 31. | Alabama | 0.02 |
| 7. | Texas | 0.20 | 32. | South Carolina | 0.01 |
| 8. | Missouri | 0.17 | 33. | Utah | −0.01 |
| 9. | Georgia | 0.17 | 34. | New Jersey | −0.01 |
| 10. | Arizona | 0.16 | 35. | Maryland | −0.03 |
| 11. | Michigan | 0.15 | 36. | Illinois | −0.04 |
| 12. | North Dakota | 0.12 | 37. | West Virginia | −0.06 |
| 13. | Wyoming | 0.12 | 38. | Kansas | −0.08 |
| 14. | Idaho | 0.12 | 39. | New Mexico | −0.08 |
| 15. | Alaska | 0.12 | 40. | Minnesota | −0.11 |
| 16. | Ohio | 0.11 | 41. | Maine | −0.13 |
| 17. | Colorado | 0.11 | 42. | Mississippi | −0.13 |
| 18. | Massachusetts | 0.11 | 43. | Iowa | −0.15 |
| 19. | Montana | 0.11 | 44. | Oregon | −0.17 |
| 20. | Connecticut | 0.10 | 45. | Nebraska | −0.17 |
| 21. | Indiana | 0.09 | 46. | Vermont | −0.18 |
| 22. | Rhode Island | 0.09 | 47. | Delaware | −0.22 |
| 23. | Wisconsin | 0.08 | 48. | California | −0.26 |
| 24. | Oklahoma | 0.07 | 49. | New York | −0.45 |
| 25. | Virginia | 0.07 | 50. | Hawaii | −0.53 |

Note: States with different scores may appear identical due to rounding.

# REGULATORY POLICY

The regulatory policy dimension includes categories for (a) land-use freedom and environmental policy, (b) health insurance freedom, (c) labor-market freedom, (d) lawsuit freedom, (e) occupational freedom, (f) miscellaneous regulations that do not fit under another category (such as certificate-of-need requirements), and (g) cable and telecommunications freedom. Figure 3 shows the weights for health insurance policies now controlled by the federal government (8.1 percent) and for only those health insurance policies that states can still control after the PPACA (0.8 percent), altogether summing to 8.9 percent of the index.

FIGURE 3 **Regulatory Policy Weights**



The calculated freedom scores do not usually allow weights to vary by year, even when variation across states disappears. In other words, a variable continues to contribute to the weights even in years when it no longer contributes to differences across states because every state has the same policy. Including this type of variable allows for intertemporal comparisons. That happened when the PPACA passed, and states could no longer choose whether to have community rating, guaranteed issue, and the individual mandate. As a result of our methodological choice, the data show the PPACA as a large negative shock to all states' regulatory policy. However, we also develop an alternative, chain-linked index in the downloadable data that includes only policies that have never been federalized. We do not put this ranking in the text because it is really for comparisons over time rather than across states, and the 2022 values on this chain-linked index correlate perfectly with the 2022 values on the regular index.

This regulatory policy dimension does not include regulations with a mainly paternalistic justification; those regulations are placed under the personal freedom dimension. They include laws such as private and homeschool regulations and smoking bans.

To take into account the wider, unmeasured costs of insecure rights, this index increases the weights on variables representing policies encoded in state constitutions or the federal Constitution. It does so because the fact that a policy has been encoded within a constitution is prima facie evidence that the policy is widely considered to affect a "fundamental" freedom—a freedom with consequences for the security of the citizenry that extend beyond citizens under its immediate purview.

Within the regulatory policy dimension, the weights of certain variables are boosted as follows:

1. The victim cost/freedom value is multiplied by 2 if a closely related policy is encoded in the U.S. Constitution, or has been recognized by at least some courts as relating to a fundamental right. Examples of such policies include eminent domain reform, rent control, regulatory taking restrictions, and mandatory permission of political speech on private property, which we view as compelled speech implicating the First Amendment.
2. The victim cost/freedom value is multiplied by 1.5 if the policy is encoded in state constitutions but not the federal Constitution and has not otherwise been recognized judicially as a fundamental right. Right-to-work laws are the only such policies in the regulatory dimension.

We believe this sort of boost is necessary to capture the particular importance that Americans have attached to certain fundamental freedoms, even if it necessarily involves an element of judgment. Freedoms are more fundamental the more widely people consider them to be part of their flourishing and autonomy, and policies potentially infringing on them are therefore subject to stricter judicial scrutiny than policies that would restrict freedoms that, while potentially valuable, are not as fundamental.[26] By relying on existing judicial interpretations of fundamental rights, the freedom index avoids at least one possible source of subjectivity as it "upgrades" these policies.

## OVERALL REGULATORY POLICY RANKING

**33.9%**

As with fiscal policy, states that rank highest on regulatory policy are mostly conservative, but they tilt toward midwestern more than southern. In general, these are "good-government" states that score well on variables such as the liability system variable. Regulatory policy remains a key element in economic growth, as Part 2, "Politics of Freedom," later in the book will show. But both fiscal and regulatory policy are highly correlated; thus, it is hard to disentangle which policy variable is doing most of the work to explain economic growth in the states.

We validate our regulatory policy measure by examining its correlation to small businesses' ratings of their states' regulatory environments. Thumbtack.com conducts an occasional survey of independent businesses in each state, funded by the Kauffman Foundation.[27] We average each state's rank out of 45 for 2012, 2013, and 2014 (Alaska, the Dakotas, West Virginia, and Wyoming lack data). Smaller numbers are better, indicating a higher rank. The correlation between the 2014 regulatory index score and Thumbtack.com's regulatory survey rank is −0.70, a strong negative correlation that suggests that our index captures most of what small businesses think about when it comes to regulations that affect their business.

Figure 4 shows how average regulatory policy has changed over time, when federalized policies such as the PPACA are excluded. Unlike with fiscal policy, states have not sustained their gains on regulatory policy

26. Legal Information Institute, "Fundamental Right," Cornell University Law School, August 19, 2010.
27. The survey is available at https://www.thumbtack.com/survey.

since the Great Recession. Land-use freedom and labor-market freedom have declined since 2019, whereas lawsuit freedom and cable and telecom freedom have improved. Occupational freedom declined up until 2019, but improved noticeably during the COVID-19 pandemic. Minimum-wage increases were particularly problematic for labor-market freedom. Were we to include federalized policies, the drop would be even larger in 2012 when the PPACA took effect, more than wiping out even the temporary gains at the state level.

FIGURE 4 **State Average Regulatory Policy Scores Over Time**

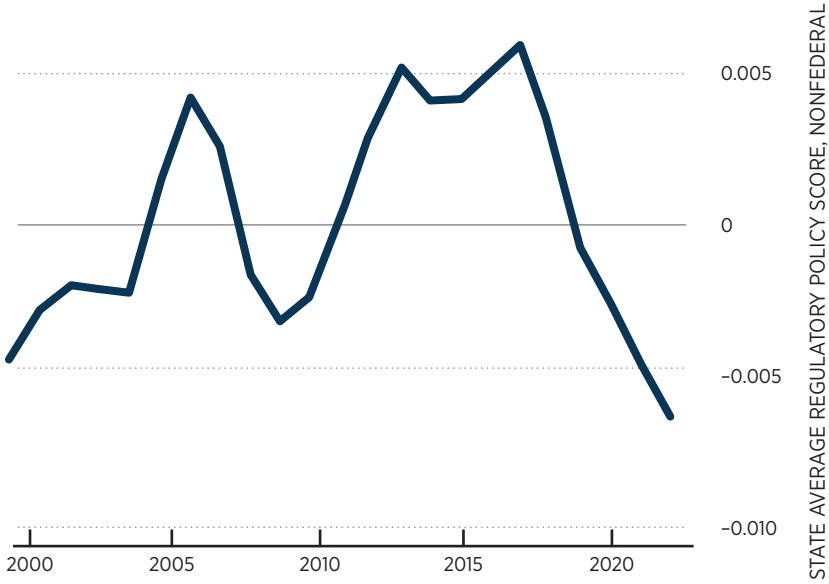


TABLE 2 **Overall Regulatory Policy Score**

| Rank | State | Overall Regulatory Policy Score |
|---|---|---|
| 1. | Kansas | 0.16 |
| 2. | Iowa | 0.14 |
| 3. | South Dakota | 0.13 |
| 4. | Nebraska | 0.13 |
| 5. | Idaho | 0.12 |
| 6. | Wyoming | 0.11 |
| 7. | Utah | 0.10 |
| 8. | Indiana | 0.09 |
| 9. | Wisconsin | 0.08 |
| 10. | North Dakota | 0.07 |
| 11. | Georgia | 0.07 |
| 12. | Michigan | 0.07 |
| 13. | Kentucky | 0.07 |
| 14. | Arkansas | 0.07 |
| 15. | Mississippi | 0.06 |
| 16. | South Carolina | 0.06 |
| 17. | New Hampshire | 0.05 |
| 18. | Virginia | 0.05 |
| 19. | Tennessee | 0.05 |
| 20. | Texas | 0.05 |
| 21. | Arizona | 0.04 |
| 22. | Alabama | 0.03 |
| 23. | Florida | 0.03 |
| 24. | North Carolina | 0.02 |
| 25. | Alaska | 0.02 |
| 26. | Nevada | 0.02 |
| 27. | Oklahoma | 0.01 |
| 28. | Colorado | 0.00 |
| 29. | West Virginia | 0.00 |
| 30. | Missouri | −0.02 |
| 31. | Ohio | −0.02 |
| 32. | Louisiana | −0.03 |
| 33. | Delaware | −0.04 |
| 34. | Minnesota | −0.04 |
| 35. | Montana | −0.07 |
| 36. | New Mexico | −0.08 |
| 37. | Pennsylvania | −0.09 |
| 38. | Illinois | −0.10 |
| 39. | Massachusetts | −0.13 |
| 40. | Connecticut | −0.13 |
| 41. | Washington | −0.14 |
| 42. | Rhode Island | −0.18 |
| 43. | Vermont | −0.20 |
| 44. | Hawaii | −0.22 |
| 45. | Maine | −0.30 |
| 46. | Oregon | −0.33 |
| 47. | Maryland | −0.38 |
| 48. | New York | −0.39 |
| 49. | California | −0.45 |
| 50. | New Jersey | −0.46 |

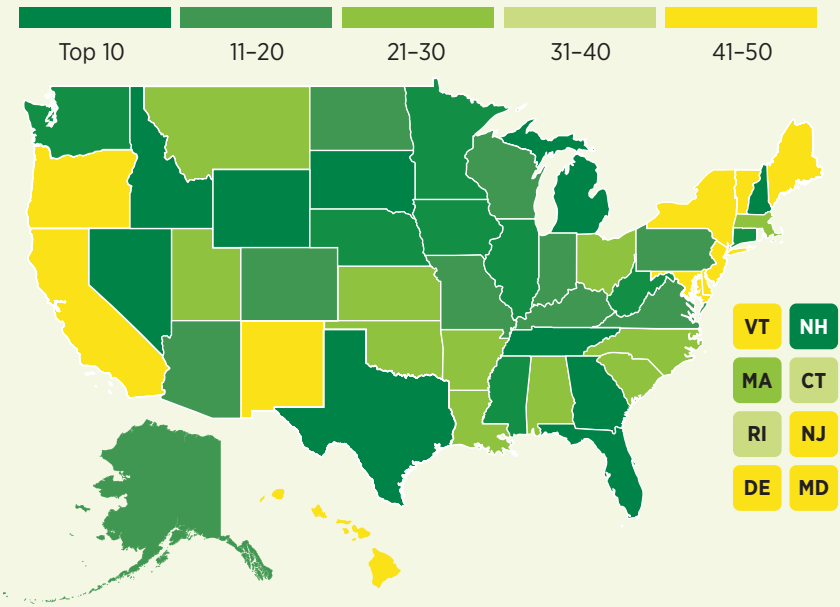
Note: States with different scores may appear identical due to rounding.

# OVERALL ECONOMIC FREEDOM RANKING

Although we believe that a composite freedom index that includes both economic and personal freedoms is most valuable and best represents the actual state of freedom in the states, readers may wish to compare and contrast the states solely on their overall economic freedom, particularly for the purposes of empirical analysis of income growth. We invite researchers to use the economic freedom variable as a tool for investigating income growth and related phenomena. Economic freedom is calculated as the sum of the fiscal and regulatory policy indexes.

We validate our economic freedom index by correlating it with state scores for taxes and regulations as rated by chief executives of for-profit companies for *Chief Executive* magazine.[28] We use the average *Chief Executive* scores for 2013 and 2014 for all 50 states. The correlation between our economic freedom index and chief executives' ratings is 0.74, indicating an extremely strong relationship between what we measure as economic freedom and what entrepreneurs are concerned about when it comes to state policy.[29]

FIGURE 5 **Overall Economic Freedom Rankings**




28. The rankings were announced on *Chief Executive's* website, http://chiefexecutive.net, but are no longer available.

29. We also correlated chief executives' ratings with the Fraser Institute's Economic Freedom of North America (EFNA) index, as measured in 2012 (latest available year) for the subnational level. That correlation is 0.67, strong but not as strong as the correlation between our index and chief executives' ratings. EFNA also has a weaker correlation with the Thumbtack.com survey results than our index. EFNA and our economic freedom index correlate at a moderately strong 0.59.

Republican-leaning and "purple" states dominate the top of the list, while Democratic-leaning states tend toward the bottom. This result is consistent with what we should expect from the policy ideology of the two parties at the state level. Some of the top states are among the fastest growers in the country, while most of the bottom states are losing residents to the rest of the United States. California, Hawaii, and New York are all more than two-thirds of a standard deviation (across all policies) worse than average on economic freedom alone.

Figure 6 shows the evolution of state average economic freedom over time, excluding federalized policies. Economic freedom declined in the early 2000s, recovered briefly, took another hit in 2009, and then grew to new heights by 2019 before declining during the COVID-19 pandemic. The upswing was consistent with what Figures 3 and 4 show: rapidly improving state fiscal policies between 2011 and 2019 and a less consistent but still large average improvement in regulatory policy until 2016, followed by a big decline. Median, not just mean, economic freedom has declined as well, from 0.12 in 2019 to 0.07 in 2022, driven largely by fiscal policy. We worry that the recent downward plunge could be a sign of a future trend toward greater interventionism in the economy—and a greater barrier to economic recovery in the aftermath of the COVID-19 pandemic.

FIGURE 6 **State Average Economic Freedom Scores Over Time**



TABLE 3 **Overall Economic Freedom Score**

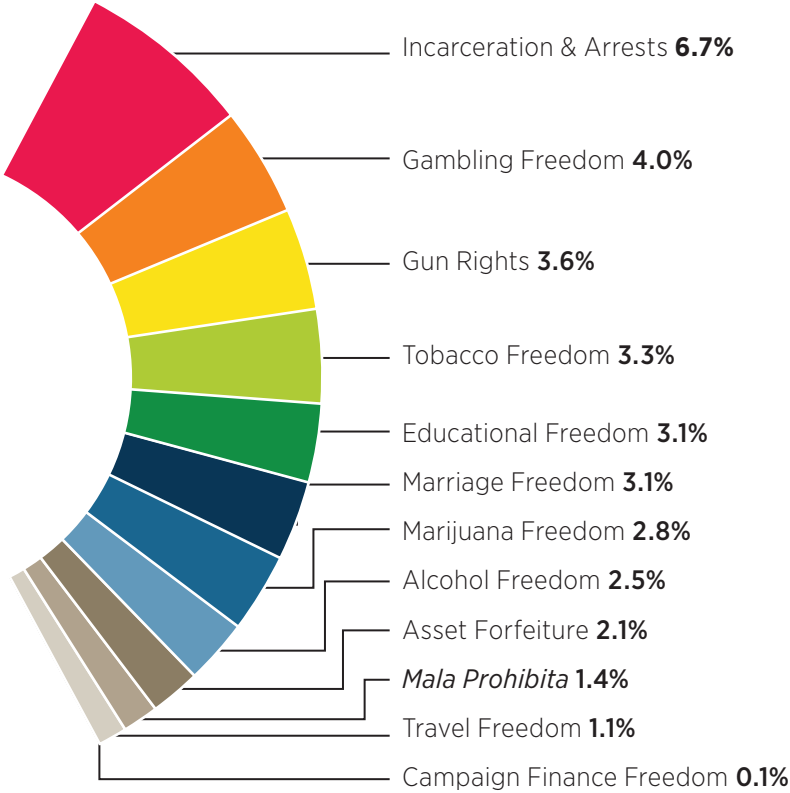
| Rank | State | Overall Economic Freedom Score |
|---|---|---|
| 1. | New Hampshire | 0.50 |
| 2. | Florida | 0.48 |
| 3. | South Dakota | 0.43 |
| 4. | Tennessee | 0.35 |
| 5. | Georgia | 0.24 |
| 6. | Texas | 0.24 |
| 7. | Idaho | 0.23 |
| 8. | Nevada | 0.23 |
| 9. | Wyoming | 0.23 |
| 10. | Michigan | 0.22 |
| 11. | Arizona | 0.20 |
| 12. | North Dakota | 0.20 |
| 13. | Indiana | 0.19 |
| 14. | Wisconsin | 0.16 |
| 15. | Missouri | 0.16 |
| 16. | Pennsylvania | 0.14 |
| 17. | Alaska | 0.13 |
| 18. | Virginia | 0.12 |
| 19. | Colorado | 0.11 |
| 20. | Kentucky | 0.11 |
| 21. | Arkansas | 0.09 |
| 22. | Ohio | 0.09 |
| 23. | Utah | 0.08 |
| 24. | Oklahoma | 0.08 |
| 25. | Kansas | 0.08 |
| 26. | North Carolina | 0.07 |
| 27. | South Carolina | 0.07 |
| 28. | Alabama | 0.05 |
| 29. | Montana | 0.04 |
| 30. | Louisiana | 0.02 |
| 31. | Iowa | −0.01 |
| 32. | Massachusetts | −0.02 |
| 33. | Connecticut | −0.03 |
| 34. | Nebraska | −0.05 |
| 35. | West Virginia | −0.06 |
| 36. | Mississippi | −0.07 |
| 37. | Rhode Island | −0.09 |
| 38. | Washington | −0.10 |
| 39. | Illinois | −0.14 |
| 40. | Minnesota | −0.15 |
| 41. | New Mexico | −0.16 |
| 42. | Delaware | −0.26 |
| 43. | Vermont | −0.38 |
| 44. | Maryland | −0.41 |
| 45. | Maine | −0.43 |
| 46. | New Jersey | −0.48 |
| 47. | Oregon | −0.50 |
| 48. | California | −0.71 |
| 49. | Hawaii | −0.75 |
| 50. | New York | −0.84 |

Note: States with different scores may appear identical due to rounding.

# PERSONAL FREEDOM

The personal freedom versus paternalism dimension (Figure 7) consists of the following categories: (a) incarceration and arrests for victimless crimes, (b) tobacco freedom, (c) gambling freedom, (d) gun rights, (e) educational freedom, (f) marriage freedom, (g) marijuana freedom, (h) alcohol freedom, (i) asset forfeiture, (j) other *mala prohibita* (acts defined as criminal in statute, but which are not considered harms in common law) and miscellaneous civil liberties, (k) travel freedom, and (l) campaign finance freedom. Weighting these categories is a challenge because the observable financial impacts of these policies often do not include the full harms to victims.

FIGURE 7 **Personal Freedom Weights**



With some assumptions, one can use results in the academic literature to measure, for instance, the lost consumer surplus from marijuana prohibition, or even to make a plausible guess at the disutility incurred by a year in prison. However, it is much more difficult to measure the risks that prohibitionist policies pose to individuals who are not imprisoned—especially those who may not even engage in the activity prohibited, but who legitimately fear further restrictions on their freedoms. For example, civil asset forfeiture is another major violation of liberty that came about as a way of enforcing prohibition.

An example may help illustrate the problem. Imagine two countries, each the size of the United States. In Country A, the average tax rate is 1 percent of income lower than in Country B, but unlike Country B, Country A prohibits the practice of a minority religion—say, Zoroastrianism. Assuming personal income of $22 trillion, as in the United States in 2021, the lower tax rate in Country A allows for more freedom worth $55 billion a year, by the method of calculation used in this book.

Now suppose that 10,000 Zoroastrians go to prison for their beliefs. There are few estimates of the cost of prison, including opportunity cost and psychological harms, but the estimates that exist range between $40,000 and $60,000 per year for the average prisoner, adjusting for inflation.[30] Taking the higher figure, the prohibition of Zoroastrianism is found to have a victim cost of approximately $600 million per year: far, far lower than the benefit of lower taxes.

Is the country with slightly lower taxes, but with a blatant infringement of religious freedom, truly freer? Surely, the calculation above has missed some very significant costs to freedom from the infringement of religious liberty. This calculation is related to the discussion of fundamental rights in the "Regulatory Policy" section earlier. Freedom to believe (or disbelieve) in any religion and freedom to practice peacefully (or refuse to practice) any religion seem to be freedoms that every person rationally desires. They are fundamental rights. Many personal freedoms have this character, and it needs to be recognized in the freedom index.

Therefore, the index applies constitutional weights to personal freedoms—as with regulatory policies—but uses different values, because the direct, measurable costs to victims of policies that infringe on personal freedoms are generally a smaller percentage of true costs than the direct, measurable costs to victims of regulatory policies. Put another way, measuring the eco-

30. John J. Donohue, "Assessing the Relative Benefits of Incarceration: The Overall Change Over the Previous Decades and the Benefits on the Margin," in *Do Prisons Make Us Safer? The Benefits and Costs of the Prison Boom,* ed. Steven Raphael and Michael Stoll (New York: Russell Sage Foundation, 2008); Innocence Project, "Compensating the Wrongly Convicted," (archived from the original).

nomic consequences that regulatory policies have on their full victim class is a relatively simple procedure, but the full costs of policies that infringe on personal freedoms are measurable only in part. Furthermore, as mentioned in the discussion of fiscal policy, taxes and economic regulations do not necessarily infringe on the rights of all apparent victims, unlike policies that affect personal freedoms.

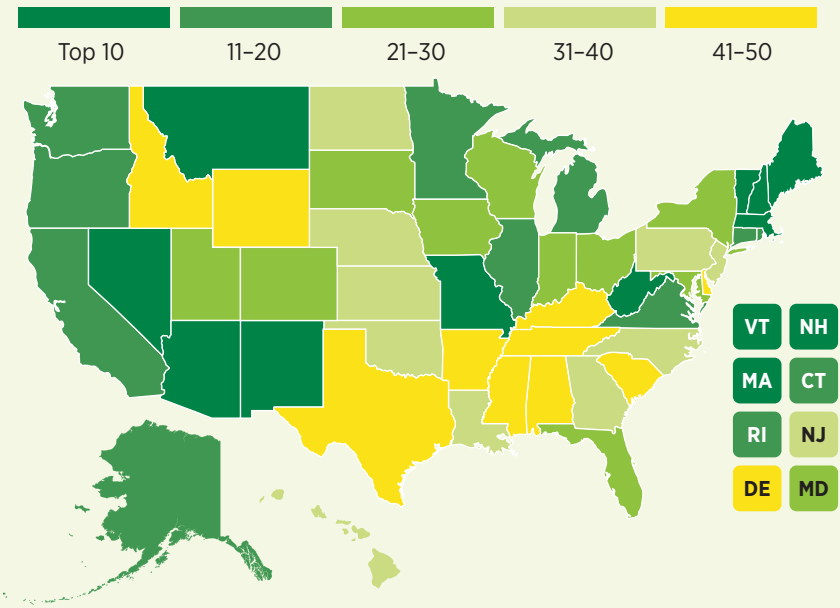
Again, the index takes constitutional provisions relating to certain freedoms as *prima facie* evidence of a freedom's fundamental nature, indicating that the full victim class should be thought of as quite broad. Therefore, variables relating to fundamental, high-salience rights are multiplied by a factor of 10, on the basis of their inclusion in the federal Constitution. Variables relating to rights specified only in at least one state constitution are multiplied by a factor of 5. Variables that receive the "constitutional weights" are noted in the relevant discussion of each. There is nothing magical about these numbers, of course, but they bring the personal freedom dimension into rough parity with the fiscal and regulatory policy dimensions as one-third of the overall index. In this edition, personal freedom is of slightly greater weight than both regulatory and fiscal policy.

# OVERALL PERSONAL FREEDOM RANKING

# 33.8%

The top states in the personal freedom dimension tend to be more western and northeastern, while the bottom states are either socially conservative and southern or mid-Atlantic and liberal. As in past editions, we find a strong rural–urban division. One reason for the rural–urban relationship is likely voters' fears of crime, which leads them to support harsh policing and prosecutorial tactics, stricter drug and gun laws, and more limits on civil liberties. However, no statistical relationship exists between personal freedom and actual violent crime rates (however, it is weakly negatively correlated with property crime rates). It is well-known that public perceptions of crime can diverge widely from the truth.[31] An alternative explanation is that there are more negative externalities of personal behavior in urban settings. But if that were the case, one would also expect more urbanized states to have

FIGURE 8 **Overall Personal Freedom Rankings**

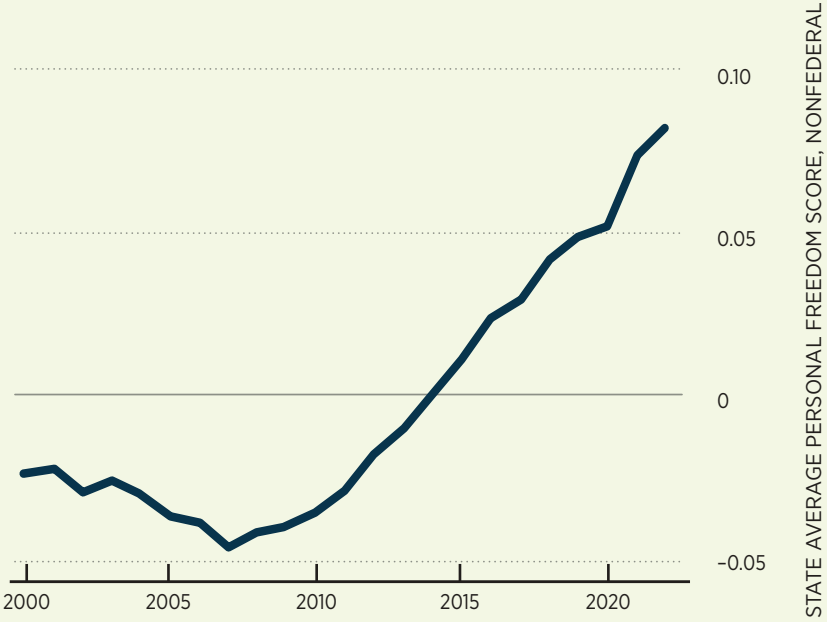



31. Lydia Saad, "Perceptions of Crime Problem Remain Curiously Negative," Gallup.com, October 22, 2007; Mark Warr, "Public Perception of Crime Remains Out of Sync with Reality, Criminologist Contends," University of Texas at Austin, November 10, 2008.

more economic regulation and higher taxation, and they do not. Socially conservative states tend to restrict alcohol, gambling, marijuana, and, until *Obergefell v. Hodges*,[32] marriage freedoms, but they permit greater freedom in education and have more respect for gun rights and for private property on smoking policy.

Figure 9 shows state average personal freedom scores over time. This chain-linked index excludes such federalized policies as same-sex marriage, sodomy laws, and removal of local gun bans. After personal freedom dropped nationwide between 2000 and 2008, partially due to a wave of new tobacco restrictions, it has grown even more substantially since 2010, due in large part to ballot initiatives loosening marijuana regulations, to the spread of legal gambling, and to legislative criminal justice and asset forfeiture reforms. If we were to plot the average personal freedom scores, including federalized scores, the improvement in personal freedom would be greater, but would also be disrupted by a major recent federal blow to personal freedom: tobacco prohibition for 18- to 20-year-olds. Over the past 22 years, we see a consistent pattern in which judicial engagement has increased state personal freedom, while congressional involvement has decreased it.

FIGURE 9 **State Average Personal Freedom Scores Over Time**




32. *Obergefell v. Hodges,* 576 U.S. 644 (2015).

TABLE 4 **Overall Personal Freedom Score**

| Rank | State | Overall Personal Freedom Score | Rank | State | Overall Personal Freedom Score |
|---|---|---|---|---|---|
| 1. | Nevada | 0.278 | 26. | Utah | 0.076 |
| 2. | Arizona | 0.247 | 27. | Maryland | 0.075 |
| 3. | Maine | 0.231 | 28. | Wisconsin | 0.074 |
| 4. | New Hampshire | 0.204 | 29. | Ohio | 0.072 |
| 5. | New Mexico | 0.198 | 30. | New York | 0.070 |
| 6. | Vermont | 0.187 | 31. | North Dakota | 0.066 |
| 7. | Montana | 0.147 | 32. | Oklahoma | 0.066 |
| 8. | Missouri | 0.144 | 33. | North Carolina | 0.063 |
| 9. | Massachusetts | 0.138 | 34. | Pennsylvania | 0.062 |
| 10. | West Virginia | 0.128 | 35. | New Jersey | 0.059 |
| 11. | California | 0.125 | 36. | Louisiana | 0.054 |
| 12. | Virginia | 0.123 | 37. | Kansas | 0.045 |
| 13. | Washington | 0.113 | 38. | Georgia | 0.033 |
| 14. | Oregon | 0.104 | 39. | Hawaii | 0.032 |
| 15. | Rhode Island | 0.102 | 40. | Nebraska | 0.030 |
| 16. | Connecticut | 0.098 | 41. | Tennessee | 0.026 |
| 17. | Alaska | 0.098 | 42. | Alabama | 0.026 |
| 18. | Illinois | 0.093 | 43. | Delaware | 0.024 |
| 19. | Michigan | 0.093 | 44. | Arkansas | 0.022 |
| 20. | Minnesota | 0.092 | 45. | Mississippi | 0.017 |
| 21. | South Dakota | 0.089 | 46. | South Carolina | 0.011 |
| 22. | Florida | 0.088 | 47. | Kentucky | 0.008 |
| 23. | Indiana | 0.086 | 48. | Wyoming | 0.000 |
| 24. | Colorado | 0.084 | 49. | Idaho | −0.001 |
| 25. | Iowa | 0.079 | 50. | Texas | −0.021 |

Note: States with different scores may appear identical due to rounding.

# OVERALL FREEDOM RANKING

The weighted sum of all the variables is used to produce the overall freedom ranking of the states. The overall freedom scores rate states on how free they are relative to other states. A score of 1 would correspond to a state's being one standard deviation above average in every single variable, although in reality, every state scores better on some variables and worse on others. A score of 0 would be equivalent to a state's being absolutely average on every variable, and a score of –1 to a state's being one standard deviation below average on every variable. Table 5 presents the overall freedom rankings as of year-end 2022.

New Hampshire, Florida, South Dakota, Nevada, and Arizona are the freest states in the country and now significantly outpace their peers. States that have always done well in our index—such as Tennessee and Indiana—also find themselves in the top 10. New York is the least free state again, as it has been in every version of the index and every year covered by this index since 2000. Hawaii has fallen enough to put itself well below California now. New Jersey and Oregon round out the bottom five. Because states' freedom scores represent their situation at the beginning of 2023, they include changes made by legislatures that in most states were elected in November 2020. Figure 10 shows the evolution of the top and bottom states over time using the chain-linked index, so that it focuses specifically on decisions made by state governments and voters.

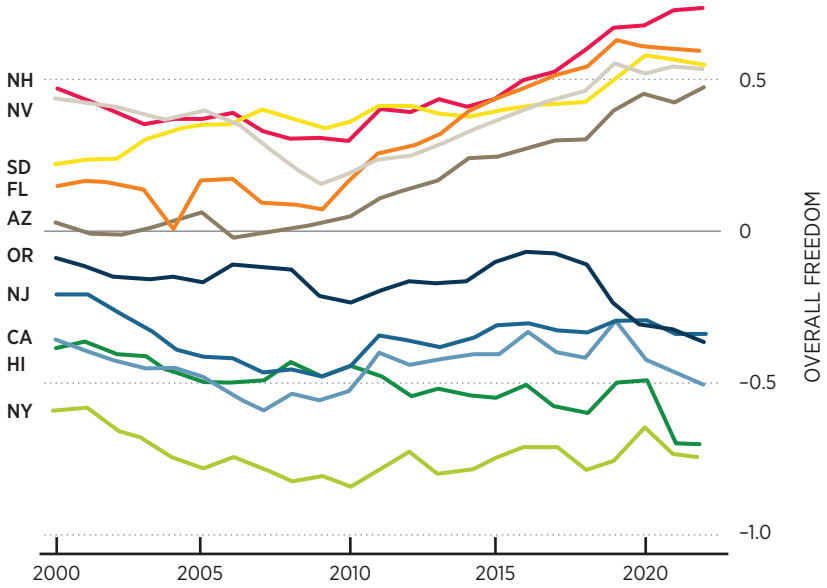
New Hampshire is once again the freest state in the Union and in 2022 set the record for the highest freedom score ever recorded in the 21st century. Governor Chris Sununu and the New Hampshire legislature have much to be proud of. In 2000, on the full index, Nevada was number one, just ahead of New Hampshire. New Hampshire briefly took over as number one in 2006, only to be dethroned by South Dakota. Today, the Granite State has held the crown since 2011. (In the fifth edition, Florida was number one, but the addition of new variables since then has made it so that Florida has now been number two in our data set since 2015. Obviously, there's no shame in this for Florida, because the state has continued to gain on freedom on the variables we measure.) Historically, freedom in New Hampshire declined substantially with the legislatures elected in 2006 and 2008, then recovered all the ground it lost in those years in the legislature elected in 2010. The legislature elected in 2012 diminished freedom slightly, but the 2014-elected

TABLE 5 **Overall Freedom Score**

| Rank | State | Overall Freedom Score |
|---|---|---|
| 1. | New Hampshire | 0.71 |
| 2. | Florida | 0.57 |
| 3. | South Dakota | 0.52 |
| 4. | Nevada | 0.51 |
| 5. | Arizona | 0.44 |
| 6. | Tennessee | 0.38 |
| 7. | Michigan | 0.31 |
| 8. | Missouri | 0.30 |
| 9. | Georgia | 0.28 |
| 10. | Indiana | 0.27 |
| 11. | North Dakota | 0.26 |
| 12. | Virginia | 0.24 |
| 13. | Wisconsin | 0.24 |
| 14. | Idaho | 0.23 |
| 15. | Alaska | 0.23 |
| 16. | Wyoming | 0.23 |
| 17. | Texas | 0.22 |
| 18. | Pennsylvania | 0.20 |
| 19. | Colorado | 0.20 |
| 20. | Montana | 0.19 |
| 21. | Ohio | 0.16 |
| 22. | Utah | 0.16 |
| 23. | Oklahoma | 0.15 |
| 24. | North Carolina | 0.14 |
| 25. | Kansas | 0.12 |
| 26. | Massachusetts | 0.12 |
| 27. | Arkansas | 0.11 |
| 28. | Kentucky | 0.11 |
| 29. | South Carolina | 0.08 |
| 30. | Alabama | 0.08 |
| 31. | Louisiana | 0.08 |
| 32. | West Virginia | 0.07 |
| 33. | Connecticut | 0.07 |
| 34. | Iowa | 0.07 |
| 35. | New Mexico | 0.04 |
| 36. | Rhode Island | 0.01 |
| 37. | Washington | 0.01 |
| 38. | Nebraska | −0.02 |
| 39. | Illinois | −0.05 |
| 40. | Mississippi | −0.05 |
| 41. | Minnesota | −0.06 |
| 42. | Vermont | −0.19 |
| 43. | Maine | −0.20 |
| 44. | Delaware | −0.23 |
| 45. | Maryland | −0.34 |
| 46. | Oregon | −0.40 |
| 47. | New Jersey | −0.42 |
| 48. | California | −0.58 |
| 49. | Hawaii | −0.72 |
| 50. | New York | −0.77 |

Note: States with different scores may appear identical due to rounding.

FIGURE 10 **Freedom Evolution of Selected States**




legislature then increased it again even more. And in the 2021 to 2022 period, New Hampshire saw the second-largest increase in freedom of all the states, behind only Connecticut.

Florida's rise since 2009 has been nothing short of stunning. Most states have improved on freedom in that time if federalized policies are excluded; however, Florida's post-2010 improvement has been the second greatest in the United States (after Wisconsin). Florida's improvement has lain mostly in fiscal policy, where the numbers tell a consistent story: government consumption, local taxes, state taxes, debt, and government employment have all fallen as a share of the private economy. The only area of deterioration in fiscal policy has been liquid assets, which have fallen slightly. Florida has also risen from 35th on personal freedom in 2013 to 22nd today. Clearly, Florida's state leadership—from governors Rick Scott and Ron DeSantis to recent pro-freedom speakers of the House—deserves great credit for making freedom a priority over the past decade.

South Dakota is the third-freest state. The last time it held the crown was 2010, and the last time it led on economic freedom was 2015. While the state has improved on all three dimensions of freedom since 2012, a few other states have improved faster.

Nevada comes in just behind South Dakota at number four. It has been a consistent top-five state, though others have leapfrogged it since 2000. Unsurprisingly, it has been the unchallenged leader in personal freedom for all 23 years in our data set. Freedom in Nevada declined with the legislature elected in 2006, but it has bounced back strongly since then. Overall freedom there today is as high as it was in 2000, and 2018 was the first year in which Nevada has been in the top 10 on economic freedom since 2006. So Nevada's ranking isn't just due to its less personally paternalistic ways.

Arizona is now just behind Nevada. It has seen the fourth most improvement since 2010. Its educational freedom leadership has now put it as high as second place on personal freedom for the first time ever. Former governor Doug Ducey was a major leader on educational freedom and regulatory reform. A small COVID-19 pandemic slide in fiscal policy has not negated the massive gains the state has made in that area over the past two decades.

Residents of these top-five states have much to be proud of, and the rest of us should be more willing to look to states like New Hampshire, Florida, South Dakota, Nevada, and Arizona as models to emulate. One interesting thing about these top five is that they have similar levels of freedom despite substantial differences in other respects.

When it comes to the bottom states, we see that the Empire State has consistently placed last. The difference between the scores for New York and New Hampshire corresponds to one and a half standard deviations on every single variable. New York also performs poorly across the board, but especially on economic freedom. Thus, New Yorkers feel the heavy hand of government in every area of their lives. Is it any wonder that people are fleeing the state in droves? According to the U.S. Census Bureau's components of population change data, about 1.4 million people, on net, fled New York for other states between 2010 and 2019, a whopping 7.1 percent of the state's 2010 population.[33] In calendar year 2019 alone, 185,000 more people moved from New York to another state than moved in.[34] During the COVID-19 pandemic, that rate of out-migration ballooned, causing historic levels of population loss, unsurprising given the policy responses from state and local leaders that alienated many, failed to contain the crisis, and harmed key parts of the economy.[35] We used to caveat these findings by noting that international migration still helped New York avoid losing population, but no longer: the state has lost more than half a million people since July 2019.

33. "State Population Totals and Components of Change: 2010–2019," U.S. Census Bureau, 2021.

34. "State-to-State Migration Flows," U.S. Census Bureau, 2021.

35. E. J. McMahon, "New York's Post-Pandemic Population Drop Continued into 2022," Empire Center, Albany, December 22, 2022.

Hawaii is no paradise when it comes to freedom. The Aloha State has declined gradually since the Great Recession, and that decline is even more precipitous once we take into account the effects of its native son's PPACA or Obamacare, because Hawaii formerly had one of the most free-market health insurance systems in the country. Fiscal policy accounts for most of Hawaii's decline, due to big increases in tax burden in 2011, 2012, and 2021, as well as additional increases in fiscal policy burdens in 2018 and 2019 (tax increases in 2021 will continue its woes into the next edition). Land-use, labor, and property and casualty insurance regulations have also gotten tougher since 2013. Since 2011, real income and income per capita growth have fallen behind the rest of the country, and Hawaii's real per capita income is now ahead of only West Virginia and Mississippi.

California lives up to its big government reputation, coming in as the third-worst state for freedom. Its overall freedom (even controlling for federalization of some policies in an anti-freedom direction) has fallen since 2000, owing to declines in regulatory policy that have swamped improvements in personal freedom. State taxation rose substantially from 2011 to 2014, then leveled off before rising again in 2020 and 2021. Local taxes, debt, government consumption, and government employment have all fallen since the Great Recession. That helped improve fiscal policy in the years 2009 to 2011. From 2000 to 2012, California had the worst real personal income growth performance of any state other than Michigan. Since then, the economy has recovered somewhat. But fiscal policy has deteriorated again since the COVID-19 pandemic, and time will tell whether that presages another period of malaise for the Golden State. California's personal freedom grew from 2008 to 2016, but other states have improved even faster in that dimension. Given some policy and cultural trends, we expect Sacramento to further burden state-level freedom ahead and undermine its natural economic advantages.

Number 47 New Jersey is substantially above California and just below Oregon. After a big drop in freedom between 2000 and 2009, it has remained fairly stable since, other than a 10-point drop in economic freedom in 2021. New Jersey has fallen to last place on regulatory policy but has managed to rise to 35th on personal freedom. Fiscal policy is trending down: taxes have risen since 2016 but are not yet as high as New York's. We would expect some further convergence unless a different mindset emerges across the state.

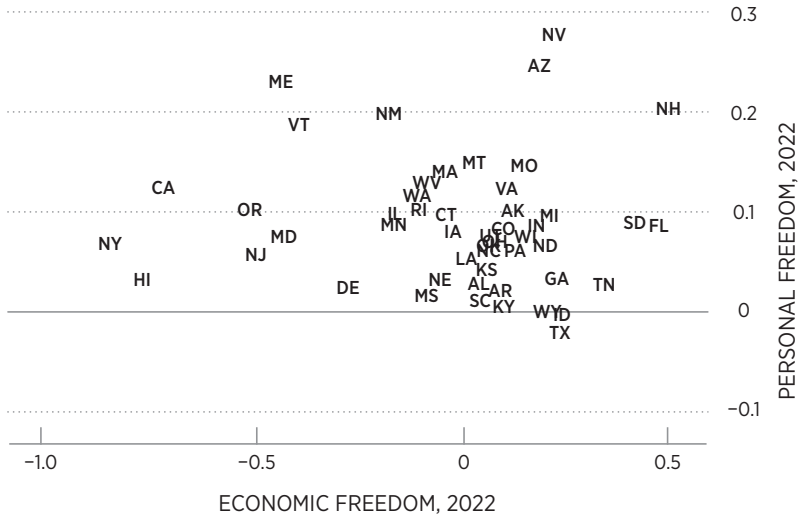
Oregon's deterioration has been long-term and sustained. It is the second most worsened state since 2000, after Hawaii (Table 7). Tax and regulatory burdens have risen, and although the state remains relatively personally free, other states have increased more on that dimension and passed it in the ranking. Land-use freedom took a big hit in 2019 despite the expansion of an

accessory dwelling unit law because of the adoption of statewide rent caps, even as local zoning regulations continue to tighten. FY 2022 state-level tax burden rose to an all-time high of 7.1 percent of income, up from 4.9 percent in FY 2002. Over the same period, local tax burden has remained steady at 4.0 percent of income, just above the national average of 3.9 percent.

Figure 11 plots each state's personal freedom score against its economic freedom score. There appears to be a small positive correlation between personal and economic freedom, but it is not statistically significant. Most of the top states on overall freedom do well on both economic and personal freedoms. However, a few states in the top 10, such as Tennessee and Georgia, still do relatively poorly on personal freedom but outstandingly well on economic freedom.

The outlier states are instructive. In the bottom part of the lower-right quadrant, we see economically freer, personally less-free states, such as Idaho, Wyoming, Georgia, Texas, Alabama, Kentucky, Arkansas, South Carolina, and Tennessee. Texas is a paradigmatic case, finishing dead last in personal freedom despite a top-10 economic freedom score. Texans may be unhappy with their weak personal freedom showing, but it reflects poor criminal justice policies and the fact that the Lone Star State is increasingly behind the curve on cannabis, education, and gambling freedoms. The Texas legislature could end its intransigence on education reform in 2023, thus

FIGURE 11 **Economic and Personal Freedom in 2022**



improving its position, if it approves education savings accounts in a special legislative session that was in the works as we went to press.[36]

Oklahoma is an interesting case. It was a classic, stereotypical red state, performing well on economic freedom but poorly on personal freedom. However, since 2017, it has gained substantially on personal freedom (gun rights, marijuana and alcohol freedom, and criminal justice reform), whereas economic freedom has stagnated relatively. Given its openness to policy innovation, Oklahoma could stand to turn its attention to economic matters and outcompete neighbors like Texas and Kansas (the latter is great on regulatory policy but quite poor on fiscal policy).

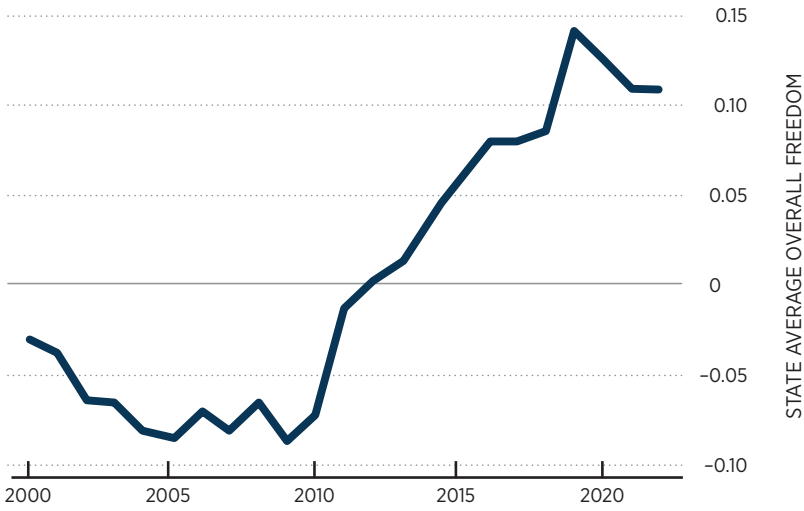
In the upper-right quadrant are economically and personally free states, such as New Hampshire, Nevada, Arizona, Missouri, South Dakota, and Florida. Out on the bottom left are New York and Hawaii, which score relatively poorly on both economic and personal freedoms. New Jersey and Maryland are not as extreme as New York on economic freedom but still score quite badly on economic freedom and mediocre at best on personal freedom. Finally, in the upper-left quadrant are Vermont, Maine, New Mexico, and perhaps California and Oregon, which are performing poorly on economic freedom but doing a bit better on personal freedom (or, in the case of New Mexico, Vermont, and Maine, a lot better). These are the stereotypical left-liberal states that do well on personal freedom but are economically collectivist. Generally, then, conservative states do better than left-liberal states on economic freedom, and rural/western/New England states do better than urban/southern/mid-Atlantic states on personal freedom.

Figure 12 shows the evolution of nonfederalized overall freedom scores over time. There is a pronounced ladle shape since 2000, with an upward trend beginning in 2011 and then leveling off in 2020. When we include federalized policies, the average state score in 2022 is almost identical to the score in 2000. Thus, federal subversion of state autonomy has on balance been detrimental to the freedom that citizens have experienced since 2000. Indeed, in general, economic freedom has declined in the United States since 2000, but the blame for this trend essentially belongs on the federal government, not state and local governments.[37]

36. Patrick Svitek, "Property Tax Special Session Is Over, but Months of Acrimony Could Complicate Texas Lawmakers' Mission as More Work Awaits," *Texas Tribune*, July 14, 2023.

37. James Gwartney, Robert Lawson, and Joshua Hall, "Economic Freedom of the World: Lessons for the U.S.," Huffington Post, September 25, 2011.

FIGURE 12 **State Average Overall Freedom Over Time**




## CHANGE OVER TIME

Table 6 pulls out the most improved and worsened states from year-end 2020 to year-end 2022. It is important to recognize that short-term changes will be caused by a great deal of noise in the fiscal data that may or may not be due to significant policy changes, especially since we lack local tax, debt, and cash data after FY 2021. Nonetheless, it is worth noting which states saw the most change in individual freedom in the period covered by our newest data.

Surprisingly, Connecticut is the state with the most improvement in 2021 and 2022. That gain has come from personal freedom, while a small improvement in fiscal policy has canceled out a small deterioration in regulatory policy. The biggest personal freedom changes were legalizing marijuana and abolishing qualified immunity in 2021.

Hawaii is far and away the state that worsened the most since the 2020 election. That decline is driven mostly by the higher state tax burden. However, the Aloha State also raised the minimum wage and saw land-use regulation increase further.

Table 7 showing changes over time (year-end 2000 to year-end 2022) highlights the big picture since our first comprehensive set of data in 2000 and is limited to nonfederalized policies. We have data for every year between those dates.

## TABLE 6 **Freedom Growth, 2020–2022**

| Rank | State | Freedom Growth, 2020–2022 |
|---|---|---|
| 1. | Connecticut | 0.06 |
| 2. | New Hampshire | 0.05 |
| 3. | West Virginia | 0.05 |
| 4. | Missouri | 0.04 |
| 5. | New Mexico | 0.03 |
| 6. | Ohio | 0.03 |
| 7. | Arkansas | 0.02 |
| 8. | Arizona | 0.02 |
| 9. | Alaska | 0.02 |
| 10. | Nevada | 0.02 |
| 11. | Wisconsin | 0.02 |
| 12. | Texas | 0.01 |
| 13. | Oklahoma | 0.01 |
| 14. | Rhode Island | 0.01 |
| 15. | Indiana | 0.01 |
| 16. | Tennessee | 0.01 |
| 17. | Utah | 0.01 |
| 18. | Montana | 0.00 |
| 19. | Alabama | 0.00 |
| 20. | Virginia | 0.00 |
| 21. | Iowa | 0.00 |
| 22. | Washington | −0.01 |
| 23. | Wyoming | −0.01 |
| 24. | Pennsylvania | −0.01 |
| 25. | Mississippi | −0.01 |
| 26. | Florida | −0.02 |
| 27. | Kansas | −0.02 |
| 28. | Kentucky | −0.02 |
| 29. | Louisiana | −0.02 |
| 30. | Nebraska | −0.02 |
| 31. | Vermont | −0.02 |
| 32. | Colorado | −0.03 |
| 33. | South Dakota | −0.03 |
| 34. | Minnesota | −0.03 |
| 35. | South Carolina | −0.03 |
| 36. | Georgia | −0.04 |
| 37. | Michigan | −0.04 |
| 38. | Delaware | −0.05 |
| 39. | North Carolina | −0.05 |
| 40. | New Jersey | −0.05 |
| 41. | North Dakota | −0.05 |
| 42. | Oregon | −0.06 |
| 43. | Massachusetts | −0.06 |
| 44. | Maine | −0.06 |
| 45. | Illinois | −0.07 |
| 46. | Idaho | −0.07 |
| 47. | Maryland | −0.08 |
| 48. | California | −0.08 |
| 49. | New York | −0.10 |
| 50. | Hawaii | −0.21 |

Note: States with different scores may appear identical due to rounding.

TABLE 7 **Freedom Growth, 2000–2022**

| Rank | State | Freedom Growth, 2000–2022 |
|---|---|---|
| 1. | New Mexico | 0.45 |
| 2. | Florida | 0.45 |
| 3. | Arizona | 0.44 |
| 4. | Wisconsin | 0.43 |
| 5. | Michigan | 0.38 |
| 6. | Oklahoma | 0.38 |
| 7. | South Dakota | 0.33 |
| 8. | Ohio | 0.33 |
| 9. | Alaska | 0.31 |
| 10. | Georgia | 0.31 |
| 11. | Wyoming | 0.28 |
| 12. | Missouri | 0.27 |
| 13. | New Hampshire | 0.27 |
| 14. | Idaho | 0.26 |
| 15. | Utah | 0.26 |
| 16. | Texas | 0.25 |
| 17. | Montana | 0.24 |
| 18. | West Virginia | 0.24 |
| 19. | South Carolina | 0.22 |
| 20. | North Dakota | 0.22 |
| 21. | Louisiana | 0.20 |
| 22. | Kentucky | 0.18 |
| 23. | Rhode Island | 0.17 |
| 24. | Arkansas | 0.15 |
| 25. | Pennsylvania | 0.15 |
| 26. | North Carolina | 0.14 |
| 27. | Tennessee | 0.14 |
| 28. | Alabama | 0.13 |
| 29. | Virginia | 0.12 |
| 30. | Washington | 0.11 |
| 31. | Nevada | 0.11 |
| 32. | Kansas | 0.10 |
| 33. | Mississippi | 0.08 |
| 34. | Massachusetts | 0.07 |
| 35. | Connecticut | 0.07 |
| 36. | Indiana | 0.06 |
| 37. | Colorado | 0.05 |
| 38. | Nebraska | 0.05 |
| 39. | Minnesota | 0.05 |
| 40. | Illinois | 0.01 |
| 41. | Iowa | 0.01 |
| 42. | Maryland | −0.04 |
| 43. | Maine | −0.11 |
| 44. | New Jersey | −0.14 |
| 45. | California | −0.14 |
| 46. | New York | −0.15 |
| 47. | Delaware | −0.16 |
| 48. | Vermont | −0.18 |
| 49. | Oregon | −0.28 |
| 50. | Hawaii | −0.31 |

Note: States with different scores may appear identical due to rounding.

Over this long period, New Mexico, Florida, Arizona, and Wisconsin are all clustered together as the biggest gainers. New Mexico was the biggest surprise to us, but a recounting of its reforms shows why it has done so well. To start with, it was the third least free state in 2000 and last place on fiscal policy, so it had a lot of room to grow. The tax and government consumption and employment shares of the economy have fallen consistently. The government debt burden rose during the Great Recession but has been slashed in just the last few years and is now less than one-third of cash and security assets. On personal freedom, the state has legalized permitless open carry (2002) and shall-issue concealed carry (2004), legalized medical (2007) and recreational (2021) marijuana, legalized sports betting (2018), legalized physician-assisted suicide (2013), massively reformed civil asset forfeiture (2015), cut incarceration rates (starting in 2018) and drug arrest rates (starting in 2008), and limited qualified immunity (2021).

As previously discussed, Florida's rise has been remarkable. It has gained primarily in the fiscal policy category, where the numbers tell a consistent story: government consumption, local taxes, state taxes, debt, and government employment have all fallen as a share of the private economy. It has also improved on personal freedom and gained relatively on regulatory policy (even as it has declined absolutely).

Arizona has made massive gains on fiscal policy and educational freedom. Government consumption declined from 11.6 percent of the economy in 2013 to 8.7 percent in 2022, with the biggest single-year drop coming in 2020. Government debt and employment also fell substantially during those years, whereas tax burden held steady. Arizona is also one of the few states not to suffer a significant decline in land-use and energy freedom over the past decades, perhaps in part as a result of its particularly robust regulatory taking compensation law. It adopted constitutional carry and legalized marijuana. It was the first state with a universal education savings account law. Unfortunately, its minimum wage has risen to internationally extreme heights, given average wages, and its restrictions on smoking and vaping have gone far. Arizona has seen ballot initiatives both give and take away freedoms.

Wisconsin was a bottom-10 state as recently as 2010. The partisan change in that state has corresponded with a change in freedom trajectory, beginning with Governor Scott Walker. Over the last 12 years, the Badger State has risen 20 places in the fiscal policy ranking, 19 places in the regulatory policy ranking, and 20 places in the personal freedom ranking. State taxes have fallen slightly and local taxes even more. The debt to assets ratio has improved, and government GDP share has fallen a lot. The state has resisted increasing zoning regulations, adopted right-to-work laws, no longer has a higher-than-federal minimum wage, deregulated telecom (2011), has not expanded

occupational licensing significantly, enacted tort reform (2011), moved to shall-issue concealed carry (2011), legalized sports betting (2021), legalized raw milk sales (2015), expanded school choice (2013), held down cigarette taxes, and reformed asset forfeiture (2018).

Hawaii is our biggest loser over the two-decade period. As noted earlier, its tax burden increased and its fiscal freedom has declined. Land-use, labor, and property and casualty insurance regulations have gotten tougher since 2013, while its real income and income per capita growth have fallen behind the rest of the country.

Oregon and Vermont are the next states that have declined the most. Vermont provides a dramatic contrast with the freest state, its neighbor to the east, New Hampshire. Although many people outside of the Northeast confuse the two, Vermont is "Bizarro New Hampshire" or "Upside-Down New Hampshire" when it comes to freedom. Beginning in 1997, Vermont's school funding system was dramatically altered in such a way as to cause a big increase in fiscal centralization. Property taxes are now considered a state tax rather than a local tax, although towns still have some control over the rate. More importantly, taxes have continued to go up despite the "fix." State taxes have risen from 8.0 percent to 9.8 percent of the tax base (excluding motor fuel and alcohol and tobacco taxes), whereas local taxes have fallen only from 2.4 percent to 2.0 percent since 2000. Government employment and consumption have risen slightly as a percentage of the economy.

Regulatory policy has also gotten much worse, with the vast majority of the losses concentrated in land-use and environmental regulation. As near as we can tell using our admittedly imperfect data, residential building restrictions have tightened enormously. One reflection of that is the frequency of the term "land use" in appellate court decisions; that frequency is now much higher, when divided by population, in Vermont than anywhere else. Vermont has enacted one of the country's most costly renewable portfolio standards.

Personal freedom has also grown little over this period despite marijuana freedom increasing substantially. Most of the country has gained more in personal freedom. Gun rights have declined slightly, while a large tobacco freedom decline has effectively cancelled out its freedom-enhancing change on cannabis. This latter point we find particularly rich given its hypocrisy from the public health standard that drove tobacco restrictionism.

Last, it is worth pointing out policy areas that have received significant attention throughout the 2000–2022 period. Tobacco policy is the most notable area in which state policies have become more restrictive of personal freedom, with significant increases in taxes, as well as greater and greater restrictions on where one can smoke. Laws dealing with domestic partnerships, civil unions, and gay marriage also changed dramatically,

especially in the years 2010–2015. Criminal justice reforms have swept the country at both the federal and state levels. In fact, they became pretty much a transpartisan consensus issue where little opposition existed before the summer of 2020 created some turbulence in the air (especially on policing).

Civil asset forfeiture reform stands out here, as well as criminal penalties affected by criminal justice reform efforts. Marijuana laws are undergoing rapid liberalization, first in states with citizen ballot initiatives. Gun laws and education policies have been gradually liberalized across the country, and state bans on direct-to-consumer wine shipments have been removed in many places.

Gun policy has also seen significant changes. Despite a move in elite opinion toward greater restrictionism, the story at the state level has been liberalization. Republican states in particular have moved strongly toward dismantling their remaining restrictions, especially on concealed and open carry of handguns and so-called Class 3 weapons (machine guns, silencers, and short-barreled rifles and shotguns). Democratic states, meanwhile, have had to contend with judicial decisions restricting the extent to which they can regulate the possession and carrying of firearms. However, a handful of urban, left-of-center states continue to innovate with restrictive policies, such as design safety standards, large-capacity magazine bans, dealer regulations, universal background checks, safe storage laws, and ammunition microstamping requirements, most of which seem likely to survive Supreme Court scrutiny.

On the regulatory side, eminent domain reform occurred in some fashion in most states following the infamous *Kelo v. City of New London* decision by the U.S. Supreme Court in 2005. Several states have recently enacted right-to-work laws, and there is still some space for further change across the country. Policies dealing with new technologies—such as DNA databases, electronic cigarettes, and automated license plate readers—have also seen change. A quite significant arena for policy change occurred in the sports and online gambling area, with many states jumping on the betting freedom bandwagon. Several states also repealed Sunday sales blue laws to go along with more legalized marijuana, including some in 2023 that wouldn't be captured here but would in the eighth edition. One might speculate that this is part of a trend of greater "lifestyle libertinism" over time—which has certainly benefited our political economy but it could be viewed with a jaundiced eye from the perspective of other values, such as overall human flourishing (especially if the arm of the state increases in other ways simultaneously, perhaps even related to that cultural trend). Of course, it could be that more Americans have simply come to appreciate that toleration is a better tool than legal punishment for promoting personal responsibility, or at least a healthier relationship between the state and society.

One ongoing feature of policy change is the displacement of state discretion with federal mandates, for both good and ill with regard to pure individual liberty (leaving aside the damage done to federalism, a long-term institutional bulwark of freedom). Federal courts have forced states to liberalize gun laws, sodomy laws, and marriage laws, though in all those areas state governments were reforming long before the federal courts chose to intervene conclusively. In health insurance regulation, all three branches of the federal government have acted in concert to dramatically raise the regulatory threshold, mostly via the PPACA. States may still choose to regulate health insurance even more tightly than the federal government, but they may not choose more market-oriented models of regulation. There has been one important exception to this trend: the individual health insurance mandate of the PPACA was stripped by Congress.

Leaving aside the cases where there has been liberalization at the federal level, centralization is a dangerous trend. For one thing, it reduces the ability of federalism as an institutional system to check government overreach. For another, it makes it harder for citizens to find freedom by voting with their feet, as they cannot go anywhere for different and better policies unless they emigrate to another country.

## CONSTRUCT VALIDITY AND ROBUSTNESS

In this edition of the index, we test the construct validity and robustness of our overall freedom measure by examining correlations in overall freedom measures across editions (for the year 2006, which appears in all editions). Between the second and third editions, we switched from an impressionistic to a quantified "victim cost" method for weighting variables. Nevertheless, the correlation between the seventh-edition and first-edition scores for 2006 overall freedom is a hefty 0.82. The correlation between third- and fifth-edition scores is 0.88. These extremely high correlation coefficients suggest that the overall freedom ranking is robust to within-reason perturbations of weights on the variables and addition and subtraction of variables.

## INDEX OF CRONYISM

As in previous editions, we present a "freedom from cronyism" state ranking that takes into account blatantly anti-competitive regulations: (a) general sales below cost/minimum markup law, (b) sales below cost/minimum markup law for gasoline, (c) certificate of public convenience and necessity for household goods movers, (d) direct auto sales bans, (e) certificate of need for hospital construction, (f) all occupational licensing variables, (g) eminent domain laws, (h) bans on direct shipment of wine, and (i) alcohol sales blue laws.

Table 8 shows how the states come out on cronyism in 2022 (higher values/lower rankings indicate less cronyism). The numbers in the table represent the weights of each variable multiplied by the standardized value (number of standard deviations greater than the mean). As noted in the previous section, a state that is one standard deviation better—freer—than the average on every single policy will score 1 on overall freedom. Because the index of cronyism draws on a subset of the freedom index, the values in this table fall within a much smaller range. Kansas's score of 0.048, therefore, means that, taking cronyist policies into account, Kansas's positions on those issues contribute 0.048 to its overall freedom score. Kansas is the least cronyist state. The freedom from cronyism index can be found in the "Regulatory" tab of the spreadsheet at www.freedominthe50states.org.

We compare our cronyism scores with state corruption scores based on a survey of statehouse journalists.[38] The correlation between 2007 cronyism and 2007 corruption is –0.31, indicating that states scoring higher on freedom from cronyism score lower on corruption. In other words, cronyist states are more corrupt. The correlation weakens when cronyism is measured around the same time as corruption, perhaps implying a causal path from corruption to cronyism rather than vice versa.

In Part 2, we will take a closer look at the causes and consequences of freedom, as well as important changes in state policies during the pandemic years 2020 and 2021.

38. Bill Marsh, "Illinois Is Trying. It Really Is. But the Most Corrupt State Is Actually . . .," *New York Times,* December 14, 2008.

TABLE 8 **Freedom from Cronyism Score**

| Rank | State | Freedom from Cronyism Score |
|---|---|---|
| 1. | Kansas | 0.048 |
| 2. | Idaho | 0.042 |
| 3. | New Hampshire | 0.041 |
| 4. | South Dakota | 0.038 |
| 5. | Wyoming | 0.037 |
| 6. | Colorado | 0.037 |
| 7. | Minnesota | 0.023 |
| 8. | Arizona | 0.022 |
| 9. | Vermont | 0.021 |
| 10. | Missouri | 0.019 |
| 11. | Utah | 0.019 |
| 12. | New Mexico | 0.018 |
| 13. | Alaska | 0.017 |
| 14. | Delaware | 0.017 |
| 15. | Iowa | 0.012 |
| 16. | Maine | 0.011 |
| 17. | New York | 0.010 |
| 18. | Rhode Island | 0.009 |
| 19. | Nebraska | 0.009 |
| 20. | North Dakota | 0.008 |
| 21. | Massachusetts | 0.008 |
| 22. | Pennsylvania | 0.007 |
| 23. | Hawaii | 0.007 |
| 24. | Indiana | 0.006 |
| 25. | Montana | 0.005 |
| 26. | Wisconsin | 0.004 |
| 27. | Connecticut | 0.001 |
| 28. | Nevada | 0.001 |
| 29. | Mississippi | −0.001 |
| 30. | Washington | −0.004 |
| 31. | Oregon | −0.004 |
| 32. | Maryland | −0.004 |
| 33. | Michigan | −0.008 |
| 34. | Virginia | −0.008 |
| 35. | Ohio | −0.009 |
| 36. | Florida | −0.010 |
| 37. | Georgia | −0.011 |
| 38. | Illinois | −0.012 |
| 39. | New Jersey | −0.013 |
| 40. | West Virginia | −0.014 |
| 41. | California | −0.014 |
| 42. | Kentucky | −0.015 |
| 43. | Texas | −0.016 |
| 44. | North Carolina | −0.017 |
| 45. | Alabama | −0.018 |
| 46. | South Carolina | −0.019 |
| 47. | Arkansas | −0.020 |
| 48. | Louisiana | −0.020 |
| 49. | Tennessee | −0.021 |
| 50. | Oklahoma | −0.026 |

Note: States with different scores may appear identical due to rounding.

# PART 2
# POLITICS OF FREEDOM

In Part 2, we consider the causes and consequences of freedom in the states, updating the analyses we've done in every prior edition of this work.

First, we examine the relationship between public partisanship and freedom. Next, we consider the consequences of freedom for economic growth and migration. We follow that with some observations about the political economy of freedom at the state level. Finally, we provide a retrospective assessment of the state and local restrictions on liberty that are related to the COVID-19 pandemic. Fortunately, as of this writing, government restrictions on pandemic-related liberty are long gone, but their consequences linger.

## PUBLIC OPINION AND FREEDOM

We now move to analyzing the relationship between public opinion ideology in a more systematic fashion—as measured by presidential election results by state—and economic, personal, and overall freedom.

Figure 13 is a scatterplot of economic freedom in 2000 in relation to presidential voting in 1996. (We choose presidential elections before the year that the policy is measured, because we think a lag exists between changes in public opinion and changes in law.) The x-axis measures the number of percentage points to the left of each state's popular vote, summing up Democratic and Green Party vote shares for the state minus the same for the country as a whole. We see a strong negative relationship between leftward lean in the electorate and economic freedom. However, strongly conservative states were no more economically free on average than mildly conservative or centrist states such as Tennessee, New Hampshire, Florida, and Pennsylvania.

FIGURE 13 **Partisanship and Economic Freedom in 2000**

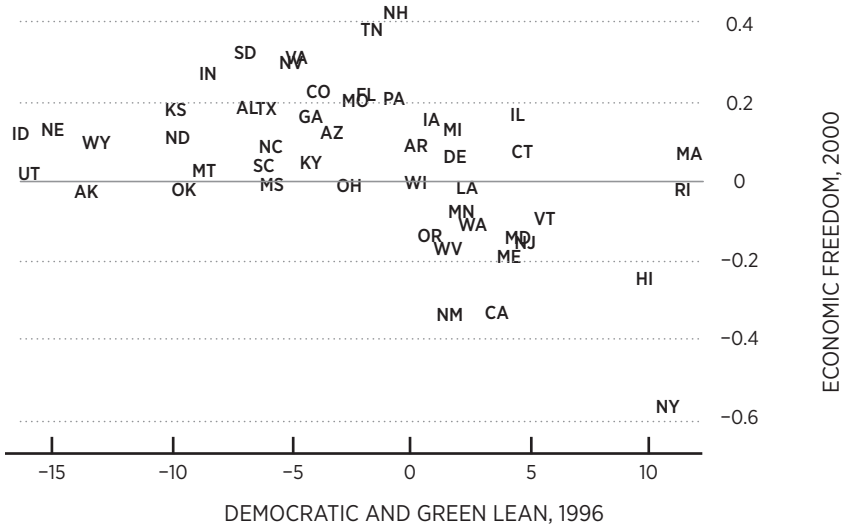


Figure 14 shows the same scatterplot for 2022, allowing us to see how the relationship between ideology and economic freedom has changed over the entire range of our time series. The relationship between ideology and freedom looks curvilinear again. In fact, if anything, battleground states have more economic freedom than solidly Republican states, but economic freedom declines sharply as a state gets more than two percentage points more Democratic than the U.S. electorate.

The outliers are also instructive. In many cases they track historic partisanship. Thus, formerly solid-Democratic West Virginia is still relatively low on economic freedom for its current partisanship, whereas formerly Republican Virginia and Colorado are still relatively high on economic freedom for their current partisanship. Massachusetts, we may speculate, lands where it does because of the potential for tax competition from neighboring New Hampshire. Were New Hampshire to flag on economic freedom, Massachusetts politicians might be tempted to move the state in the direction of Maryland or New York.

FIGURE 14 **Partisanship and Economic Freedom in 2022**

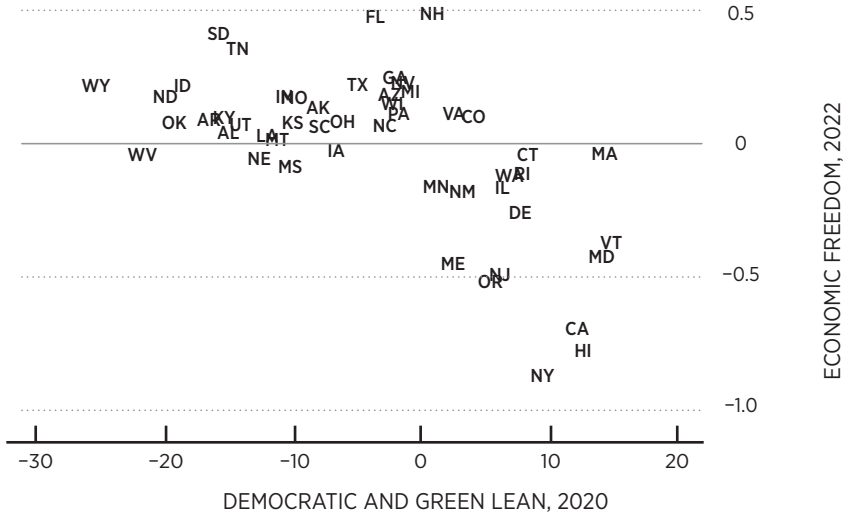


Figure 15 plots personal freedom in 2000 against partisan lean in 1996. The relationship between partisanship and personal freedom in that year was extremely noisy. Slightly right-of-center Nevada topped the charts, followed by slightly left-of-center Maine and Vermont. Centrist West Virginia, Oregon, and New Hampshire followed.

FIGURE 15 **Partisanship and Personal Freedom in 2000**

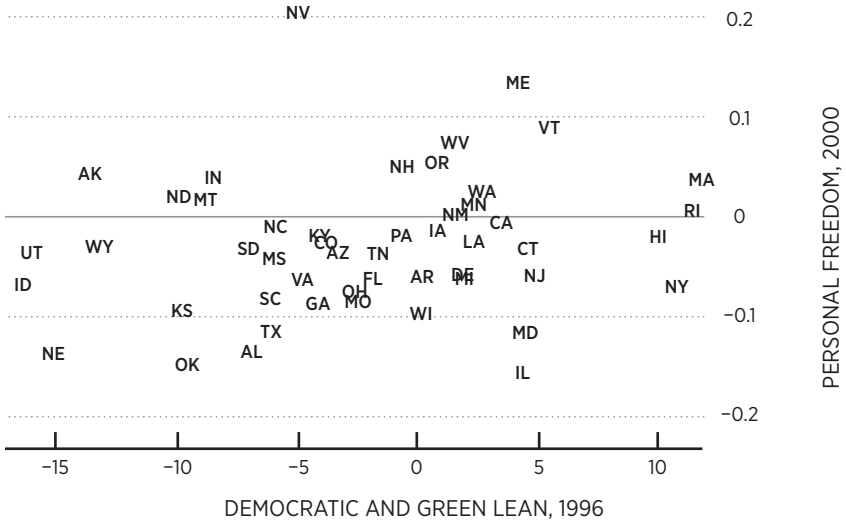



Figure 16 shows the relationship between partisanship and personal freedom at the end of our time series. Now, centrist states enjoy an apparent advantage on personal freedom, and strongly Democratic states do slightly better than strongly Republican ones. These changes may have something to do with changes in which issues are driving variation among the states at the end of the period. States have converged on gun policy recently after years of growing divergence, and marijuana legalization and universal school choice are on the agenda in a way they were not in 2000. Because personal freedom has improved over time, few states remain below the post-2000 average.

FIGURE 16 **Partisanship and Personal Freedom in 2022**

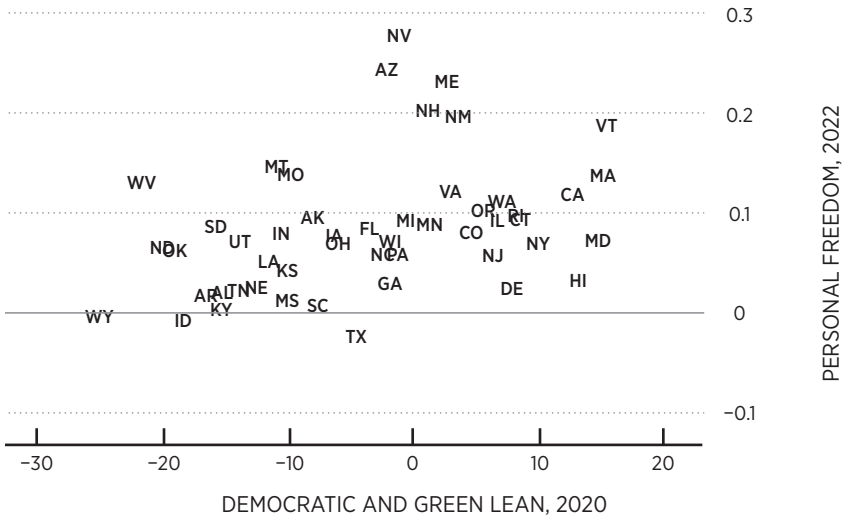



Figure 17 puts economic and personal freedom together to show how partisanship relates to overall freedom. Again, we see a curvilinear relationship in which conservative and moderate states do better than strongly left-leaning ones. New York sits in a class of its own at the bottom of the scale. It is remarkable how it differs from other states with regard to freedom, which we chalk up to policy ideology more than anything special about New York in its urbanism or other factors. (Political scientists understand policy ideology as the relative orientation of a state's policies on the left–right spectrum, observed as a correlation across policy domains.[39]) In other words, New York is a strongly left-of-center state, and most strongly left-of-center states do quite poorly on freedom. The more surprising performances come from Rhode Island and Massachusetts in this period, whose freedom scores are not as low as their ideology would predict. The presence of New York City alone cannot account for its outlier position because other urban states or states with megacities perform significantly better.

39. Robert S. Erikson, Gerald C. Wright, and John P. McIver, *Statehouse Democracy: Public Opinion and Policy in the American States* (New York: Cambridge University Press, 1993).

FIGURE 17 **Partisanship and Overall Freedom in 2000**

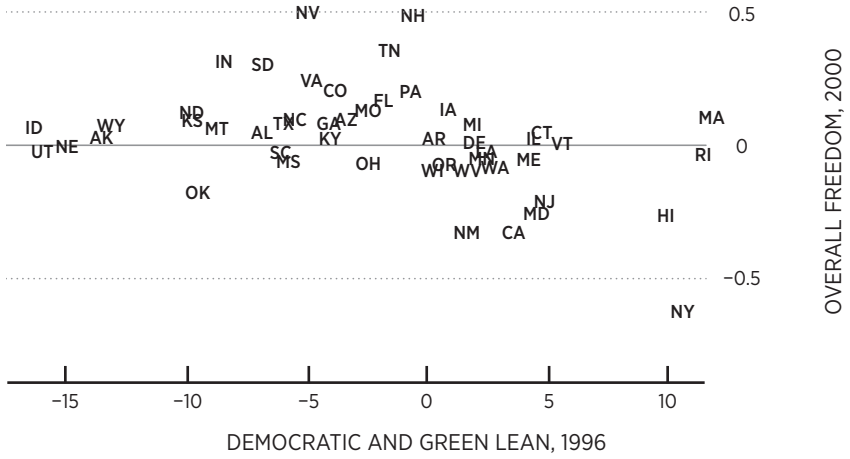
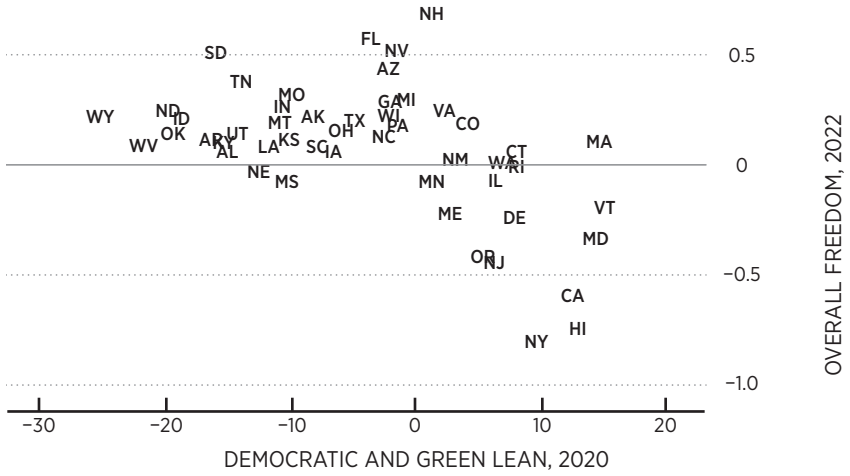



Figure 18 shows the overall freedom and partisanship relationship at the end of our time series. A distinct and tighter negative relationship exists between leftward tilt and overall freedom. However, the outliers are still noteworthy. Hawaii and California have trended in the direction of New York. West Virginia, Mississippi, Alabama, and Nebraska all underperform other conservative states. Florida, New Hampshire, and Nevada outperform the rest of the center, whereas Massachusetts does better than one would expect for such a progressive state.

FIGURE 18 **Partisanship and Overall Freedom in 2022**



To study the dynamics of public opinion and freedom over time, we regressed, for each state, its overall freedom score on partisanship (Democratic and Green lean) from four years ago. (For years between presidential elections, we linearly interpolate partisanship.) The regression includes year dummies and assumes state fixed effects, and it covers the years from 2000 to 2022. The fixed-effects specification forces the regression to focus on over-time change within each state.[40] The results are shown in Table 9.

TABLE 9 **Partisanship and Overall Freedom**

| Variable | Coefficient | Std. Error |
|---|---|---|
| $Partisanship_{t-4}$ | −0.0060 | 0.026 |
| $R^2$ *(within)* | **36.7%** | |
| *N* | **1,150** | |

Note: Assumes clustered standard errors. $R^2$ = proportion of the total variance explained by the model.

The statistically significant results suggest that when public opinion in a state moves left, freedom falls somewhat. For instance, if a state begins at two percentage points to the left of the national median voter in presidential elections, then moves six percentage points to the left, the predicted change in freedom four years in the future is 4 x −0.006 = −0.024. That is a modest but not insignificant change, about the difference between North Dakota and Wyoming or between Kentucky and Louisiana in 2022.

## FREEDOM, MIGRATION, AND GROWTH

America is a land of immigrants. Indeed, immigrants throughout America's history have boarded ships (and eventually planes) in droves to escape tyranny and to breathe the cleaner air of a nation founded on the idea of individual freedom. Sometimes, that story is dramatic, as when the Puritans hurriedly left Europe to realize greater religious liberty or when Vietnamese boat people escaped murderous communist oppression to start anew in the New World. Other times, it is less stark, as in the case of a German family fed up with the modern paternalist state and looking for a place to build a business and raise a family or in the case of Mexican

40. Despite Nickell bias, we also tried to include a lagged dependent variable, but it was not statistically significant.

migrants looking for the better economic opportunities afforded by a freer economy.

Unsurprisingly, given our foreign ancestors, it is also the case that we are a land of internal migrants. According to a Gallup poll, approximately one in four Americans "[has] moved from one city or area within their country to another in [2008–2013]."[41] That factor puts the United States (with countries like New Zealand and Finland) in the top ranks globally for internal mobility (the worldwide average is 8 percent). Recent years, though, have seen lows in American internal migration following several decades of decline. This decline in internal migration held up even during the first year of the COVID-19 pandemic despite the familiar media refrains.[42]

But why do those Americans move? They certainly aren't moving one step ahead of oppressive regimes and violence like those fleeing recently from Syria, Venezuela, or Zimbabwe. More likely they move for reasons like economic opportunity and locational amenities, such as better weather or beaches. But freedom might matter too when it comes to internal migration, given the differences across the 50 states we identify in Part 1 of this study. Those differences aren't as severe as those between the United States and the least free countries of the world. But they are meaningful, especially considering that New York is far less free than the average state, while other states also score substantially worse or better than others.

But do Americans value freedom as we define it? One way to try to answer that question is to analyze the relationship between freedom and net interstate migration—that is, the movement of people between states. If, all else being equal, Americans prefer to move to freer states, that would be evidence in favor of the hypothesis that Americans value freedom. In other words, it looks at preferences revealed by behavior rather than mere expressed views. That does not mean that people are responding directly to changes in policy, packing up moving vans, and heading from New York to New Hampshire or the Dakotas. But it could be that they are moving within their region to freer places like Delaware and Pennsylvania.

We try to answer the question in the previous paragraph by examining the statistical correlations between freedom at particular moments and net interstate migration over several subsequent years. Figures 19 to 24 plot states' net migration rates (in-migration minus out-migration divided by initial population) from July 1, 2000, to July 1, 2010, and from July 1, 2010, to July 1, 2020, against their overall, economic, and personal freedom scores in 2000 and 2010, respectively. This division essentially splits our sample

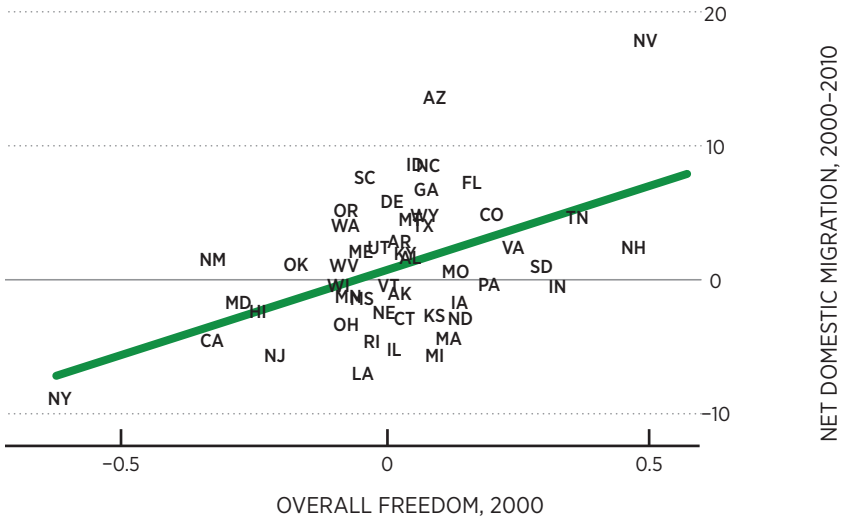
41. Neli Esipova, Anita Pugliese, and Julie Ray, "381 Million Adults Worldwide Migrate within Countries," Gallup.com, May 15, 2013.

42. William H. Frey, "Despite the Pandemic Narrative, Americans Are Moving at Historically Low Rates," Brookings Institution, Washington, November 30, 2021.

in half and roughly separates pre– and post–Great Recession periods. The net migration rate is defined as the number of people moving to a state from other states minus the number of people moving *from* that state to other states, divided by the initial resident population of the state. The migration data are from the Census Bureau's "components of population change" tables. These figures represent a simple "first cut" at the question. They do not control for any other factors that might drive migration.

Figure 19 shows the relationship between overall freedom and net migration over the earlier period, 2000 to 2010. It shows a strong relationship between the starting level of freedom and subsequent net migration, suggesting that people are moving to freer states. We can see that from the example of New York, which suffered the worst net outmigration of any state, 8.8 percent of its 2000 population, and is also the least free state. Louisiana is obviously anomalous because Hurricane Katrina drove away hundreds of thousands of people, resulting in large net outmigration despite an average level of freedom. At the top end, Nevada and Arizona are big outliers in net in-migration, as Americans during this period were flocking to the so-called Sand States because of their supposedly desirable climates.[43] Those anomalies illustrate the importance of controlling for potential confounders.

FIGURE 19 **Overall Freedom and Net Domestic Migration, 2000–2010**




43. Thomas Davidoff, "Supply Elasticity and the Housing Cycle of the 2000s," *Real Estate Economics* 41, no. 4 (2013): 793–813.

Figure 20 shows the relationship between year-end 2010 freedom and migration over the next 10 years. We see less evidence of amenity-driven migration over this period, which includes the aftermath of the Great Recession. However, warm states like the Carolinas, Arizona, Nevada, and Texas mostly lie above the line of best fit, whereas cold states like Alaska, New Hampshire, Illinois, and South Dakota mostly lie below that line. The relationship between freedom and net migration appears equally strong in both the earlier and later periods.

FIGURE 20 **Overall Freedom and Net Domestic Migration, 2010–2020**

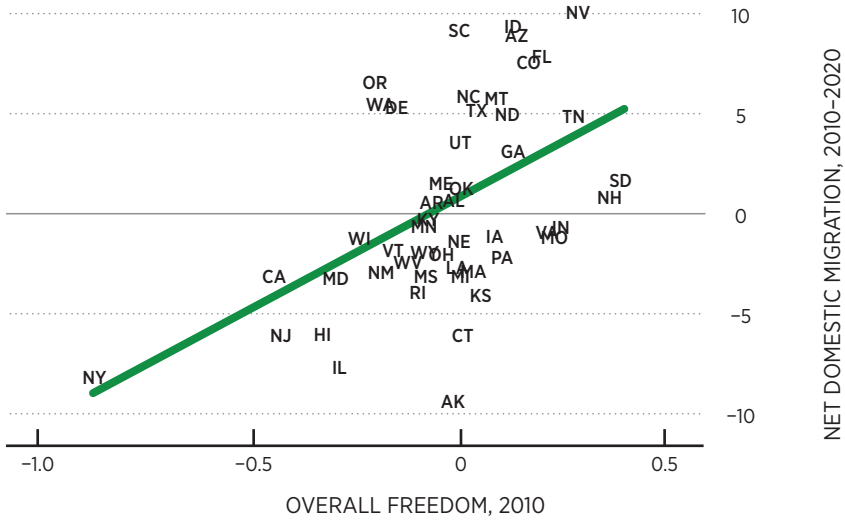



Figure 21 shows the relationship between economic freedom and net migration in the first half of our period of analysis. Again, a strong relationship exists between economic freedom and in-migration.

Figure 22 shows how economic freedom in 2010 relates to subsequent migration. The line of best fit expresses a strong, positive relationship between a state's economic freedom at the beginning of the period and subsequent in-migration. North Dakota lies significantly above the regression line in part because of its discovery of shale oil and gas, although that boom had subsided by the end of this period.

FIGURE 21 **Economic Freedom and Net Domestic Migration, 2000–2010**

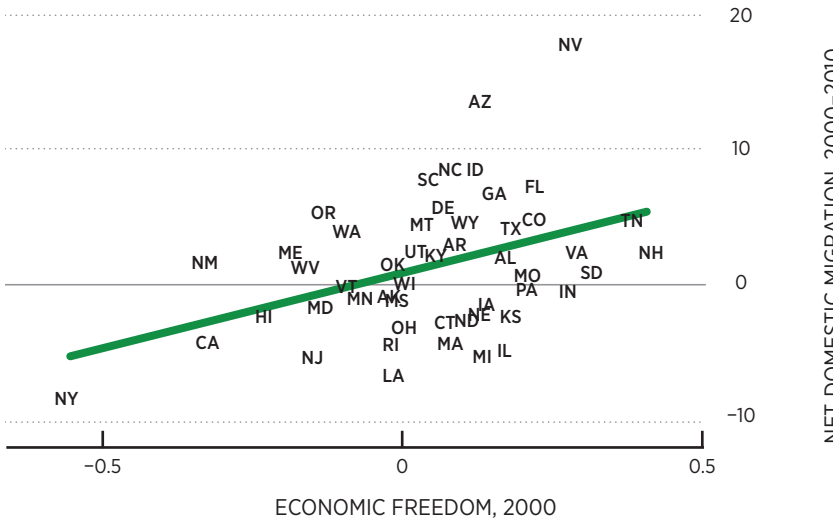



FIGURE 22 **Economic Freedom and Net Domestic Migration, 2010–2020**

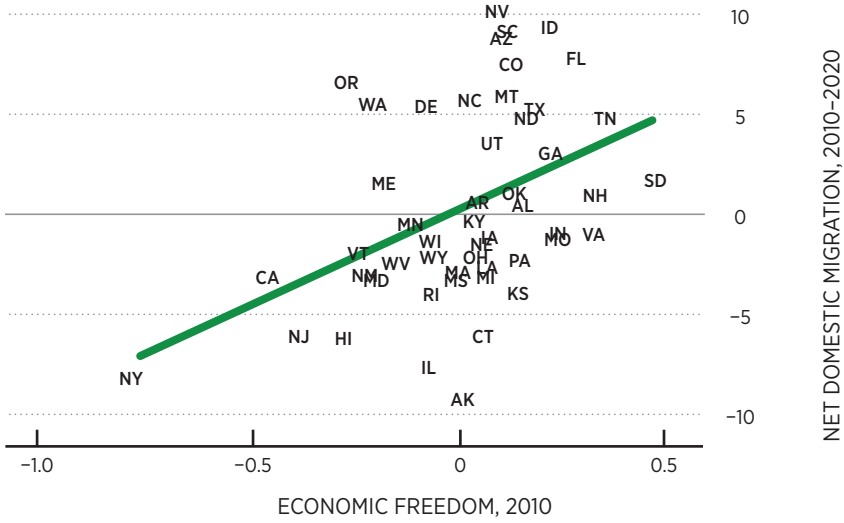


Figure 23 moves to personal freedom. Here, we do not find as strong a relationship between freedom and migration as we found for overall freedom and economic freedom. The line of best fit is nearly flat, implying a weak relationship between personal freedom and net migration. Personal freedom correlates slightly negatively with economic freedom. If economic freedom is a more important driver of net in-migration than personal freedom, the bivariate relationship between personal freedom and migration expressed here will probably be biased downward.

FIGURE 23 **Personal Freedom and Net Domestic Migration, 2000–2010**

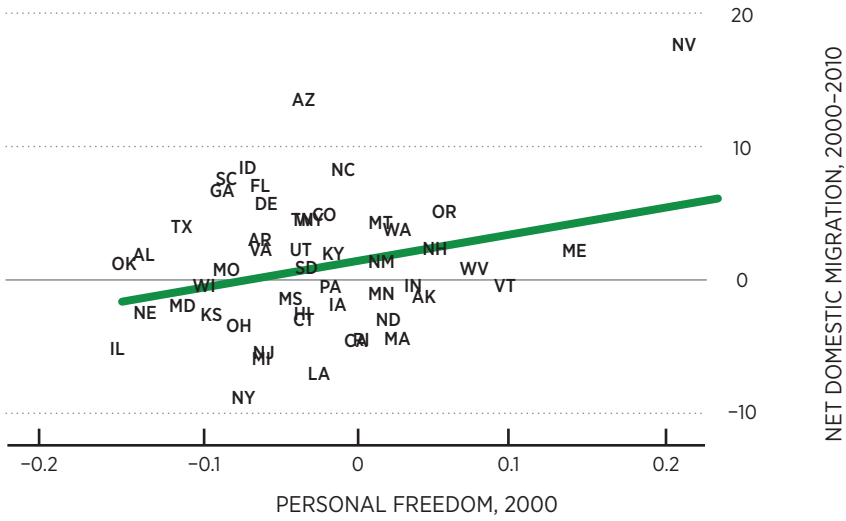
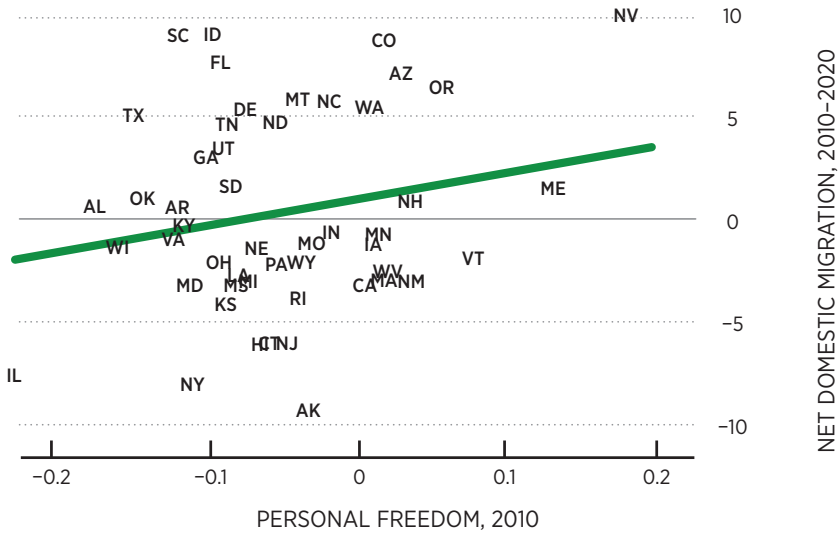



Figure 24 shows the relationship between personal freedom at the end of 2010 and subsequent net migration. The line of best fit is again nearly flat, indicating a weak relationship. However, economic freedom is an important confounder.

To deal with confounding variables that affect migration, we turn to multiple regression analysis, which allows us to control for factors such as climate. Doing so allows us to meet the most obvious challenge to our conclusions about the relationship between freedom and migration patterns among the states. In previous editions, we found a positive relationship between each dimension of freedom and migration, although regulatory policy has been related to net migration solely through the channels of cost of living and economic growth. In other words, a lighter regulatory touch

FIGURE 24 **Personal Freedom and Net Domestic Migration, 2010–2020**




may improve the productivity of the economy, but low taxes and personal freedom appear to be amenities that the marginal migrant values for their own sake.

In this edition, we again look at how freedom associates with net migration in two different periods. By looking at how later-period freedom relates to migration and growth, we make an "out of sample" prediction from our prior results. Previous results of preregistered models showed that personal freedom dropped in significance as a driver of migration after the Great Recession, but all three dimensions of freedom positively correlated with the subsequent net in-migration during each period. This time, we compare results for the 2000–2010 period with those for the 2010–2020 period.

We present results from two types of estimations: monadic and matched neighbors. The monadic regressions simply compare all 50 states with one another. The matched-neighbors regressions subtract the weighted average of neighboring states' values (on migration, freedom, and controls) from each state's value. The weights are the distances between the "centroids" (geographic centers) of each state. The purpose of these regressions is to examine whether freedom has a stronger effect on in-migration when neighboring states differ more on freedom. We expect that a freer state surrounded by less free states will attract more migrants than a freer state surrounded by equally free states, all else being equal.

Table 10 presents seven regression equations of net migration over the 2000–2010 period. The table display coefficients and standard errors. A rough rule of thumb for statistical significance is that when the ratio of the coefficient to the standard error is greater than two, the coefficient is statistically significant at the 95 percent confidence level. However, statistical significance is best thought of as a continuum rather than a switch.

The first equation simply regresses the net migration rate on the three dimensions of freedom, which are measured as averages for the years 2000 to 2004. Fiscal, regulatory, and personal freedom are all independently, positively, statistically significantly correlated with net in-migration. Model (2) adds cost of living in 2000, as measured by Berry, Fording, and Hanson.[44] Cost of living is potentially a bad control, because regulatory policy, especially land-use freedom, can influence migration through the channel of cost of living. Model (3) adds accommodation gross domestic product (GDP) per capita, which proxies the size of the tourist industry. States with bigger hospitality sectors appear to attract more migrants, presumably because they have more locational amenities. Model (4) controls for capital stock per worker from Garofalo and Yamarik.[45] Model (5) adds the percentage of state population age 65 or older. Model (6) adds the violent crime rate. Finally, model (7) adds population-weighted annual heating degree days—a measure of how cold a climate is—and area-weighted statewide average annual precipitation.

Except for cost of living, adding each of those controls does not substantially affect the statistical estimates of the correlation between fiscal, regulatory, and personal freedom, on the one hand, and net migration, on the other. (We also tried to drop the outlier of Louisiana, with virtually no change to the results.) The coefficient on regulatory freedom does fall when cost of living is added, a post-treatment collider: states lower on regulatory freedom suffer from higher cost of living, which is the more immediate cause of lower in-migration.

Table 11 performs the same set of analyses on the 2010–2020 data, with freedom variables measured as the average of 2010 through 2014 values. Again, all three variables are important predictors of interstate migration. The relationship between freedom and migration looks robust to the addition of controls.

44. William D. Berry, Richard C. Fording, and Russell L. Hanson, "An Annual Cost of Living Index for the American States, 1960–1995," *Journal of Politics* 62, no. 2 (2000): 550–67.

45. Gasper G. Garofalo and Steven Yamarik, "Regional Growth: Evidence from a New State-by-State Capital Stock Series," *Review of Economics and Statistics* 84, no. 2 (2002): 316–23.

TABLE 10 **Monadic Estimates of Freedom and Migration, 2000–2010**

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|---|---|---|---|---|---|---|---|
| **Variable** | **Coef. (SE)** | **Coef. (SE)** | **Coef. (SE)** | **Coef. (SE)** | **Coef. (SE)** | **Coef. (SE)** | **Coef. (SE)** |
| Fiscal freedom | 0.97 (0.55) | 1.48 (0.42) | 0.91 (0.51) | 0.86 (0.56) | 1.07 (0.55) | 0.92 (0.49) | 1.49 (0.57) |
| Regulatory freedom | 2.64 (0.58) | 1.15 (0.54) | 2.52 (0.55) | 2.84 (0.76) | 2.57 (0.56) | 2.97 (0.55) | 2.35 (0.59) |
| Personal freedom | 2.21 (0.83) | 2.61 (0.72) | 1.42 (0.67) | 2.42 (0.97) | 2.20 (0.79) | 2.84 (0.74) | 2.01 (0.64) |
| Cost of living | | −4.25 (0.99) | | | | | |
| Accom-modations | | | 1.44 (0.57) | | | | |
| Capital per worker | | | | 0.45 (0.73) | | | |
| Retirees | | | | | −0.58 (0.68) | | |
| Violent crime | | | | | | 1.40 (0.53) | |
| Heating degree days | | | | | | | −1.58 (0.97) |
| Precipitation | | | | | | | −1.41 (0.77) |
| Constant | 1.37 (0.70) | −1.41 (0.70) | 1.12 (0.60) | 1.36 (0.69) | 1.39 (0.69) | 1.21 (0.57) | 1.51 (0.63) |
| $R^2$ | 33.8% | 50.0% | 38.7% | 34.4% | 35.2% | 42.7% | 42.8% |

Note: All independent variables are standardized to mean zero and variance one. Robust standard errors. Coef. = coefficient; $R^2$ = proportion of the total variance explained by the model; SE = standard error.

TABLE 11 **Monadic Estimates of Freedom and Migration, 2010–2020**

| | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
|---|---|---|---|---|---|---|---|
| **Variable** | **Coef. (SE)** | **Coef. (SE)** | **Coef. (SE)** | **Coef. (SE)** | **Coef. (SE)** | **Coef. (SE)** | **Coef. (SE)** |
| Fiscal freedom | 1.47 (0.62) | 1.53 (0.62) | 1.51 (0.63) | 1.35 (0.61) | 1.46 (0.62) | 1.37 (0.61) | 1.83 (0.62) |
| Regulatory freedom | 1.94 (0.63) | 1.22 (1.17) | 1.91 (0.63) | 2.19 (0.71) | 1.96 (0.62) | 2.01 (0.63) | 1.62 (0.61) |
| Personal freedom | 1.73 (0.66) | 1.82 (0.68) | 1.48 (0.72) | 1.90 (0.71) | 1.74 (0.68) | 1.89 (0.61) | 1.50 (0.60) |
| Cost of living | | −0.80 (0.94) | | | | | |
| Accom-modations | | | 0.45 (0.40) | | | | |
| Capital per worker | | | | 0.48 (0.69) | | | |
| Retirees | | | | | 0.19 (0.94) | | |
| Violent crime | | | | | | 0.76 (0.76) | |
| Heating degree days | | | | | | | −1.26 (0.85) |
| Precipitation | | | | | | | −1.22 (0.63) |
| Constant | 1.19 (0.70) | 1.07 (0.77) | 1.10 (0.72) | 1.23 (0.70) | 1.19 (0.71) | 1.26 (0.72) | 1.06 (0.67) |
| $R^2$ | 30.0% | 31.2% | 30.8% | 30.7% | 30.1% | 32.1% | 36.8% |

Note: All independent variables are standardized to mean zero and variance one. Robust standard errors. Coef. = coefficient; $R^2$ = proportion of the total variance explained by the model; SE = standard error.

Table 12 presents the results for the 2000–2010 period when we match each state to its neighbors, on the (true) assumption that migration flows between neighboring states are greater than they are between distant states. These matched-neighbors results are somewhat sharper than the monadic results. They suggest that fiscal, regulatory, and personal freedom drive migration even when controls are added. As expected, more costly states repel migrants, whereas states with locational amenities attract them. Model (17)—which controls for cost of living and accommodations GDP per capita—and model (18)—which controls for the previous two plus capital per worker—explain more than two-thirds of all the variance in relative-to-neighbors net migration across all 50 states as measured by $R^2$.

TABLE 12 **Matched-Neighbors Estimates of Freedom and Migration, 2000–2010**

| | (15) | (16) | (17) | (18) |
|---|---|---|---|---|
| **Variable** | **Coef. (SE)** | **Coef. (SE)** | **Coef. (SE)** | **Coef. (SE)** |
| Fiscal freedom | 0.93 (0.47) | 1.57 (0.50) | 1.62 (0.42) | 1.47 0.43) |
| Regulatory freedom | 3.05 (0.88) | 2.43 (0.76) | 1.90 (0.63) | 2.23 (0.78) |
| Personal freedom | 2.08 (0.59) | 1.71 (0.58) | 0.93 (0.47) | 0.96 (0.47) |
| Cost of living | | −6.3 (2.0) | −7.3 (1.5) | −7.6 (1.7) |
| Accom-modations | | | 1.7 (0.3) | 1.8 (0.4) |
| Capital per worker | | | | 0.44 (0.50) |
| Constant | −0.35 (0.53) | −0.42 (0.46) | −0.47 (0.42) | −0.31 (0.45) |
| $R^2$ | 54.8% | 65.1% | 70.9% | 71.4% |

Note: All independent variables are standardized to mean zero and variance one. Robust standard errors. Coef. = coefficient; $R^2$ = proportion of the total variance explained by the model; SE = standard error.

Table 13 presents the matched-neighbors results for the 2010–2020 period. All variables have smaller coefficients, due in part to the fact that absolute rates of net migration were lower during this period compared with the previous period. The *R*-squareds are also lower, showing that net migration was simply less predictable during this period, presumably because of idiosyncratic shocks that state economies suffered during the Great Recession. Fiscal freedom is again robustly related to net in-migration, and personal freedom is nearly statistically significant in all models. Regulatory freedom appears less important to migration in this period, but the standard errors are apparently inflated, possibly owing to multicollinearity. The models find it hard to allocate explanatory power between regulatory freedom and cost of living, since the two correlate so much. Accommodations GDP per capita also reduces the coefficient on personal freedom, implying that one way in which personal freedom attracts new residents is by making states more fun to visit.

Our migration models do not control for state economic growth, which is endogenous (more migration of workers will induce higher economic growth). It is plausible that regulatory freedom, in particular, influences migration almost entirely by affecting the economic climate (cost of living and growth), rather than as a direct amenity. Few workers are likely to study different states' labor laws or tort liability systems before deciding where to live, but it is quite plausible that businesses do so when deciding where to invest.

Therefore, we now turn to analyzing the statistical relationship between economic growth in each state and its economic freedom. The Bureau of Economic Analysis has produced real personal income estimates for the 2008–2021 period at the state level, using state-specific price indexes. Figure 25 shows a fitted-line plot of state-year real personal income growth minus the national average against the one-year lag of economic freedom, by the four macroregions of the United States.

The results show that growth was especially high in the West during this period and especially low in the Midwest. In every region, economic freedom was positively associated with real income growth in the subsequent year, although the relationship was slight in the Northeast and especially strong in the South.

We turn now to analyzing the statistical significance of these relationships with regression analysis (Table 14). The dependent variable in these equations is annual real personal income growth. We present four models, all with region dummies and two with year dummies in addition. Two of the models include economic freedom, and the other two separate out the fiscal and regulatory indexes.

TABLE 13 **Matched-Neighbors Estimates of Freedom and Migration, 2010–2020**

| | (19) | (20) | (21) | (22) |
|---|---|---|---|---|
| **Variable** | **Coef. (SE)** | **Coef. (SE)** | **Coef. (SE)** | **Coef. (SE)** |
| Fiscal freedom | 1.25 (0.58) | 1.42 (0.64) | 1.48 (0.69) | 1.13 (0.61) |
| Regulatory freedom | 1.57 (0.89) | 0.94 (1.21) | 0.69 (1.39) | 1.37 (1.31) |
| Personal freedom | 1.66 (0.69) | 1.37 (0.63) | 1.17 (0.67) | 1.13 (0.62) |
| Cost of living | | −1.13 (1.02) | −1.31 (1.10) | −2.1 (1.4) |
| Accom-modations | | | 0.37 (0.43) | 0.65 (0.47) |
| Capital per worker | | | | 1.30 (0.88) |
| Constant | −0.30 (0.57) | −0.36 (0.61) | −0.38 (0.62) | 0.10 (0.58) |
| $R^2$ | 33.1% | 34.9% | 35.4% | 39.5% |

Note: All independent variables are standardized to mean zero and variance one. Robust standard errors. Coef. = coefficient; $R^2$ = proportion of the total variance explained by the model; SE = standard error.

FIGURE 25 **Economic Freedom and Growth, 2008–2021**

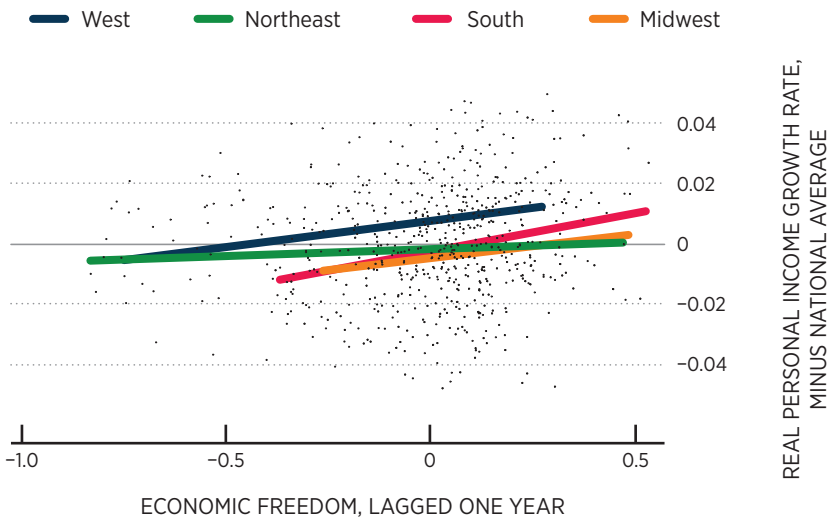



TABLE 14 **Economic Freedom and Real Personal Income Growth Estimates**

| | (23) | (24) | (25) | (26) |
|---|---|---|---|---|
| **Variable** | **Coef. (SE)** | **Coef. (SE)** | **Coef. (SE)** | **Coef. (SE)** |
| Economic freedom | 0.018 (0.005) | | 0.012 (0.004) | |
| Fiscal freedom | | 0.027 (0.011) | | 0.020 (0.005) |
| Regulatory freedom | | 0.007 (0.018) | | 0.001 (0.009) |
| Lagged DV? | Yes | Yes | Yes | Yes |
| Region dummies? | Yes | Yes | Yes | Yes |
| Year dummies? | No | No | Yes | Yes |
| $R^2$ | 60.3% | 60.5% | 74.5% | 74.6% |

Note: Coef. = coefficient; DV = dependent variable; $R^2$ = proportion of the total variance explained by the model; SE = standard error.

## A RETROSPECTIVE ON PANDEMIC RESTRICTIONS

Fellow classical liberals have diverse views on the appropriate policy responses to infectious diseases. In principle, it is clear that intentionally or negligently exposing others to a serious infectious disease is a violation of their freedom. Even unknowingly exposing others is a regrettable act that should be prevented if possible. Behaviors that pose serious risks to others in this way constitute a significant, direct, negative externality. Therefore, there is potentially room for coercive public policies to prevent or punish such acts.

But what kind of policy response is appropriate? Classical liberals can understandably disagree on the thresholds of risk at which coercion becomes justifiable. Activities that create a risk of transmitting a deadly and highly contagious disease presumably merit more sanction than activities that create a risk of transmitting a usually harmless and only mildly contagious disease. Thus, extreme action such as bans on travel and quarantines may well have been justified in early modern cities to prevent the spread of plague, given its contagion and fatal consequences during the era. COVID-19 lies more at the other end of the spectrum from early modern plague, fatal only to a small minority (well under 1 percent of all those infected and an even lower rate for those under the age of 70) and moderately contagious (reproduction and transmissibility below that of measles but above that of influenza).[46]

Moreover, risk isn't always obvious when a new threat emerges, and a varied range of responses can help society learn what the true level of risk is, and how to mitigate it. In those situations of uncertainty, decentralized and deliberative processes, rather than top-down and bureaucratic ones, are most needed. For these reasons, we are skeptical of open-ended gubernatorial emergency powers, such as the ones exercised in some states during the COVID-19 pandemic.

Thus, the most extreme COVID-19 mitigation policies, such as mandatory stay-at-home orders, do not appear to have been justified given what we now know about the virus' deadliness and contagion. Defenders of the policy might admit that it turned out not to have been desirable, but they contend that given the lack of knowledge early in the pandemic, lockdown was the safer choice. However, the knowledge problem cuts both ways. States clearly did not know what the negative consequences of lockdowns would be for

46. Justin J. Slater et al., "A Bayesian Approach to Estimating COVID-19 Incidence and Infection Fatality Rates," Biostatistics, March 6, 2023; Chloe G. Rickards and A. Marm Kilpatrick, "Age-Specific SARS-CoV-2 Infection Fatality Rates Derived from Serological Data Vary with Income and Income Inequality," *PLOS ONE* 18, no. 5 (2023); Angela M. Pezzullo et al., "Age-Stratified Infection Fatality Rate of COVID-19 in the Non-Elderly Population," *Environmental Research* 216 (2022): 3; Yi-Hsuan Chen and Chi-Tai Fang, "Achieving COVID-19 Zero without Lockdown, January 2020 to March 2022: The Taiwan Model Explained," *Journal of the Formosan Medical Association* (2023); Nithya C. Achaiah, Sindhu B. Subbarajasetty, and Rajesh M. Shetty, "$R_0$ and $R_e$ of COVID-19: Can We Predict When the Pandemic Outbreak Will Be Contained?," *Indian Journal of Critical Care Medicine* 24, no. 11 (2020): 1125–27.

the economy, education, mental health, and crime, to name a few apparent downstream effects. There is a legitimate debate to be had, however, about policies such as mask mandates and vaccine incentives.

Turning to state policies, seven states, to their credit, avoided mandatory lockdowns in 2020: Arkansas, Iowa, Nebraska, North Dakota, South Dakota, Utah, and Wyoming.[47] Some states maintained lockdowns long after it was apparent that they were not needed to "flatten the curve," most notably California and New Mexico. Most lockdowns were short-lived, however: "By mid-May [2020], all 50 states had begun the process of easing restrictions, seeking a balance between reopening economies and protecting public health."[48] Mandatory stay-at-home orders may have reduced infection rates in 2020,[49] but studies examining the tradeoffs of the policy show significant costs of general lockdowns and other stringent policies like school closures relative to other, more focused protection policies.[50]

Moreover, stay-at-home orders may have received more attention than they deserve, compared with other policies. For example, every state but South Dakota closed restaurants, bars, movie theaters, gyms, and hair salons for several weeks or months in 2020.[51] (Casinos and liquor stores got special treatment: only 22 states closed casinos, and only one state—Nevada—closed liquor stores.) Some states required quarantine for individuals entering the state. Thirty-one states suspended elective medical procedures. Iowa, Mississippi, and New Mexico suspended elective medical procedures a second time, during the winter of 2020–2021. Some states shut down in-person private schooling in addition to public schooling.[52] Some states limited the size of outdoor gatherings, including but not limited to California, Colorado, Connecticut, Delaware, Hawaii, Maine, Massachusetts, Michigan, New Jersey, New York, North Carolina, Pennsylvania, and Vermont. Given what we now know about how COVID-19 is spread, these restrictions seem pointless at best.

In 2021, mask mandates were the COVID-19 pandemic policy of choice, not business closures. Even as late in the pandemic as fall 2021, seven

47. States That Issued Lockdown and Stay-at-Home Orders in Response to the Coronavirus (COVID-19) Pandemic, 2020," *Ballotpedia*, 2021.

48. Rachel Treisman, "How Is Each State Responding to COVID-19?," National Public Radio, December 4, 2020.

49. Renan C. Castillo, Elena D. Staguhn, and Elias Weston-Farber, "The Effect of State-Level Stay-at-Home Orders on COVID-19 Infection Rates," *American Journal of Infection Control* 48, no. 8 (2020): 958–60; M. Keith Chen et al., "Causal Estimation of Stay-at-Home Orders on SARS-CoV-2 Transmission," Cornell University, May 11, 2020; Neha Bairoliya and Ayşe İmrohoroğlu, "Macroeconomic Consequences of Stay-at-Home Policies during the COVID-19 Pandemic," *European Economic Review* 152 (2023): 104266; Rebecca Jack et al., "Pandemic Schooling Mode and Student Test Scores: Evidence from US School Districts," *American Economic Review*: Insights 5, no. 2 (2023): 173–90.

50. Shaowen Luo, Kwok Ping Tsang, and Zichao Yang, "The Impact of Stay-at-Home Orders on US Output: A Network Perspective," April 18, 2020.

51. Julia Raifman et al., "COVID-19 US State Policy Database," March 30, 2022.

52. Jack Bremmer and Valerie H. Spears, "Federal Appellate Court Agrees with Beshear's Order to Close All Kentucky Schools," *Lexington Herald Leader,* November 29, 2020.

states had mask mandates for indoor places that applied even to vaccinated individuals: Hawaii, Illinois, Louisiana, Nevada, New Mexico, Oregon, and Washington.[53] Hawaii kept its indoor mask mandate until March 2022 and didn't end its public school mask mandate until August 1, 2022.[54] Many localities in the other 43 states also had mask mandates. The only states never to have had a mask mandate are Arizona, Florida, Georgia, Idaho, Missouri, Nebraska, Oklahoma, South Carolina, South Dakota, and Tennessee.[55]

Another policy that emerged in 2021 as vaccination became widely possible is prohibitions on vaccination requirements by private institutions. According to *Ballotpedia*, "20 states—Alabama, Alaska, Arizona, Arkansas, Florida, Georgia, Idaho, Indiana, Iowa, Missouri, Montana, North Dakota, Ohio, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Utah, and Wyoming"—banned vaccination requirements in the private sector.[56] These policies have a clear anti-freedom orientation given their reach into private employment relationships, but only the stoutest, strictest libertarians are likely to care much.

In the wake of lengthy, pandemic-related public emergencies, sometimes granting governors unilateral powers to implement widespread shutdowns of the private economy, legislatures have taken a second look at gubernatorial emergency powers.[57] The most significant changes occurred where strongly Republican legislatures faced off against Democratic governors, as in Kentucky and Pennsylvania. Pennsylvania adopted constitutional amendments limiting emergency declarations to 21 days unless extended by the legislature and allowed the Pennsylvania General Assembly to pass resolutions terminating emergencies (i.e., without legislation that would require a governor's signature). Kentucky's legislature limited governors' emergency orders to 30 days unless extended by the legislature and required the governor to seek approval from the attorney general when issuing orders that suspend statutes during an emergency.

The most important study of overall state-level pandemic restrictions—Vincent Miozzi and Benjamin Powell's research on lockdown regulatory freedom—looks at eight key regulatory restrictions on economic freedom related to the COVID-19 pandemic.[58] They included (a) mandatory workplace closures, (b) mandatory cancellations of public events, (c) restrictions

53. Andy Markowitz, "State-by-State Guide to Face Mask Requirements," AARP, September 25, 2023.

54. Adeel Hassan, "Hawaii, the Last State with an Indoor Mask Mandate for Public Schools, Will Make Masks Optional," *New York Times,* July 13, 2022.

55. Raifman et al., "State Policy Database."

56. "State Government Policies about Vaccine Requirements (Vaccine Passports)," Ballotpedia, 2023.

57. "Changes to State Emergency Power Laws in Response to the Coronavirus (COVID-19) Pandemic, 2020–2022," Ballotpedia, 2023.

58. Vincent J. Miozzi and Benjamin Powell, "U.S. State-Level Economic Freedom during the COVID-19 Pandemic," *American Journal of Economics and Sociology* (2023).

on gathering sizes, (d) stay-at-home orders, (e) internal movement restrictions, (f) school, (g) public transit closings, and (h) mandated facial coverings. Table 15, from Miozzi and Powell, shows how the 50 states ranked on these measures, averaging the monthly scores from March to December 2020, where higher values mean more freedom.

Of course, the COVID-19 pandemic prompted many pro-freedom trends, so the policy responses were not always negative for freedom. This was especially the case in the areas of education, health care licensing, telehealth, and alcohol takeout and delivery.

Unfortunately, these pro-freedom approaches didn't last everywhere. But some did, at both the state and federal levels. For example, 16 states made "cocktails to-go" permanent.[59] Likewise, states like Arizona and Idaho expanded telehealth freedoms more permanently.[60] As for the lockdowns, fortunately they were mostly short-lived, and it appears unlikely that states will return to them. Thus, despite the initial overreaction of most states to the COVID-19 pandemic, the American states can generally be credited with reasonable, freedom-respectful responses to the pandemic in the long run, especially compared with international governments. To be sure, not a single state distinguished itself with a consistently pro-freedom orientation throughout the pandemic, but many states have now an essentially free-market approach to pandemic policies, letting private institutions lead the way and discover how best to manage what is rapidly becoming an endemic part of our life as a species.

59. Lisa Futterman, "Are To Go Cocktails Here to Stay? The Current Legislation State by State," Alcohol Professor, September 30, 2021.

60. "U.S. States and Territories Modifying Requirements for Telehealth in Response to COVID-19," Federation of State Medical Boards, May 24, 2023; "Telehealth, COVID-19 and Looking Ahead," National Conference of State Legislatures, July 15, 2021.

TABLE 15 **Mean Lockdown Regulatory Freedom**

| Rank | State | Mean Lockdown Regulatory Freedom | Rank | State | Mean Lockdown Regulatory Freedom |
|---|---|---|---|---|---|
| 1. | North Dakota | 8.21 | 26. | Tennessee | 5.73 |
| 2. | South Dakota | 8.19 | 27. | Idaho | 5.73 |
| 3. | Iowa | 7.47 | 28. | Georgia | 5.67 |
| 4. | Oklahoma | 7.31 | 29. | North Carolina | 5.65 |
| 5. | Alabama | 7.10 | 30. | Michigan | 5.60 |
| 6. | Nebraska | 7.05 | 31. | Ohio | 5.59 |
| 7. | Arkansas | 7.00 | 32. | Alaska | 5.42 |
| 8. | Mississippi | 6.76 | 33. | Massachusetts | 5.40 |
| 9. | New Hampshire | 6.75 | 34. | Delaware | 5.23 |
| 10. | South Carolina | 6.68 | 35. | Pennsylvania | 5.14 |
| 11. | Utah | 6.67 | 36. | Connecticut | 5.13 |
| 12. | Arizona | 6.66 | 37. | Kentucky | 5.05 |
| 13. | Wisconsin | 6.55 | 38. | Texas | 4.98 |
| 14. | Kansas | 6.55 | 39. | Washington | 4.97 |
| 15. | Indiana | 6.49 | 40. | Illinois | 4.84 |
| 16. | Montana | 6.46 | 41. | Florida | 4.78 |
| 17. | Wyoming | 6.17 | 42. | Oregon | 4.74 |
| 18. | Nevada | 6.04 | 43. | Maryland | 4.56 |
| 19. | Virginia | 6.02 | 44. | Vermont | 4.40 |
| 20. | Colorado | 5.98 | 45. | California | 4.29 |
| 21. | Minnesota | 5.97 | 46. | Rhode Island | 4.24 |
| 22. | Missouri | 5.92 | 47. | Maine | 4.23 |
| 23. | New Jersey | 5.88 | 48. | New York | 4.03 |
| 24. | West Virginia | 5.83 | 49. | Hawaii | 3.77 |
| 25. | Louisiana | 5.81 | 50. | New Mexico | 2.64 |

Source: Vincent J. Miozzi and Benjamin Powell, "U.S. State-Level Economic Freedom during the COVID-19 Pandemic," *American Journal of Economics and Sociology* 82, no. 4 (July 2023): 349–364.
Note: States with different scores may appear identical due to rounding.

## CONCLUSIONS

In Part 1 of the book, we built and justified our index of freedom across the 50 states for the 2000–2022 period. Our index of freedom can be broken down into three dimensions: fiscal freedom, regulatory freedom, and personal freedom. We dub fiscal and regulatory freedoms together as "economic freedom."

It turns out that economic freedom is more often found in more conservative states that tend to vote Republican in presidential elections, although there are exceptions, and the relationship was weaker in 2000 than it is now. Personal freedom is all over the map. It doesn't appear to have any relationship with more or less conservative or progressive states (it is a bit higher in left-leaning states but some of that is due to federal court decisions on issues like gun control). The relationship is just noisier and more uncertain than that between ideology and economic freedom.

Another reason that freedom tends to prosper in some places and falter in others is institutional design. Much research has been conducted on the effects of institutions on government spending across countries,[61] as well as on institutions and the dynamics of policy change in the American states.[62] Variables of interest include (a) size of the legislature, (b) gubernatorial power, (c) professionalization of the legislature, (d) fiscal decentralization, (e) term limits, and (f) initiative and referendum. In theory, institutions could have consistent effects on individual liberty in one direction or the other, but it is more likely that most institutions affect freedom positively in some areas and negatively in others. For instance, popular initiatives have helped pass strict tax limitation rules, such as Colorado's Taxpayer's Bill of Rights, but they have also allowed massive spending increases to become law, such as Florida's 2002 initiative requiring that universal prekindergarten be offered throughout the state and a 2000 initiative requiring construction of a high-speed rail system to connect Florida's five major cities.

Macro phenomena like partisan lean and corruption have a big impact on freedom; however, we must not discount the role of political entrepreneurs and individual activists at the state and local levels. The late Jerry Kopel, a Colorado legislator and activist, authored the original "sunrise" and "sunset" legislation for occupational licensing agencies and maintained a website where he kept a close watch on licensing regulation.[63] Quite probably because of Kopel's indefatigable efforts, Colorado remains among the highest-rated states in the nation for occupational freedom.

61. See, for instance, Torsten Persson and Guido Tabellini, *The Economic Effects of Constitutions* (Cambridge, MA: MIT Press, 2003).

62. See, for instance, Charles R. Shipan and Craig Volden, "Bottom-Up Federalism: The Diffusion of Antismoking Policies from U.S. Cities to States," *American Journal of Political Science* 50, no. 4 (2006): 825–43.

63. See Jerry Kopel's website, http://www.jerrykopel.com/.

Next, we examine the consequences of freedom for migration and economic growth. We find strong evidence that states with more freedom attract more residents. We can be especially confident of the relationships between economic freedom (both a lighter fiscal impact and regulatory impact of government policy) and net in-migration; both were statistically significant in every model we ran. Personal freedom was significant in 21 of 22 models. More important than statistical significance, the estimates suggested that the effects of each dimension of freedom on in-migration are economically significant as well.[64]

One channel by which economic freedom affects in-migration is by increasing economic growth. We found a robust relationship between economic freedom in one year and income growth in the next. It was impossible, however, to disentangle the relative contributions of fiscal and regulatory policy from this result, as the two are positively correlated with each other.

Freedom is not the only determinant of personal satisfaction and fulfillment. But as our analysis of migration patterns shows, it makes a tangible difference for people's decisions about where to live. Moreover, we fully expect people in the freer states to develop and benefit from the kinds of institutions (such as symphonies and museums) and amenities (such as better restaurants and cultural attractions) seen in some of the older cities on the coast, in less free states such as California and New York, as they grow and prosper. Indeed, urban development expert and journalist Joel Kotkin once made a similar point about the not-so-sexy urban areas that were best situated to recover from the 2008–2009 economic downturn:

> Of course, none of the cities in our list competes right now with New York, Chicago, or L.A. in terms of art, culture, and urban amenities, which tend to get noticed by journalists and casual travelers. But once upon a time, all those great cities were also seen as cultural backwaters. And in the coming decades, as more people move in and open restaurants, museums, and sports arenas, who's to say Oklahoma City can't be Oz? [65]

These things take time, but the same kind of dynamic freedom enjoyed in Chicago or New York in the 19th century—that led to their rise—might propel places in the middle of the country to be a bit hipper to those with urbane tastes.

64. On the distinction between economic and statistical significance, see Stephen T. Ziliak and Deirdre N. McCloskey, The Cult of Statistical Significance: How the Standard Error Costs Us Jobs, Justice, and Lives (Ann Arbor: University of Michigan Press, 2008).

65. Joel Kotkin, "Welcome to Recoveryland: The Top 10 Places in America Poised for Recovery," November 8, 2010.

The COVID-19 pandemic has uprooted and scattered many Americans even as internal migration rates have declined. Like the automobile, the pandemic has been a kind of deconcentrating economic shock that has somewhat shrunk central cities, which lost some of their usual attractions during physical distancing.[66] Cities have robust advantages and will survive, but the comparative dislocation Americans have experienced over the past two years offer out-of-the-way places a new opportunity to build the conditions for economic and cultural success. If anything, unlike the shock of the Great Recession, the COVID-19 pandemic now offers Americans a greater opportunity to live not where they have to, but where they want to. Freedom could play a big role in such choices.

Lastly, we would stress that the variance in liberty at the state level in the United States is quite small in the global context. Even New York provides a much freer environment for the individual than most countries. There are no Myanmars or North Koreas among the American states. Still, our federal system allows states to pursue different policies in a range of important areas. The policy laboratory of federalism has been compromised by centralization, most recently in health insurance, but is still functioning. We saw the capacity of states to innovate in the direction of freedom nearly a decade ago when Colorado and Washington legalized recreational marijuana. More recently, Arizona's experiments in occupational licensing universality, New Hampshire's Housing Appeals Board, and the expansion of new forms of online gambling and educational choice in many states show that this capacity is still very much alive.

Regardless of one's views about freedom as we define it, the information this study provides should prove useful to those looking for a better life. As Americans—especially those who are currently less fortunate—grow richer in future years, quality of life will matter more to residence decisions, whereas the imperative of higher-paying employment will decline by comparison. For many Americans, living under laws of which they approve is a constituent element of the good life. As a result, we should expect more ideological "sorting" of the kind economist and geographer Charles Tiebout foresaw.[67] High-quality information on state legal and policy environments will matter a great deal to those seeking an environment friendlier to individual liberty.

66. Edward L. Glaeser and David Cutler, *The Survival of the City: Living and Thriving in an Age of Isolation* (New York: Penguin Press, 2021).

67. Charles Tiebout, "A Pure Theory of Local Expenditures," *Journal of Political Economy* 64, no. 5 (1956): 416–24.

# PART 3
# FREEDOM STATE BY STATE

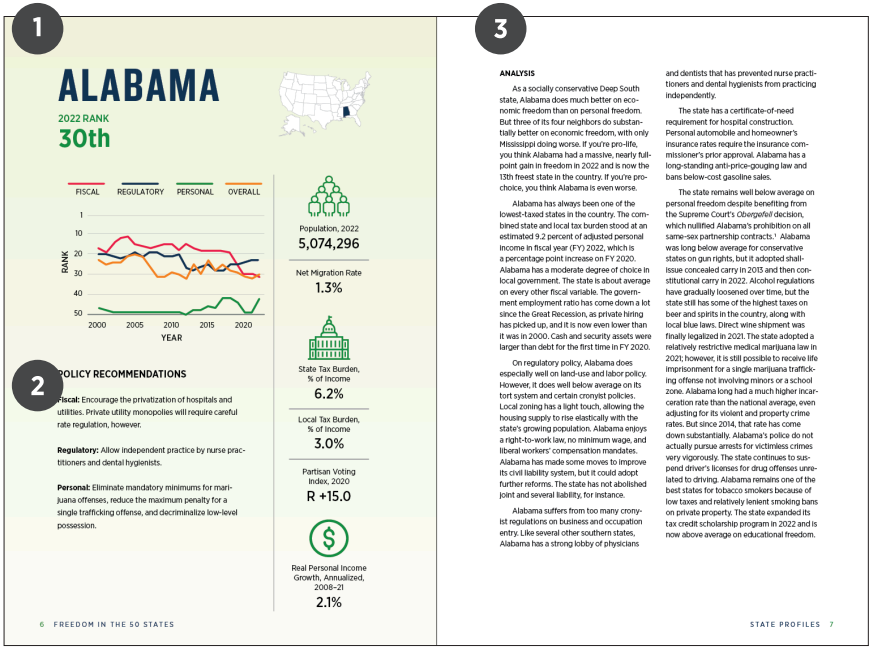
The following state profiles contain (a) a chart of each state's fiscal, regulatory, personal, and overall freedom rankings over time (because these are ranks, lower numbers are better); (b) key facts on each state; (c) a descriptive analysis of each state's freedom situation; and (d) three specific policy recommendations that would increase freedom in each state.

We have chosen policy recommendations that would have the greatest effects on the state's freedom score, consistent with its political environment. For instance, urging New York to pass a right-to-work law would be futile, but eliminating rent control through state legislation might be more feasible. Most states have been experiencing revenue booms in the post-COVID-19 pandemic economy, so unlike prior editions, which emphasized how to find spending cuts, this edition's fiscal policy recommendations focus on which taxes to prioritize cutting.

The discussions for each state represent the policy environment as of our data cutoff date, although we have attempted to note some of the most significant policy changes that occurred after that date.

# KEY TO THE PROFILES

The following profiles contain some basic information about each state, including the state's freedom rankings over time and various institutional, political, demographic, and economic indicators of interest. The next page provides a brief description of each element contained in the profiles, keyed to the sample profile below. It also supplies more information about the variables we have chosen to include.




*sample profile*

## 1. STATE ID

### State Name

State profiles appear in alphabetical order. The District of Columbia and unincorporated organized territories are not included in this index.

### State Rankings

Each state's overall rank for 2022 is displayed prominently at the top of the spread, under the state name. A chart below the state name presents the state's segmented, historical rankings for each year from 2000 to 2022.

## 2. POLICY RECOMMENDATIONS

Each state has three policy recommendations, which correspond to the three dimensions of freedom: fiscal policy, regulatory policy, and personal freedom, in that order. We considered three criteria as we decided which policy recommendations to include in this book:

1. **Importance.** The recommended policy change would result in a significant boost to the state's freedom score.
2. **Anomalousness.** The policy change would correct a significant deviation of the state's policies from national norms.
3. **Feasibility.** The policy change would likely prove popular, taking into account the state's ideological orientation and the political visibility of the issue.

## 3. ANALYSIS

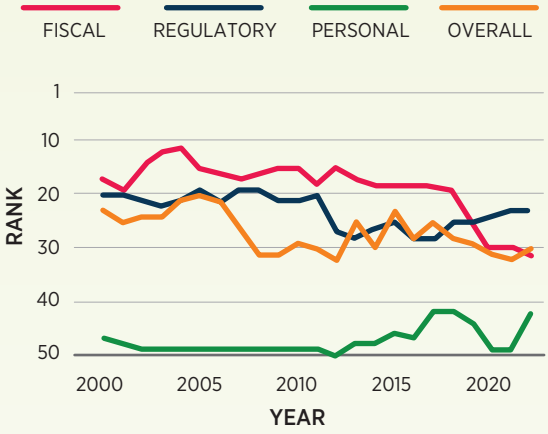
The analysis section of each state profile begins with an introduction and then discusses fiscal, regulatory, and personal freedom issues in the state, in that order.

# ALABAMA

2022 RANK

## 30th






### POLICY RECOMMENDATIONS

**Fiscal:** Encourage the privatization of hospitals and utilities. Private utility monopolies will require careful rate regulation, however.

**Regulatory:** Allow independent practice by nurse practitioners and dental hygienists.

**Personal:** Eliminate mandatory minimums for marijuana offenses, reduce the maximum penalty for a single trafficking offense, and decriminalize low-level possession.

Population, 2022
**5,074,296**

Net Migration Rate 2020–2022
**1.3%**

State Tax Burden, % of Income
**6.2%**

Local Tax Burden, % of Income
**3.0%**

Partisan Voting Index, 2020
**R +15.0**

Real Personal Income Growth, Annualized, 2008–21
**2.1%**

**ANALYSIS**

As a socially conservative Deep South state, Alabama does much better on economic freedom than on personal freedom. But three of its four neighbors do substantially better on economic freedom, with only Mississippi doing worse. If you're pro-life, you think Alabama had a massive, nearly full-point gain in freedom in 2022 and is now the 13th freest state in the country. If you're pro-choice, you think Alabama is even worse.

Alabama has always been one of the lowest-taxed states in the country. The combined state and local tax burden stood at an estimated 9.2 percent of adjusted personal income in fiscal year (FY) 2022, which is a percentage point increase on FY 2020. Alabama has a moderate degree of choice in local government. The state is about average on every other fiscal variable. The government employment ratio has come down a lot since the Great Recession, as private hiring has picked up, and it is now even lower than it was in 2000. Cash and security assets were larger than debt for the first time in FY 2020.

On regulatory policy, Alabama does especially well on land-use and labor policy. However, it does well below average on its tort system and certain cronyist policies. Local zoning has a light touch, allowing the housing supply to rise elastically with the state's growing population. Alabama enjoys a right-to-work law, no minimum wage, and liberal workers' compensation mandates. Alabama has made some moves to improve its civil liability system, but it could adopt further reforms. The state has not abolished joint and several liability, for instance.

Alabama suffers from too many cronyist regulations on business and occupation entry. Like several other southern states, Alabama has a strong lobby of physicians and dentists that has prevented nurse practitioners and dental hygienists from practicing independently.

The state has a certificate-of-need requirement for hospital construction. Personal automobile and homeowner's insurance rates require the insurance commissioner's prior approval. Alabama has a long-standing anti-price-gouging law and bans below-cost gasoline sales.

The state remains well below average on personal freedom despite benefiting from the Supreme Court's *Obergefell* decision, which nullified Alabama's prohibition on all same-sex partnership contracts.[68] Alabama was long below average for conservative states on gun rights, but it adopted shall-issue concealed carry in 2013 and then constitutional carry in 2022. Alcohol regulations have gradually loosened over time, but the state still has some of the highest taxes on beer and spirits in the country, along with local blue laws. Direct wine shipment was finally legalized in 2021. The state adopted a relatively restrictive medical marijuana law in 2021; however, it is still possible to receive life imprisonment for a single marijuana trafficking offense not involving minors or a school zone. Alabama long had a much higher incarceration rate than the national average, even adjusting for its violent and property crime rates. But since 2014, that rate has come down substantially. Alabama's police do not actually pursue arrests for victimless crimes very vigorously. The state continues to suspend driver's licenses for drug offenses unrelated to driving. Alabama remains one of the best states for tobacco smokers because of low taxes and relatively lenient smoking bans on private property. The state expanded its tax credit scholarship program in 2022 and is now above average on educational freedom.

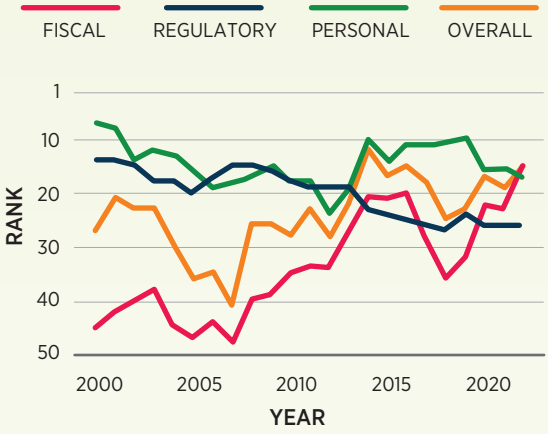
68. *Obergefell v. Hodges,* 135 S. Ct. 2584.

# ALASKA

2022 RANK

## 15th






### POLICY RECOMMENDATIONS

**Fiscal:** Cut spending in the areas of most overspending relative to national averages. Use the proceeds to reduce the corporate income tax and help the economy diversify away from energy.

**Regulatory:** Enact a right-to-work law to attract manufacturing investment.

**Personal:** Reform asset forfeiture to require a criminal conviction before forfeiture and to require Department of Justice equitable-sharing proceeds to follow the same procedure.

Population, 2022
**733,583**

Net Migration Rate 2020–2022
**–1.6%**

State Tax Burden, % of Income
**1.8%**

Local Tax Burden, % of Income
**4.6%**

Partisan Voting Index, 2020
**R +8.0**

Real Personal Income Growth, Annualized, 2008–21
**1.5%**

**ANALYSIS**

Alaska is an unusual state because of its enormous oil and gas reserves and revenues. Its fiscal policy scores fluctuate wildly depending on the global price of oil. With the end of the commodity boom in the 2000s, corporate income tax collections plummeted in Alaska, and the state buffered the decline with large withdrawals from its enormous rainy-day fund. Alaska has one of the highest cash-to-liability ratios of any state.[69] The rise in Alaska's ranking from 41st overall in 2007 to 15th today is driven entirely by fiscal policy, mostly declining state tax collections because of economic conditions but also real improvement in the size of government.

Alaska's enviable net asset position has also made for something of a "resource curse" in the state's expenditures, though Alaska has improved recently on these measures. Government employment is 17.5 percent of private employment, but it used to be 20 percent in 2002. Government consumption is similarly high, but it hit its 21st-century low in 2022. Although local taxes outstrip state taxes, which are the lowest in the country—lately by a wide margin—local jurisdictions are so consolidated that virtually no choice exists among local government options.

Despite its attractive overall fiscal situation, or perhaps because of it, Alaska does poorly on several important regulatory policy indicators and does middling overall. The labor market is far more regulated than one would expect for such a conservative state. There is no right-to-work law; the state has strict workers' compensation mandates and a high minimum wage ($10.85 per hour in 2022). Many occupations are licensed in Anchorage and Fairbanks, where about half of the state's population lives. Insurance is heavily regulated, and the state adopted a price-gouging law in 2020. On the other hand, Alaska gives a good bit of practice freedom to nurses and dental hygienists (recognizing full hygienist independent practice in 2022), does not zone out low-cost housing, and has one of the nation's best civil liability systems (an area in which the state has improved a great deal during the past 25 years).

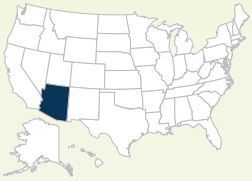
As one of the country's most libertarian states, Alaska has always done well on personal freedom. Its fall from 10th in 2019 to 17th in 2022 is a reflection on other states' passing it. Drug arrests are quite low (1.5 standard deviations below average); crime-adjusted incarceration is below the national average and, like most places, dropping; marijuana is legal; homeschooling is unregulated; and gun rights are secure (Alaska started the 21st-century trend toward constitutional carry). However, the state used to have one of the most anti-gay-marriage laws in the nation, forbidding even private partnership contracts for same-sex couples. (Of course, *Obergefell* federalized the issue and overturned such laws.) The state's civil asset forfeiture law is among the worst in the country, which probably accounts for why local police do not bother to ask the Department of Justice to "adopt" many cases. The burden of proof is on the owner of the property to prove innocence, property is subject to forfeiture from mere probable cause, and the proceeds largely go to law enforcement. Sales of all alcohol, even beer, are prohibited in grocery stores. Alcohol taxes, especially for beer, are also among the highest in the country. Gambling freedom is low, and the cigarette tax is high at $2 per pack in 2022 ($5 a pack in Juneau). There is almost no school choice at all.

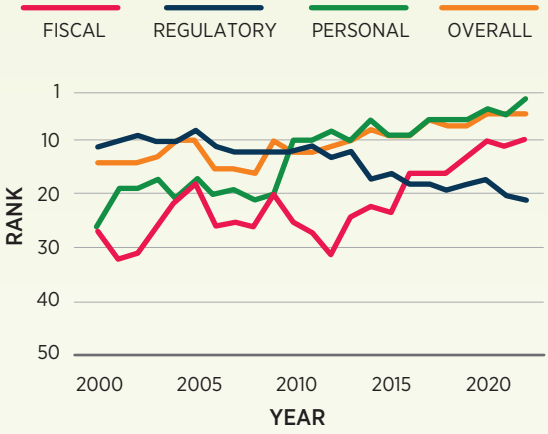
69. Eileen Norcross, "Ranking the States by Fiscal Condition," Mercatus research paper, Mercatus Center at George Mason University, Arlington, VA, July 2015.

# ARIZONA

2022 RANK

## 5th






### POLICY RECOMMENDATIONS

**Fiscal:** Build up state and local cash assets and cut sales taxes.

**Regulatory:** Repeal the minimum wage and end the ability of the ballot initiative to impose uncompensated regulatory burdens on the state's residents.

**Personal:** Legalize for-profit casinos and card games.

Population, 2022
**7,359,197**

Net Migration Rate 2020–2022
**2.5%**

State Tax Burden, % of Income
**5.7%**

Local Tax Burden, % of Income
**3.3%**

Partisan Voting Index, 2020
**R +2.3**

Real Personal Income Growth, Annualized, 2008–21
**3.5%**

**ANALYSIS**

Since 2008, Arizona has risen steadily in the freedom rankings, reaching its zenith to date of fifth place in 2020 and holding that rank for three years straight. The rise has been most notable on fiscal policy and personal freedom.

Fiscal policy was long more of a problem than regulatory policy, but the two have switched places since 2016. State and local taxes are 9 percent of adjusted personal income, well below average. The state depends heavily on sales taxes, permitting generally low individual and business income taxes. Arizona has very little scope for choice among local jurisdictions. Although municipalities are more important than counties, there are only 91 municipalities in the whole state. Debt and government consumption are well below average, and so is government employment, at only 9.8 percent of the private sector. All these measures have fallen over time. The biggest recent two-year gains in fiscal freedom came in 2013–2014 and 2019–2020.

On regulatory policy, Arizona is one of the best in the country with regard to anticronyism. In most industries, business entry and prices are quite liberalized. However, occupational licensing has been a long-term weak spot, which recent reforms haven't rolled back. The state has no certificate-of-need laws for hospital construction or movers. The right-to-work law probably attracts manufacturing businesses, and the state passed statewide cable franchising in 2018. It has one of the highest effective minimum wages in the industrialized world because of Proposition 206, which was passed by popular vote in 2016. That law meant a rise from $8.05 per hour to $10.00 per hour, with subsequent increases all the way up to $13.85 in 2022. It also has an E-Verify mandate. Although land-use regulation tightened in the 1990s and early 2000s, a regulatory takings initiative may have curbed its growth a little since 2006.

Arizona's personal freedom improvements are due to growing gun rights (constitutional carry passed in 2010), medical marijuana in 2010 and recreational marijuana in 2020, school vouchers (passed in 2012 and expanded to universal school choice in 2022), declining victimless crime arrests, declining incarceration rates since a 2015 peak, the abolition of its sodomy law because of the Supreme Court decision in *Lawrence v. Texas,*[70] the judicial legalization of same-sex marriage, liberalization of its wine shipment laws, and significant asset forfeiture reforms in 2017 and 2021. On the other side of the ledger, Arizona's cigarette taxes are higher than average, and smoking bans have become comprehensive and airtight. (The latter, like the state's minimum wage, is explained in part by the ballot initiative, which really does result in some observable "tyranny of the majority.") Not much change has been observed in alcohol freedom, where the state is better than average. On gambling, the state did legalize online sports betting but is otherwise lower than average.

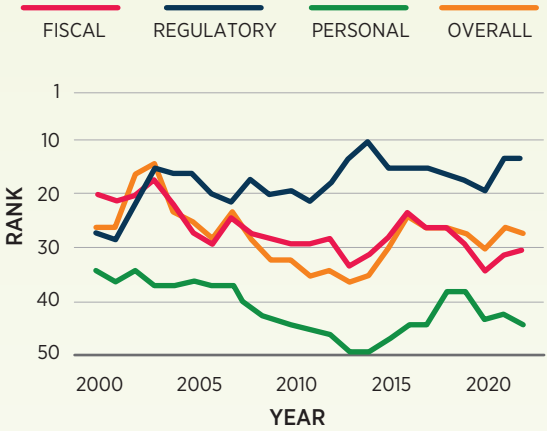
70. *Lawrence v. Texas,* 539 U.S. 558 (2003).

# ARKANSAS



2022 RANK

**27th**




## POLICY RECOMMENDATIONS

**Fiscal:** Cut the state sales and use tax, which is high. Let local governments vary property taxes to meet local needs and desires, reducing state aid for education and other purposes.

**Regulatory:** Roll back occupational licensing. Some occupations that could be deregulated include sanitarians, title abstractors, interpreters, dietitians and nutritionists, pharmacy technicians, veterinary technologists, opticians, athletic trainers, occupational therapist assistants, massage therapists, private detectives, security guards, landscaping contractors, tree trimmers (locally), funeral apprentices, collection agents, 911 dispatchers, tree injectors, construction contractors, security alarm installers, well drillers, mobile home installers, and boiler operators.

**Personal:** Enact criminal justice reforms to remove mandatory minimum sentences, reduce maximum sentences, and remove driver's license forfeitures for non-driving-related offenses.



Population, 2022

**3,045,637**

Net Migration Rate 2020–2022

**1.3%**



State Tax Burden, % of Income

**7.8%**

Local Tax Burden, % of Income

**2.0%**

Partisan Voting Index, 2020

**R +16.5**



Real Personal Income Growth, Annualized, 2008–21

**2.3%**

**ANALYSIS**

Arkansas has been mediocre on economic freedom for most of the past two decades, but it has improved modestly on regulatory policy since the early 2010s. Its fiscal policy, too, has improved since 2013, but other states have improved just as fast, leading to little change in ranking. Arkansas has ranked consistently worse than most other states on personal freedom, but at least it is no longer the second worst, as it was in 2014. If you're pro-life, you think Arkansas is outstanding on personal freedom because of its extremely strict abortion ban, and it would be number nine on overall freedom. If you're pro-choice, Arkansas falls a little further (one spot on overall freedom for moderate pro-choicers).

Arkansas's tax burden is about average, but the state is highly fiscally centralized. State taxes are way above the national average, and local taxes are way below. The overall tax burden spiked in FY 2022 as it did in many other states, but in FY 2020 it was at its 21st-century low. Debt is low, and government consumption and employment have fallen modestly since their early-2010s peaks.

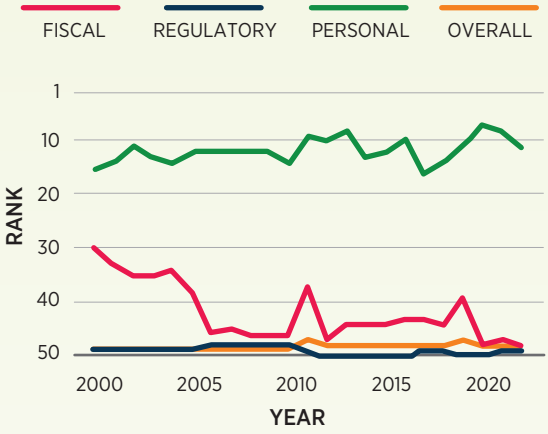
Arkansas does well on land use despite its unreformed eminent domain laws. Still, our proxies for zoning stringency show a growth in such restrictions over time. The state has above-average labor-market freedom, although it began regular minimum-wage increases in 2014 because of a popular initiative; the minimum wage stands at $11.00 as of 2022. The state has a problem with cronyism, especially on entry and price controls. The employment-weighted extent of occupational licensing is more than a standard deviation worse than the national average, and the Archbridge Institute measure of total barriers has Arkansas more than two standard deviations worse than the national average. Hospital construction requires a certificate of need, the state has an anti-price-gouging law, and it also has a general law against "unfair pricing" or sales below cost. However, Arkansas does better than most other southern states, and indeed better than the national average, on its civil liability regime. Like most other states, it did not replace the federal government's health insurance individual mandate and, therefore, saw a bump up on health insurance freedom in 2019.

Arkansas is one of the worst states in the country on criminal justice policies. Its crime-adjusted incarceration rate is more than a standard deviation worse than the national average but came down a little in 2020, while its drug enforcement rate moved significantly in the wrong direction from 2014 to 2019. It also suspends driver's licenses for those with drug offenses unrelated to driving. In contrast, gun rights are secure, alcohol laws are somewhat loose, smoking bans exempt bars, limited private school choice was enacted in 2021, and the state recently legalized casino gambling, with the first casino opening in 2022. Asset forfeiture was reformed slightly in 2019. Marijuana laws are largely unreformed, although voters did pass a medical marijuana initiative in 2016. In 2023, Arkansas passed universal school choice, which will significantly increase its personal freedom score.

# CALIFORNIA



2022 RANK
**48th**




## POLICY RECOMMENDATIONS

**Fiscal:** Cut spending in the areas of health and hospitals, public welfare operations, and employee retirement. Use the proceeds to reduce indebtedness and cut income taxes.

**Regulatory:** Liberalize the housing market with targeted preemption, incentives, and institutional changes.

**Personal:** Expand legal gambling. California's political culture is unlikely to have many qualms about gaming, but legalizing nontribal casinos would require a constitutional amendment.

Population, 2022
**39,029,342**

Net Migration Rate 2020–2022
**–2.2%**

State Tax Burden, % of Income
**9.1%**

Local Tax Burden, % of Income
**3.9%**

Partisan Voting Index, 2020
**D +12.4**

Real Personal Income Growth, Annualized, 2008–21
**3.2%**

**ANALYSIS**

California is one of the least free states in the country, largely because of its long-standing poor performance on economic freedom. It went through a brief revival in economic freedom from 2007 to 2011, followed by a revival in its economic fortunes. But since 2017, it has sunk to new depths (largely because of fiscal policy, but regulatory policy has gone in the wrong direction too). California's personal freedom has always been above average, but it has particularly improved since 2017, when it was 16th in the country on that dimension (it's 11th now).

Despite Proposition 13, California is one of the highest-taxed states in the country. California's combined state and local tax collections are 13.0 percent of adjusted personal income. Moreover, because of the aforementioned initiative and the infamous *Serrano* decisions[71] on school finance, California is a fiscally centralized state. Local taxes are about average nationally, whereas state taxes are well above average. But apart from state taxes, California's fiscal policies have improved since the late 2000s, with government consumption a percentage point and a half below where it was in 2007 and the ratio of state and local to private employment also a percentage point and a half below where it was in 2007.

Regulatory policy is more of a problem for the state than fiscal policy. California is one of the worst states on land-use freedom. Some cities have rent control, new housing supply is tightly restricted in the coastal areas despite high demand, and eminent domain reform has been nugatory. The state did adopt the most wide-ranging accessory dwelling unit (ADU) law in the country in 2020. Labor law is anti-employment, with no right-to-work law, high minimum wages, strict workers' compensation mandates, mandated short-term disability insurance, stricter-than-federal anti-discrimination law, and prohibitions on consensual noncompete agreements. Occupational licensing is extensive and strict, but the state did eliminate mandatory bar membership in 2018 and opened the door to limited nurse practitioner independent practice in 2022. The state's mandatory cancer labeling law (Proposition 65) has significant economic costs.[72] California is one of the worst states for consumers' freedom of choice in homeowner's and automobile insurance. On the plus side, the state has no certificate-of-need law for new hospitals and has made some moves to deregulate cable and telecommunications.

California is a classic left-wing state on social issues. Gun rights are among the weakest in the country, but judicial intervention forced the state to shall-issue concealed-carry licenses in 2020. It was one of the first states to adopt a smoking ban on private property, which was further tightened in 2016. Cigarette taxes were hiked substantially in 2017. As of 2022, all flavored vape liquids are banned. California was an early leader on cannabis liberalization and retains that position today with full legalization. Alcohol is not as strictly regulated as in most other states, and booze taxes are relatively low. Physician-assisted suicide was legalized in 2015. Private school choice programs are nonexistent, but private schools and homeschools are lightly regulated. Incarceration and drug arrest rates used to be higher than average but have fallen over time, especially since 2010. The only forms of legal gambling are pari-mutuel wagering and charitable gaming; the state is a laggard on legalizing sports betting.

71. *Serrano v. Priest,* 5 Cal.3d 584 (1971) (*Serrano I*); *Serrano v. Priest,* 18 Cal.3d 728 (1976) (*Serrano II*); and *Serrano v. Priest*, 20 Cal.3d 25 (1977) (*Serrano III*).

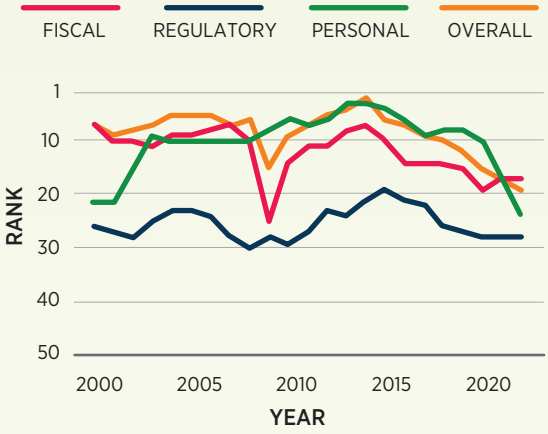
72. David R. Henderson, "Proposition 65: When Government Cries Wolf," *EconLog* (blog), April 14, 2013.

# COLORADO

2022 RANK

**19th**






## POLICY RECOMMENDATIONS

**Fiscal:** Trim spending on airports, general administration, and parks and recreation, where spending is above the national average. Retire debt and cut sales taxes.

**Regulatory:** Expand land-use freedom with a state ADU law modeled on California's and a housing appeals board modeled on New Hampshire's.

**Personal:** Preempt local tobacco taxes.

Population, 2022
**5,839,926**

Net Migration Rate 2020–2022
**0.3%**

State Tax Burden, % of Income
**4.9%**

Local Tax Burden, % of Income
**4.6%**

Partisan Voting Index, 2020
**D +4.2**

Real Personal Income Growth, Annualized, 2008–21
**3.7%**

**ANALYSIS**

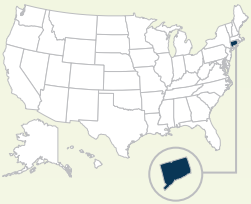
Colorado peaked at number two on overall freedom in 2014, but it's been all downhill since then. It now stands at its worst-ever rank on regulatory policy and personal freedom and second-worst-ever rank on fiscal policy.

Colorado's overall state and local tax burden is an estimated 9.5 percent of adjusted personal income, lower than the national average. State and local taxes have remained at about the same level for the past 22 years, but state revenues are highly sensitive to economic gyrations; FY 2022 data have the state-level tax take at its highest level ever, but we expect that to come down in future years. Although fiscal decentralization is high when measured as the ratio of local to state taxes, there isn't much choice of local government, given the importance of counties and the paucity of incorporated cities. Debt has fallen below average after peaking in FY 2010. State and local employment is lower than average and has dipped to 11.6 percent of private employment from a high of 12.8 percent in 2010. Government consumption has also trended downward over the past decade and a half. In short, Colorado's slight slippage in the fiscal ranking has more to do with other states' improvements than its own deterioration.

Colorado ranks sixth on freedom from cronyism, although it is below median on regulatory policy as a whole. It earns its good ranking in our cronyism index because of its relatively open occupational licensing system, including broad scope of practice for health care professionals and lack of a certificate-of-need law for hospitals. However, the price-gouging law was expanded in 2020, and occupational freedom declined noticeably in 2019 (pharmacy technicians and athletic trainers were licensed, and restrictive statutory language increased). As in most states, land-use freedom has declined over time, but Colorado is still about average there. Unfortunately, the state expressly authorized mandatory inclusionary zoning in 2021. In 2014, the state deregulated telecommunications somewhat, though it still lacks statewide video franchising. It is a little below average on labor-market freedom, with no right-to-work law, paid family leave enacted in 2020, and a moderately high minimum wage (because of a 2016 voter-approved amendment, the state saw regular increases through 2020 until it reached $12.00 per hour and is now adjusted for cost of living).

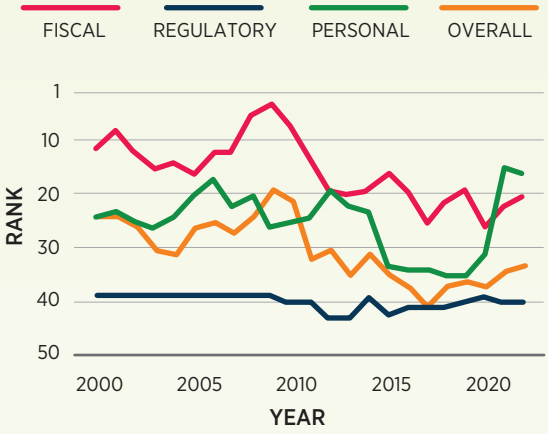
On personal freedom, Colorado led the way with the legalization of the cultivation and sale of recreational marijuana, which occurred in stages from 2012 to 2014. Legal gambling and gun rights are above average, although the qualifications for carry licensure are fairly strict, large-capacity firearm magazines are banned, and in 2021 state preemption of local concealed-carry ordinances was weakened. In 2020, the Colorado Supreme Court ruled that there is no duty to retreat from an attacker in public. Colorado's beer, wine, and spirits taxes are much better than average. State asset forfeiture law is good, and equitable-sharing participation has fallen in recent years. Crime-adjusted incarceration rates fell in 2020 and 2021, and drug arrests are low. Colorado was the first state to end qualified immunity across the board. Voters approved physician-assisted suicide in 2016. Educational freedom is below average, as the state has no private school choice programs. Local and state governments have jacked up cigarette taxes in recent years to some of the highest rates in the country (maximum of $5.94 a pack).

# CONNECTICUT



2022 RANK

**33rd**




## POLICY RECOMMENDATIONS

**Fiscal:** Fiscally decentralize by cutting state taxes and grants to local governments.

**Regulatory:** Enact statewide restrictions on eminent domain.

**Personal:** Move to shall-issue concealed-carry licensure, which federal courts may require soon anyway.

Population, 2022
**3,626,205**

Net Migration Rate 2020–2022
**0.0%**

State Tax Burden, % of Income
**7.1%**

Local Tax Burden, % of Income
**4.1%**

Partisan Voting Index, 2020
**D +8.1**

Real Personal Income Growth, Annualized, 2008–21
**1.5%**

**ANALYSIS**

Over the long run, Connecticut has declined slowly in freedom. As recently as 2009, it was in the top 20, but it is now mired in the mid- to lower 30s. Still, Connecticut is the surprise number-one state in freedom growth between year-end 2020 and year-end 2022, because of significant improvements in personal freedom and steady fiscal policy, whereas most other states have deteriorated.

After getting hit hard by the Great Recession, state revenues bounced back strongly, and the state's fiscal policy score suffered somewhat. As of FY 2022, state-level tax take is a higher share of the state economy than it has ever been before. On the other hand, government share of gross domestic product (GDP) has declined by more than a percentage point since just 2017, buoying the state's fiscal policy score. Government employment is now significantly below the national average. Although Connecticut residents enjoy broad scope of choice among local governments, state government tax collections are about 40 percent greater than local tax collections, making the choice of local government less valuable. Debt burden is about average, and liquid assets are below average.

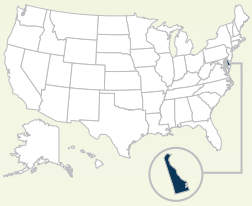
Connecticut does poorly in most areas of regulatory policy. Exclusionary zoning is common, though the state passed an ADU law in 2022 to combat it somewhat. Eminent domain for economic development is largely unchecked. Renewable portfolio standards are tight, keeping electric rates high. The state has a minimum wage; the legislature has repeatedly raised it, resulting in a rate of $14.00 per hour. The state also lacks a right-to-work law. Connecticut is one of only a handful of states to perform better on occupational freedom in 2022 than in 2000. Price regulation in the property and casualty market became more interventionist from 2011 to 2016 but has now eased again. The civil liability system is mediocre. Cable franchising moved to the state level in 2007, but telecommunications has not been deregulated significantly yet.

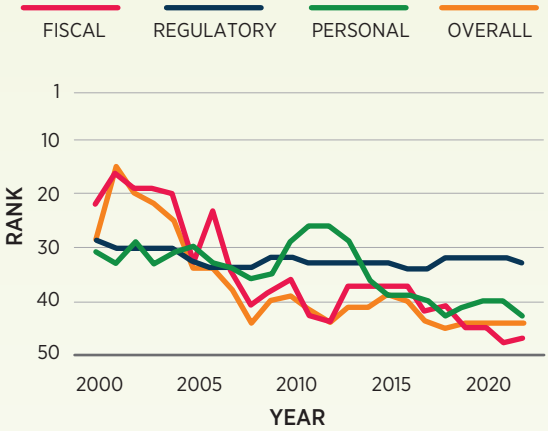
The biggest reason for Connecticut's meteoric rise in personal freedom since 2020 is criminal justice reform. Marijuana has been legalized, and qualified immunity has been abolished. Incarceration rates fell dramatically in 2020 and 2021, but the trend has been ongoing since 2007. The state does well on asset forfeiture. Tobacco freedom is a big weakness, but the state hasn't gone quite as far as some others in raising taxes and attacking vaping. Educational freedom is subpar, with no private school choice. Gun rights have been restricted over our entire time series, with may-issue carry, an assault weapons ban, a large-capacity magazine ban, purchaser licensing, universal background checks, and registration of some firearms. Alcohol freedom is about average; the only recent change was a small tax hike on distilled spirits in 2020. Travel freedom is above average. Connecticut is one of the few states without an open-container law, and it also lets you get a drive-only license without a Social Security number.

# DELAWARE

2022 RANK

**44th**






## POLICY RECOMMENDATIONS

**Fiscal:** Reduce state-level taxes and education spending. Delaware is one of the freest-spending states in the country on education. Allow local governments to pick up more of the school spending out of their own fiscal resources.

**Regulatory:** Regain the Delaware tort law advantage by reforming punitive damages and abolishing joint and several liability.

**Personal:** Eliminate or significantly limit civil asset forfeiture.

Population, 2022
**1,018,396**

Net Migration Rate 2020–2022
**2.7%**

State Tax Burden, % of Income
**10.3%**

Local Tax Burden, % of Income
**2.4%**

Partisan Voting Index, 2020
**D +7.6**

Real Personal Income Growth, Annualized, 2008–21
**2.6%**

**ANALYSIS**

How the mighty have fallen! Once a stalwart near the top of economic freedom indexes, Delaware has lost tremendous ground during the past 20 years. It now ranks in or near the bottom third on all three dimensions of freedom, earning its 44th place by all-around poor performance. Part of the reason for this low ranking is that the state had one of the most free-market health insurance systems before the enactment of the Patient Protection and Affordable Care Act (PPACA), and so it suffered disproportionately because of the federal law. Moreover, its much-touted advantage on corporate law is now significantly overstated.

On fiscal policy, Delaware has floundered ever since the mid-2000s. The overall tax burden—at about 12.7 percent of adjusted personal income—is worse than average, and the state is highly fiscally centralized with most of the tax burden at the state level. With 1.6 competing jurisdictions per 100 square miles, Delawareans would stand to benefit were the state to allow more tax space for local governments. Government GDP share has fallen over a percentage point since 2019 and is finally below the U.S. mean, but it hasn't outweighed recent tax burden increases in the fiscal policy formula. Debt and public employment are a little lower than average, while cash assets are about average.

Delaware's land-use and energy freedom has declined, partly because of an aggressive renewable portfolio standard. Still, zoning rules are relaxed by northeastern standards and have probably helped the state grow lately. Labor law is fairly anti-employment, with a minimum wage (though not too high compared with other blue states) and no right-to-work law. Occupational freedom is slightly above average because of 2017 reforms to nursing practice. The state has certificate-of-need laws for hospitals. For a long time, the state's insurance commissioners treated property and casualty insurance rates under "prior approval" contrary to statute, according to the Insurance Information Institute, but they have recently been following the law, which is "file and use."[73] Delaware finally joined the Interstate Insurance Product Regulation Compact in 2021. The state's vaunted liability system has deteriorated since 2000 to merely average. The state has enacted no tort reforms, and the size of the legal sector has grown, whether measured in number of lawyers or share of GDP. Telecom has been deregulated, and cable franchising has been streamlined at the state level.

Delaware is below average on gun rights; the biggest problem area is the "may-issue" regime for concealed carry, but an assault weapons ban was also enacted in 2022. Gambling freedom is ample, and the state expanded legal sports betting in 2018. There are no private school choice programs, but homeschooling is easy. Smoking bans are comprehensive, and cigarette taxes were about average until 2017, when the rate was increased 60 cents to $2.10 per pack. The state has medical marijuana and decriminalization. After our closing date, Delaware legalized recreational marijuana. Alcohol is banned from sale in grocery stores. The state's civil asset forfeiture law is tied for worst in the country, with few protections for innocent owners, but victimless crime arrests and incarceration rates have fallen notably since 2019.

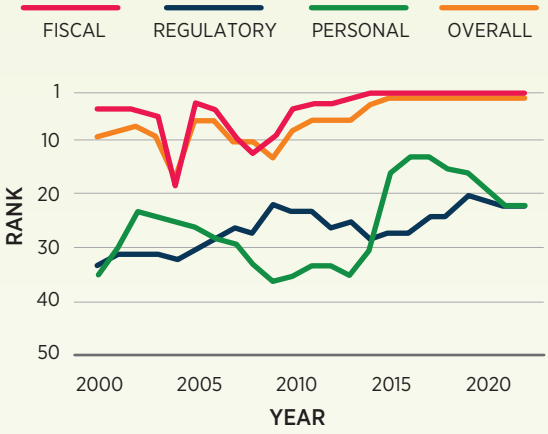
73. See the "Metadata" tab of the n_reg_15.xls spreadsheet at http://www.freedominthe50states.org.

# FLORIDA

2022 RANK

## 2nd






### POLICY RECOMMENDATIONS

**Fiscal:** Decentralize taxing and spending powers from counties to municipalities and make it easy for municipalities to control their own school districts. More choice of local government should make Floridians freer.

**Regulatory:** Reform the occupational licensing system. Candidates for deregulation include farm labor contractors, interior designers, clinical laboratory technologists, and opticians.

**Personal:** Enact the following criminal justice reforms: (a) close the equitable-sharing end run around state forfeiture law, and (b) end driver's license suspensions for drug con-victions unrelated to driving, as most of the country has done.

Population, 2022
**22,244,823**

Net Migration Rate 2020–2022
**2.9%**

State Tax Burden, % of Income
**3.7%**

Local Tax Burden, % of Income
**3.3%**

Partisan Voting Index, 2020
**R +3.6**

Real Personal Income Growth, Annualized, 2008–21
**3.3%**

**ANALYSIS**

Lacking an individual income tax and featuring a hot climate, Florida has long enjoyed substantial in-migration of well-off retirees. But as we've noted in the past, the state attracts more than seniors, as others vote with their feet for good weather and the increased opportunity afforded by Florida's freer society. Florida does especially well on fiscal policy, on which it is number one in the country. Florida's personal freedom has lagged in the past; however, it has improved a lot since 2014.

Florida's state-level tax collections are 1.4 standard deviations below the national average, whereas its local tax collections are a little lower than average. Florida's fiscal decentralization does not offer a great deal of choice to homeowners, however, because the state has only about 0.5 effective competing jurisdictions per 100 square miles. Government GDP, employment, and debt are lower than average and have fallen substantially since their 2009 peaks. However, cash and security assets have gone in the wrong direction and are lower than average.

Florida's regulatory policy is middling relative to other states but has improved in absolute terms, leaving aside federalized policies. Despite the temptations posed by high housing demand, homeowners have been unable to enact exclusionary zoning on anything like the levels of California or New Hampshire. Our two measures of local zoning give a split judgment on just how restrictive Florida is. Florida has the second-strongest regulatory takings law, after Arizona. Florida has gone further than just about any other state to tighten criteria for eminent domain. Labor law is also above average because of a right-to-work law, but the state has a minimum wage ($11.00 per hour). Regulations on managed health care plans are among the worst in the country, with standing referrals, direct access to specialists, and a ban on financial incentives to providers. Cable and telecommunications are partially deregulated. The civil liability system is better than average and has improved significantly since the 2000s. As we long recommended, the state finally reformed its homeowner's insurance sector along competitive lines in 2017, but it backslid in 2022 with a large residual market. On the other side of the ledger, the state is far below average on occupational freedom and has a certificate-of-need law for hospitals. Physician assistants are now free to prescribe, but nurse practitioners and dental hygienists are not yet free from independent practice limitations.

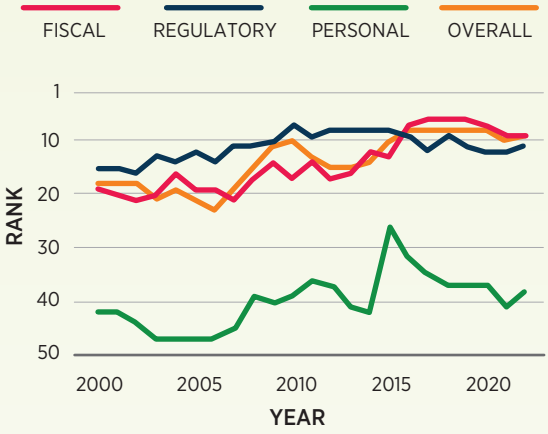
Florida's biggest personal freedom strength is educational freedom. In 2023, it adopted universal education savings accounts, but even before then, it had a plethora of school choice programs. Another strength for Florida is civil asset forfeiture, with a law requiring proof "beyond a reasonable doubt" for forfeitures. Incarceration and victimless crime arrests have fallen a great deal, and the state is now basically average on these metrics. Florida is surprisingly weak on gun rights (open carry is banned, and a waiting period on all firearms purchases was enacted in 2019), but constitutional carry enacted in 2023 should raise its score in the next edition. The cannabis regime is largely unreformed despite modest liberalization of medical marijuana. Tobacco freedom is middling: taxes are about average, and smoking bans in bars aren't quite comprehensive. The state takes DNA from arrestees without a probable cause hearing.

# GEORGIA

2022 RANK

**9th**






## POLICY RECOMMENDATIONS

**Fiscal:** Trim personal income taxes, which are higher than Alabama's and Mississippi's, to say nothing of income-tax-free Florida's.

**Regulatory:** Liberalize health care professions even more: (a) permit independent nurse practitioner practice with prescription authority, (b) allow dental hygienists to clean teeth wholly independently of dentist supervision, and (c) allow physician assistants to prescribe all schedules.

**Personal:** Reform civil asset forfeiture by putting the burden of proof on the government, requiring evidence beyond a reasonable doubt that the property was the product of criminal activity, sending forfeiture proceeds to the general fund, and requiring all equitable-sharing revenues to meet state standards.

Population, 2022
**10,912,876**

Net Migration Rate 2020–2022
**1.2%**

State Tax Burden, % of Income
**5.4%**

Local Tax Burden, % of Income
**3.8%**

Partisan Voting Index, 2020
**R +2.0**

Real Personal Income Growth, Annualized, 2008–21
**2.9%**

**ANALYSIS**

Georgia first entered the top 10 eight years ago and has made it stick, based on excellent performance on both economic freedom dimensions that counteracts subpar personal freedom. It is unsurprising, therefore, that Georgia has been one of the fastest-growing southern states in recent years.

State and local taxes are 9.2 percent of adjusted personal income, below the national average. Government consumption, employment, and debt are substantially lower than average. All three have consistently declined since 2009. Cash and security assets are slightly below average, however.

Like other conservative southern states, Georgia does well on labor and land-use policy. It has a right-to-work law, no minimum wage, relaxed workers' compensation regulations, and moderate zoning. It has deregulated telecommunications and enacted statewide video franchising. Unlike some other states in its neighborhood, however, Georgia also enjoys a decent civil liability system. The one regulatory policy area where Georgia does somewhat poorly is occupational freedom. The extent of licensing grew most significantly in 2011 and 2014, and health care professions face generally tight scope-of-practice rules, though Georgia joined the Nurse Licensure Compact and gave dental hygienists some independent practice freedom in 2017. The state also maintains certificate-of-need laws for hospitals and moving companies.

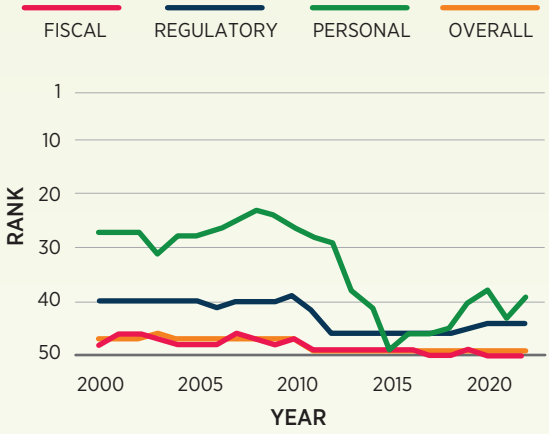
On personal freedom, Georgia is about what one would expect from a conservative southern state. Its incarceration rates are high—even adjusted for crime rates—but as in most other states, they have fallen for a decade. Victimless crime arrests have also fallen and are lower than average. Civil asset forfeiture is unreformed, though equitable sharing has declined in recent years, as in most other states. The burden of proof remains on innocent owners, all proceeds go to law enforcement, and some actions require only probable cause to show that the property is subject to forfeiture. It is one of the worst states for cannabis and gambling. (In fact, it's one of the few states to be lower on cannabis freedom in 2022 than it was in 2000.) Yet Georgia is one of the better states for educational freedom, scores well on gun rights, and lightly regulates tobacco use compared with most other states. It has the lowest cigarette taxes in the country.

# HAWAII

2022 RANK

**49th**






## POLICY RECOMMENDATIONS

**Fiscal:** Local government looks quite inefficient. The state spends far more than the national average on air transportation, sanitation and sewerage, parks and recreation, public buildings, health and hospitals, and interest payments. Cut spending in these areas and cut local taxes.

**Regulatory:** Relax the state's extreme land-use regulations. Allow residential uses on land deemed "agricultural," and eliminate either state or county review, which are duplicative.

**Personal:** Legalize sale and possession of recreational marijuana.

Population, 2022

**1,440,196**

Net Migration Rate 2020–2022

**–2.1%**

State Tax Burden, % of Income

**12.2%**

Local Tax Burden, % of Income

**3.9%**

Partisan Voting Index, 2020

**D +12.9**

Real Personal Income Growth, Annualized, 2008–21

**1.7%**

**ANALYSIS**

Hawaii has long had one of the lowest levels of economic freedom in the country, but now it has also slid behind on personal freedom, despite a small bounce since 2015. Thus, it isn't surprising that Hawaii is beginning to challenge New York as the least free state. Even with its huge locational rents, Hawaii has experienced a net outflow of residents to the rest of the United States since at least the beginning of the past decade.

Hawaii's fiscal policy is decidedly tax and spend. State-level taxes rose from an already-high estimated 8.3 percent of personal income in FY 2009 to 12.2 percent in FY 2022, more than twice the national average. Local government also taxes at a very high level given how little it has to do (state government runs schools). Government debt is much higher than the national average. Government employment is at about the national average, as is government GDP share.

Hawaii does poorly in almost every area of regulatory policy, but its two worst categories are land-use and labor-market freedoms. It has among the strictest restrictions on residential building in the country. And in 2022, the state worsened the problem by enacting a statewide urban growth boundary that limits land development. Eminent domain abuse is virtually unchecked by law. Fortunately, the state doesn't have rent control, despite discussions in the legislature. It has a minimum wage that was fairly modest at $7.25 per hour as recently as 2014, but it has been raised on a schedule since then and now stands at $12.00. It has no right-to-work law, and it has strict workers' compensation mandates, a short-term disability insurance mandate, and a stricter-than-federal antidiscrimination law. Hawaii is a little better than average for occupational freedom. On industry regulation, however, it has a hospital certificate-of-need requirement, strict insurance regulations, a price-gouging law, and a general "unfair sales" law (you are not allowed to sell at prices that are "too low"). We show a sustained and substantial improvement in the quality of Hawaii's civil liability system, which rose from about average in 2000 to well above average by 2017. This result came about because of increasing scores on the Chamber of Commerce survey of businesses and shrinkage in the size of the legal sector relative to the economy.

Hawaii enjoys incarceration and drug enforcement rates that are well below average, while other victimless crime arrest rates as a share of the population have also improved. Hawaii has a worse-than-average civil asset forfeiture law, but equitable-sharing revenues are well below average. Tobacco freedom is low, with high cigarette taxes, extensive smoking bans on private property, and significant e-cigarette regulation. The state has virtually no legal gambling, other than social home games. It has a long-standing and permissive medical cannabis law. Possession was finally decriminalized in 2019. Alcohol freedom is better than average, especially with grocery store sales of wine and spirits and no state involvement in distribution, but beer taxes are high. The protection of gun rights is among the worst in the country. All Class 3 weapons are banned, there is comprehensive registration and purchase permitting of firearms, dealers are licensed, "assault weapons" are banned, large-capacity firearm magazines are banned, and so on. Because of the *Bruen*[74] decision, Hawaii is now theoretically a shall-issue state for concealed carry.

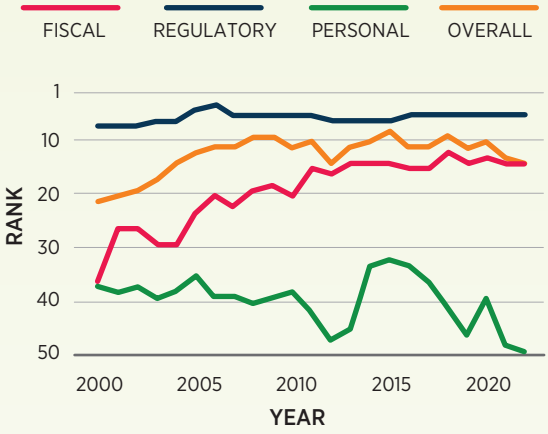
74. *New York State Rifle & Pistol Association, Inc. v. Bruen,* 597 U.S. ___ (2022).

# IDAHO

2022 RANK

**14th**






## POLICY RECOMMENDATIONS

**Fiscal:** Reduce sales taxes and public employment.

**Regulatory:** Make workers' compensation insurance voluntary and privatize the state fund.

**Personal:** Enact education savings accounts for private and homeschool expenses and make eligibility broad.

Population, 2022

**1,939,033**

Net Migration Rate 2020–2022

**4.9%**

State Tax Burden, % of Income

**7.1%**

Local Tax Burden, % of Income

**2.3%**

Partisan Voting Index, 2020

**R +18.5**

Real Personal Income Growth, Annualized, 2008–21

**4.0%**

**ANALYSIS**

Idaho has always had strong regulatory policy and weak personal freedom. As a result, its fiscal policy has driven the evolution of overall freedom over time.

Idaho's fiscal policy has some weak spots. State-level tax collections as a share of income bumped up from 5.5 percent in FY 2020 to 7.1 percent in FY 2022, a historical high. Local taxes are well below the national average at 2.3 percent of adjusted personal income. Local governments are territorially large: Idaho has only about 0.25 effective competing jurisdictions per 100 square miles. Government debt is more than two standard deviations below the national average. Government GDP share has shrunk from 12.1 percent of income in 2000 to 8.8 percent in 2022. However, government employment is about average, even though it has declined since 2010 (this is true of most other states as well).

Idaho does well across the board on regulatory policy, earning its second-place ranking. It remains better than average on land-use and energy freedom, despite some growth in zoning restrictions over the past 15 years or so and little legislative effort to rein in eminent domain abuse. Outside of workers' compensation requirements, it does well on labor-market freedom, with no higher-than-federal minimum wage and a right-to-work law. It is one of the best states for occupational freedom, but since 2009, the state has begun to license more occupations. Nurse practitioner independence is protected, and physician assistants have full prescribing authority. It is one of the very best states for insurance freedom. Idaho lacks any of the most expensive health insurance-mandated benefits we track where states still have some autonomy. There is no certificate-of-need requirement for hospitals or moving companies, and direct auto sales are legal under some conditions. The state's civil liability system is one of the best. Statewide video franchising was enacted in 2012, and telecommunications rate review was liberalized in 2005.

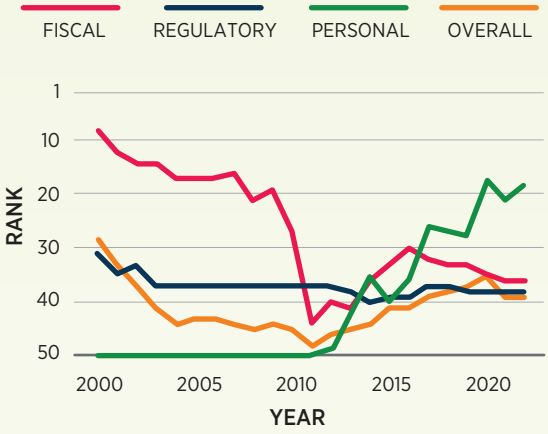
Idaho is among the worst states outside the Deep South on criminal justice policy. Crime-adjusted incarceration rates are nearly a standard deviation above the historical national average and, unlike other states, haven't declined much over time. The drug enforcement rate is about average, but nondrug victimless crime arrests are better than average, which suggests that the state's biggest problem is sentencing. Idaho is also much less free than average regarding alcohol, gambling, and cannabis. The state controls retail distribution of alcohol, and markups on spirits are especially high. Tobacco freedom is much higher than average: cigarette taxes are low, and the state has no smoking ban for bars. Homeschooling and private schooling are almost unregulated, but the state has no private school choice programs. It has a religious freedom restoration act. In 2020, affirmative action in public services was banned. Gun rights are much better than average, with permit-free open and concealed carry with few restrictions and legal Class 3 weapons. The state does have a stricter-than-federal minimum age to possess firearms. Travel freedom is about average; the legislature made driving with a handheld cell phone a primary offense in 2020.

# ILLINOIS

2022 RANK

**39th**






## POLICY RECOMMENDATIONS

**Fiscal:** Reform the retirement systems of localities to reduce local taxes.

**Regulatory:** Reform the civil liability system by capping punitive damages, setting the standard for punitive damages at "beyond a reasonable doubt," and abolishing joint and several liability.

**Personal:** If serious about reducing smoking, preempt local flavored e-cigarette sales bans and vaping bans in bars and restaurants.

Population, 2022

**12,582,032**

Net Migration Rate 2020–2022

**–2.2%**

State Tax Burden, % of Income

**7.1%**

Local Tax Burden, % of Income

**4.6%**

Partisan Voting Index, 2020

**D +6.4**

Real Personal Income Growth, Annualized, 2008–21

**1.7%**

**ANALYSIS**

Illinois used to be a decent state for economic freedom, although it almost always did much better on fiscal policy than on regulatory policy. But the state has lost some of that edge while also, not surprisingly, losing some of its economic vitality; its well-publicized woes with employee retirement spending threaten to drive local taxes and debt higher. Illinois did post one of the most dramatic improvements in personal freedom rankings we have ever seen between 2011 and 2020, and the fiscal situation may have stabilized.

In FY 2022, Illinois's state-level taxes were well above 21st-century averages for the state, at 7.1 percent of adjusted personal income, representing a growth of 1.5 percentage points in two years. The bigger problem remains: local taxes are among the worst in the country. However, residents have a good choice among local jurisdictions, with almost two effective competing governments per 100 square miles. Government GDP is lower than the national average, but debt is high at 20.2 percent today, well above average (although down from its height during the Great Recession), and cash and security assets are only 14.6 percent of income. Government employment remains significantly below the national average.

Illinois does reasonably well on land-use and insurance freedom but poorly on civil liability and occupational and labor freedom. Illinois's land-use and energy freedom has generally been a strength, but growing renewable portfolio standards represent a drag on the utility sector. The state's minimum wage at $13.00 an hour is now higher than it has ever been this century as a percentage of the median wage. Unlike its neighbors, Illinois is not a right-to-work state. In 2017, the state removed all telecom wireline regulatory authority. It had already enacted statewide video franchising. Nurse practitioners are highly constrained. Direct auto sales have been legal under some circumstances for many years. The state has been a fixture on the list of "judicial hellholes," with Cook County listed as of this writing.[75] Illinois is one of the few states that have apparently not improved their tort systems at all during the past two decades.

Illinois was long our bête noire on personal freedom, but that has dramatically changed with federal court decisions that have overturned some extreme restrictions on gun rights, the legalization of same-sex marriage, marijuana reform, and the availability of driver's licenses to people without Social Security numbers. Illinois's new concealed-carry law, begrudgingly enacted by the legislature, is technically shall-issue but remains one of the country's strictest. The state still has local "assault weapon" and large-capacity firearm magazine bans, waiting periods for gun purchases, background checks for private sales, permitting of buyers for some weapons, and so on. Even fireworks are heavily regulated. Alcohol freedom is better than average, with no state role in distribution and wine and spirits available in grocery stores. Formerly one of the most restrictive states for cannabis, Illinois became the very first to legalize cultivation and sale through the legislative process (as opposed to ballot initiative) in 2019. Legal gambling is expansive. Educational freedom is reasonably good, as virtually no restrictions are placed on homeschools or private schools, and there is a tax deduction law for parents' educational expenses. Smoking bans are comprehensive, and cigarette taxes are among the highest anywhere ($7.42 per pack in Chicago). Illinois is better than average in the incarceration and arrests for victimless crimes category. Drug arrest rates are now below the national historical average after having been more than five standard deviations higher as recently as 2007.

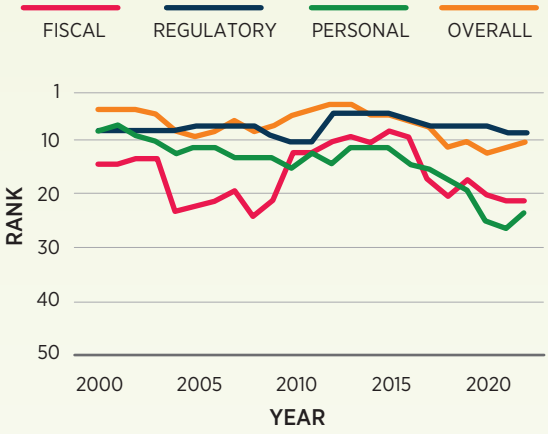
75. Judicial Hellholes program website, https://www.judicialhellholes.org.

# INDIANA



2022 RANK

## 10th




### POLICY RECOMMENDATIONS

**Fiscal:** Reduce debt and sales and income taxes by cutting spending on health and hospitals, housing, libraries, and interest on the debt, areas where Indiana spends more than average.

**Regulatory:** Allow independent nurse practitioner practice with full prescription authority.

**Personal:** Decriminalize marijuana possession.

Population, 2022
**6,833,037**

Net Migration Rate 2020–2022
**0.3%**

State Tax Burden, % of Income
**7.4%**

Local Tax Burden, % of Income
**2.8%**

Partisan Voting Index, 2020
**R +10.6**

Real Personal Income Growth, Annualized, 2008–21
**2.5%**

**ANALYSIS**

Indiana has always been one of our top performers, but it has now slipped a few spots since peaking at third on overall freedom in 2012 and 2013. Indiana's economic freedom strengths have helped it outperform its neighbors economically over the past two decades.

Like most other states, Indiana saw a record-breaking spike in state tax collections in FY 2022. However, the local tax burden has fallen by more than 40.0 percent since FY 2005, and the overall tax burden remains on the low side at 10.2 percent of adjusted income. Government GDP share has always been low but has fallen somewhat, and the same is true of the government employment ratio. Government debt has also fallen since FY 2016. Cash and security assets have fallen, but they have been larger than outstanding debt since FY 2017.

Although the PPACA disproportionately harmed the state because of its previously fairly free-market health insurance policies, Indiana has maintained the elements of a solid regulatory policy as far as it can. Land-use freedom is high overall, although one of our two proxies of local zoning restrictions shows substantial, unabated growth in stringency since 2000. The state passed right-to-work legislation in 2012 and has resisted increasing the minimum wage above the federal mark since 2010. It is a model state for telecommunications deregulation. Occupational freedom is extensive, though not for second-line health care professions. The state did legalize some autonomy for dental hygienists in 2018 and joined the Nurse Licensure Compact in 2019. Unfortunately, Indiana adopted a new certificate-of-need law for hospitals in 2018; it already had one for moving companies. Insurance freedom is above average. Direct auto sales were completely banned in 2016. The civil liability system showed steady improvement during the past decade and is slightly better than average.

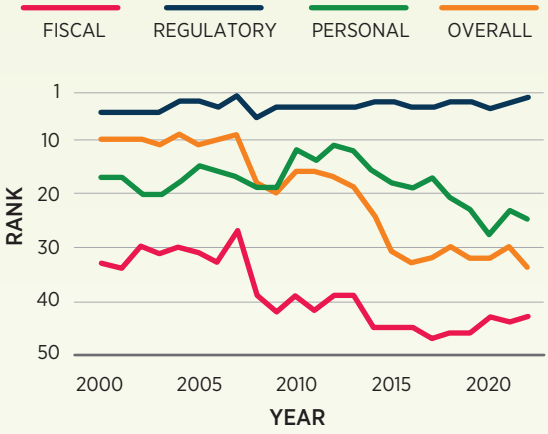
Indiana has more personal freedom than most other conservative states. It was forced to legalize same-sex marriage in 2014 but never had an oppressive super-DOMA (Defense of Marriage Act). Gun rights are secure, with constitutional carry enacted in 2022. Victimless crime arrests are low, but the incarceration rate is higher than average, adjusted for crime rates. Educational freedom is excellent, and the state posted major gains in 2011 with a new statewide voucher law and a limited scholarship tax-credit law. In 2023, the state adopted universal school choice. The state's civil asset forfeiture law was reformed in the wrong direction in 2018, and it is sometimes circumvented through equitable sharing. Smoking bans have not gone quite as far as in other states. Marijuana freedom is virtually nonexistent, but alcohol freedom has been improving consistently in the past few years. The state now has direct-to-consumer wine shipments, and it legalized off-premises Sunday sales and happy hours in 2018, while alcohol taxes are low. Casino gambling has fallen off over time, perhaps reflecting regulatory barriers to innovation in this sector, but private sports betting was legalized in 2019.

# IOWA

2022 RANK

## 34th






### POLICY RECOMMENDATIONS

**Fiscal:** Reduce the government workforce and spend less on education (especially higher education), public buildings, hospitals, highways, parking lots, and sanitation—all areas where the state spends more than average—and use the savings to cut property, sales, income, and motor vehicle license taxes.

**Regulatory:** Reduce entry regulations by repealing certificate-of-need requirements for new medical facilities and adopting a robust and independent sunrise review requirement for new occupational licensing proposals. These reforms plus small reductions in the actual number of licensing restrictions would get Iowa into first place over Kansas on regulatory policy.

**Personal:** Adopt universal education savings accounts.

Population, 2022
**3,200,517**

Net Migration Rate
2020–2022
**–0.2%**

State Tax Burden,
% of Income
**6.9%**

Local Tax Burden,
% of Income
**4.2%**

Partisan Voting
Index, 2020
**R +6.5**

Real Personal Income
Growth, Annualized,
2008–21
**1.8%**

**ANALYSIS**

Like other midwestern states, Iowa has long been a standout on regulatory freedom. Even though the state has moved right in recent years, it is one of just a few states whose fiscal situation has deteriorated during the past decade. As a result, its fiscal policy ranking has cratered. Not so long ago, Iowa was a top-10 state on overall freedom, but its competitive policy advantages have faded.

Both state and local tax burdens are above average in Iowa. Iowans pay 11.1 percent of adjusted personal income to government, similar to the figure in Massachusetts. The state tax burden rose from 5.7 percent in FY 2011 to 6.9 percent in FY 2022. Government GDP share is almost as high now as it was in 2000 (11.4 percent versus 11.5 percent). Most other states have brought this metric down. Debt is quite low, however. Government employment is about average: 13.4 percent of private employment in 2022, about where it was in 2000.

Iowa has consistently stood out as a leading state on regulatory policy. Land-use freedom is much better than average, although the state hasn't done as much as some others about eminent domain for private gain, and like everywhere else, local zoning has become tighter. It is a right-to-work state without a minimum wage, and workers' compensation-mandated coverage was liberalized slightly in 2008. Unlike most other states, Iowa doesn't mandate standing referrals or direct access to specialists in health plans. In 2017, telecom wireline regulatory authority was fully removed, and the state has statewide video franchising as well. Occupational freedom is about average and has fallen over time because of the licensing of new occupations, especially between 2005 and 2009 and again in 2016. Iowa has a certificate-of-need law for hospital construction. Insurance freedom rose with a switch back to "use and file" in 2018. The civil liability system is rated well above average and has generally improved.

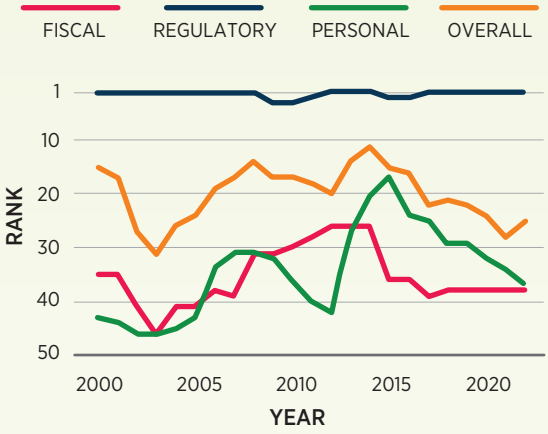
On the personal freedom side, incarceration and victimless crime arrest rates are somewhat better (lower) than average. In 2018, Iowa stopped suspending driver's licenses for drug offenses unrelated to driving. Educational freedom is somewhat high because the state has a long-standing tax-credit scholarship program, as well as inter-district public school choice. Homeschooling was significantly liberalized in 2013. In 2023, the state adopted universal school choice. However, private schools are tightly regulated, with mandatory state approval, teacher licensure, and detailed curriculum control. Gambling freedom is high, and the state legalized online sports betting in 2019. Marijuana freedom is sharply limited; a single marijuana offense not involving minors can carry up to 50 years of prison time. Since the 1980s, Iowa has improved greatly on gun freedoms. Constitutional carry was adopted and owner licensing restrictions were removed in 2021. However, machine guns are still illegal, there's a stricter-than-federal minimum age to purchase firearms, and local private-sales background check are required. Alcohol freedom is mediocre because of state involvement in wholesaling and high taxes on distilled spirits.

# KANSAS

2022 RANK

**25th**






## POLICY RECOMMENDATIONS

**Fiscal:** Cut spending on hospitals, where the state spends more than twice as much as the national average, as a percentage of income. Also cut spending on education, public buildings, libraries, and utilities, areas where the state spends a little more than average. Cuts could be made in part through privatizations of hospitals and utilities. Reduce government employment to bring it closer to the national average.

**Regulatory:** Abolish the price-gouging law and the "competitor's veto" of new moving companies.

**Personal:** Deregulate nonsectarian private schools and adopt a universal education savings account program.

Population, 2022
**2,937,150**

Net Migration Rate 2020–2022
**–0.5%**

State Tax Burden, % of Income
**7.0%**

Local Tax Burden, % of Income
**3.5%**

Partisan Voting Index, 2020
**R +10.1**

Real Personal Income Growth, Annualized, 2008–21
**1.5%**

**ANALYSIS**

Kansas has had a near-lock on the number-one spot on regulatory policy this century. Where it has fallen short is in fiscal policy and personal freedom. It has deteriorated slightly in both areas since 2015, whereas other states have surged ahead.

Kansas made national news with its fiscal policy in 2013–14. The state's tax cuts were large and reduced the state tax burden from 5.5 percent of income to 5.1 percent, but the next year's tax hikes bumped that figure back up to 5.3 percent, just under the national average. Then, further tax increases in FY 2018 boosted the tax burden to 6.3 percent of income, higher than the national average. Today, that figure stands at 7.0 percent. Kansas's local tax burden (3.5 percent of income) is just below the national average. Thus, Kansas is today a high-tax state. Government employment is much higher than average (14.6 percent of private employment). Government consumption and investment is about average, at 10.3 percent of income, and hasn't changed much in a decade. Government debt peaked at 26.3 percent of income in FY 2010 and is now down around 16.8 percent, below the national average. Cash and security assets have fallen over the same period, though, from 19.6 to 16.3 percent of income.

Kansas's land-use freedom is high, even though local zoning restrictions have grown. The state had enacted stricter-than-normal renewable portfolio standards in 2009, presumably as a sop to the wind industry, but those standards were made voluntary by legislation passed in 2015. Kansas has a right-to-work law and no state-level minimum wage. The civil liability system is much better than average. In 2011, a major telecommunications deregulation bill passed. Occupational freedom is traditionally high, and in 2022, the state gave nurse practitioners broad practice authority. By any measure, the extent of licensing is among the lowest in the country. The state has no hospital certificate-of-need law. It has a price-gouging law and a Depression-era law licensing moving companies with a "competitor's veto." Kansas has none of the optional health insurance mandates we track in the PPACA era.

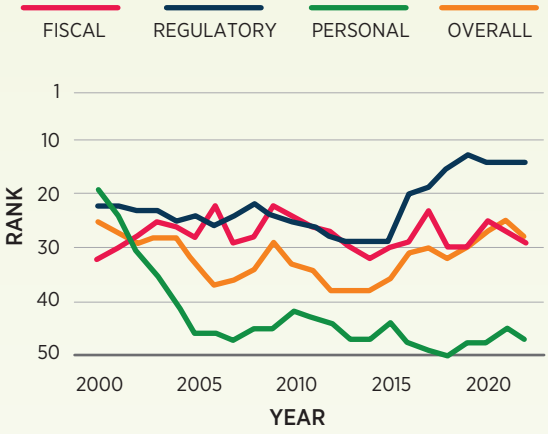
Kansas has been better than most other conservative states on criminal justice, and the incarceration rate fell notably in 2020. Marijuana sentencing policies are milder than in most other states, but Kansas has made no progress on more thoroughgoing reform. Social gambling is still illegal, but the state has casinos now. Sports betting was legalized in 2022. Kansas is still the best state in the country for gun rights. Educational freedom is about average after improving in 2014 with a new, albeit modest, tax-credit scholarship law. However, nonsectarian private schools are tightly regulated: they must get state approval and must hire only licensed teachers. Smoking bans are comprehensive, but cigarette taxes are not very high by today's standards. Alcohol is much less regulated than it was in the days when Kansas banned bars, and taxes are low. But you still can't get wine or spirits in grocery stores, and there are local blue laws. The state liberalized the sale of stronger beer in grocery stores in 2017. Its civil asset forfeiture regime has improved, especially with the 2018 passage of sound transparency requirements, but it is still one of the worst in the country.

# KENTUCKY

2022 RANK

**28th**






## POLICY RECOMMENDATIONS

**Fiscal:** To reduce debt, tighten the rules for municipal bond issuance and cut spending, particularly on higher education, central staff, hospitals, highways, parking lots, and the Office of Unemployment Insurance, areas higher than the national average.

**Regulatory:** Improve the health care system for consumers and practitioners alike by removing the certificate-of-need law for hospitals and by expanding independent practice freedom for nurse practitioners, dental hygienists, and physician assistants.

**Personal:** Reform sentencing for nonviolent offenders with an eye toward reducing the incarceration rate to the national average, while also enacting a medical marijuana law.

Population, 2022

**4,512,310**

Net Migration Rate 2020–2022

**0.3%**

State Tax Burden, % of Income

**6.9%**

Local Tax Burden, % of Income

**3.0%**

Partisan Voting Index, 2020

**R +15.4**

Real Personal Income Growth, Annualized, 2008–21

**2.3%**

**ANALYSIS**

Kentucky has long been middling on economic freedom and low on personal freedom, but in 2016, 2017, and 2019, it made noticeable gains in economic freedom. As a result, Kentucky cracked the top half of the overall freedom ranking in 2021 for the first time since 2000, before falling back to 28th in 2022.

Fiscal policy moved up gradually between 2013 and 2020. Local taxes have held steady at a low rate of 3.0 percent of adjusted income. And until FY 2022, state taxes also remained consistent at a high level of about 6.2 percent of adjusted income, before shooting up to 6.9 percent of income in that year. That means the state is very fiscally centralized. Government debt is also extremely high, at about 25.3 percent of adjusted personal income. It ranks second worst in the country after New York. The fiscal policy gains, therefore, have come almost entirely from a fall in government employment (from 14.5 percent to 11.6 percent of private employment since 2010) and in government GDP share (from 12.0 percent to 9.6 percent since 2010). The repeal of the prevailing wage law in 2017, which we recommended in the fifth edition, may have helped here.

Land-use freedom is relatively broad in Kentucky, although eminent domain for private gain remains mostly unreformed, and zoning restrictions have grown. The state has no minimum wage, and it enacted (as we suggested in the fourth edition) a right-to-work law at the beginning of 2017. The state has done more than most other low-income states to maintain reasonable standards for lawsuits, although punitive damages have not been reformed. Occupational freedoms are mediocre, and the state has a hospital certificate-of-need law. Property and casualty rate setting was liberalized substantially in 2018. A court struck down the state's anti-competitive regulations on moving companies in 2014. Telecom wireline regulatory authority was removed in 2017, but the state still has local cable franchising. When Congress removed the individual health insurance mandate in 2019, Kentucky did not enact a state-level equivalent.

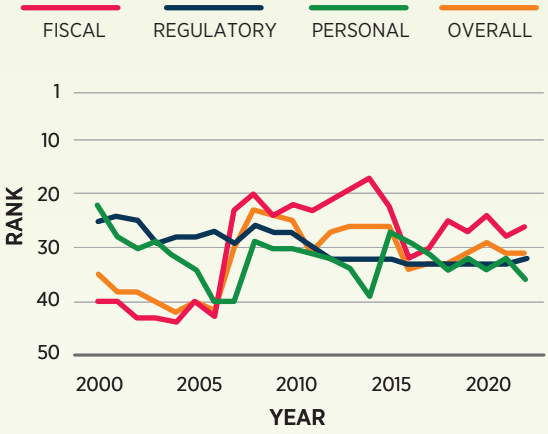
Kentucky has a lot of room for growth on personal freedom despite the bump from the *Obergefell* decision because the state had a super-DOMA in force. Otherwise, it has remained stagnant relative to other states. An exception is gun rights, where constitutional carry (2019) grew the state's score. Incarceration rates are very high and have, unlike in most other states, risen since 2000 (but declined in 2020), although victimless crime arrest rates have moved down since the late 2000s. Civil asset forfeiture is a big problem: state law is largely unreformed, and agencies participate enthusiastically in equitable-sharing takings. Cigarette taxes were hiked in 2018, but otherwise tobacco (and vaping) freedom remains relatively good. With alcohol, Kentucky has local blue laws, high beer and wine taxes, and no wine or spirits in grocery stores. The legislature finally legalized direct-to-consumer wine sales in 2020. In 2021, Kentucky started a tax-credit program for school choice, finally making the state above average on educational freedom. Marijuana freedom is extremely low, and little gambling is allowed. After the closing date of our study, Kentucky legalized medical marijuana and sports betting.

# LOUISIANA

2022 RANK

## 31st






### POLICY RECOMMENDATIONS

**Fiscal:** Cut spending in areas well above the national average: employee retirement, water transportation (the state spends four times as much as a share of personal income as Texas and Mississippi), parks and recreation, public welfare operations, hospitals, employment security administration, and fire protection. Use the proceeds to cut the sales tax, one of the nation's highest.

**Regulatory:** Abolish judicial elections and enact punitive damages reforms.

**Personal:** Abolish private school teacher licensing and adopt a universal education savings account program.

Population, 2022
**4,590,241**

Net Migration Rate 2020–2022
**–1.7%**

State Tax Burden, % of Income
**5.5%**

Local Tax Burden, % of Income
**4.3%**

Partisan Voting Index, 2020
**R +11.7**

Real Personal Income Growth, Annualized, 2008–21
**1.5%**

**ANALYSIS**

Louisiana used to be one of the least economically free states in the South, but it has improved significantly on fiscal policy since 2008. The state is now slightly below average on both economic freedom and personal freedom.

Louisiana's state-level tax burden stood at 5.5 percent of income in FY 2022, a bit below the national average and an increase over its 21st-century low of 4.1 percent in FY 2012. The major increase occurred in FY 2017. Meanwhile, local taxes have remained around the 21st-century historical average for the state, at 4.3 percent of income, a bit higher than the national average. Government debt is below average and has fallen by almost half since FY 2012. Cash and security assets now cover debt with a good margin. Government employment has fallen significantly, from 18.1 percent of private employment in 1994 to 12.2 percent today. Government GDP share had its all-time peak in 2004 but is now at its recorded post-1967 low.

Louisiana is one of the better states for both land-use and labor-market freedoms. Zoning is light but growing. Unfortunately, it is one of the few states that expressly permit mandatory inclusionary zoning. The state has a right-to-work law and no minimum wage. A telecommunications deregulation bill was enacted in 2014, and the state has long had statewide video franchising. Occupational freedom is notoriously bad in Louisiana (as of this writing, it is still the only state to license florists—out of a concern for public health and safety, no doubt). Nurses and dental hygienists have very little freedom of practice, but physician assistants gained additional prescription authority in 2018. The state has a hospital certificate-of-need law, but moving companies do not have to get a "certificate of public convenience and necessity" to open. An "unfair" pricing ban exists for prices that are too low, and a "price-gouging" ban exists for prices that are too high. Homeowner's insurance rates became more subject to regulatory control in 2018. Louisiana's court system has long been terrible no matter how you measure it (including enacted tort reforms, survey ratings, and the size of the legal sector).

On personal freedom, crime-adjusted incarceration rates are extremely high despite improving since 2016. Drug arrests are also high but have fallen in stages, perhaps in part because localities such as New Orleans decriminalized low-level possession.[76] Louisiana remains subpar for marijuana freedom but did cautiously expand medical marijuana in 2019 and then decriminalized it at the state level in 2021. The state's asset forfeiture law is worse than average. It remains a fairly good state for tobacco freedom, but there are local smoking and vaping bans. Louisiana is also a standout on educational freedom, with some public school choice, a very limited voucher law, and an expansive tax-credit scholarship program. However, private school teachers must be licensed. Gambling freedom is extensive. Alcohol freedom is high, with moderate taxes, sales in grocery stores, and no blue laws. Gun rights are about average, as machine guns are strictly controlled, concealed carry is weighed down with limitations, the permit cost for concealed carry is high, and a stricter-than-federal minimum age exists for possession.

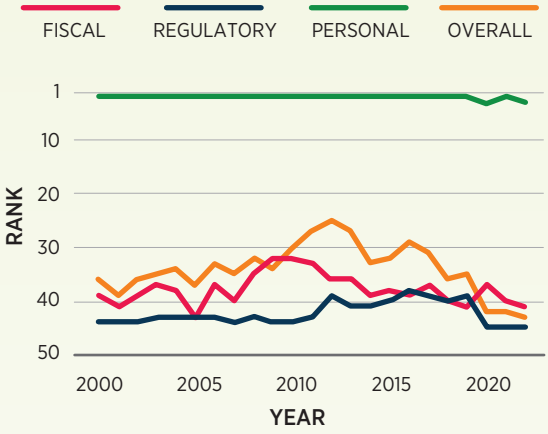
76. "New Orleans: Marijuana Arrests Plummet Post-Decriminalization," NORML, April 12, 2018.

# MAINE

2022 RANK

## 43rd






### POLICY RECOMMENDATIONS

**Fiscal:** Cut spending on public welfare, financial administration, the employment security administration, public buildings, and housing and community development, where Maine is among the highest-spending states. Also cut individual and corporate income taxes.

**Regulatory:** Preempt local rent control.

**Personal:** Sell off the state liquor stores and replace the markup with a transparent ad valorem tax, as Washington State has done. Maine could try to compete with New Hampshire on convenience, even if not on price.

Population, 2022
**1,385,340**

Net Migration Rate 2020–2022
**2.3%**

State Tax Burden, % of Income
**7.7%**

Local Tax Burden, % of Income
**5.1%**

Partisan Voting Index, 2020
**D +2.6**

Real Personal Income Growth, Annualized, 2008–21
**2.2%**

**ANALYSIS**

Maine has long been one of the freest states in the country personally and one of the least free economically—the opposite of states such as Alabama and Idaho. Further deterioration on economic freedom since 2019 leaves Maine now at its worst ranking ever.

Maine's taxes have long been high, now crushing taxpayers at 12.8 percent of adjusted personal income and earning the state rankings in the bottom 10 for both state and local taxes. State tax collections rose 1.5 percentage points of personal income between FY 2020 and FY 2022. Mainers have slightly less choice of local government than other New Englanders, but more than most Americans. Government debt is very low, at 12.3 percent of income, but cash and security assets are also on the low side, at 15.7 percent of income. Government employment is down to 11.3 percent of private employment (from a peak of 12.9 percent in 2010), and government consumption plus investment is now just 8.7 percent of income, well below the national average.

Maine is one of the most regulated states for land use and energy. The court cases measure of zoning shows it as the worst in the country and getting worse, whereas the Wharton Residential Land Use Regulation Index suggests improvement since 2005. The state passed a mixed bag of zoning reforms in 2022: an ADU law and a housing appeals board, but also a statewide urban growth boundary. Portland adopted rent control in 2020. Maine has one of the most extreme renewable portfolio standards in the country, by our measure. Maine enacted a substantially higher minimum wage in 2018 (rising further to $13.80 in 2023) and has no right-to-work law. Telecom wireline regulatory authority has been removed (in 2016). Different measures of occupational freedoms give a conflicting picture of that policy, but there is no doubt that Maine allows more scope of practice to second-line health professions than just about any other state. Freedom from abusive lawsuits is above average and has improved steadily over time. The state has a certificate-of-need law for hospitals but not one for movers. It has a price-gouging law and a general law against sales below cost. So remember not to price your goods either higher or lower than the state legislature deems acceptable.

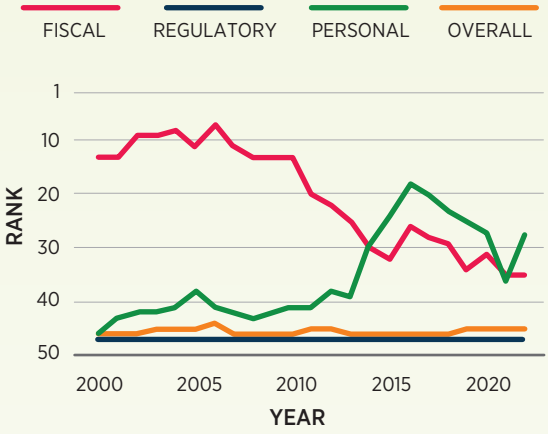
Maine is a leading state for criminal justice. It has very low incarceration rates—2.8 standard deviations better than the national average—and a better-than-average civil asset forfeiture law. Gun laws are sound, including concealed carry without a permit, enacted in 2015. Maine allows marijuana rights (recreational possession became legal for adults over 21 years of age in 2016 and recreational sales in 2019), but cigarette consumers face punishingly high taxes ($2 a pack) and have been evicted by law from commercial private property. Educational freedom is also low despite having limited school choice. The state regulates private schools to the hilt: teacher licensing, detailed curriculum control, and state approval. Gambling and alcohol freedoms are about average. The state monopolizes wine and spirits retailing. Sports betting was legalized in 2022.

# MARYLAND



2022 RANK

**45th**




## POLICY RECOMMENDATIONS

**Fiscal:** Trim spending in areas noticeably above national averages, such as housing and community development, fire protection, public buildings, parks and recreation, and sanitation. Cut local property taxes.

**Regulatory:** End rent control.

**Personal:** Allow sales of wine and spirits in grocery stores statewide.

Population, 2022
**6,164,660**

Net Migration Rate 2020–2022
**–1.1%**

State Tax Burden, % of Income
**6.6%**

Local Tax Burden, % of Income
**4.7%**

Partisan Voting Index, 2020
**D +14.4**

Real Personal Income Growth, Annualized, 2008–21
**1.9%**

**ANALYSIS**

Maryland is one of the least free states in the country, and it has had this status since the beginning of our time series in 2000. It performs especially poorly on regulatory policy and has also slipped considerably on fiscal policy since 2000. It does enjoy locational rents from its proximity to Washington, DC. One bright spot for the state is that its personal freedom rank has gradually increased over time from its cellar-dwelling slot in 2000.

Maryland's overall tax burden is higher than average at 11.4 percent of income and has risen over time, especially in fiscal years 2013 and 2014. Local taxes are much higher than average at 4.7 percent of adjusted personal income, while state taxes are a bit above at 6.6 percent. This situation would make for a favorable degree of fiscal decentralization, but Marylanders do not have much choice in local government, with only 0.5 competing jurisdictions per 100 square miles. It is less indebted than other states, though debt significantly exceeds cash and security balances. Government employment sits at 10.6 percent of private employment, lower than average, and government GDP share at 8.7 percent of income is also low. However, Maryland hasn't improved as much on these metrics as most other states have.

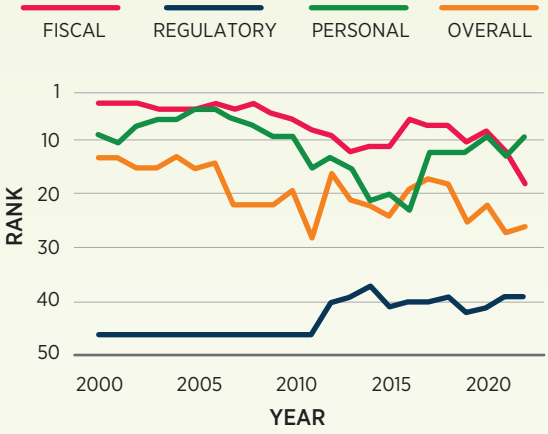
Maryland is the fourth-worst state on the most important component of regulatory policy, land-use and energy freedom. Zoning restrictions are extensive and growing, eminent domain abuse is mostly unchecked, and localities have rent control and mandatory inclusionary zoning. Its renewable portfolio standard has become consistently stricter. The state enacted a new minimum wage in 2013, and as a ratio to median wage it has risen since (it is $13.25 per hour in 2023 and a bill passed after our closing date will accelerate future rises). Maryland has no right-to-work law. Health insurance mandates are extensive. Telecommunications regulation is unreformed. However, nurse practitioners were freed for independent practice in 2015, and physician assistants and dental hygienists have some freedom as well. Maryland has a hospital certificate-of-need law but no such law for movers. Property and casualty rates became more tightly regulated ("prior approval") in 2018. The state has both general and gasoline-focused laws against sales below cost. Unlike most states, the quality of Maryland's tort system has apparently worsened since the early 2000s.

Reform efforts have helped improve Maryland's criminal justice score. The state passed the Justice Reinvestment Act in 2016, which eliminated mandatory minimums and reduced sentences for certain drug offenses. Crime-adjusted incarceration rates are now finally well below the 21st-century national average. The drug enforcement rate fell from 13.2 percent at its peak in 2007 to its to-date low of 3.7 percent in 2020. The state's asset forfeiture regime improved significantly in 2015 with reform that required government to provide "clear and convincing evidence" to seize property. Smoking bans are comprehensive, and cigarette taxes are high, encouraging smuggling. Educational freedom is among the lowest in the country. Homeschools and private schools are tightly regulated, the latter more so (mandatory state approval and teacher licensing). However, the state did enact a limited voucher law in 2016. Maryland raised its marijuana freedom score substantially by enacting a "real" medical marijuana law and decriminalizing small-scale possession. Alcohol freedom is decent because of privatization and low taxes. Gambling freedom is high mainly because of slots outside casinos. The state has sharply limited firearms freedom. It mandates locking devices, registers handgun owners, requires licensing with safety training for handgun purchasers, licenses dealers, bans possession for those under 21 years of age, and bans certain types of guns and magazines, but in 2022 it was forced to make concealed carry shall-issue.

# MASSACHUSETTS

2022 RANK
**26th**






## POLICY RECOMMENDATIONS

**Fiscal:** Massachusetts spends more than twice the national average on housing and community development. It also spends above average on public welfare, interest payments, and miscellaneous activities. Cut these areas to pay down debt and build up cash assets.

**Regulatory:** Repeal outdated and cronyist regulations, such as the price-gouging law, the sales-below-cost laws, moving company licensure, and the certificate-of-need law for hospitals.

**Personal:** Make the civil asset forfeiture regime consistent with its top criminal justice score by requiring a criminal conviction before forfeiture and banning equitable sharing that does not comply with this standard.

Population, 2022
**6,981,974**

Net Migration Rate 2020–2022
**–1.6%**

State Tax Burden, % of Income
**7.3%**

Local Tax Burden, % of Income
**3.6%**

Partisan Voting Index, 2020
**D +14.6**

Real Personal Income Growth, Annualized, 2008–21
**2.7%**

**ANALYSIS**

Massachusetts has long had better economic policies than one would expect given its ideological profile, and one of the better records on personal freedom, particularly for criminal justice. It suffers, though, from an onerous regulatory system and some relative decline in fiscal policy since 2007 and even more in the past three years.

On fiscal policy, the nickname "Taxachusetts" is a bit of a misnomer. Massachusetts's overall tax burden is just slightly higher than average. Massachusetts residents have ample choice of local government, more than four every 100 square miles, but the state is fiscally centralized. State-level taxes went up 1.6 percentage points of personal income between FY 2020 and FY 2022. Government debt is about average at 17.3 percent of personal income, but it outstrips cash and security assets. Government employment is among the lowest in the country, at 9.0 percent of the private workforce, and government consumption is also low.

On the most important category of regulatory policy, land-use regulation, Massachusetts is worse than average, although our two indicators of zoning stringency give somewhat conflicting judgments. Renewable portfolio standards have grown rather high. Eminent domain for private gain is completely unrestrained. Since 2016, the minimum wage has hovered around half the median wage. A mandatory paid leave program was enacted in 2018. Telecommunications has not been deregulated. Occupational freedom is about average in Massachusetts, and nurse practitioners gained full practice authority in 2021. Homeowner's insurance remains tightly regulated, but personal auto rates were liberalized slightly in 2020. The state has a certificate-of-need law for hospitals, as well as an anti-price-gouging law, "competitor's veto" licensure of moving companies, and both general and gasoline-focused sales-below-cost laws. The civil liability system is subpar but has improved over time, although not because of any particular statutory or institutional reforms.

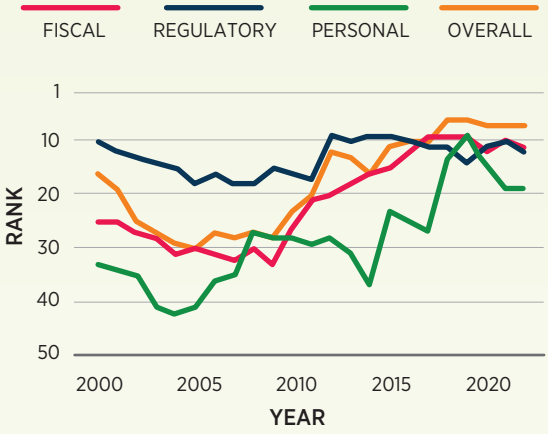
Massachusetts is our top state for criminal justice. It has long locked up fewer of its residents than most other states. It also arrests fewer people for drugs and other victimless crimes than most other places. Since 2016, it no longer suspends licenses for nondriving drug offenses. However, its asset forfeiture law is among the worst in the country, putting the burden of proof on innocent owners, giving proceeds to law enforcement, and requiring only probable cause for showing the property is subject to forfeiture. Massachusetts scores highly for cannabis freedom, with recreational legalization by ballot initiative. The Second Amendment is nearly a dead letter in Massachusetts: the state tries to make guns as expensive as possible (locking mandates; dealer licensing; license to purchase any gun, with safety training) and even with 2022's reform makes carry in public difficult. It is the third-worst state for tobacco freedom, with comprehensive smoking bans and punishingly high cigarette taxes. Educational freedom is low. Homeschooling parents have to jump through many hoops and must meet detailed curriculum guidelines. Private schools are subject to government approval. Casino gambling has expanded, and with it the state's gambling freedom score has risen. The state's alcohol freedom score improved in 2013 because of the repeal of the direct wine shipping ban, but wine in grocery stores remains subject to mind-numbingly complex rules undoubtedly designed for some obscure political purpose. Alcohol taxes are lower than average.

# MICHIGAN



2022 RANK

**7th**




## POLICY RECOMMENDATIONS

**Fiscal:** Cut spending on higher education, employment and security administration, health, and sewerage, which is much higher than average. Use the proceeds to reduce income and property taxes.

**Regulatory:** Allow full nurse practitioner independent practice and prescription authority, and join the Nurse Licensure Compact.

**Personal:** Enact a liberal tax-credit scholarship or education savings account program for private education.

Population, 2022
**10,034,113**

Net Migration Rate 2020–2022
**–0.4%**

State Tax Burden, % of Income
**6.4%**

Local Tax Burden, % of Income
**2.9%**

Partisan Voting Index, 2020
**R +0.7**

Real Personal Income Growth, Annualized, 2008–21
**2.1%**

**ANALYSIS**

Michigan used to be a below-average state on freedom, but since 2010 it has seen substantial and broad-based improvement across all three dimensions of the index and now looks to be secure in a top-10 position.

Michigan's local tax burden is low, probably because of school finance centralization accomplished by ballot initiative in the 1990s. The state tax burden has historically been higher than the national average, but it fell substantially after 2010 and now stands at 6.4 percent of adjusted personal income. Government debt has also fallen since 2008 and is now below average at 14.7 percent of income. For the first time, cash and security assets exceed debt. Government employment fell from 13.3 percent of the private workforce in 2009 to 10.3 percent today. Government consumption plus investment divided by adjusted income has fallen from 12.0 percent in 2009 to 9.0 percent in 2022.

Michigan's land-use and energy freedom is a little above average. It has little zoning restriction, but it has ratcheted up renewable portfolio standards since 2011. At $10.10 per hour, the minimum wage has not kept pace with median wage growth. A right-to-work law was enacted in 2012. Freedom from abusive lawsuits has been better than average in Michigan since 2000, and like most states it has improved over time. Occupational freedom is about average but has declined since 2008 because of new occupations being licensed. Regulations are fairly anti-nursing. Michigan deregulated telecommunications fully in 2014. Michigan has none of the post-PPACA health insurance mandates that we track.

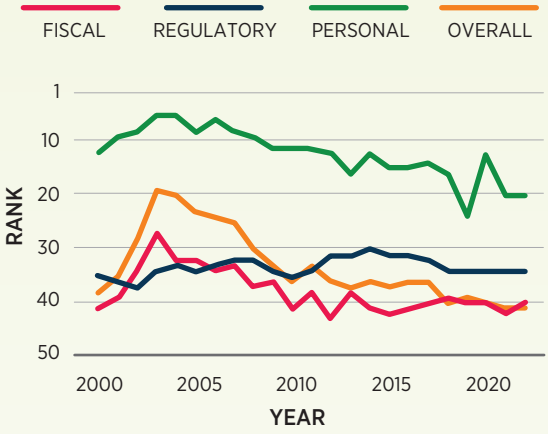
On criminal justice policy, Michigan arrests somewhat fewer than average for victimless crimes, but it has usually had a slightly above-average incarceration rate. In 2020, incarceration dropped in Michigan, as it did in most other states. The asset forfeiture law is better than average thanks to 2015 and 2019 reforms, but equitable sharing is still a significant end run around state law. Smoking bans are comprehensive, and cigarette taxes are high. Educational freedom is among the lowest in the country. Although homeschools are scarcely regulated, private schools face many barriers. There are no private school choice programs. The state does better than the median on gambling freedom, and aggravated gambling is no longer a felony as of 2016. A constitutional ban on all racial preferences in public services has been in effect since 2006. Travel freedom also grew a bit when the state repealed its motorcycle helmet law in 2012. Marijuana recreational sales and possession were legalized by ballot initiative in 2018. Alcohol and firearms freedoms are only about average, with spirits taxes a bit high and mandatory registration of some firearms.

# MINNESOTA



2022 RANK

**41st**




## POLICY RECOMMENDATIONS

**Fiscal:** Trim spending on public welfare, parking lots, natural resources, unemployment compensation, and parks and recreation, areas in which the state spends much more than average. Reduce taxes on income and selective sales, which are above national norms.

**Regulatory:** Fully deregulate telecommunications and cable entry and pricing.

**Personal:** Allow beer, wine, and spirits in grocery stores.

Population, 2022
**5,717,184**

Net Migration Rate 2020–2022
**–0.7%**

State Tax Burden, % of Income
**9.2%**

Local Tax Burden, % of Income
**3.0%**

Partisan Voting Index, 2020
**D +1.2**

Real Personal Income Growth, Annualized, 2008–21
**2.3%**

**ANALYSIS**

Minnesota is a classic "blue state" in that it scores well above average on personal freedom and below average on economic freedom. However, it has fallen relative to other states on personal freedom since 2006 as others have caught up and surpassed it.

Minnesota is fiscally centralized, with low local taxes (3.0 percent of adjusted personal income) and high state taxes (9.2 percent), making for an overall high tax burden. On public employment and government consumption, the state performs better than average, while debt and liquid assets are right around average. Like most other states, Minnesota has seen its government GDP share, public debt, and public employment fall over time. That hasn't given Minnesotans the benefits of a lower tax burden, though.

On the most important category in regulatory policy, land-use and energy freedom, Minnesota is average. Energy consumers suffer from ever-stricter renewable portfolio standards. Zoning restrictions look about average, or slightly worse, but both of our measures suggest the state hasn't worsened much over time, unlike most other states. On labor policy, the state is below average, lacking a right-to-work law that all of its neighbors enjoy. Minnesota passed a minimum-wage law in 2014 that increased the rate every subsequent year until 2016 and then indexed it to inflation, though it remains not too high relative to the median wage. The state moved to partially deregulate telecommunications in 2015, as we recommended in previous editions of this study, but cable remains untouched. Occupational freedom is above average; the state passed an extensive nurse practitioner freedom-of-practice law in 2014, but we show big increases in statutory restrictive language in 2015 and 2016, despite sunrise and sunset provisions. The state lacks a hospital certificate-of-need law and various other cronyist policies, but it does have sales-below-cost laws for gasoline and retailers generally. Its court system is highly rated, but in 2018 the state appeared on the list of "judicial hellholes" for the first time.

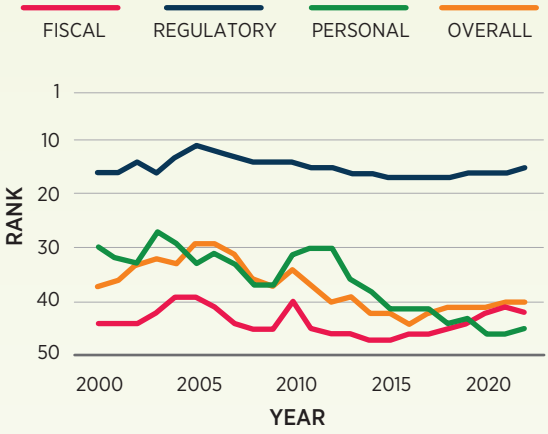
Minnesota scores above average on personal freedom largely because of its sound criminal justice policies. But the state performs poorly in a number of other categories. The incarceration rate is well below the national average but rose from 2000 to 2015, before falling back a bit, and then more dramatically in 2020. The drug arrest rate is lower than average and getting lower, while arrests for other victimless crimes fell rapidly until 2018 before leveling off. The state's asset forfeiture law was reformed in 2013, and equitable-sharing participation has been low. The state, in bipartisan fashion, enacted limits on the use of license plate readers in 2015. Minnesota does not take DNA from arrestees without a probable cause hearing. Minnesota is average on marijuana freedom with decriminalization and a medical marijuana program that was significantly expanded in 2020. After our closing date, the state legalized recreational marijuana. Tobacco freedom took a big hit in 2013 with a hike in the cigarette tax, and statewide smoking and vaping bans are comprehensive. Educational freedom is slightly above average despite some private and homeschool regulation, because of interdistrict public school choice, a modest tax-credit/deduction law, and compulsory schooling of only 10 years. Alcohol freedom is mediocre because of taxes and limits on grocery sales, but the state did finally repeal blue laws in 2017. Minnesota rose to average on gun policy by legalizing silencers in 2015. Little gambling is allowed.

# MISSISSIPPI



2022 RANK

## 40th




### POLICY RECOMMENDATIONS

**Fiscal:** Cut spending on health and hospitals, where Mississippi is the fourth-most liberal-spending state, and also on education, natural resources, highways, and public welfare, where the state spends well more than the national average, as a share of the economy. Reduce government employment, and reduce state taxes, especially on sales and business income.

**Regulatory:** Liberalize insurance by moving to a "no-file" system like Wyoming's.

**Personal:** Enact a broad-eligibility education savings account or tax-credit scholarship program.

Population, 2022
**2,940,057**

Net Migration Rate 2020–2022
**–0.4%**

State Tax Burden, % of Income
**7.4%**

Local Tax Burden, % of Income
**2.9%**

Partisan Voting Index, 2020
**R +10.4**

Real Personal Income Growth, Annualized, 2008–21
**1.8%**

**ANALYSIS**

Mississippi is a typical Deep South state in that its economic freedom far outstrips its personal freedom. But the state's worst dimension is actually fiscal policy, and its economic policies are worse than those of all its neighbors, including Alabama and Louisiana.

Mississippians' overall tax burden is a bit above average nationally at 10.3 percent, but local taxes are quite low. This fiscal centralization goes along with a lack of choice among local government (fewer than 0.4 per 100 square miles). Debt is much lower than average, but government employment and GDP share are far higher than average. State and local employment is 15.7 percent of private-sector employment. Both have come down over time, but that hasn't helped the tax burden much.

Like most southern states, Mississippi does well on land-use and labor-market freedoms. However, local land-use restrictions have grown significantly over time. Mississippi has no minimum wage and has a right-to-work law. It also lacks stricter-than-federal anti-discrimination in employment protections. However, it does have an E-Verify mandate and restricts property owners from banning guns in their own parking lots. Health insurance mandates are modest. Wireline regulatory authority has been fully removed. Occupational licensing is less extensive than average, but nurses and dental hygienists enjoy little practice freedom, and bar membership is mandatory. The state strictly regulates insurance rates, hospital construction, moving companies, and pricing during disasters. Its civil liability system used to be much worse than average, but it is now quite better than average. The state reformed punitive damages and abolished joint and several liability in 2002 and 2004, respectively.

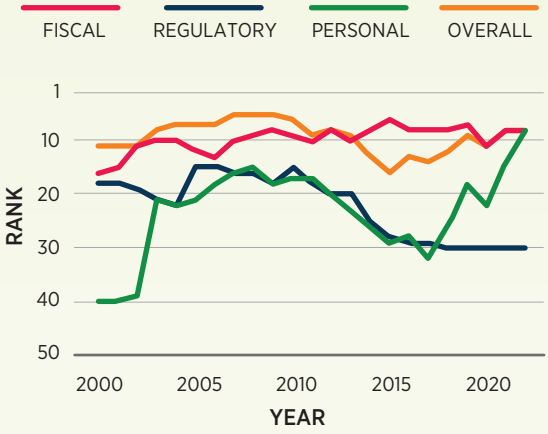
Personal freedom has gone up in Mississippi since 2008, even if not as quickly as in many other states. However, it suffers from a poor criminal justice system despite a dip in incarcerations after 2014. The state imprisons its population at a rate of 1.3 standard deviations above the national average, even adjusting for its high crime rate. Drug arrests used to be very high but dropped dramatically after 2018. Other victimless crime arrests are lower than average. The state's asset forfeiture law is not terrible, but it doesn't matter because local law enforcement enthusiastically pursues adoptions from the Department of Justice (except in 2019 and 2020, which might prove to be a blip). Marijuana law is illiberal. You can get a life sentence for a single marijuana offense not involving minors. Mandatory minimums exist for low-level cultivation, the "decriminalization law" is a ruse because local governments may criminalize possession, and the mostly harmless psychedelic *Salvia divinorum* is also banned. However, a tightly controlled medical marijuana law was enacted in 2022. Gun laws used to be stricter than might be expected but are now some of the best in the country. Permitless open carry was reinstated in 2013, and permitless concealed carry was enacted in 2016. Alcohol freedom is below average. The state monopolizes liquor stores, wine direct shipping is banned, and wine and spirits are unavailable in grocery stores. Legal gambling is more open than in the average state. Educational freedom is about average. A very limited voucher law was enacted in 2012 and liberalized since. Tobacco freedom is above average, as smoking and vaping bans leave plenty of exceptions, and cigarette taxes are not too high. Mississippi does not regulate campaign finance in any of the ways that we track.

# MISSOURI



2022 RANK

**8th**




## POLICY RECOMMENDATIONS

**Fiscal:** Clamp down on the more than 1,000 special districts, which local governments form to get around tax and debt limitations and which local voters find hard to monitor. Dissolve as many as possible and make it difficult to form new ones.

**Regulatory:** Improve labor and occupational freedom by securing the right to work while promoting independent practice freedom for nurses, physician assistants, and dental hygienists.

**Personal:** Pass strict anti-circumvention reform to eliminate the equitable-sharing loophole in the state's civil asset forfeiture laws that costs Missourians millions.[77]

77. J. Justin Wilson, "Loophole Lets Missouri Cops Keep Millions in Forfeiture Funds (and Away from Schools)," Institute for Justice, March 27, 2017.

Population, 2022
**6,177,957**

Net Migration Rate 2020–2022
**0.3%**

State Tax Burden, % of Income
**4.9%**

Local Tax Burden, % of Income
**4.2%**

Partisan Voting Index, 2020
**R +9.9**

Real Personal Income Growth, Annualized, 2008–21
**1.6%**

**ANALYSIS**

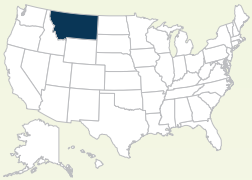
Missouri has long been one of the freest states, but in recent years its relative ranking has been driven by growth in personal freedom, while economic freedom has stagnated.

Missouri's local taxes are a bit above average (4.2 percent of adjusted personal income), but state taxes are well below average (4.9 percent of income), making for high fiscal decentralization. In addition, Missourians have some choice in local government, with more than one effective competing jurisdiction per 100 square miles. We show that state taxes have fallen since FY 2007, despite the spike that every state experienced in FY 2022. Government consumption plus investment, government employment, and government debt are also below average, whereas cash and security assets are about average. The latter exceeded debt for the first time since the Great Recession in FY 2020.

We see good evidence of backsliding on regulatory policy. The state has adopted a modest renewable portfolio standard and has done little to limit eminent domain for private gain, but overall land-use policy is above average. Local zoning remains loose but tightened throughout the 2010s. The state adopted a right-to-work law in 2017, as we suggested in the fourth edition, but a statewide referendum then blocked it. Missouri's minimum wage was hiked in 2018 and has continued to rise relative to median wages, now approaching international extremes with a minimum-to-median wage ratio of 0.55. The state does a lot less occupational licensing than most other states. Freedom is limited for nurses, physician assistants, and dental hygienists, and there is a certificate-of-need law for medical facilities. The civil liability system remains below average and regressed after 2013. Insurance rate-setting freedom is fairly high. Cable and telecommunications are liberalized.

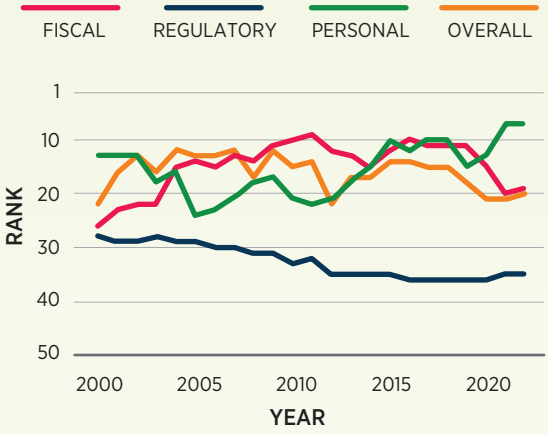
Missouri has a strict approach to criminal justice, involving long sentences that lead to an incarceration rate that has usually been well above average and a generally high rate of arrests for drugs. It does better when it comes to other victimless crimes. Like most other states, however, Missouri's crime-adjusted incarceration rate and drug arrest rate fell significantly in 2020. The state's asset forfeiture law is one of the best in the country, but it is frequently circumvented through equitable sharing. An extensive medical marijuana law was adopted in 2018, followed by one for recreational marijuana in 2022, but you can still get life in prison for a single marijuana offense not involving minors. Missouri is a good state for gambling, alcohol, and tobacco freedoms. Cigarette and alcohol taxes are notably low, and smoking bans are more moderate than in other states. In 2016, the state secured the right not to retreat from attackers in public and allowed permitless concealed carry. Raw milk sales are legal, there is no open-container law, and seat belt enforcement is merely secondary, but automated license plate reader use is unchecked and motorcycle helmets are required.

# MONTANA



2022 RANK

## 20th




### POLICY RECOMMENDATIONS

**Fiscal:** Cut property, income, and selective sales taxes. Savings can be found in general administration and employment security administration, which spend above national averages.

**Regulatory:** Montana is surrounded by right-to-work states. Enact a similar law that does not violate freedom of association.

**Personal:** Abolish all mandatory minimum sentences for victimless crimes and reduce maximum sentences significantly.

Population, 2022
**1,122,867**

Net Migration Rate 2020–2022
**3.6%**

State Tax Burden, % of Income
**6.3%**

Local Tax Burden, % of Income
**2.8%**

Partisan Voting Index, 2020
**R +11.0**

Real Personal Income Growth, Annualized, 2008–21
**3.4**

**ANALYSIS**

Residents of Big Sky Country enjoy ample personal freedom and good fiscal policy, but regulatory policy has seen a worrying, long-term decline in both absolute and relative terms. It will be welcome if a small turnup on regulatory policy in 2021 and 2022 is the beginning of a positive trend.

Montana's tax burden is below the national average. State taxes held steady over the past decade at about 5.05 percent of income until spiking to 6.3 percent in FY 2022, as occurred in most other states because of federal stimulus spending. Local taxes have held steady at about 3.03 percent of income. Montanans have virtually no choice in local government, as large counties control half of local taxes. Montana's debt burden has fallen more than 50.0 percent, from 19.5 percent of income in FY 2009 to 9.3 percent today. Cash and security assets are now more than twice the debt figure. Government employment and consumption have fallen since the Great Recession and are now slightly better than national historical averages. Overall, Montana posted consistent gains on fiscal policy up to 2019 but has since fallen back slightly in relative and absolute terms.

Land-use and energy freedom deteriorated substantially from 2007 to 2022. Building restrictions are now more onerous than average. Eminent domain reform has not gone far. The state's renewable portfolio standards are among the toughest in the country, raising the cost of electricity. However, after the closing date of this study, Montana passed a major housing reform that should begin to turn around its scores in future editions. The state has a fairly high minimum wage for its median wage level and lacks a right to work law. Health insurance mandates are expensive. Measures of the extent of occupational licensing deliver a mixed judgment. However, nurses and physician assistants enjoy substantial practice freedom. Cable franchising is still local, but telecom wireline authority has been deregulated. Insurance freedom is middling, as the state imposes some restrictions on rating criteria but has gone to "file and use" for most lines. It joined the Interstate Insurance Product Regulation Compact in 2013. Montana bans sales below cost, and medical facilities and moving companies both face entry barriers. The state's lawsuit freedom is slightly above average (less vulnerable to abusive suits).

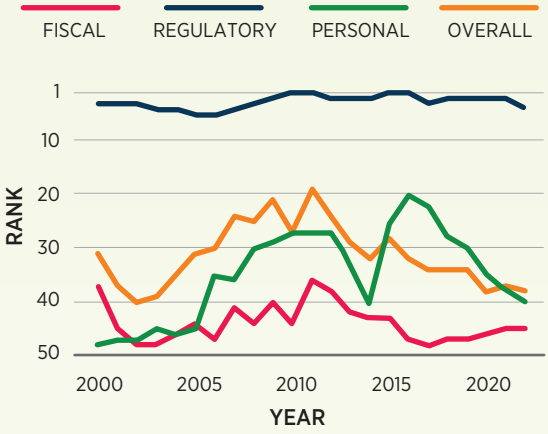
Montana incarcerates at slightly higher-than-average rates and has seen no improvement in that regard, unlike most other states. However, drug and other victimless crime arrest rates are extremely low. Civil asset forfeiture was reformed in 2015. Montana is one of the best states for gun rights, having constitutional carry since 2021. Montana also does well on gambling, where it has an unusual, competitive model for video terminals that does not involve casinos. Marijuana was legalized in 2020 and 2021, but a life sentence is still possible for a single cannabis offense not involving minors. Tobacco and alcohol freedoms are subpar, with far-reaching smoking bans, higher-than-average cigarette taxes, and state monopoly of liquor stores. Educational freedom is good, with fairly light regulation of private schools and homeschools and a tax-credit scholarship law that was enacted in 2015 and expanded in 2021. Raw milk sales were legalized in 2021, and legal fireworks sales were expanded the same year.

# NEBRASKA



2022 RANK

## 38th




### POLICY RECOMMENDATIONS

**Fiscal:** Cut spending on education, which is far higher than average. Cut individual and business income taxes.

**Regulatory:** Repeal the certificate-of-need requirement for hospital construction.

**Personal:** Build on 2023's modest educational reforms to expand access to private school choice.

Population, 2022
**1,967,923**

Net Migration Rate 2020–2022
**–0.6%**

State Tax Burden, % of Income
**6.1%**

Local Tax Burden, % of Income
**4.9%**

Partisan Voting Index, 2020
**R +12.4**

Real Personal Income Growth, Annualized, 2008–21
**2.3%**

**ANALYSIS**

Nebraska is a state of extremes within our economic freedom dimension. It is the fourth-best state on regulatory policy but is 45th on fiscal policy. Like other Great Plains states, Nebraska has usually had very good regulatory policy. But Cornhuskers have long suffered from poor fiscal policy, which has only gotten worse in the past decade or so. Nebraska went from 48th on personal freedom in 2000, to 20th in 2016, to 40th in 2022.

Nebraska is fiscally decentralized but highly taxed, with lower-than-average state tax revenues (about 6.1 percent of adjusted personal income, up from 4.9 percent in FY 2010) and much higher-than-average local tax revenues (4.9 percent of income). Debt is lower than average, but so are assets. Public employment is above average at 12.4 percent, whereas government GDP share is quite a bit higher than average at 12.1 percent. On the plus side, that public employment figure is the lowest in our time series.

Nebraska does well on the most important regulatory policy category, land-use and environmental freedom. However, it has done little to check eminent domain for private gain. On labor policy, it is above average because of a right-to-work law and flexible workers' compensation funding rules, but it enacted a high minimum wage in 2014 and raised it again by initiative in 2022, with regular increases scheduled out to 2026. We expect Nebraska to slide in the rankings in the next edition because of this change; more importantly, it is likely to harm Nebraska's competitive advantage on regulatory policy and thus hurt the state economically. Health insurance freedom is tied for best in the nation, with few mandated benefits outside the PPACA essential benefits and with a light touch on managed care. Nebraska does better than average on occupational freedom but was slipping on keeping occupational licensing in check before the COVID-19 pandemic. In 2015, nurse practitioners gained full practice authority, while 2018 saw new sunrise legislation strengthening the prior law. The state has long had one of the best civil liability systems in the country. It has a certificate-of-need law for hospital construction.

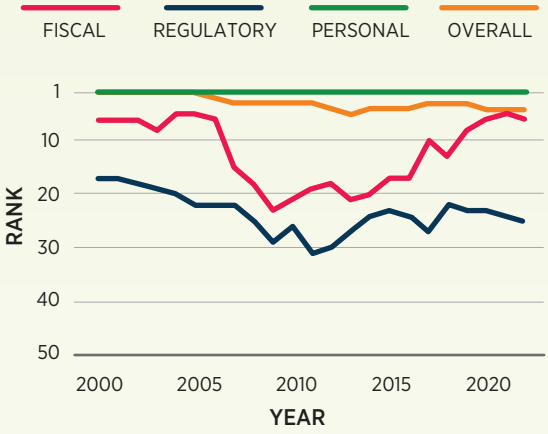
Nebraska is only middling on criminal justice policy. Incarceration rates are now average, as they have increased over time, unlike in many other states. Drug arrest rates have been high, but they have come down steadily (with a one-year blip up in 2019). Victimless crime arrests have been moving in the right direction and are now near countrywide averages. The legislature finally enacted a comprehensive asset forfeiture reform in 2016, one of the best in the country. Nebraska is fourth worst on educational freedom. Controls are high, including detailed annual reporting requirements and notifications for homeschoolers, and nonsectarian private schools are subject to mandatory approval and teacher licensing. The state had no private school choice programs by our data cutoff but enacted a small school choice bill in 2023. Gambling freedom is mediocre; even social gaming isn't allowed. Sports betting appeared to get the green light in 2021, but putting regulations in place around it bogged down the process until 2023. Gun rights were woefully behind what you'd expect in a red state as of our data cutoff. However, they will improve in the next edition because of the passage of a constitutional carry bill in 2023 that also improved state preemption. Some of Nebraska's lower scores on firearms policies came from special provisions for Omaha. Marijuana policy is also well below average. There is no medical marijuana law. However, Nebraska is solidly above average on alcohol and tobacco freedoms. The nonsmoking majority of Nebraska has foisted on private business fully comprehensive smoking bans, but tobacco taxes are below average. Alcohol taxes are similarly low. Since 2008, the state has had a constitutionally entrenched ban on governmental racial discrimination, such as affirmative action. Fireworks laws were recently liberalized.

# NEVADA

2022 RANK

**4th**






## POLICY RECOMMENDATIONS

**Fiscal:** Cut spending on fire protection, regulatory inspection, air transportation, and parks and recreation. Use the proceeds to trim sales and miscellaneous minor taxes. Nevada spends far more than the national average on police, but that may be warranted given the nature of its social and economic model.

**Regulatory:** Deregulate occupations such as environmental health specialists, title plant personnel, interior designers, sign language interpreters, clinical laboratory technologists, pharmacy technicians, veterinary technologists, opticians, athletic trainers, massage therapists, landscaping contractors, and well drillers.

**Personal:** Reap the benefits of school choice by lightening the regulatory burden on private schools: abolish private teacher licensing, state approval, and detailed curriculum requirements.

Population, 2022
**3,177,772**

Net Migration Rate 2020–2022
**1.8%**

State Tax Burden, % of Income
**5.8%**

Local Tax Burden, % of Income
**3.0%**

Partisan Voting Index, 2020
**R +1.5**

Real Personal Income Growth, Annualized, 2008–21
**3.7%**

**ANALYSIS**

Unsurprisingly, Nevada has been the number-one state for personal freedom every year in our time series going back to 2000. But it has been a top-five freest state overall each year as well, coming in fourth in 2022. It does so through a number-eight ranking on overall economic freedom to go along with its top ranking on personal freedom. The Great Recession greatly damaged Nevada's fiscal position, and the COVID-19 pandemic caused a bit of an absolute drop while staying roughly the same in the relative rankings.

Nevada's fiscal policy worsened between the beginning of our data set in 2000 and 2014, a fact that might have something to do with a 2003 state supreme court decision setting aside the part of the state constitution that required a supermajority for tax increases.[78] But it's basically been improving overall since 2014, with a blip down in absolute terms due to the pandemic. State-level taxes rose from a low of 5.2 percent of adjusted personal income in FY 2004, bouncing around in the middle to high fives before settling at roughly the 5.7-5.8 percent range in the FY 2013–FY 2019 period. However, Nevada reached record lows in the FY 2020–2021 period at 5.0 percent and 5.1 percent, respectively. State-level taxes bounced up to 5.8 percent in FY 2022, likely due to economic challenges posed by the pandemic. Local taxes were steady at between 3.3 percent and 3.5 percent of income for most of the past decade but are now at 3.0 percent. Nevadans have virtually no choice of local governments given the importance of territorially vast counties. Government employment is super low relative to the national average, and government consumption is also well below average. This remains true after both spiked during the Great Recession. Government debt peaked at nearly 30 percent at that point in 2009, but it has since come down by half and is now only 15.0 percent of income (right at the national average). Cash and security assets are below average.

After years of deterioration, Nevada's regulatory policy rebounded in 2013 because of a variety of factors, but it hasn't changed much lately. As one of the Sand States attracting huge net in-migration in the 1990s and early 2000s, Nevada retained some degree of land-use freedom. But it is getting steadily worse and now places 37th. Renewable portfolio standards are quite high and rising, affecting the cost of electricity. Nevada does have a right-to-work law but also has a minimum wage, which was hiked further in 2015 and again in 2019 (with scheduled bumps out to 2024). Cable and telecommunications have been liberalized. Occupational freedom declined dramatically between 2000 and 2006 because of the expansion of licensing. It has suffered another expansion during the past half decade. A bright spot was nurse practitioners' gaining the right of independent practice with full prescription authority in 2013. Insurance freedom expanded in 2018 due to reform of laws regarding prior approval of rates and forms. In 2011–12, the state joined the Interstate Insurance Product Regulation Compact. Nevada has certificate-of-need requirements for hospitals and household goods movers. Direct auto sales were partially legalized in 2013. The court system is above average and has been improving since 2013 as the state gradually moved off the "judicial hellhole" list.

Nevada is number one for gambling freedom (no surprise), and it is the only state with legal prostitution (local option). However, on criminal justice policy, Nevada is more of a mixed bag. Nondrug victimless crime arrests remain high but have fallen over time, and it is possible that they are overstated because of Nevada's high tourist population. The incarceration rate is about average for its crime prevalence and has

78. Michael J. New, "Judicial Nonsense in Nevada," Cato Institute, August 8, 2003.

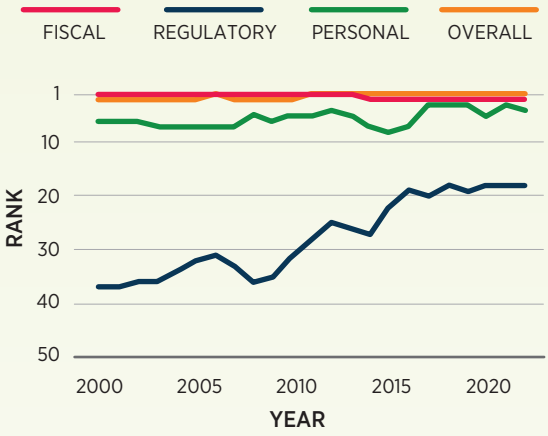
been trending in the right direction. Drug arrests are low. The civil asset forfeiture regime is mediocre following a small reform in 2015. Marijuana was legalized in 2016 by initiative, and Nevada is a top state for marijuana freedom. Gun rights are middling relative to other states. Extensive background checks were enacted in 2019. Open carry is extensive, but there is no permitless concealed carry. Nevada is one of the top states for alcohol freedom, with fully private wholesaling and retailing, low taxes, no blue laws, legal direct wine shipping, and wine and spirits in grocery stores. In 2013, the state enacted a law giving illegal immigrants access to driver's licenses, which outweighs its 2011 move to ban handheld cell phone use in increasing overall travel freedom. Nevada is middling on educational freedom. Private schools are tightly regulated, facing mandatory state approval, mandatory teacher licensing, and detailed private school curriculum control. However, the state has a broad tax-credit scholarship, enacted in 2015. Even tobacco is not as tightly controlled as one would expect from a state with the ballot initiative, although taxes were raised significantly in 2015. Nevadans may still light up in bars with permission of the owner.

# NEW HAMPSHIRE

2022 RANK

**1st**






## POLICY RECOMMENDATIONS

**Fiscal:** Local governments need to get a handle on school spending and taxes. State government may be able to help by moving town meetings and local elections to coincide with state elections, boosting turnout and diluting the political power of insiders, or by adopting the Virginia model of off-year elections for state and local offices.

**Regulatory:** Pass a right-to-work law that is consistent with free association, as described in Part 1.

**Personal:** Enact universal school choice to avoid falling behind on educational freedom given how proactive other states have been.

Population, 2022
**1,395,231**

Net Migration Rate 2020–2022
**1.2%**

State Tax Burden, % of Income
**3.1%**

Local Tax Burden, % of Income
**4.3%**

Partisan Voting Index, 2020
**D +1.2**

Real Personal Income Growth, Annualized, 2008–21
**2.7%**

**ANALYSIS**

In the fifth edition of the index, Florida had overtaken New Hampshire as the freest state. New Hampshire regained the crown as the freest state in the country in the sixth edition. The Granite State has maintained its number-one ranking in this edition and even improved absolutely. In the more distant past, New Hampshire had a huge lead over the rest of the country on fiscal policy, a lead that partly dissipated between 2000 and 2008 because of big increases in local property taxes, which were in turn driven by growth in education spending. It has rebounded quite a bit in absolute terms but has been eclipsed by Florida on the fiscal front. New Hampshire grabs the top spot overall because it does well in both economic freedom (first) and personal freedom (fourth), something that is also true of number-four state Nevada but is not so much the case with Florida, which does great on economic freedom but is only 22nd on personal freedom. In the sixth edition, we noted that "It could be a challenge for rivals to catch New Hampshire next time because of policy changes in 2021 in a pro-freedom direction, including tax cuts and the passage of the education freedom accounts program." This was borne out as the "Live Free or Die" state improved absolutely on both the fiscal policy and personal freedom dimensions. The "New Hampshire Advantage" is quite strong within New England. The three states of northern New England pose a stark contrast in economic policies and, for most of the late 20th and early 21st centuries, economic outcomes. Regulatory policy remains New Hampshire's only eyesore, coming in at just 17th.

New Hampshire's overall tax burden is well below the national average at 7.4 percent. The state government taxes less than any other state but Alaska. We show a decline in state taxes as a share of adjusted personal income from a high of 3.8 percent in FY 2002 to 3.1 percent in FY 2022. Meanwhile, local taxes have risen from 3.7 percent of income in FY 2001 to 4.3 percent in FY 2021. However, this measure has been trending down from a high of 5.6 percent in FY 2012. New Hampshire is, therefore, a highly fiscally decentralized state. Granite Staters have quite a wide choice in local government, with 2.8 competing jurisdictions per 100 square miles. Government debt (9.9 percent), consumption (6.7 percent), and employment (9.7 percent) are all much lower than average, and in all these categories we see improvements since 2010, especially on the debt side. However, cash and security assets are below average and have been dropping.

New Hampshire's regulatory outlook is not so sunny, and it is a blemish on such an otherwise free state. However, it is still an above-average state and is improving relative to its past, when in the 2000s it ranked in the mid-30s. The Granite State's primary sin is exclusionary zoning. Both measures suggest that New Hampshire is among the more regulated states, although one measure shows improvement since 2005 relative to other states. Part of the problem might be the absence of a regulatory takings law. However, the eminent domain law is strong. The state has a renewable portfolio standard that has worsened over time. The Granite State has had an ADU law since 2016 and a state housing appeals board since 2019. On labor-market freedom, New Hampshire is about average, primarily because of the absence of a right-to-work law and lack of any exceptions to the workers' compensation mandate. New Hampshire has no state-level minimum wage. Health insurance mandates are low, but the state mandates direct access to specialists, hobbling managed care. A telecommunications deregulation bill was passed in 2011, but the state has not yet adopted statewide video franchising. The state is well above average on occupational freedom. The health professions enjoy broad scope of practice; the extent of licensing grew significantly during the 2000s but stabilized in the past half decade. Insurance freedom is generally better than average,

except for some rate classification prohibitions. The hospital certificate-of-need law was abolished in 2011–12, but that only became effective in 2016. Household goods movers are no longer licensed as of 2022. There are no price-gouging or sales-below-cost laws. New Hampshire is one of the least cronyist states. The state's civil liability system is far above the national average; punitive damages were abolished long ago. In fact, it comes in first on lawsuit freedom.

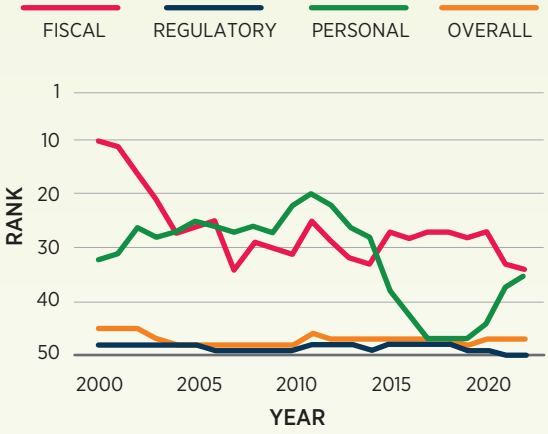
New Hampshire is quite personally free. Incarceration rates are extremely low but rose significantly around 2011, only to get better again, really diving during the COVID-19 pandemic. Drug arrest rates are also low but had moved up during 2011–16 before falling again. Nondrug victimless crime arrests are down substantially after being only about average for years. The state enacted a significant asset forfeiture reform in 2016 and is a top-half state. Tobacco freedom is below average, as taxes are fairly high and smoking bans are extensive. The state now has a limited anti-vaping law. Educational freedom is extensive in the Granite State, earning it a number-two position in the rankings. New Hampshire's score was helped by the 2021 passage of an expanded ESA program. A liberal tax-credit scholarship law was enacted in 2012 and a local-option voucher law in 2018, raising the state significantly above average on educational freedom even though compulsory schooling lasts 12 years, and private schools require state approval. New Hampshire has charitable gambling and legal internet sports betting, but it still scores well below average in the gambling freedom category. Cannabis freedom is above average, helped by the 2017 decriminalization law but dragged down by an inability to fully legalize. Alcohol freedom is lagging; the state monopolizes liquor retail and wine wholesale, but the effective tax rate is extremely low. Wine (but not spirits) is sold in grocery stores. It is one of the two best states in the country for gun rights. The constitutional carry bill enacted in 2017 helped here. New Hampshire has neither a seat belt law nor a motorcycle helmet law.

# NEW JERSEY



2022 RANK

**47th**




## POLICY RECOMMENDATIONS

**Fiscal:** Cut spending on the "miscellaneous" category and income and property taxes.

**Regulatory:** End rent control, especially given its unintended consequences on housing quality and quantity.

**Personal:** Fully free wine sales from the currently arcane regulatory system.

Population, 2022
**9,261,699**

Net Migration Rate 2020–2022
**–1.2%**

State Tax Burden, % of Income
**7.4%**

Local Tax Burden, % of Income
**4.9%**

Partisan Voting Index, 2020
**D +5.9**

Real Personal Income Growth, Annualized, 2008–21
**1.8%**

**ANALYSIS**

About 60 years ago, New Jersey was considered a tax haven. It grew wealthy under that regime, but during the past two decades it has dwelled in the bottom five for economic freedom. In 2000, New Jersey was a relatively good state for fiscal policy, scoring 10th best, but it has declined since and is now middling at number 34. The Garden State is a regulatory nightmare, coming in dead last; it performs poorly on personal freedom as well. As long as it is better than New York on fiscal policy and not much worse than Connecticut, it will probably continue to get tax refugees from the former state, but more New Yorkers now move to Florida than to New Jersey. Plus, Connecticut is outpacing New Jersey in freedom.

New Jersey's state-level taxes were basically average for many years but have crept up and are now well above average at 7.4 percent. Local taxes have gone the other way, trending downward to 4.9 percent (but still well above the national average of 3.7 percent). The combined tax rate is quite high relative to the rest of the country but still lower than New York's. New Jerseyans have more choice of local government than residents of any other state, with 6.3 effective competing jurisdictions per 100 square miles, which may imply that many residents are content with high local taxes and services. Government debt has now fallen to a slightly below average level (14.7 percent of income), but cash and security assets are well below average as well (12.7 percent of income). The government employment ratio and government GDP share have both improved significantly since the Great Recession and are better than average.

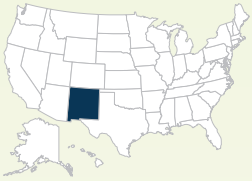
New Jersey ranks 50th on regulatory policy for good reasons. Land-use freedom is quite limited in New Jersey, with no state faring worse. The state lets cities adopt rent control, and local zoning rules are often highly exclusionary, even though the state is no longer a major destination. It has mandated speech on private property, such as malls and community associations. Renewable portfolio standards are among the highest in the country, raising electric rates. It does have a state "builder's remedy." In 2013, the state adopted a minimum wage that has suffered big hikes recently. Labor-market freedom was already bad because of strict workers' compensation rules, mandated short-term disability insurance, mandated paid family leave, no right-to-work law, and a stricter-than-federal anti-discrimination law. Health insurance mandates are extensive. In 2018, New Jersey even legislated a state-level individual health insurance mandate. New Jersey has had no telecommunications deregulation, but it has statewide video franchising. Occupational licensing is more extensive than average. In 2013, nurse practitioner freedom of independent practice was abolished despite more states going in the other direction. However, New Jersey recently became a member of the Nurse Licensure Compact, and physician assistants have long enjoyed prescribing authority. Insurance rate regulation is strict, and the state has a price-gouging law, which former governor Chris Christie deployed after Hurricane Sandy to devastating effect.[79] The Tesla direct-to-consumer sales model is legal. The civil liability system is middling.

New Jersey personal freedom is limited but has improved to 35th from 47th only a few years ago. Criminal justice has been a rare high point for the state, ranking 12th. Incarceration and nondrug victimless crime arrest rates are low and have fallen since 2000, but drug arrests remain high despite some recent declines. The state did slash prison collect phone call rates in 2015 and stopped suspending driver's licenses for nondriving drug offenses in 2019. Asset forfeiture, however, has been reformed little and the state comes in second to last. New Jersey

79. Matthew Yglesias, "Miles-Long Gasoline Lines in New Jersey Show the Case for 'Price Gouging,'" Slate, November 1, 2012.

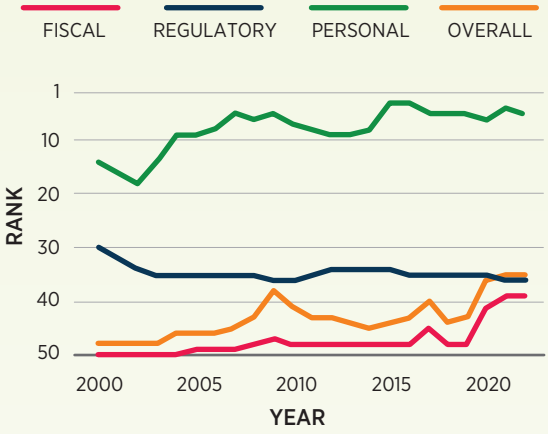
is a bad state for tobacco freedom and gun rights, but it is decent on gambling (perhaps not as good as might be expected). The state was a pioneer in sports betting—even winning a Supreme Court case on the issue. The picture on educational freedom is mixed but below average. Homeschools and private schools are barely regulated, but Milton Friedman's home state desperately needs a serious school choice program. Cannabis freedom was mixed but improved significantly with the passage (and fulfillment) of Question 1 in 2020 and the legalization of marijuana. Alcohol freedom is a bit above average, but the state interferes here too. Taxes are modest, but direct wine shipment is tightly regulated, and the rules on when a grocery store may sell wine are complicated—perhaps to create a "toll booth" where state politicians can extract rents. Fireworks freedom improved in 2017, physician-assisted suicide was legalized in 2019, and driver's licenses are now available to people without a Social Security number.

# NEW MEXICO



2022 RANK

## 35th




### POLICY RECOMMENDATIONS

**Fiscal:** Trim spending across the board and reduce public employment. Cut the gross receipts tax.

**Regulatory:** Promote tort reform since the state performs poorly on lawsuit freedom, creating a drag on its economy.

**Personal:** Enact a generous private tax-credit scholarship program.

Population, 2022
**2,113,344**

Net Migration Rate 2020–2022
**–0.2%**

State Tax Burden, % of Income
**5.7%**

Local Tax Burden, % of Income
**3.4%**

Partisan Voting Index, 2020
**D +3.3**

Real Personal Income Growth, Annualized, 2008–21
**2.4%**

**ANALYSIS**

New Mexico has long had far more personal freedom than economic freedom, but it has never fully turned it around economically despite some movement in the right direction on fiscal policy—in absolute terms since 2000 and in relative terms since 2019. It is now 39th on fiscal policy after being stuck in 48th place for years, with a 36th-place ranking on regulatory policy. With a 41st-best score on economic freedom as a whole, its 5th-best ranking on personal freedom can't save it, though at least it is no longer in the bottom 10 states in overall freedom.

New Mexico's overall tax burden of 9.1 percent of adjusted personal income is below the national average of 10.1 percent. State taxes came in at 5.7 percent, which is below the national average and below a recent high of 6.3 percent in FY 2019. Local taxes have risen from 2.8 percent of income in FY 2001 to 3.4 percent in FY 2021. That growing fiscal decentralization does little for choice in government, however, as the state has fewer than one competing jurisdiction per 100 square miles. Government debt ballooned during the Great Recession but has come down all the way to 15.0 percent of income. Public employment is still abnormally high, as is government consumption. Cash and security assets are robust.

New Mexico has consistently slid on land-use freedom and is now below average. Zoning regulations have significantly tightened over time, and the state has implemented relatively strict renewable portfolio standards. It implemented eminent domain reform long ago. The state has had a minimum wage for some time, but it was not extremely high until 2018. There is no right-to-work law. Health insurance freedom is low because of costly mandates and bans on managed care gatekeeping models. In 2013–14, the state passed a telecommunications deregulation bill, but it has not implemented statewide video franchising. Occupational freedom is average. The extent of occupational licensing skyrocketed between 2006 and 2009, then jumped again in 2016. Nurses enjoy broad scope-of-practice freedom. Insurance freedom has been fairly high since reforms were enacted in 2009–10 and got better again in 2020 by moving to no filing requirements. New Mexico has no certificate-of-need law for hospital construction, but it did implement an anti-price-gouging law in 2020. Otherwise, cronyist regulation is limited, other than licensing for moving companies and a ban on direct-to-consumer auto sales. The civil liability system is much worse than average, and the state has done little to address the problem.

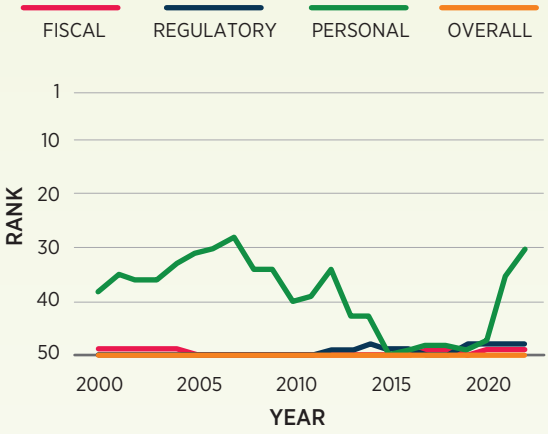
New Mexico's personal freedom is where it stands out from the pack, at number five. It has solid criminal justice policies, coming in at 13th. Victimless crime arrests, drug and nondrug, are quite low, as are incarceration rates. The state's asset forfeiture law is the best in the country, since putting limits on equitable sharing in 2015. Cannabis, alcohol, and travel freedoms are all strong suits for New Mexico. Marijuana was legalized in 2021. Gambling freedom is limited, but sports betting is legal. From 2013 to 2017, physician-assisted suicide was legal and then again since 2021, but that is a tiny part of our index. The state is one of just two to have both a broad religious freedom restoration act and a broad equal rights amendment (Connecticut is the other). Tobacco and educational freedoms are weak spots in a top state. Students are required to go to school for 13 years, the most in the country, and the state has no choice programs apart from public school open enrollment. Cigarette taxes are high, and smoking bans are extensive. New Mexico also performs weakly on gun rights, coming in 31st. The state does well on open carry, but it still has no permitless concealed carry and requires universal background checks as of 2019. The state has no motorcycle helmet law.

# NEW YORK



2022 RANK

## 50th




### POLICY RECOMMENDATIONS

**Fiscal:** Spending is high in many categories; cut it across the board. Cut all taxes and pay down debt.

**Regulatory:** Abolish the housing anchor that is rent control. At least free the moving companies that help empty and fill the housing that does exist by getting rid of certificate-of-need laws.

**Personal:** Slash cigarette taxes, which are so high as to be almost tantamount to prohibition.

Population, 2022
**19,677,151**

Net Migration Rate 2020–2022
**–3.4%**

State Tax Burden, % of Income
**7.9%**

Local Tax Burden, % of Income
**7.6%**

Partisan Voting Index, 2020
**D +9.6**

Real Personal Income Growth, Annualized, 2008–21
**2.4%**

**ANALYSIS**

New York has been the least free state in the country for a long time. In fact, the Empire State has been the worst state for freedom in every year since our data set began in 2000. Economic freedom is the most significant weakness and is continuing to get worse absolutely. The state has made gains on personal freedom and is now 30th. New York's terrible economic freedom score is going to continue to drag the state down—and harm its ability to realize its full economic potential.

The only fiscal policy area where New York is not below average is the ratio of government to private employment, where the state has improved significantly since the early 2000s. It now stands at 11.8 percent, below the historical national average and about average today. The government GDP ratio has scarcely fallen during that same period—and even rose higher in 2022, suggesting that New York pairs relatively low government employment with high salaries and benefits for public employees. New York's local tax burden has fallen recently but is more than twice that of the average state: 7.6 percent of income in FY 2021—a rise from the early 2000s, when it was less than 7.0 percent. However, New Yorkers have ample choice in local government: 4.1 competing jurisdictions per 100 square miles. The state tax burden—at a projected 7.9 percent of income in FY 2022—is dramatically higher than the previous year, when it was 6.2 percent, and more than even before the COVID-19 pandemic, when it was 6.5 percent. This level is much higher than the national average. Combined, state and local taxes are crushing. Debt is down from years past but is still the highest in the country at 26.1 percent of income, and liquid assets are a bit less than half that, at 14.7 percent of income.

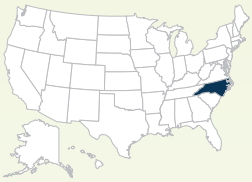
New York is no longer the worst state on regulatory policy as it has jumped all the way up to 48th—although it is still close to New Jersey and California as the worst regulatory environment. Land-use freedom is very low, primarily because of the economically devastating rent control law in New York City. Eminent domain remains unreformed. The state has an onerous renewable portfolio standard, though local zoning is fairly moderate compared with surrounding states. The state enacted a minimum wage in 2013–14, and it has worsened since. New York also has a short-term disability insurance mandate and, as of 2016, paid family leave—and unsurprisingly, no right-to-work law. Cable and telecommunications are unreformed. Occupational freedom is a relative bright spot, coming in at number 16, with nurse practitioners gaining some independence in 2013–14, which disappeared and then was regained (and then some) in 2022. Insurance freedom is a mixed bag. The state has stayed out of the Interstate Insurance Product Regulation Compact, but freedom for property and casualty insurers to set rates was dumped after it was briefly gained in 2013–14. State rate classification prohibitions were newly created in 2018. The civil liability system looks poor, but we may underrate it slightly because of the state's large legal sector. Certificate-of-need laws exist for both hospitals and moving companies.

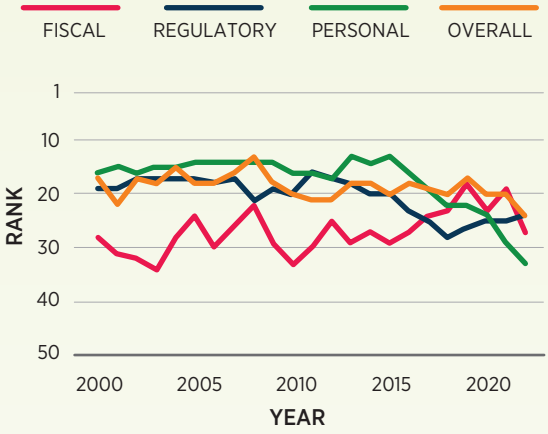
New York is no longer the worst state on personal freedom, in part because of its relatively decent criminal justice policies and number-nine ranking in this policy area. Although drug arrests are above the recent average, nondrug victimless crime arrests are quite low. Incarceration rates are well below average and declining. In fact, New York's incarceration rate fell precipitously during the COVID-19 pandemic. The state was one of only a few to impose the loss of a driver's license as a punishment for nondriving drug crimes, but that ended in 2019. Prison phone call rates have always been low. Local law enforcement enthusiastically participates in equitable sharing, and state law imposes only modest limits in the first place. Tobacco freedom is the second worst in the country because of smoking bans and stratospheric taxes (as of 2023, $6.85 a pack

in New York City, topped only by Illinois's absurd $7.16-a-pack rate in Chicago). Naturally, the state also has a vaping ban. New York is perhaps the worst state for homeschoolers, and it has no private school choice programs and only a meager public program. Sparklers were legalized in 2015, and mixed martial arts competitions in 2016. Gambling freedom is better than average; casinos were introduced in 2005, and sports and internet betting are now legal. Cannabis freedom—as anyone who has been to New York City lately can attest—is now above average; the state enacted a limited medical marijuana law in 2014, and marijuana was legalized in 2021. Alcohol freedom is a bit above average, with modest taxes, but grocery stores can't sell wine. Gun rights are hedged about with all kinds of restrictions, but the recent Supreme Court decision in *Bruen* is helping law-abiding gun owners. Raw milk sales are legal and driver's licenses were made available to illegal immigrants in 2019, suggesting that even New York paternalism has its limits.

# NORTH CAROLINA

2022 RANK
**24th**






## POLICY RECOMMENDATIONS

**Fiscal:** Cut spending on hospitals, possibly through privatization, which is far above the national average. Build up the rainy-day fund and trim individual income taxes further.

**Regulatory:** Eliminate all rate regulations on property and casualty insurance and fully free direct-to-consumer auto sales at the same time.

**Personal:** Pass constitutional carry to expand gun rights.

Population, 2022
**10,698,973**

Net Migration Rate 2020–2022
**2.0%**

State Tax Burden, % of Income
**6.1%**

Local Tax Burden, % of Income
**3.1%**

Partisan Voting Index, 2020
**R +2.7**

Real Personal Income Growth, Annualized, 2008–21
**2.4%**

**ANALYSIS**

North Carolina is a rapidly growing southern state with middle-of-the-pack scores on all dimensions of freedom. It was 13th on personal freedom as recently as 2015 but is now 33rd, and its economic freedom score slipped in 2022 because of a decline in fiscal policy.

North Carolina gradually improved its fiscal policies from FY 2011 to FY 2020 but has declined the past three years even as other states have improved. State taxes are back to 6.1 percent of adjusted personal income, the highest since FY 2011. Local taxes have declined steadily, moving from 3.5 percent of income to 3.1 percent, a 0.6 percentage point below the national average. Government consumption rose in 2022 and is above the national average, whereas employment fell and is now basically at the national average. Government debt and financial assets are well below the national average at 8.5 percent and 10.7 percent, respectively.

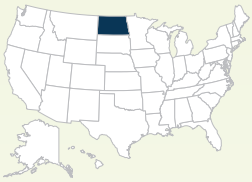
Despite large in-migration, North Carolina has eschewed excessive controls on the housing supply. Yet it has slowly declined on land-use freedom since 2000. It has never effectively reformed eminent domain and has a significant renewable portfolio standard. Labor law is good and has been fairly stable since the beginning of our time series. The state has a right-to-work law, no minimum wage, and relatively relaxed workers' compensation rules, but it enacted an E-Verify mandate in 2011. Regulation has killed off the managed care model for non-large-group health insurance, but mandates are low. Cable and telecommunications have been liberalized. Occupational freedom is a weak spot, especially for the health professions. A sunrise review requirement for occupational licensing proposals was scrapped in 2011, and licensing grew consistently until the COVID-19 pandemic. North Carolina is one of the worst states for insurance freedom. It has a large residual market for personal automobile and homeowner's insurance because of strict price controls and rate classification prohibitions. It also has a price-gouging law and a minimum-markup law for gasoline. Entry is restricted for medical facilities and moving companies. It is a member of the Interstate Insurance Product Regulation Compact. North Carolina's civil liability system has improved over time and is now about average.

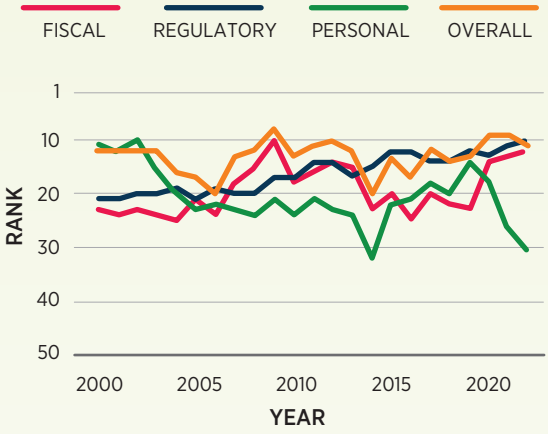
North Carolina has one of the best criminal justice regimes in the South, though nationally it is only 18th on this front. Incarceration and victimless crime arrest rates are below average. Drug arrests are around the current average. The state has no state-level civil asset forfeiture, but local law enforcement frequently does an end run around the law through the Department of Justice's equitable-sharing program. Revenues are down, though. Gun rights are more restricted than in many other southern states. There is no constitutional carry, though the pistol permit purchase requirement was removed in 2023 over the governor's veto.[80] Sound suppressors were legalized in 2014. Alcohol freedom is low because of state liquor stores and somewhat high markups and taxes. The state also introduced limited mandatory training for servers in 2018. Marijuana has not been liberalized apart from a 1970s-era decriminalization law. Gambling freedom is quite low. Not even social gaming is legal. But internet sports betting is now legal, something we recommended in the sixth edition. The state is number 12 on educational freedom because of a 2013 voucher law that survived the court and relatively light regulation. But other conservative states have done better at reform since. As we went to press in 2023, North Carolina passed universal school choice despite having divided government. North Carolina is also—as might be expected—a top state for tobacco freedom, largely due to reasonable taxes and workplace freedom, but not freedom to light up in bars or restaurants.

80. Steve Doyle, "Permit Concealed Carry Bill Dropped before Vote in NC House," Fox 8 News, Greensboro, NC, May 4, 2023.

# NORTH DAKOTA

2022 RANK
**11th**






## POLICY RECOMMENDATIONS

**Fiscal:** Enhance fiscal decentralization and choice among local governments with different policies by cutting state taxes and aid to local schools and allowing local towns to vary the property tax to meet school funding needs.

**Regulatory:** Allow employers to purchase workers' compensation insurance from any willing seller, or to self-fund, and allow certain businesses to opt out entirely.

**Personal:** Eliminate teacher licensing, mandatory state approval, and detailed curriculum requirements for private schools, and reduce the notification and record-keeping burdens on homeschooling families.

Population, 2022
**779,261**

Net Migration Rate 2020–2022
**–0.9%**

State Tax Burden, % of Income
**4.8%**

Local Tax Burden, % of Income
**3.3%**

Partisan Voting Index, 2020
**R +19.8**

Real Personal Income Growth, Annualized, 2008–21
**2.9%**

**ANALYSIS**

After a stretch of years in which its relative overall freedom ranking declined from 8th to 20th, North Dakota righted the ship and now stands at 11th nationally. It is best on regulatory policy but also sound on fiscal policy, hence its 12th-best ranking on economic freedom. Personal freedom is the area most ripe for improvement since it is now a middling 31st despite being 14th four years ago.

North Dakota's state-level tax burden is at 4.8 percent of adjusted income, in FY 2022, up from its low of 4.4 percent in FY 2021. The local tax burden is now at 3.3 percent, below the national average but above its low of 2.8 percent in FY 2014. North Dakotans have substantial choice of local government: 1.7 competing jurisdictions per 100 square miles. State debts have fallen the past two years but are higher than the national average, even as financial assets are well above average. Government consumption and employment have risen from their respective 2012 and 2014 lows, but they are still lower than they were in the early and mid-2000s. So far, there is little sign of the resource curse that has struck Alaska and Wyoming. But these numbers are still much higher than the national averages and are trending in the wrong direction.

Most Great Plains states have good regulatory policies, and North Dakota is no exception, although it falls behind its southern neighbor. Land use is lightly regulated, and the state ranks in the top 10 on this margin. North Dakota has one of the strongest limits on eminent domain abuse in the country. The state has a right-to-work law and no state-level minimum wage. North Dakota has a monopoly state fund for workers' compensation insurance and has long had an employment discrimination law. North Dakota is tied with Idaho and Nebraska for number one in the nation on health insurance freedom, with none of the most expensive mandates and with a light touch on managed care plans. Occupational licensing in North Dakota has crept up, but nurses and physician assistants enjoy ample freedom of practice. Dental hygienist regulations have not been liberalized. Insurance freedom is low because of prior approval of rates and lack of membership in the Interstate Insurance Product Regulation Compact. The state has no certificate-of-need law for hospitals or for moving companies. It has a general "unfair sales" act and a minimum markup for gasoline. Its civil liability system is third best in the country.

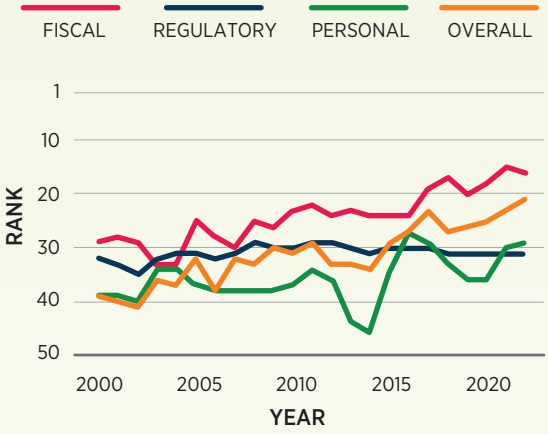
North Dakota's criminal justice policies are generally good because of the low incarceration rate. However, victimless crime arrests are high even though they have come down over the years. The drug arrest rate rose substantially and steadily for much of our time series but has dipped the past half decade. The state's civil asset forfeiture law was among the worst in the country until a 2019 reform, but local law enforcement rarely participates in equitable sharing. Smoking bans were intensified in 2012, but cigarette taxes are well below average. Vaping bans started early in the state. With just a few exceptions, gun rights are strong in North Dakota. The state adopted constitutional carry in 2017 and expanded no-duty-to-retreat protections more recently. Alcohol freedom is generally good, but wine and spirits are available in grocery stores only when put into a separate enclosure. A reasonably effective medical marijuana law was enacted by initiative in 2016, and partial decriminalization was passed in 2019. Gambling freedom is low, but sports betting was legalized in 2021. North Dakota remains the very worst state in the country for educational freedom. Private schools and homeschools are both more harshly regulated than anywhere else, and the state has no private or public school choice despite moves in that direction in 2023 (during which the governor vetoed a small voucher bill).

# OHIO

2022 RANK

## 21st






### POLICY RECOMMENDATIONS

**Fiscal:** Trim spending on housing and community development, sanitation and sewerage, and employee retirement, areas where Ohio spends more than the average state. Cut property taxes.

**Regulatory:** Look at Indiana as a model Great Lakes state with regard to regulatory policy, and reform Ohio's regulatory system according to that model. For instance, consider liberalizing the workers' compensa-tion system and rolling back occupational licensing. Adopt a right-to-work law in line with Indiana and Michigan.

**Personal:** Abolish mandatory minimum sentences for nonviolent offenses, with an eye toward reducing the incarceration rate to a level more consistent with the state's crime rate.

Population, 2022
**11,756,058**

Net Migration Rate 2020–2022
**–0.3%**

State Tax Burden, % of Income
**5.2%**

Local Tax Burden, % of Income
**4.4%**

Partisan Voting Index, 2020
**R +6.0**

Real Personal Income Growth, Annualized, 2008–21
**2.0%**

**ANALYSIS**

Ohio used to be a thoroughly mediocre and even poor state when it comes to freedom. But it has made progress on both fiscal policy and personal freedom over the years, moving from a low of 41st in the country in 2002 to a high of 21st two decades later. It is now 16th on fiscal policy but needs to do a lot better on regulatory policy (31st). Ohio was as bad as 46th on personal freedom in 2014 but is now 29th. It should trouble residents of the Buckeye State that their state's policy regime is still worse than that of other Great Lakes states that have been reforming, such as Indiana, Michigan, and Wisconsin. Regulatory policy is where Ohio really falls down relative to its neighbors.

Ohio's taxes are less than the national average overall, but it is more fiscally decentralized than the average state. Local taxes add up to about 4.4 percent of adjusted personal income, whereas state taxes sit at 5.2 percent of income. The latter were in decline since a high of 6.2 percent in FY 2005 until a bump up in the past couple of years. State and local debt, government consumption, and public employment are all lower than average and in long-term decline.

On the most important regulatory policy category—land-use and environmental freedom—Ohio does well, though it has slowly declined. Zoning has a light touch, but the trend is in the wrong direction, according to at least one of our sources, and renewable portfolio standards exist but are very low. Eminent domain reform could have gone further. Labor-market freedom is a problem area for Ohio. The state has a minimum wage that is getting worse, no right-to-work law, and strict workers' compensation coverage and funding rules. Health insurance mandates are costly. Cable and telecommunications have been liberalized. The average of different measures suggests that in Ohio, the extent of occupational licensing is greater than average and has been growing. Nursing scope of practice is restrictive, but at least dental hygienists and physician assistants have been freed and the state joined the Nurse Practitioner Compact in 2021. The state has a hospital certificate-of-need law, and household moving companies are restricted. But price regulation in most markets is limited though it moved backward in 2020 when the state attorney general's guidance interpreted Ohio's law to ban

"unconscionable" pricing. Insurance rating was liberalized somewhat in 2015 but then restricted again somewhat in 2018. The civil liability system has bounced around over time and is now below average.

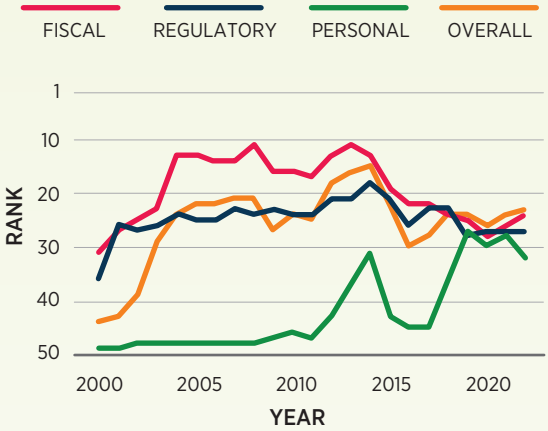
Ohio has a higher-than-average crime-adjusted incarceration rate, and it has risen over time, albeit with some slight decline lately. Meanwhile, drug and victimless crime arrest rates are lower than average, particularly for the former, and have fallen over time. A significant asset forfeiture reform was enacted in 2016; it could be improved even further, but right now Ohio is above average in this category. The state stopped suspending driver's licenses for nondriving drug offenses in 2016, and a year earlier, it slashed prison phone call rates dramatically. A limited medical marijuana law was enacted in 2015, and the state already enjoys limited decriminalization (with legalization on the ballot in 2023). Gun rights are better than average but were mediocre until Ohio recently passed constitutional carry and strengthened the no-duty-to-retreat law. Casinos were legalized in 2012, as was sports betting in 2022. Ohio is a top educational freedom state, mostly because of a statewide voucher program, and, in 2023 expanded eligibility as well. Private schools and homeschools are sharply regulated, however. Tobacco freedom is limited, with draconian smoking bans in place for a decade. Alcohol and travel freedom are middling. But the fireworks law was liberalized recently.

# OKLAHOMA

2022 RANK

## 23rd






### POLICY RECOMMENDATIONS

**Fiscal:** Reduce the bloated government payroll and apply the proceeds to reduce the sales tax.

**Regulatory:** Significantly reform occupational licensing, initiating a robust sunrise review process and expanding scope of practice for health care paraprofessionals.

**Personal:** Legalize sports betting and avoid tax loss to neighboring states.[81]

81. Michael Dekker, "Sports Betting Remains Stalled in Oklahoma, Home to the Most Casinos in the Country," *Tulsa World,* August 21, 2023.

Population, 2022
**4,019,800**

Net Migration Rate 2020–2022
**1.4%**

State Tax Burden, % of Income
**5.1%**

Local Tax Burden, % of Income
**3.2%**

Partisan Voting Index, 2020
**R +19.2**

Real Personal Income Growth, Annualized, 2008–21
**1.6%**

**ANALYSIS**

Oklahoma is among the most improved states for the 2000–22 period, with some regression in 2015–16 and then a return to the upswing more recently. It used to be a bottom-10 state for overall freedom and second worst for personal freedom. Now the Sooner State is about average on both because of rising absolute personal freedom and declining relative economic freedom.

Oklahoma is a top-10 state in America on tax burden. However, it is also fiscally centralized. Local taxation is about 3.2 percent of adjusted personal income, whereas state taxation is 5.1 percent. Yet both types of taxes have risen during the past decade. State and local debt is much lower than average (9.6 percent of adjusted income), but so are financial assets of state and local governments (18.0 percent of adjusted income). Government employment is much higher than average (14.4 percent of private employment) but shrinking since the high of 16.8 percent in 2009, and government GDP share is also high (11.47 percent of income).

Land-use regulation is quite light in Oklahoma; in fact, it is a top-two state despite not restraining eminent domain for private gain and banning employers from prohibiting guns in their own parking lots. Labor law is average, with a right-to-work law and no state-level minimum wage. However, some backsliding took place in 2016 after a 2014 repeal of mandated workers' compensation coverage. Moreover, the state has a stricter-than-federal anti-discrimination law and a long-standing ban on noncompete agreements. Telecommunications and cable have gone unreformed. Occupational licensing has grown over time and is more extensive than average. Nurses' practice freedom is mixed, with nurses losing any autonomous practice in 2014, but the state did join the Nurse Licensure Compact in 2017. Physician assistants and dental hygienists are relatively free. Insurance freedom is high, with rate filing liberalized in 2010. However, rate classification prohibitions were reenacted in 2018 after being eliminated in 2013. The state does have a general prohibition on sales below cost, a price-gouging law, a certificate-of-need law for medical facilities, and a ban on Tesla's direct-sales model. The court system is relatively good because of tort reforms.

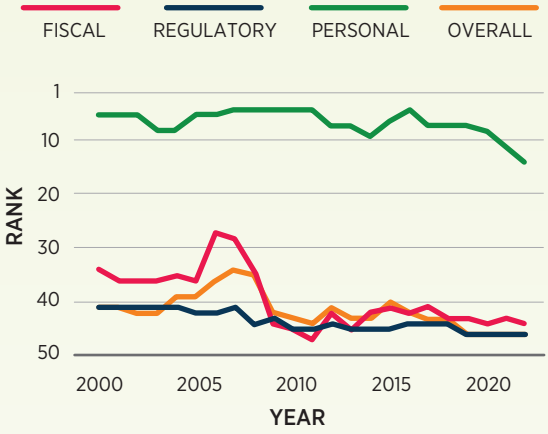
Oklahoma is a mass-incarcerating state, and federal data show the situation worsened significantly in the 2013–15 period. It is modestly better than this today, though still quite bad. Despite that, victimless crime arrests as a percentage of all arrests declined from about 2005 to 2013, then edged up consistently to the present. The decline has been steady as a percentage of the population. Drug arrests have bounced around but are now down significantly. Civil asset forfeiture reform has not gone far, but revenues from it are generally down. The mandatory minimum sentence is two years for even small-scale cultivation of marijuana. The state enacted medical marijuana in 2018. For a state without a government liquor monopoly, Oklahoma does average on alcohol freedom. It has a near-total ban on direct wine shipment and a ban on beer and spirits in grocery stores. The state passed mandatory server training in 2018, but blue laws and happy hour bans were eliminated. Casino gambling was legalized in 2005, but social gambling and sports betting are still illegal. Educational freedom has grown recently, with a very limited voucher law passed in 2010, a modest tax benefit for contributions to private scholarship funds enacted in 2011, and public school choice passed in 2021. Homeschools and private schools are virtually unregulated, and a statute was enacted in 2016 codifying the existing homeschool legal regime. Tobacco freedom was relatively good with limited smoking bans, but it has declined to below average with a substantial tax increase in 2018. Gun laws are a high point, with the state coming in 17th. Constitutional carry passed in 2019. There is an affirmative action ban in public services.

# OREGON

2022 RANK

## 46th






### POLICY RECOMMENDATIONS

**Fiscal:** Cut property and individual income taxes, which are very high.

**Regulatory:** Comprehensively reform occupational licensing by removing unnecessary licenses and implementing a robust sunrise review process.

**Personal:** Follow Washington State's lead and privatize the distilled spirits retail industry.

Population, 2022
**4,240,137**

Net Migration Rate 2020–2022
**0.0%**

State Tax Burden, % of Income
**7.1%**

Local Tax Burden, % of Income
**4.0%**

Partisan Voting Index, 2020
**D +5.4**

Real Personal Income Growth, Annualized, 2008–21
**2.9%**

**ANALYSIS**

Oregon used to have some advantages compared with its less free southern neighbor, California. However, it has become more like the Golden State over time. That has not been good for the freedom of Oregonians. Oregon was ranked as high as 34th back in 2007. Today, it is 46th. Oregon is among the worst states on economic freedom and has slid out of the top 10 on personal freedom.

Oregon's fiscal ranking has been roughly the same since the Great Recession, when it dropped significantly and entered the bottom 10. State taxes for FY 2022 come in at 7.1 percent of adjusted income, above the historical and current national averages, and significantly higher than they were a decade ago. Local taxes have dropped slightly during that time but are now slightly above the national average at about 4.0 percent of income. Government debt has come down but is still higher than average. State and local employment is lower than average, though government GDP share is higher.

Land use has been a controversial issue in Oregon, and the Beaver State is more regulated in this area than most other states. The state also ratcheted up its renewable portfolio standard in 2014. And in 2019, a statewide rent growth cap was added. By contrast, the state legislature has recently taken steps to preempt single-family local zoning rules and allow residential uses in commercial zones.[82] It has both compensation and economic assessments for takings. Oregon's labor policy is generally anti-employment, with one of the highest minimum wages in the country relative to the median wage, no right-to-work law, and comprehensive workers' compensation mandates. In 2019, the state added paid family leave. Telecommunications and cable remain unreformed. The managed care model of health insurance has been virtually banned since 2003, but mandated benefits are modest. Oregon licenses far more occupations than most other states. However, health professions' practice freedom is moderate. Insurance freedom grew years ago when Oregon ended rating classification prohibitions and joined the Interstate Insurance Product Regulation Compact. The state has an anti-price-gouging law, household moving certification, and certificate-of-need requirements for hospitals. The civil liability system looks a bit better than the national average.

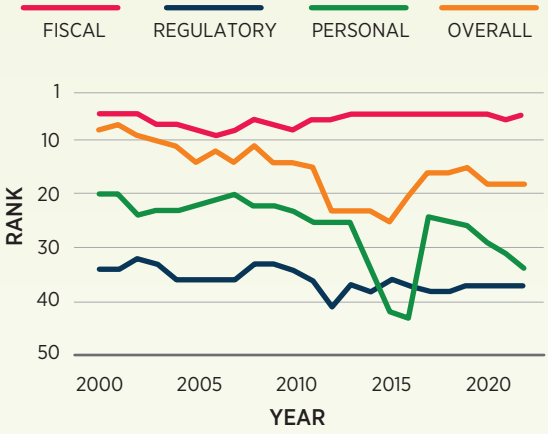
Oregon's criminal justice policy does not quite match the state's live-and-let-live reputation. It is only 22nd on incarceration and arrests. Incarceration rates are higher than the current average despite steady declines. Drug and victimless crime arrests have come down substantially during the past decade, with the former scoring better than average. Marijuana liberty is expansive, but that is not the case for freedom to buy distilled spirits, which are available only in extremely expensive state-supervised stores and taxed highly. Beer taxes, though, are low. Civil asset forfeiture has been fairly restricted since 2005, and law enforcement does not often circumvent state law through equitable sharing. Tobacco freedom is extremely limited, with extensive smoking bans that are comprehensive and airtight. Cigarette taxes are now through the roof. Gun rights have been trending down in Oregon after its being a better-than-usual for a left-of-center state. Open carry was regulated in 2007 and new restrictions were imposed in 2022, such as firearms licensing and locking device regulations. Travel freedom remains low because of bans on handheld cell phones and open containers, seat belt and helmet laws, and mandatory underinsured driver coverage. Physician-assisted suicide is legal. Fireworks are highly regulated. Educational freedom is low because of a total lack of school choice policies, but private schools and homeschools are regulated with a light touch. Oregonians are free to gamble using video slot machines and to bet on sports.

82. Laurel Wamsley, "Oregon Legislature Votes to Essentially Ban Single-Family Zoning," NPR, July 1, 2019; Eli Kahn and Salim Furth, "Breaking Ground: An Examination of Effective State Housing Reforms in 2023," policy brief, Mercatus Center at George Mason University, Arlington, VA, August 2023.

# PENNSYLVANIA

2022 RANK
**18th**






## POLICY RECOMMENDATIONS

**Fiscal:** Trim areas with above-average spending levels, like public welfare, parking lots, and public buildings. Reduce numerous minor taxes that are relatively high by national standards.

**Regulatory:** Free nurses by increasing independent practice authority for nurse practitioners and joining the Nurse Licensure Compact.

**Personal:** Enact broad-eligibility education savings accounts and unburden private schools and home-schools from paternalistic regulations.

Population, 2022
**12,972,008**

Net Migration Rate 2020–2022
**–0.1%**

State Tax Burden, % of Income
**6.0%**

Local Tax Burden, % of Income
**4.0%**

Partisan Voting Index, 2020
**R +1.6**

Real Personal Income Growth, Annualized, 2008–21
**2.2%**

**ANALYSIS**

The Keystone State is freer than all its neighbors and also better than most other states. Pennsylvania does particularly well on fiscal policy, where it is a top-five state. Regulatory policy drags down the commonwealth's economic freedom score and is an area ripe for improvement. Pennsylvania also suffers from a middling record on personal freedom, coming in at number 34.

Fiscal policy is the dimension where Pennsylvania has done best. Pennsylvania's overall tax burden is about average, but the state is a bit more fiscally decentralized than average, with local governments making up a large share of the total tax take. The tax burden is about where it was in 2000, though slightly more of that is state versus local taxation. State and local debt is higher than today's average, and financial assets are lower, but public employment is much lower than average (9.0 percent of the private workforce), and so is government share of GDP (7.2 percent of adjusted income).

Pennsylvania ranks a woeful 37th on regulatory policy. It is mediocre on land-use freedom. However, it is better than most northeastern states, a fact that economist William Fischel attributes to the state supreme court's 1965 and 1970 cases striking down of minimum lot sizes and other zoning regulations that have exclusionary intent.[83] One of our measures shows slight improvement in zoning over time, whereas the other (court cases) shows marked deterioration. Pennsylvania is the rare state that mandates free speech on some private property. The state is not as bad as most other northeastern states on labor-market regulation, but it lacks a right-to-work law and has avoided raising the minimum wage above federal minimums. Pennsylvania has banned managed care health coverage since the 1990s, but insurance mandates are relatively low. By most measures, occupational licensing is not very extensive in Pennsylvania, but nurses enjoy little practice freedom. Insurance freedom is low, with prior approval of homeowner's insurance rates and rating classification prohibitions. In 2016, personal automobile insurance rates were slightly liberalized, but this reform was clawed back in 2018. The state has a general sales-below-cost law and an anti-price-gouging law. The civil liability system is much worse than the national average. The state has partisan judicial elections and has made only timid efforts at tort reform.

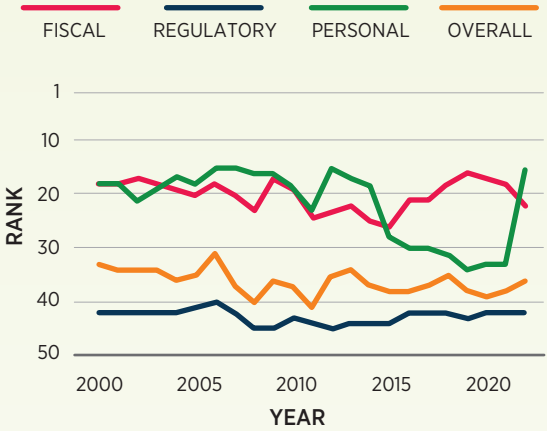
Pennsylvania is mediocre on criminal justice policy. Rising crime-adjusted incarceration rates bottomed out in the 2009–13 period before getting better since and are now slightly higher than the current national average. Nonviolent victimless crime arrests have been down since 2004–05 and are now below average. Drug arrest rates have also improved during the past decade. Civil asset forfeiture was reformed for 2017 and Pennsylvania is now the 13th best state in the country. Pennsylvania has enacted a modest medical marijuana law but has not decriminalized low-level possession. Gun rights are much better respected than in many other states, with carry licenses affordable and not terribly restricted, all Class 3 weapons legal, and a right to defend oneself in public legally recognized in 2011. Since legalizing casinos in 2007, Pennsylvania has risen to become one of the best states in the country for gambling liberty—except for home poker games. It has also legalized sports betting. Pennsylvania is one of the worst states for alcohol freedom. A notoriously inefficient state bureaucracy monopolizes wine and spirits. Wine markups are especially high. However, direct wine shipments were legalized in 2016. On education, Pennsylvania has a long-standing and liberal tax-credit scholarship program, but it has fallen behind other states. Private schools and homeschools are tightly regulated. Smoking bans have gone far but are not total. Cigarette taxes, though, are draconian at $2.60 a pack.

83. William A. Fischel, *The Homevoter Hypothesis: How Home Values Influence Local Government Taxation, School Finance, and Land-use Policies* (Cambridge, MA: Harvard University Press, 2001), p. 282.

# RHODE ISLAND

2022 RANK
**36th**






## POLICY RECOMMENDATIONS

**Fiscal:** Trim property, income, and selective sales taxes.

**Regulatory:** Further reform land-use regulations, perhaps through an Arizona-style regulatory takings compensation requirement combined with eminent domain reform.

**Personal:** Reform civil asset forfeiture to improve on the state's last-place ranking.

Population, 2022
**1,093,734**

Net Migration Rate 2020–2022
**–0.5%**

State Tax Burden, % of Income
**6.6%**

Local Tax Burden, % of Income
**4.1%**

Partisan Voting Index, 2020
**D +7.9**

Real Personal Income Growth, Annualized, 2008–21
**2.1%**

**ANALYSIS**

Rhode Island is a fairly typical deep-blue state with ample personal freedom and weak economic freedom. It was only middling on personal freedom, coming in 33rd, as recently as 2021, but it vaulted to 15th because of significant marijuana reform (which we called for in past editions), wider driver's license availability, and improvements in criminal justice (and despite minor gun control tightening). Unfortunately for Rhode Islanders, the state's poor level of regulatory freedom, where it comes in 42nd, weighs down their economic freedom ranking.

Rhode Island is just within the top half of states on fiscal policy at 22nd but has slid over the past few years. State and local taxes are high, coming in at a combined 10.7 percent compared with the recent national average of 10.1 percent. Local taxes are problematic. Government debt is excessive, while financial assets are below the national average. The state does benefit from government consumption and employment that are well below the national average.

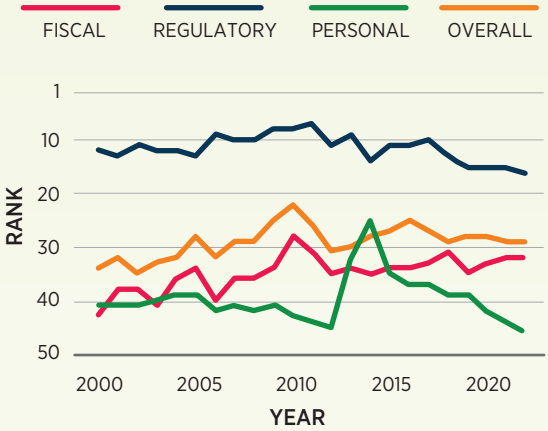
Rhode Island's regulatory policy score has been essentially static—and bad—during the past two decades, setting aside the effects of federal health law. Land-use freedom is low because of exclusionary zoning and eminent domain abuse, and at least one of our indicators suggests it has steadily worsened since the early 2000s (another suggests some mild improvement during the past few years). But zoning reforms done at the state level in 2023 should improve the state's land-use freedom in the future. Renewable portfolio standards are high. Labor policy is also anti-employment, with a high minimum wage, no right-to-work law, a short-term disability insurance mandate, a stricter-than-federal anti-discrimination law, and, since 2013–14, a paid family leave mandate. Health insurance freedom is poor and even includes a state-level individual mandate. Cable and telecommunications have been liberalized. Occupational freedom is a high point for Rhode Island, with licensing about average, but freedom of practice for health care paraprofessionals is quite high. It did, though, end its membership in the Nurse Licensure Compact in 2018. A price-gouging law was enacted in 2011–12, and the state has long had a general ban on "unfair prices" that are considered to be too low. Medical facilities and moving companies face entry restrictions. But a "Tesla law" was passed in 2018 allowing some direct-to-consumer auto sales. Freedom from abusive lawsuits is a bit below average but has improved slightly during the past two decades.

Rhode Island has the third-best criminal justice system in the country, only trailing Maine and Massachusetts. Incarceration rates are well below average, as are drug and nondrug victimless crime arrests. Rhode Island ranks dead last on asset forfeiture. Unfortunately, the state has not sufficiently reformed this area, and—although a big equitable-sharing payout somewhat skews Rhode Island's scores on that variable—evidence suggests that local law enforcement participated eagerly in the program even before that payout and continues to do so. Rhode Island legalized marijuana possession, low-level cultivation, and sales in 2022, following up on past reform that allowed fairly extensive access to medical cannabis and the decriminalization of low-level possession (2012). Gambling freedom is high, unless you want to play poker with friends in your own home. Internet gambling was liberalized in 2018. A tax-credit scholarship law and repeal of private school teacher licensing passed in 2011–12, bringing the state's educational freedom above average. Tobacco freedom is one of the lowest in the country because of sky-high cigarette taxes—well over $3 a pack—and comprehensive smoking bans. Alcohol freedom is mediocre, with decent tax rates but bans on almost all direct wine sales. Gun laws are extremely restrictive but have changed little since 2000. It did recently ban large-capacity ammunition magazines. Driver's licenses are now available to residents without a Social Security number.

# SOUTH CAROLINA

2022 RANK
**29th**






## POLICY RECOMMENDATIONS

**Fiscal:** Reduce public employment by transferring hospitals to private and nonprofit ownership.

**Regulatory:** Permanently abolish certificate-of-need laws and other barriers to meeting consumer needs. South Carolina was one of the states where a certificate-of-need law for health care facilities was suspended in reaction to COVID-19.[84] The 2023 sunset legislation did not go far enough to remove entry barriers.

**Personal:** Pass a constitutional carry bill to keep up with other similar states.

84. Angela C. Erickson, "States Are Suspending Certificate of Need Laws in the Wake of COVID-19 but the Damage Might Already Be Done," Pacific Legal Foundation, January 11, 2021.

Population, 2022
**5,282,634**

Net Migration Rate 2020–2022
**3.2%**

State Tax Burden, % of Income
**5.6%**

Local Tax Burden, % of Income
**3.7%**

Partisan Voting Index, 2020
**R +7.8**

Real Personal Income Growth, Annualized, 2008–21
**3.0%**

**ANALYSIS**

South Carolina has traditionally done better on economic freedom than on personal freedom. It is now a bottom-five state in personal freedom. South Carolina also suffers from a less-than-stellar fiscal policy. Regulatory policy is the closest to a bright spot, and the state's overall freedom has grown since 2000 despite sliding a bit during the past two years, in an absolute sense.

As one of the states most dependent on the federal government, the Palmetto State gets by with high government employment and consumption and a relatively low tax burden. Local taxes are average, but state taxes—at a projected 5.6 percent of adjusted personal income in FY 2022—are below the 5.8 percent national average for 2000–22 and well below the 6.4 percent of 2022. Government GDP share of income has fallen steadily from its 2009 high, as has government employment. But they are both still much too high. Debt is now below average and since FY 2010 has fallen a remarkable 14.6 percentage points of adjusted income, even though cash and security assets have fallen about 1.0 percent during that same period.

South Carolina is a top-20 state in regulatory policy and has improved on several fronts. Much of that improvement is due to tort reforms in 2005 and 2011 and an improving civil liability system. Land-use freedom is decent but declining. Fortunately, eminent domain reform has gone far, and the state has avoided a mandatory renewable portfolio standard. Labor law is generally good, with no state-level minimum wage and a right-to-work law, but the state did enact an E-Verify mandate in 2008. Health insurance mandates are lower than average. Cable and telecommunications have been liberalized. Occupational licensing is a problem for the state, even in comparison with the rest of the country. Nurses enjoy only a little practice freedom. Insurance freedom is subpar, and the state went backward to prior approval of rates. The state withdrew from the Interstate Insurance Product Regulation Compact in 2022. South Carolina also regulates prices for retail sales below cost and in emergencies. It has entry barriers to hospitals and moving companies.

South Carolina's criminal justice policies are not much like the Deep South. Incarceration and victimless crime arrest rates have been average and improving as of late. Drug arrests are a different story and remain worse than average—but are also trending in the right direction. Asset forfeiture abuse has not been curbed, and South Carolina is a bottom-five state in that regard now. Cannabis penalties are harsh, and South Carolina's inability to keep up with changes in other states places it in the bottom five. For example, it still doesn't have a medical marijuana law. Gun rights are reasonably broad and improved in 2021 with the enactment of legislation that allows concealed-carry permit holders to open carry while also eliminating the cost of a concealed-carry permit.[85] However, the state has resisted a constitutional carry amendment in the past. There is a good chance it will be revisited early in the 2024 session.[86] Educational freedom is slightly above average. Private schools and homeschools are strictly regulated, and school choice programs have only a modest tax benefit. But the state did expand the program modestly in 2023.[87] South Carolina is a top state for tobacco freedom. Smoking bans on private property contain exceptions, and cigarette taxes are low. Alcohol freedom is middling, with beer taxes remarkably high. There is little legal gambling freedom, even for sports betting.

85. "South Carolina: Open Carry & Free CWP Bill to Go into Effect," Institute for Legislative Action, National Rifle Association, August 13, 2021.

86. "South Carolina: 2023 Session Informally Adjourns, Constitutional Carry Still Alive," National Rifle Association, June 22, 2023.

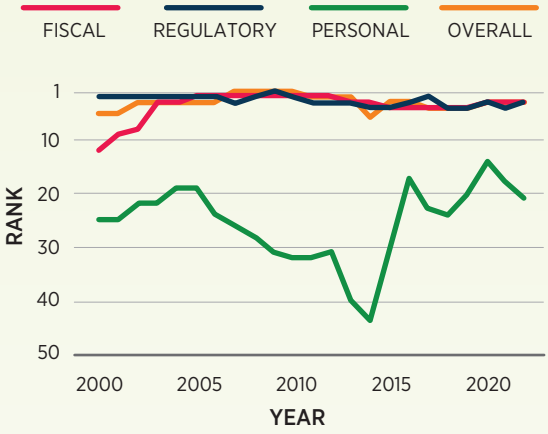
87. Jeremiah Poff, "Every State That Passed or Expanded School Choice in 2023," *Washington Examiner,* July 16, 2023.

# SOUTH DAKOTA

2022 RANK

**3rd**






## POLICY RECOMMENDATIONS

**Fiscal:** Eliminate the bank franchise tax.

**Regulatory:** Amend the constitution to require a supermajority (say, 60 percent) to pass any new regulatory infringement on the rights of private citizens through the initiative process. This change could help with both labor-market and tobacco freedoms.

**Personal:** Reform asset forfeiture to place the burden of proof on the government, not on innocent owner claimants, and direct funds to the state treasury, not to the seizing departments.

Population, 2022
**909,824**

Net Migration Rate 2020–2022
**1.6%**

State Tax Burden, % of Income
**3.8%**

Local Tax Burden, % of Income
**3.6%**

Partisan Voting Index, 2020
**R +15.9**

Real Personal Income Growth, Annualized, 2008–21
**2.4%**

**ANALYSIS**

Not that long ago, South Dakota was the stereotypical deep-red state that performed very well on economic freedom but poorly on personal freedom. However, that isn't true today—and it wasn't always true anyway. In the early 2000s, it was in the middle of the pack and even rose all the way to 19th on personal freedom in 2004. But then it slid relative to other states all the way to 40th by 2013 and 45th in 2014. However, South Dakota has been on the upswing since then, moving to 30th in 2015 and now sitting at 21st. Considering its consistently stellar across-the-board economic performance, it is little wonder that South Dakota remains one of the top-five freest states.

South Dakota's fiscal policy is excellent. The state has one of the lowest tax burdens in the country, although it has risen slightly at both the state and local levels over the past decade. State taxation is extremely low at 3.8 percent, with local taxation at 3.6 percent. It is also relatively fiscally decentralized, and South Dakotans have some choice among local jurisdictions (1.3 effective jurisdictions per 100 square miles). State and local debt, at 11.8 percent, is well below the national average, but cash and security assets are low. Public employment is now above the national average (of 11.8 precent) at 12.5 percent of private employment, but this has more to do with other states getting better; South Dakota's ratio of public to private employment has shrunk consistently over the course of our time series. The government GDP share of income is low at 8.7 percent. We register a significant reduction in debt since FY 2009, but assets have also fallen during that time.

South Dakota's regulatory policy ranking is third best in the country and even improved slightly the past few years relative to the mid-2010s' ranking. Land-use freedom is sound, with eminent domain reform enacted long ago; the state has avoided renewable portfolio standards. However, the state has no compensation for regulatory takings, and land-use restrictions have increased. Labor law is generally good because of a right-to-work law and other provisions, but a very high (for the local market) minimum wage was enacted by ballot initiative in 2014. South Dakota is one of the best states for health insurance freedom, with only a handful of the costliest mandates and few restrictions on the managed care model. Telecommunications has been liberalized, but statewide video franchising has not been enacted. Multiple indicators suggest that occupational licensing has improved, and the state is in the top 10 for this category. Nursing practice freedom is sound due to liberalization in 2016 and again in 2017. Insurance freedom is better because of a return to file-and-use rate review in 2020, although the state has held out against the Interstate Insurance Product Regulation Compact. However, the state is mercifully free of a variety of other cronyist entry and price regulations, including a certificate-of-need law. The state's civil liability system is above average and has improved over time.

South Dakota's criminal justice policies are unduly strict from our point of view. For its crime rate, it imprisons more than it should. However, it has improved over time, especially in 2020 and 2021. One wonders, though, how much that was due to the COVID-19 pandemic. Drug arrests are well above national norms. However, the victimless crime arrest rate dipped significantly from 2018 to 2019 and held in 2020, and it is part of a longer trend in the right direction. Asset forfeiture is virtually unreformed, though local law enforcement does not participate much in equitable sharing. Prison phone call rates were more than halved in 2015–16. Cannabis law is harsher than in most states, though not the harshest. Medical marijuana was passed in 2020. Gambling freedom is extensive and even more so now that sports betting is legalized (as of 2020) for in-person and internet betting. Private school and homeschool regulations are not as burdensome as those of the neighbor to the north, and the legislature enacted a lim-

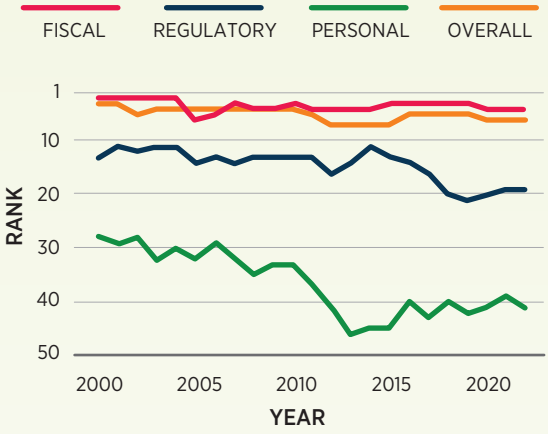
ited private scholarship tax benefit in 2016. Smoking bans are extreme, but taxes are low compared with other states. South Dakota is one of the best states in the country for gun rights and has improved in absolute terms since the fifth edition, with the passage of constitutional carry in 2019. Alcohol freedom is extensive, and the ban on direct shipment of wine was repealed in 2015.

# TENNESSEE



2022 RANK

**6th**




## POLICY RECOMMENDATIONS

**Fiscal:** Separate spending and tax committees in the legislature, a reform shown to correspond to lower spending over time. Sales taxes are high and could be cut.

**Regulatory:** Repeal the price-gouging law and all minimum-markup laws.

**Personal:** Build on the 2023 school choice expansion to enact universal choice. Deregulate private schools and homeschools by removing mandatory approval and teacher licensing for private schools and relaxing annual notification requirements for homeschoolers.

Population, 2022
**7,051,339**

Net Migration Rate 2020–2022
**2.1%**

State Tax Burden, % of Income
**5.3%**

Local Tax Burden, % of Income
**2.6%**

Partisan Voting Index, 2020
**R +13.9**

Real Personal Income Growth, Annualized, 2008–21
**3.1%**

**ANALYSIS**

Tennessee has long been one of the economically freest states, largely because of its outstanding fiscal policies, but it also used to be one of the personally freest states in the South. That edge disappeared as it became a more stereotypical red state. As a result, Tennessee fell from third in overall freedom in 2001 to 7th in 2012. It has recovered some ground since.

The Volunteer State lacks an income tax, and both state and local tax collections fall well below the national average. We show state-level taxes falling from 5.1 percent of adjusted personal income in FY 2007 to 4.2 percent in FY 2014, then rising to 4.7 percent in FY 2018, falling again to a low of 4.3 percent in FY 2020, and then rising to a 21st-century high of 5.3 percent in the latest data. This shift compares with a national average in FY 2022 of 6.4 percent. Local taxes were already below the national average of 3.7 percent in FY 2009, but they fell off a cliff to only 2.6 percent of income now. State and local debt is low at 13.8 percent of income. Government consumption and investment is low at 7.9 percent of income and has been falling for more than a decade. Government employment is only 9.9 percent of private employment, below the national average and a big drop since 2010 as the job market recovered and the economy expanded. The recent COVID-19 pandemic does not appear to have harmed this trend.

Tennessee's land-use regulations are flexible, and the state has a regulatory takings law. However, eminent domain reform has not gone far. Tennessee is in the top 10 for labor-market freedom, with a right-to-work law, no minimum wage, and relaxed workers' compensation rules. E-Verify was mandated in 2011, however. The managed care model of health coverage has been effectively banned, but mandates are low. Cable and telecommunications have been liberalized. On the downside, the extent of occupational licensure looks rather high, though different indicators paint different pictures. Nurse practitioners lost whatever independent scope of practice they had in 2010, but dental hygienists gained some in 2013. The state marginally loosened insurance rate regulation in 2009, but restrictions returned in 2018. The state requires minimum markups for retail sales, bans "price gouging," and requires a certificate of need for medical facilities. The civil liability system improved to above average with reforms in 2011 to punitive damages but declined in 2018 when the "clear and convincing evidence" standard for punitive damages was overturned by the Sixth Circuit.

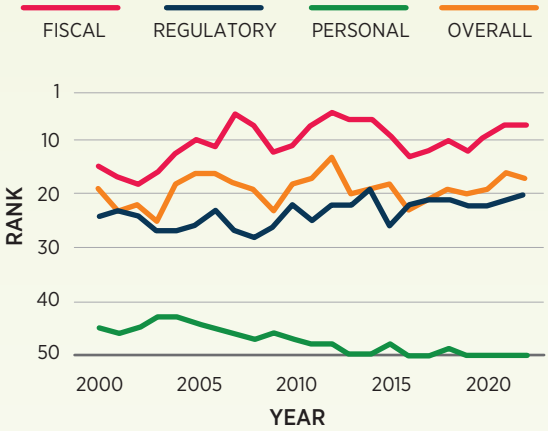
Tennessee's criminal justice policies have been improving over the past few years, though it still ranks outside the top 30. The crime-adjusted incarceration rate rose steadily from 2000 to 2011 but has been on a downward trend since. Drug arrest rates and victimless crime arrest rates are also moving in the right direction. The latter is below average. Asset forfeiture is mostly unreformed, but equitable-sharing revenue is going in the right direction despite a recent uptick. Cannabis laws are strict and the second worst in the country, though a very limited medical marijuana law was enacted in 2021. Tennessee is no longer mediocre on gun rights in our index, especially because of its passage of permitless handgun carry in 2021. Smith & Wesson's presence will provide a positive interest-group force in the state. Alcohol freedom is now above average because of blue law repeal in 2018. Beer taxes remain excessive. The state has little gambling, though it has now relaxed internet gambling and legalized sports betting as of 2019. Educational freedom is slightly below average, but a voucher program was passed in 2019 and expanded in 2023. Private schools and homeschools face significant regulatory burdens. Tobacco freedom is a bit better than average, with relatively low taxes, but new regulations on internet purchases appeared in 2017.

# TEXAS

2022 RANK

**17th**






## POLICY RECOMMENDATIONS

**Fiscal:** Show more fiscal discipline at the local level to relieve taxpayers of crushing taxes, even if the state provides some local relief measures in 2023.

**Regulatory:** Pass a law allowing direct-to-consumer auto sales so that Texans can more easily take advantage of the new Tesla auto plant in Austin.[88]

**Personal:** Follow other conservative states and enact a general education savings account plan.[89]

88. Mitchell Clark, "Teslas Made in Texas Will Likely Have to Leave the State before Texans Can Buy Them," *The Verge* (blog), May 30, 2021.
89. Kent Grusendorf and Nate Sherer, "How ESAs Can Keep Texas the Land of the Free and Home of the Brave," Policy Brief, Texas Public Policy Foundation, January 2016.

Population, 2022
**30,029,572**

Net Migration Rate 2020–2022
**1.6%**

State Tax Burden, % of Income
**3.7%**

Local Tax Burden, % of Income
**4.7%**

Partisan Voting Index, 2020
**R +4.8**

Real Personal Income Growth, Annualized, 2008–21
**3.0%**

**ANALYSIS**

Texas talks a good game about freedom—and we both love our former state for it—but could stand to deliver a more freedom-oriented policy regime for Texans. The Lone Star State comes in only at 17th in this edition, rescued largely by its sixth-place economic freedom score, and it has never been higher than 13th overall. The problem is that Texas has always been a less free state for personal freedom and remains the worst state on that margin despite some absolute improvement over time. Its economic freedom is likely one reason it hasn't slipped out of the top half of states and why it's been such a job-producing and population-attracting machine. It does especially well on fiscal policy, where it ranks seventh. It is also a solidly above-average state on regulatory policy, but not as good as one might expect at 20th.

Texas's fiscal policy is very good. It is a fiscally decentralized state, with local taxes at about 4.7 percent of adjusted personal income, well above the national average, and state taxes at about 3.7 percent of income, quite far below the current national average of 6.4 percent. However, Texans have little choice of local government, with only 0.33 jurisdictions per 100 square miles. State and local debt has fallen to 19.4 percent of income but is still above the historical and current averages, with local debt burdens being the biggest problem, but the overall debt burden has come down noticeably since FY 2010. Public employment has fallen to significantly below average, at 10.5 percent of private employment, and government share of GDP is only 9.2 percent, below the historical national average of 10.8 and the 2022 national average of 9.6 percent. If Texas could get a handle on local taxes and debt, it could improve on its top-10 economic freedom score and become an even greater economic powerhouse.

Texas's land-use freedom keeps housing abundant and affordable, but it has slipped a bit lately. The state has a renewable portfolio standard, but it has not been raised in years. Texas remains our top state for labor-market freedom. Workers' compensation coverage is optional for employers; most employees are covered, but not all. The state has a right-to-work law, no minimum wage, and a federally consistent anti-discrimination law. Cable and telecommunications have been liberalized. However, health insurance mandates are way above average, and the gatekeeper model of managed care has been banned. The individual health insurance mandate was removed federally in 2019 and was not replaced at the state level. The extent of occupational licensing is high, but the state enacted a sunrise review requirement for new licensure proposals in 2013. It doesn't appear like this reform was effective—Texas is our last-place state in this category. Nurse practitioners enjoy no freedom of independent practice. Texas does not have many cronyist entry and price regulations, but it does have a price-gouging law, and Tesla's direct-to-consumer sales model is still illegal. Texas suffered a marked deterioration in homeowner's insurance regulation in 2015, resulting in a large residual market, but the state reformed it back to file and use in 2018. The civil liability system used to be terrible, but now it is merely below average. The state abolished joint and several liability in 2003, but could do more to cap punitive damages and end political parties' role in judicial elections.

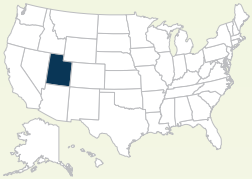
Personal freedom is abysmally low in Texas. Criminal justice policies are generally aggressive, but reforms have been ongoing in the state for some time. Even controlling for crime rates, the incarceration rate is far above the national average but has been improving. Drug arrests have fallen over time and are now slightly above the current average relative to the number of users in the state. Nondrug victimless crime arrests have also fallen over time and are now well below the national average—a change that testifies to the effectiveness of criminal justice reform efforts. Asset forfeiture is mostly unreformed, but law enforcement participation in equitable sharing has declined with

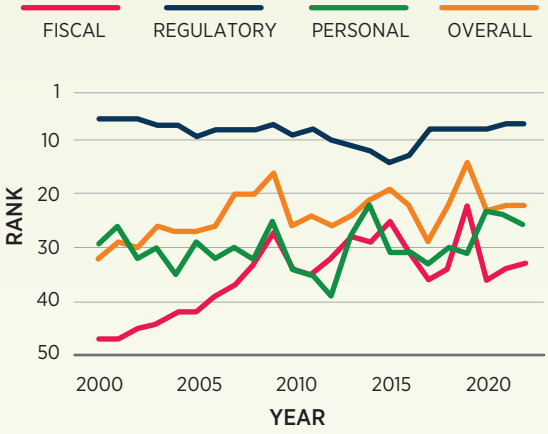
regard to revenues. Cannabis laws are not only harsh; they are the worst in the country. Even cultivating seven grams or more carries a mandatory minimum of six months. In 2013–14, the state banned the mostly harmless psychedelic *Salvia divinorum*. Access to medical marijuana was expanded in 2021, however. Travel freedom is low. The state requires fingerprints for driver's licenses and does not regulate automated license plate readers. It has little legal gambling; sports betting remains illegal. Educational freedom is meager in Texas, which has lagged behind other conservative states. It has no private school choice programs (though reform efforts are ongoing in the state as we go to press in 2023), but at least private schools and homeschools are largely unregulated. Tobacco freedom is moderate, as smoking bans have not gone as far as in other states. Gun rights are above average, and the state is now in the top half after languishing for years despite Texas's reputation. Open carry was legalized in 2015. The big positive reform came in 2021 with the passage of constitutional carry. Alcohol freedom is above average, with taxes low. Texas has virtually no campaign finance regulations.

# UTAH

2022 RANK

## 22nd






### POLICY RECOMMENDATIONS

**Fiscal:** Reduce state taxes, even if only to the 21st-century average levels.

**Regulatory:** Build on state land-use reforms to deal with rapidly growing housing demand. Additional options include mandating that "missing middle" housing be permitted where wastewater management is in place, creating a housing appeals board, and expanding the ADU law.

**Personal:** Restore 2003-era asset forfeiture protections.

Population, 2022
**3,380,800**

Net Migration Rate 2020–2022
**1.5%**

State Tax Burden, % of Income
**7.0%**

Local Tax Burden, % of Income
**3.5%**

Partisan Voting Index, 2020
**R +14.0**

Real Personal Income Growth, Annualized, 2008–21
**4.4%**

**ANALYSIS**

Utah is a top-10 state on regulatory freedom but fails to match that on fiscal policy. Personal freedoms are a mixed bag, consistent with the state's religious, historical, and ideological background. But some readers might be surprised that it is barely outside the top half on this dimension.

Utah's overall tax burden is above both the historical and current averages. The state tax burden climbed a lot in FY 2021 and continued in FY 2022 compared with the previous year and decade, moving higher to 7.0 percent, well above the national average. Local taxes, meanwhile, have remained generally steady, dipping a bit to 3.5 percent, right below the national average rate of 3.7 percent of adjusted personal income. Government GDP share was about average, but debt, government employment, and assets were all lower than average. Government employment has been improving since 2011, moving from 13.0 percent that year to 11.0 percent in 2022.

Utah does well on regulatory policy overall, coming in seventh. It slipped a bit from 2012 to 2016, but it has improved in absolute and relative terms since then. On land-use freedom, the Beehive State is middling and appears to be tightening zoning rules over time. Eminent domain reform was watered down in 2007. The state has loosened rules around ADUs. Labor law is solid but not at the very top. The state has a right-to-work law and no minimum wage. However, a new anti-discrimination law was passed in 2016, and the state has mandated E-Verify for private hires since 2010. Utah changed workers' compensation for the better in 2017. Managed care is legally feasible, but the legislature enacted a costly mandated benefit for in vitro fertilization in 2014. Utah does better than most states on occupational licensing and has seen improvements recently. Utah enacted a sunrise law in 2022 to go along with its sunset policy. Nursing freedom is better than average and improved for nurse practitioners in 2021. Dental hygienists obtained a limited right to initiate treatment without dentist authorization in 2015. Insurance freedom is among the best in the country, with "use and file" for most property and casualty lines, long-standing membership in the Interstate Insurance Product Regulation Compact, and no rating classification prohibitions. The state has a price-gouging law and a sales-below-cost law for gasoline on the books. However, its general sales-below-cost law was repealed in 2007–08, and direct auto sales were legalized in 2018. There is no hospital certificate-of-need law or moving company licensing. Utah's civil liability system is better than average and moving in the right direction. It also further deregulated telecommunications in 2017 by removing wireline regulatory authority.

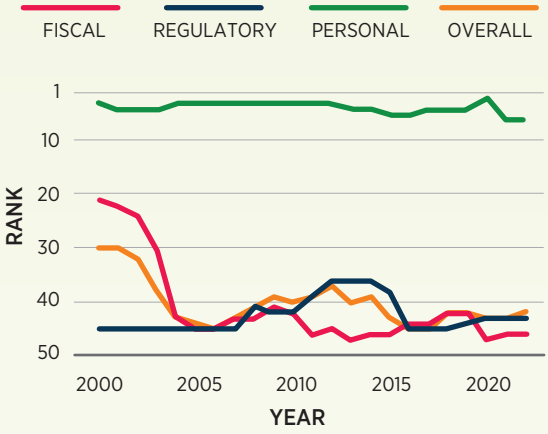
On personal freedom, Utah does surprisingly well, given its reputation for paternalism. The Beehive State does especially well on gun rights, where it now ranks third thanks in part to passing constitutional carry since the sixth edition. It is first on travel freedom and does well on educational liberty and campaign finance freedom. Utah will likely improve in the education rankings in the next edition since it passed a universal school choice bill in 2023. As one would expect, Utah does quite poorly on alcohol, gambling, and tobacco. Alcohol and gambling controls are draconian—the state is 50th in both categories (causing lots of Utah license plates to be seen at Nevada border town casinos). The state has no motorcycle helmet law. It improved on marijuana policy in 2018 because of medical marijuana reform. Utah also does generally well on criminal justice policy. Its crime-adjusted incarceration rate is below the national average and has generally moved down since 2005. Nondrug victimless crime arrests used to be way above average but have come down below national norms. The state used to have an excellent asset forfeiture law, but it has been successively weakened, most recently in 2013.

# VERMONT

2022 RANK

## 42nd






### POLICY RECOMMENDATIONS

**Fiscal:** Undo the past two decades of centralization with a constitutional amendment limiting state government responsibility for education. Return the powers to set property tax rates and school budgets fully to towns and reduce state aid to a low level. Use the proceeds to cut income taxes.

**Regulatory:** Improve the liability system with reforms to punitive damages and joint and several liability.

**Personal:** Move to a pro-choice and pro-competition position on alcohol sales and stop the backsliding on gun rights.

Population, 2022
**647,064**

Net Migration Rate 2020–2022
**0.9%**

State Tax Burden, % of Income
**10.8%**

Local Tax Burden, % of Income
**2.0%**

Partisan Voting Index, 2020
**D +14.9**

Real Personal Income Growth, Annualized, 2008–21
**2.1%**

**ANALYSIS**

Vermont's economic policies are much worse than its social policies. Indeed, it is a stereotypical blue state. It is among the worst states on economic freedom, doing poorly on both fiscal and regulatory aspects, but among the best on personal freedom despite a skid down to number six today from number two in 2020.

Vermont is the second-highest-tax state in the country. It also looks extremely fiscally centralized, with state government taking a whopping 10.8 percent of adjusted personal income and local government taking just 2.0 percent. However, this statistic is overstated, because Vermont counts the property tax as a state tax, even though towns have some discretion over the rate at which it is set locally. Vermonters would benefit from decentralization of tax and spending authority, as they have 3.5 effective competing jurisdictions per 100 square miles, well above the national average. Government debt is below average, but so are cash and security assets. Government share of GDP is slightly below average, but public employment is slightly above the 2022 average.

Vermont had a moment from about 2007 to about 2011 when it was doing better on regulatory policy. However, it fell consistently after that until 2018, when it bottomed out at 45th. It is among the worst states on land-use and energy freedom; one measure of local building restrictions based on the prevalence of the term "land use" in appellate court decisions shows a dramatic escalation in restrictiveness since 2000. The other measure—using the Wharton Residential Land Use Regulation Index survey and imputation forward and backward with cost-of-living data—shows improvement since 2005. The state has done little to restrain eminent domain for private gain. One of the toughest renewable portfolio standards in the country was enacted in 2016. Vermont did pass a basic statewide ADU law in 2022. In 2023, it passed a big housing reform package that should increase the state's score in future years. On labor policy, the state has a very high minimum wage compared with local market wages. Vermont does not have a right-to-work law, but it does permit noncompete agreements. Health insurance mandated benefits are low, but managed care has been hobbled by several measures. The state legislature authorized single-payer health insurance, but the executive branch declined to implement the law, so we do not code this law in our index. Cable has been liberalized. Occupational freedom is one of the bright spots for Vermont for this dimension. It is better than the national average and comes in sixth. For instance, Vermont is one of only five states that do not license massage therapists. Vermont has sunrise review for new licensing proposals, and it is one of the few states with such a requirement to have taken it seriously, as evidenced by the review reports posted online.[90] Nurse practitioners gained full independent practice authority in 2011. Insurance freedom is excellent, with a "use and file" system for most property and casualty lines, long-standing membership in the Interstate Insurance Product Regulation Compact, and no rating classification prohibitions. In general, Vermont is one of the least cronyist states. However, the state has a hospital certificate-of-need law, and in 2014, it enacted an anti-science and anti-consumer GMO (genetically modified organism) labeling law, since preempted by Congress. Its civil liability system is mediocre; the state has passed no tort reforms.

Vermont ranks sixth for gun rights—but it has slid in the rankings since the fifth edition of the freedom index. It has passed a large-capacity ammunition magazine ban, increased the minimum age to purchase a firearm, and expanded background checks. It is likely to slide again in the next edition with the addition of a waiting period law in 2023. Silencers were legalized in 2015. Vermont is

90. "Sunrise Review," Office of Vermont Secretary of State, https://sos.vermont.gov/opr/regulatory/regulatory-review/.

one of the lowest states for alcohol freedom, with a state monopoly over wine and spirits retail sales and beer wholesaling. It is one of the better noninitiative states for cannabis, with decriminalization and a reasonably broad medical law. Legalization of personal possession and cultivation has only made it freer, as has the legalization of commercial sales in 2020. However, maximum penalties are rather high, high-level possession is a felony, and *Salvia divinorum* was banned in 2011. Vermont took some travel freedom with one hand and gave back more with the other in 2013–14, enacting a primary handheld cell phone ban, which research has shown to be useless under most circumstances,[91] but also letting undocumented immigrants get driver's licenses and placing some limits on automated license plate readers (which were sunsetted in 2015 but reenacted in 2016). Vermont has almost no legal gambling. Physician-assisted suicide was enacted in 2013. The state does well on educational freedom because some towns are allowed to "tuition out" students to private or public schools of choice, a century-old practice approximating a voucher law. Homeschool regulations are strict. Tobacco freedom is extremely low, with airtight smoking bans, vending machine and internet purchase restrictions, and high cigarette taxes. The incarceration rate is below average for the state's crime rate, and victimless crime arrests are very low. Prison phone rates dropped by half in 2016 and then nearly half again in 2018. Vermont has one of the country's better asset forfeiture laws, but it was weakened in 2015, and equitable sharing provides an easy path for law enforcement to circumvent forfeiture restrictions. Still, the state continues to perform well on this margin. Vermont has always been a legislative leader in marriage freedom and today retains its place with no waiting periods, blood tests, or ban on cousin marriage.

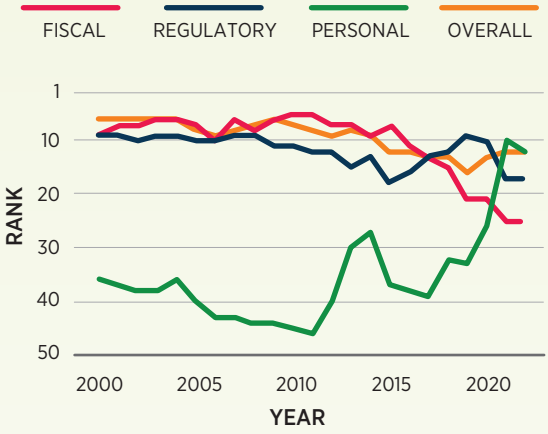
91. Verity Truelove et al., "Sanctions or Crashes? A Mixed-Method Study of Factors Influencing General and Concealed Mobile Phone Use While Driving," *Safety Science* 135 (March 2021): 105-119.

# VIRGINIA



2022 RANK

**12th**




## POLICY RECOMMENDATIONS

**Fiscal:** Reduce state tax collections to where they were a decade ago, especially selective sales and income taxes.

**Regulatory:** Legalize independent practice with full prescriptive authority for nurse practitioners, adopt a nursing consultation exception for interstate practice, and allow dental hygienists to clean teeth without dentist supervision.

**Personal:** Pass a West Virginia-style education savings account plan that puts students first.

Population, 2022
**8,683,619**

Net Migration Rate
2020–2022
**–0.3%**

State Tax Burden,
% of Income
**6.2%**

Local Tax Burden,
% of Income
**3.9%**

Partisan Voting
Index, 2020
**D +2.6**

Real Personal Income
Growth, Annualized,
2008–21
**2.2%**

**ANALYSIS**

Virginia has historically been a conservative southern state. One would be hard-pressed to call it that today. For most of our time series going back to 2000, Virginia has been a top state on economic freedom while performing poorly on personal freedom. This situation has changed significantly with Virginia gaining ground on personal freedom since 2019 while continuing to slide on economic freedom. Perhaps unsurprisingly, this has coincided with changes at the political level. For the first time since 1993, Democrats won unified control of the state government in 2019 when they took the House and Senate to go along with a Democratic governor. And that Democratic Party is a very different one today than it was then when more conservative southern Democrats were still around.

Virginia's fiscal policy ranking has slid considerably over the past five years or so. It used to be a top-five state but is now 25th.

Virginia has a combined tax burden that is at the national average of 10.1 percent. The local tax burden of 3.9 percent of adjusted income is slightly above the national average, and the state tax burden is somewhat below average—but rising—at 6.2 percent of income in FY 2022. Virginians' range of choice in local government is subpar, with just 0.51 competing jurisdictions per 100 square miles; the reason is that counties raise much more in taxes than municipalities. Government debt is low, but so are cash and security assets despite a recent rise. Government employment is about the national average, whereas government share of GDP is much lower than average.

Virginia's land-use freedom is generally good, but has slipped because of the introduction of a renewable portfolio standard and local zoning rule tightening, especially in the northern part of the state. Eminent domain reform has been effective. Labor law is above average, but has also scored worse in this edition because of paid family leave in 2022 and increases in the minimum wage. It does have a right-to-work law, fairly relaxed workers' compensation rules, no E-Verify, no short-term disability mandate, and enforcement of noncompete agreements. Should the state become even more Democratic, one could imagine the right-to-work law being challenged. Health insurance mandates have long been much higher than the national average. Cable and telecommunications have been liberalized. Occupational licensing is more extensive than in the average state. Nurses and dental hygienists enjoy little practice freedom. Insurance freedom is below average, and Virginia has a certificate-of-need law, a price-gouging law, and mover licensing. Some direct-to-consumer automobile sales were legalized in 2015–16. The civil liability system is about average.

Virginia's criminal justice policies are subpar but at least are no longer worsening and, as with many other states, have gotten much better recently. Victimless crime arrest rates are below average, but incarceration rates are still high despite steady improvements since 2015. Asset forfeiture was slightly reformed in 2016, and prison phone call rates were reduced markedly in 2015. The state used to take a draconian approach to cannabis producers and consumers, but things have changed since the sixth edition. Medical marijuana laws were reformed in 2020, and adult marijuana possession and personal cultivation were legalized in 2021. Sales were meant to follow in 2024, but that is in doubt given changing political winds in Richmond.[92] Virginia is average for gun rights but passed a slate of restrictions in 2020, including universal background checks. As Virginia turns more solidly Democrat, this could augur a further slide. Alcohol freedom is subpar but improved in the early 2000s as some regulations were withdrawn. State liquor store markups are still huge, and spirits taxes are high. The state has improved substantially on legal gambling and now ranks in the top

92. Haley Sandlow, "Youngkin 'Not Interested' in Legalizing Recreational Marijuana Sales," Daily Progress, July 7, 2023.

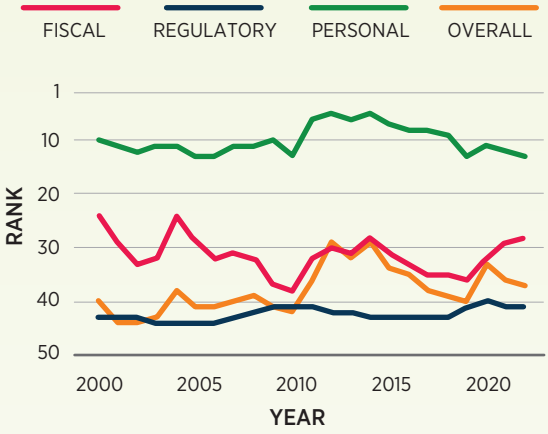
10. There was some liberalization of slots and video gambling in 2018, online sports betting became legal in 2021, and new casinos are on the way with expanded gaming in the state. Educational freedom is a bright spot for Virginia, growing substantially in 2011–12 with a tax-credit scholarship law. But it has fallen substantially behind its neighbor West Virginia, including in 2023, when ESA bills failed in the legislature. There is still room for cutting regulations on private schoolers and homeschoolers. For a state with Virginia's history, it might be surprising that tobacco freedom is not very strong—the state only ranks 24th. Cigarette taxes are average, but respect for the property rights of private workplaces still exists. The state was forced to legalize same-sex marriage in 2014, which also overturned the state's oppressive super-DOMA banning all relationship-style contracts between two gay people. The state allows cousin marriage but does not have covenant marriages. A handheld car cell phone ban took effect in 2020.

# WASHINGTON



2022 RANK

## 37th




### POLICY RECOMMENDATIONS

**Fiscal:** Enact strict, ex post balanced budget requirements to reduce state debt over time. Build up the rainy-day fund.

**Regulatory:** Follow Oregon's lead and remove the requirement that household goods moving companies obtain a certificate of public convenience and necessity.

**Personal:** Buck the wine lobby and reduce distilled spirits taxes. Perhaps make a deal with Kentucky to reduce its wine taxes in exchange?

Population, 2022
**7,785,786**

Net Migration Rate 2020–2022
**–0.1%**

State Tax Burden, % of Income
**5.9%**

Local Tax Burden, % of Income
**3.4%**

Partisan Voting Index, 2020
**D +6.9**

Real Personal Income Growth, Annualized, 2008–21
**3.4%**

**ANALYSIS**

Washington is a stereotypical blue state that performs better on personal freedom than on economic freedom. Although Washington has had one of the more regulated economies in America for a long time, it has benefited from the fact that California and Oregon have had the same. Plus Washingtonians face a better fiscal policy environment than their left coast neighbors. However, it is a far cry from comparative regulatory heaven in neighboring Idaho.

Washington lacks an income tax; as a result, its fiscal policy is fairly good. Localities raise below the national average in taxes, 3.4 percent of adjusted income. State government, meanwhile, raises 5.9 percent of income, near the national historical average and a bit below the FY 2022 mean. Unfortunately, this is part of a decade-long upward trend. Government debt is now lower than the national average after several years of improvement. Cash and security assets are lower than average. Public employment and government share of GDP have come down substantially since 2009.

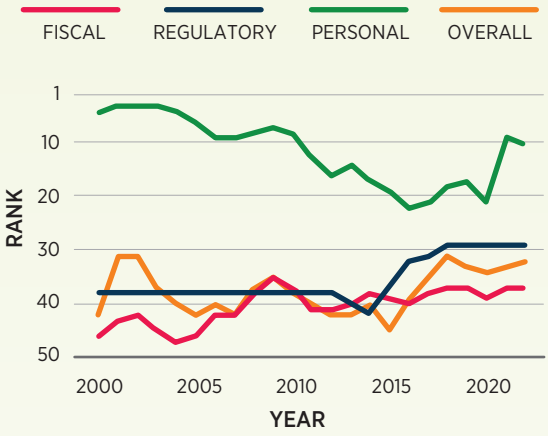
Washingtonians enjoy little freedom to use their own land. Local and regional zoning and planning rules have become quite strict. Eminent domain abuse is almost unchecked. Renewable portfolio standards have been tightened. In 2023, Washington enacted a handful of zoning reforms that could improve its future score. It is one of the worst states on labor-market freedom. It lacks a right-to-work law, limits choices for workers' compensation programs, and has extremely high minimum wages relative to its wage base. It added paid family leave in 2017. Managed care is hobbled by standing referral and direct access mandates. Washington maintains certificate-of-need laws for hospitals and movers. Cable and telecommunications have not been liberalized. Occupational licensing has become much more extensive than the national average. The state's sunrise commission law has underperformed in that respect. However, nurse practitioners, dental hygienists, and physician assistants enjoy broad scope of practice. Insurance freedom is poor because of prior approval of rates and rating classification prohibitions. Washington did rescind its rate classification prohibitions for some classes of insurance in 2019. The civil liability system is mediocre.

Washington's criminal justice policies are among the best in the nation. Incarceration and victimless crime arrest rates are far below national averages and fell substantially even before marijuana legalization. They appear to have declined even more dramatically since 2019, perhaps due to changes in policing. The state also reduced the cost of prison phone calls by nearly half in 2016. It is a high-ranking state for marijuana freedom. However, the state has done virtually nothing about civil asset forfeiture law, though there have been revenue declines in the past couple of years. Marriage freedom is low because of a waiting period and lack of cousin and covenant marriage. Gun laws aren't terrible for a left-leaning state. The state has legalized some Class 3 weapons in recent years. However, in 2018, it did reimpose a waiting period on some types of guns, and it banned large-capacity ammunition magazines in 2020. Years ago, Washington increased its alcohol freedom from well below average to average by privatizing state liquor stores and allowing spirits in grocery stores. However, taxes on distilled spirits are the highest in the country. Undocumented immigrants have been able to get driver's licenses for a long time. The state is mediocre on gambling freedom and prohibits online gaming, but sports betting was legalized in 2021. Physician-assisted suicide and raw milk sales are legal. Washington is one of the worst states for educational freedom, with some of the toughest licensing, approval, testing, and record-keeping requirements for private schools and homeschools in the country. Smoking bans are comprehensive, and tobacco taxes are extremely high. New restrictions on electronic cigarettes were imposed in 2019.

# WEST VIRGINIA

2022 RANK
**32nd**






## POLICY RECOMMENDATIONS

**Fiscal:** Cut economic subsidies, reduce state employment and debt, and further reduce the business income tax.

**Regulatory:** Reduce health care costs by liberalizing managed care and returning nurse practitioner scope-of-practice freedom.

**Personal:** Require a criminal conviction before seizure of assets.

Population, 2022
**1,775,156**

Net Migration Rate 2020–2022
**0.1%**

State Tax Burden, % of Income
**6.9%**

Local Tax Burden, % of Income
**2.9%**

Partisan Voting Index, 2020
**R +21.5**

Real Personal Income Growth, Annualized, 2008–21
**1.3%**

**ANALYSIS**

West Virginia has long done better on personal than economic freedom, especially with significant gains on personal freedom in 2021 and 2022. However, West Virginia has improved its relative ranking on fiscal and regulatory policy since 2000. The state still lags mightily on fiscal policy. Still, it has seen above-average overall growth of freedom since 2000 and was the third most improved since 2020 (which follows changes in public opinion as the state has grown more conservative and Republican).

The Mountaineer State's overall tax burden is right about average, but it is centralized at the state level. The state takes about 6.9 percent of adjusted income, levels not seen in West Virginia since FY 2008. Still, it is far from FY 2006 levels, when it peaked at 7.9 percent. Local governments take a mere 2.9 percent, much lower than the national average. State and local debt has grown recently, whereas financial assets shrank in 2019 but have risen a bit since. Government employment is way above average, at 16.4 percent of private employment. Government share of GDP is still relatively high at 10.9 percent of income, but it has fallen significantly during the past decade.

Land-use freedom is broad in West Virginia. Eminent domain was partially reformed in 2006, and a law requiring either a cost-benefit analysis or compensation for regulatory takings is on the books. Labor-market freedom is better than average despite a minimum wage slightly above the federal one. West Virginia became a right-to-work state in 2016. It is one of the worst states for health insurance regulation and has made the managed care model practically illegal. Occupational freedom is below average, both in extent of licensure and in scope of practice for second-line health professions. In an unusual reversal, nurse practitioners lost scope of practice in 2015, but the state became a member of the Nurse Licensure Compact in 2017. Insurance rate-setting freedom is restricted. The state has a hospital certificate-of-need law, a price-gouging law, and a general unfair-sales law. Household goods moving companies were freed from needing a certificate of convenience and necessity in 2017. The civil liability system is still worse than average, but a significant tort reform in 2015 has improved the situation.

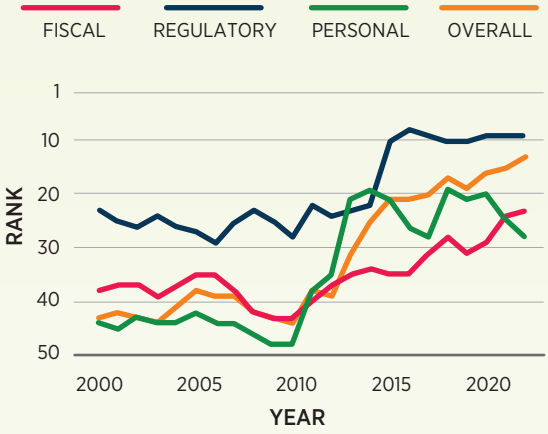
West Virginia used to lock up fewer of its residents than most other states, but that is no longer the case. It got consistently worse during the past two decades until a move in the right direction over the past five years. Drug arrests have also risen over time as a share of the state's user population, but a significant decline took place from 2017 to the present. Arrests for victimless crimes have been falling. Asset forfeiture is essentially unreformed but, like most states, equitable sharing has gotten significantly better. Cannabis laws improved in 2017 with the passage of a medical marijuana bill. But laws are still harsh. Even low-level cultivation or sale carries a mandatory minimum of one year in prison. West Virginia was one of the best states for gun rights, buttressed by a constitutional carry law in 2016, but other states have surpassed it in relative terms. And despite state involvement in alcohol distribution, it is also better than average for alcohol freedom. West Virginia is the second worst in travel freedom, with the seat belt law upgraded to primary in 2013 and an open-container law enacted in 2015. The state is third best for gambling freedom, with authorization for internet gambling and sports betting legalization, which came in 2018. Yet social gambling remains illegal. West Virginia enjoyed a big jump on educational freedom in this index thanks to the passage of a broad education savings account bill. This move vaulted the state to number four in the country. Private schools and homeschools are still heavily regulated. Tobacco freedom is only middling after a big cigarette tax hike in 2016.

# WISCONSIN



2022 RANK

## 13th




### POLICY RECOMMENDATIONS

**Fiscal:** Reduce the income tax burden while continuing to cut spending on employee retirement and government employment.

**Regulatory:** Remove barriers to independent practice for nurse practitioners.

**Personal:** Reform the state's marijuana laws consistent with reforms carried out across the nation, including decriminalizing possession.

Population, 2022
**5,892,539**

Net Migration Rate 2020–2022
**–0.2%**

State Tax Burden, % of Income
**6.4%**

Local Tax Burden, % of Income
**3.4%**

Partisan Voting Index, 2020
**R +2.0**

Real Personal Income Growth, Annualized, 2008–21
**2.1%**

**ANALYSIS**

Wisconsin is still one of the most improved states since 2000, and a great deal of the credit for that goes to a rise in personal freedom, not just economic freedom. The Badger State was 48th in the country in personal freedom as recently as 2010 but is now 28th after moving as high as 19th in 2018. Wisconsin shines brightest on regulatory policy.

In economic freedom, Wisconsin comes in at number 14. But Wisconsin has consistently improved on fiscal policy since its poor showing at 43rd in 2010; it now stands at 23rd. Wisconsin's taxes are close to the national average, but they have fallen gradually since 2012. State taxes are projected to be 6.4 percent of adjusted personal income in FY 2022, whereas local taxes stood at 3.4 percent of income in FY 2021, slightly below the national average. State and local debt has fallen almost continuously since FY 2007, but state and local financial assets have also fallen despite some recent upticks. Government employment is below average at 11.6 percent after peaking in FY 2010 at 13.0 percent. Government share of GDP is 9.5 percent of adjusted income, below the national average and lower than it has been every year for over a decade. Wisconsin's fiscal policy score is currently at its highest level in our time series, both absolutely and relatively.

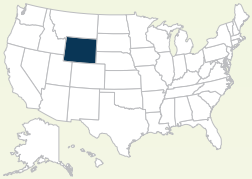
Regulatory freedom grew in 2015 because of a right-to-work law, but the policy environment at the state level has been stable since. The state ranks in the middle of the pack on land-use freedom; local zoning has not gotten out of hand, though it has grown since 2000. The state has a renewable portfolio standard, which was tightened in 2015. Apart from a right-to-work law, Wisconsin was already reasonably good on labor-market policy. It now ranks second in the country. Health insurance regulation is a bit better than average because of low mandates. Cable and telecommunications have been liberalized. Occupational licensing increased dramatically between 2000 and 2006 and then shrank over the past few years; still, the state is about average overall on extent of licensure. Nurse practitioners enjoy no independent practice freedom. Insurance freedom is generally good, at least for property and casualty lines. The state has no certificate-of-need law for hospitals. It has a price-gouging law, and it also has controversial, strictly enforced minimum-markup laws for retailers. The civil liability system is above average and has improved significantly since 2010 because of a punitive damages cap.

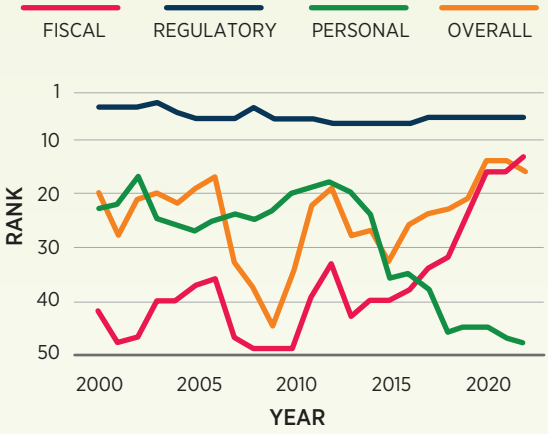
Wisconsin remains a low-ranking state on criminal justice policies at 35th. However, the incarceration rate has improved over the past few years after previous backsliding. Nondrug victimless crime arrests continued to drop and have been declining steadily for a decade. The state's asset forfeiture regime is among the best in the country. Equitable-sharing revenues are significantly lower than average. Tobacco freedom is low because of airtight smoking bans and high taxes. The state even has local vaping bans. Wisconsin is a top state for educational freedom, coming in at number seven. Educational freedom grew significantly in 2013–14 with the expansion of vouchers. However, private schools are tightly regulated. There is little legal gambling, even in social contexts, but private sports betting is now legal. Cannabis law is unreformed. Wisconsin remains the best state for alcohol freedom, with no state role in distribution, no keg registration, low taxes (especially—unsurprisingly—on beer), no blue laws, legal happy hours, legal direct wine shipment, and both wine and spirits in grocery stores. The state is now better than average on gun rights after the legislature passed a shall-issue concealed-carry license law in 2011 (one of the last states in the country to legalize concealed carry) and repealed a waiting period in 2015. Sobriety checkpoints are not authorized.

# WYOMING

2022 RANK

**16th**






## POLICY RECOMMENDATIONS

**Fiscal:** Privatize hospitals and cut health spending to reduce government employment and consumption and allow sales taxes to be cut. Wyoming spends far more on health and hospitals as a share of its economy than any other state.

**Regulatory:** Let employers buy workers' compensation coverage from any willing seller or self-insure. Consider privatizing the state fund.

**Personal:** Adopt individualism in education with a "backpack funding" model toward schools of choice.

Population, 2022
**581,381**

Net Migration Rate 2020–2022
**0.7%**

State Tax Burden, % of Income
**3.6%**

Local Tax Burden, % of Income
**2.7%**

Partisan Voting Index, 2020
**R +25.0**

Real Personal Income Growth, Annualized, 2008–21
**1.9%**

**ANALYSIS**

As a resource-dependent state, Wyoming's fiscal situation can fluctuate greatly from year to year, causing some volatility in its freedom scores over time. Its overall freedom ranking dipped sharply in the late 2000s before rebounding back to its previous ranking by the end of the decade. It has bounced around since, but with its rankings improving from 2016 to 2021. The Equality State is now a top state on fiscal policy after lingering near the bottom for most of our time series, which is consistent with its status as a resource-dependent state. Wyoming does poorly on personal freedom, coming in at number 48, but its overall ranking is salvaged by a strong showing on regulatory policy and a decent score on fiscal policy.

With favorable trust and corporate privacy laws and no income taxes of any kind, Wyoming is as good a place to park your wealth as any other state. Cowboy Staters derive a much larger share of their gross income from capital gains than the average American. Excluding mineral severance, motor fuel, alcohol, and tobacco revenues, state taxes came to a projected 3.6 percent of adjusted income in FY 2022, well below the national historical average of 5.8 percent (and the higher FY 2022 average of 6.4 percent) and a big decline from FY 2009, when Wyoming state taxes peaked at 5.7 percent. Local taxes stand at about 2.7 percent of income, well below the national historical average of 3.9 percent. However, Wyomingites have little choice in local government, as counties are the locus of most taxation, thus squandering any advantages of fiscal decentralization. Government debt is the lowest in the country (4.8 percent of income) and liquid assets are huge (72.0 percent of income), but state and local employment is enormous (17.9 percent of private employment—a significant dip over its high of 19.8 in 2003 and 19.5 as recently as 2016). Government share of income (13.2 percent) is also large, though it has declined by two percentage points since 2016. Like Alaska, then, Wyoming personifies the blessings and curses of abundant energy and mineral wealth: low taxes, extremely high reserves, and bloated budgets and public payrolls.

Wyoming does above average on land-use and energy freedom and has reformed eminent domain somewhat. Labor law is generally good, with no minimum wage, a right-to-work law, and enforcement of non-compete agreements, but employers must obtain workers' compensation coverage from a monopoly state fund, and anti-discrimination law goes beyond the federal minimum. Health insurance mandates are slightly lower than most states post-PPACA, and the managed care model is still viable. A telecommunications deregulation bill was passed in 2013–14, but there is no statewide video franchising. Occupational licensing has grown over time but is basically average. Nurse practitioners and physician assistants enjoy broad scope of practice, but dental hygienists only enjoy the right to practice with a collaborative agreement with a dentist, a requirement enacted in 2017. Wyoming is the best state for insurance freedom, lacking price controls on property and casualty lines. Its price-gouging law was repealed many years ago, but it still has a Depression-era "unfair sales act" on the books. Its civil liability system is good, even though the state has not reformed punitive damages at all.

Wyoming's criminal justice policies are below average. Incarceration and drug arrest rates are high but have declined slightly since 2019 after rising for years. Nondrug victimless crime arrests have roughly held steady, but are still slightly higher than average. A timid asset forfeiture reform was enacted in 2016, but state law is still worse than average. However, Wyoming is far better than average on equitable sharing. Cannabis laws are predictably bad, though not among the harshest. However, unlike many other states, Wyoming hasn't liberalized in any meaningful way. Wyoming is one of the best states for gun rights, having passed constitutional

carry in 2010. In 2018 the state passed a no-duty-to-retreat law that applies anywhere in public not just in the home, as was previously the case. Thus the only areas where the state could improve on gun rights involve removing location restrictions for carrying. Alcohol freedom is slightly above average, despite the state running liquor stores, because taxes are so low. One key change since the sixth edition is that statewide beer keg registration was eliminated. Gambling freedom is below average, but the state does have pari-mutuel wagering, social gambling, and charitable games. It legalized sports betting in 2021. Education freedom is below average, which might be surprising given the state's individualistic sensibilities. Nonsectarian private schools are strictly regulated, and there are no school choice programs of any kind. One upside is that homeschooling is explicitly permitted by statute. Tobacco freedom is above average, as smoking bans allow for some exceptions. Cigarettes can no longer be purchased online. Retail raw milk sales were legalized in 2015. Cousin marriage is illegal, but blood tests and waiting periods are not required for marriage. Individual and political action committee contributions to political parties were regulated for the first time in 2020.

## APPENDIX A

# ALTERNATIVE INDEXES

This appendix gives alternative freedom indexes based on the exclusion of right-to-work laws and the inclusion of various positions on abortion policy.

## LABOR-MARKET FREEDOM—ALTERNATIVE INDEXES

The first set of alternative indexes excludes right-to-work laws. Consequently, new rankings are generated for labor policy, regulatory freedom, economic freedom, and overall freedom.

TABLE A1 **Labor–Market Freedom without Right-to-Work Laws, 2022**

| Rank | State | Labor-Market Freedom without Right-to-Work Laws, 2022 |
|---|---|---|
| 1. | Massachusetts | 0.027 |
| 2. | Nevada | 0.025 |
| 3. | Illinois | 0.023 |
| 4. | Florida | 0.019 |
| 5. | Nebraska | 0.017 |
| 6. | Arkansas | 0.017 |
| 7. | Vermont | 0.017 |
| 8. | Montana | 0.017 |
| 9. | Connecticut | 0.017 |
| 10. | Maryland | 0.015 |
| 11. | Colorado | 0.015 |
| 12. | Ohio | 0.014 |
| 13. | Maine | 0.014 |
| 14. | Missouri | 0.014 |
| 15. | Oregon | 0.014 |
| 16. | New Mexico | 0.011 |
| 17. | Oklahoma | 0.011 |
| 18. | Arizona | 0.009 |
| 19. | Washington | 0.009 |
| 20. | North Dakota | 0.008 |
| 21. | New Jersey | 0.008 |
| 22. | Hawaii | 0.006 |
| 23. | Rhode Island | 0.005 |
| 24. | New York | 0.002 |
| 25. | California | 0.001 |
| 26. | Tennessee | 0.000 |
| 27. | Idaho | –0.001 |
| 28. | Georgia | –0.001 |
| 29. | North Carolina | –0.002 |
| 30. | Michigan | –0.003 |
| 31. | Ohio | –0.003 |
| 32. | Alaska | –0.003 |
| 33. | Massachusetts | –0.004 |
| 34. | Delaware | –0.007 |
| 35. | Pennsylvania | –0.008 |
| 36. | Connecticut | –0.009 |
| 37. | Kentucky | –0.011 |
| 38. | Texas | –0.011 |
| 39. | Washington | –0.011 |
| 40. | Illinois | –0.013 |
| 41. | Florida | –0.015 |
| 42. | Oregon | –0.022 |
| 43. | Maryland | –0.026 |
| 44. | Vermont | –0.027 |
| 45. | California | –0.032 |
| 46. | Rhode Island | –0.032 |
| 47. | Maine | –0.037 |
| 48. | New York | –0.040 |
| 49. | Hawaii | –0.047 |
| 50. | New Mexico | –0.083 |

Note: States with different scores may appear identical due to rounding.

TABLE A2 **Regulatory Policy without Right-to-Work Laws, 2022**

| Rank | State | Regulatory Policy without Right-to-Work Laws, 2022 |
|---|---|---|
| 1. | Kansas | 0.132 |
| 2. | Iowa | 0.110 |
| 3. | South Dakota | 0.103 |
| 4. | Nebraska | 0.101 |
| 5. | Idaho | 0.092 |
| 6. | Wyoming | 0.083 |
| 7. | New Hampshire | 0.076 |
| 8. | Utah | 0.071 |
| 9. | Indiana | 0.068 |
| 10. | Wisconsin | 0.057 |
| 11. | North Dakota | 0.048 |
| 12. | Georgia | 0.048 |
| 13. | Michigan | 0.046 |
| 14. | Kentucky | 0.044 |
| 15. | Arkansas | 0.042 |
| 16. | Alaska | 0.040 |
| 17. | Mississippi | 0.039 |
| 18. | South Carolina | 0.038 |
| 19. | Virginia | 0.028 |
| 20. | Colorado | 0.026 |
| 21. | Tennessee | 0.025 |
| 22. | Texas | 0.023 |
| 23. | Arizona | 0.013 |
| 24. | Missouri | 0.005 |
| 25. | Alabama | 0.004 |
| 26. | Florida | 0.003 |
| 27. | North Carolina | −0.001 |
| 28. | Ohio | −0.002 |
| 29. | Nevada | −0.008 |
| 30. | Oklahoma | −0.013 |
| 31. | Delaware | −0.016 |
| 32. | Minnesota | −0.018 |
| 33. | West Virginia | −0.023 |
| 34. | Montana | −0.045 |
| 35. | New Mexico | −0.055 |
| 36. | Louisiana | −0.057 |
| 37. | Pennsylvania | −0.063 |
| 38. | Illinois | −0.082 |
| 39. | Massachusetts | −0.110 |
| 40. | Connecticut | −0.111 |
| 41. | Washington | −0.116 |
| 42. | Rhode Island | −0.158 |
| 43. | Vermont | −0.173 |
| 44. | Hawaii | −0.198 |
| 45. | Maine | −0.279 |
| 46. | Oregon | −0.310 |
| 47. | Maryland | −0.354 |
| 48. | New York | −0.371 |
| 49. | California | −0.428 |
| 50. | New Jersey | −0.438 |

Note: States with different scores may appear identical due to rounding.

TABLE A3 **Economic Freedom without Right-to-Work Laws, 2022**

| Rank | State | Economic Freedom without Right-to-Work Laws, 2022 | Rank | State | Economic Freedom without Right-to-Work Laws, 2022 |
|---|---|---|---|---|---|
| 1. | New Hampshire | 0.525 | 26. | Kansas | 0.052 |
| 2. | Florida | 0.455 | 27. | North Carolina | 0.049 |
| 3. | South Dakota | 0.409 | 28. | South Carolina | 0.045 |
| 4. | Tennessee | 0.325 | 29. | Alabama | 0.025 |
| 5. | Georgia | 0.219 | 30. | Massachusetts | 0.000 |
| 6. | Texas | 0.218 | 31. | Louisiana | −0.003 |
| 7. | Idaho | 0.209 | 32. | Connecticut | −0.008 |
| 8. | Nevada | 0.208 | 33. | Iowa | −0.037 |
| 9. | Wyoming | 0.202 | 34. | Rhode Island | −0.065 |
| 10. | Michigan | 0.191 | 35. | Nebraska | −0.072 |
| 11. | Missouri | 0.179 | 36. | Washington | −0.077 |
| 12. | Arizona | 0.173 | 37. | West Virginia | −0.085 |
| 13. | North Dakota | 0.171 | 38. | Mississippi | −0.096 |
| 14. | Indiana | 0.160 | 39. | Illinois | −0.121 |
| 15. | Pennsylvania | 0.159 | 40. | Minnesota | −0.126 |
| 16. | Alaska | 0.156 | 41. | New Mexico | −0.135 |
| 17. | Wisconsin | 0.138 | 42. | Delaware | −0.236 |
| 18. | Colorado | 0.136 | 43. | Vermont | −0.357 |
| 19. | Ohio | 0.113 | 44. | Maryland | −0.389 |
| 20. | Virginia | 0.093 | 45. | Maine | −0.404 |
| 21. | Kentucky | 0.081 | 46. | New Jersey | −0.453 |
| 22. | Arkansas | 0.068 | 47. | Oregon | −0.476 |
| 23. | Montana | 0.064 | 48. | California | −0.684 |
| 24. | Utah | 0.060 | 49. | Hawaii | −0.731 |
| 25. | Oklahoma | 0.054 | 50. | New York | −0.820 |

Note: States with different scores may appear identical due to rounding.

## TABLE A4 **Overall Freedom without Right-to-Work Laws, 2022**

| Rank | State | Overall Freedom without Right-to-Work Laws, 2022 |
|---|---|---|
| 1. | New Hampshire | 0.729 |
| 2. | Florida | 0.543 |
| 3. | South Dakota | 0.497 |
| 4. | Nevada | 0.487 |
| 5. | Arizona | 0.419 |
| 6. | Tennessee | 0.351 |
| 7. | Missouri | 0.323 |
| 8. | Michigan | 0.284 |
| 9. | Alaska | 0.254 |
| 10. | Georgia | 0.252 |
| 11. | Indiana | 0.246 |
| 12. | North Dakota | 0.237 |
| 13. | Pennsylvania | 0.221 |
| 14. | Colorado | 0.220 |
| 15. | Virginia | 0.217 |
| 16. | Montana | 0.212 |
| 17. | Wisconsin | 0.211 |
| 18. | Idaho | 0.209 |
| 19. | Wyoming | 0.201 |
| 20. | Texas | 0.198 |
| 21. | Ohio | 0.185 |
| 22. | Massachusetts | 0.139 |
| 23. | Utah | 0.136 |
| 24. | Oklahoma | 0.120 |
| 25. | North Carolina | 0.112 |
| 26. | Kansas | 0.097 |
| 27. | Arkansas | 0.090 |
| 28. | Connecticut | 0.090 |
| 29. | Kentucky | 0.089 |
| 30. | New Mexico | 0.063 |
| 31. | South Carolina | 0.056 |
| 32. | Alabama | 0.051 |
| 33. | Louisiana | 0.050 |
| 34. | West Virginia | 0.044 |
| 35. | Iowa | 0.041 |
| 36. | Rhode Island | 0.037 |
| 37. | Washington | 0.037 |
| 38. | Illinois | −0.028 |
| 39. | Minnesota | −0.034 |
| 40. | Nebraska | −0.042 |
| 41. | Mississippi | −0.079 |
| 42. | Vermont | −0.170 |
| 43. | Maine | −0.173 |
| 44. | Delaware | −0.211 |
| 45. | Maryland | −0.314 |
| 46. | Oregon | −0.372 |
| 47. | New Jersey | −0.395 |
| 48. | California | −0.559 |
| 49. | Hawaii | −0.699 |
| 50. | New York | −0.750 |

Note: States with different scores may appear identical due to rounding.

## ABORTION POLICY—ALTERNATIVE INDEXES

In this edition of the freedom index, abortion remains excluded from the main scores and rankings, given our discussion at the beginning of the book. However, we have again developed alternative abortion policy indexes here, which feed into personal freedom and overall freedom, should readers wish to personalize their results according to their view of the relation between abortion policy and freedom. The first alternative index is a pro-life abortion policy ("freedom from abortion") index. For this alternative index, more state restrictions on abortion are always pro–freedom, as is the lack of state subsidies for abortion through Medicaid.

The second alternative index is a moderately pro-choice abortion policy index. For this index, restrictions on late–term abortions and lack of subsidies for abortion are pro–freedom, although for a different reason from pro-lifers in the latter case (respect for conscience), whereas restrictions on early–term abortions are anti-freedom. For the moderately pro-choice index, restrictions on abortion that apply mostly but not entirely to late–term abortions and parental involvement laws for minors' abortions do not count at all.

Finally, the third alternative index is a strong pro-choice abortion policy index. For this alternative index, all limits on abortion are anti-freedom, and subsidies for abortion do not count.

We devised weights for policies on the assumption that for a pro-lifer, the estimated, measurable value of an aborted fetus's life is $3 million (caveat: this is an actuarial–type estimate, but we consider the moral value of life—whenever life begins—to be truly unmeasurable and view policies relating to unjust killings to be an insoluble problem for any index, including those of human rights and civil liberties internationally). The $3 million figure derives from a rough estimate of $5 million to $7 million for the statistical value of an adult life. Many or most fetuses are aborted naturally by the mother's body, so the value of a fetus's life should be about half that of an adult.[93]

For pro-choicers, the value of the freedom to abort depends on the "consumer surplus" (in economic jargon, this term means the difference between what consumers would have paid and what they actually paid) derived from the observed price elasticity of demand for abortion, multiplied by the "constitutional weight" of 10, consistent with our methodology for the rest of the index.

The policies included in these alternative indexes are as follows: requirement that abortions be performed by a licensed physician (1.1 percent of overall pro-life freedom, 0.01 percent of overall moderate pro-choice freedom,

93. Binyamin Appelbaum, "As U.S. Agencies Put More Value on a Life, Businesses Fret," New York Times February 16, 2011; https://www.nytimes.com/2011/02/17/business/economy/17regulation.html Mayo Clinic, "Diseases and Conditions: Miscarriage," web page; https://www.mayoclinic.org/diseases-conditions/pregnancy-loss-miscarriage/basics/definition/con-20033827 WebMD, "Pregnancy and Miscarriage," web page. https://www.webmd.com/baby/guide/pregnancy-miscarriage

0.01 percent of strong pro-choice freedom); requirement that some abortions be performed in hospitals (0.01 percent pro-life, 0 percent moderate, <0.01 percent strong pro-choice); requirement that some abortions involve a second physician (0.01 percent pro-life, 0 percent moderate, <0.01percent strong pro-choice); gestational limit on abortions (0.2 percent pro-life, 0.4 percent moderate, 0.02 percent strong pro-choice); abortion ban index based on variables for number of weeks until abortion banned and number and type of exceptions (16.0 percent pro-life, 0.4 percent moderate pro-choice, 2.6 percent strong pro-choice); partial–birth abortion ban (0.03 percent pro-life, 0.04 percent moderate, <0.01 percent strong pro-choice); public funding of abortion (3.6 percent pro-life, 0.1 percent moderate, 0 percent strong pro-choice); restrictions on private insurance coverage of abortion (12.1 percent pro-life, 0.1 percent moderate, 0.1 percent strong pro-choice); state-mandated waiting periods (3.8 percent pro-life, 0.1 percent moderate, 0.1 percent strong pro-choice); and parental notification and consent laws (1.7 percent pro-life, 0 percent moderate, 0.01 percent strong pro-choice).

Interestingly, for a pro-lifer who relies on these parameters, abortion policy is worth a full 38.6 percent of overall freedom. If you believe that the life of the marginal (in the economic sense) aborted fetus is worth (again, statistically, not morally) about half that of any other human being, then you must think of abortion as by far the most important policy states can control. You should be close to a single–issue voter.

By contrast, moderate and strong pro-choicers should be far less interested in abortion policy. For moderates, abortion policy is worth 1.1 percent of overall freedom, whereas for strong pro-choicers, abortion policy should be worth only about 3.0 percent of overall freedom. Why is the freedom *to* abort worth so little? The evidence suggests that abortion demand in economic terms may be quite price–elastic, implying that the consumer surplus is low. We offer these alternative indexes of this very difficult moral, political, and methodological issue as a preliminary attempt rather than the definitive word on this issue and hope they will be treated in that light.

Since the Supreme Court's *Dobbs* ruling, states have enacted many changes in abortion policy, and we will have to see what the effects of those changes are on actual abortion prevalence. New data should help us weight these variables more accurately in the next edition of this book.

TABLE A5 **Freedom from Abortion (Pro-Life Index), 2022**

| Rank | State | Freedom from Abortion (Pro-Life Index), 2022 |
|---|---|---|
| 1. | Oklahoma | 1.509 |
| 2. | Texas | 1.508 |
| 3. | Idaho | 1.440 |
| 4. | Missouri | 1.406 |
| 5. | Kentucky | 1.406 |
| 6. | North Dakota | 1.338 |
| 7. | Arkansas | 1.163 |
| 8. | Mississippi | 1.163 |
| 9. | South Dakota | 1.143 |
| 10. | Nebraska | 1.065 |
| 11. | Tennessee | 1.061 |
| 12. | Louisiana | 1.061 |
| 13. | Alabama | 0.993 |
| 14. | Utah | 0.860 |
| 15. | Georgia | 0.802 |
| 16. | West Virginia | 0.773 |
| 17. | Indiana | 0.690 |
| 18. | Kansas | 0.690 |
| 19. | Michigan | 0.690 |
| 20. | Wisconsin | 0.413 |
| 21. | North Carolina | 0.378 |
| 22. | Ohio | 0.345 |
| 23. | Pennsylvania | 0.276 |
| 24. | Iowa | 0.248 |
| 25. | Arizona | 0.208 |
| 25. | Florida | 0.208 |
| 27. | Wyoming | 0.199 |
| 28. | South Carolina | 0.174 |
| 29. | New Hampshire | 0.145 |
| 30. | Montana | 0.075 |
| 31. | Rhode Island | –0.006 |
| 32. | Nevada | –0.045 |
| 33. | Virginia | –0.102 |
| 34. | Delaware | –0.122 |
| 35. | Minnesota | –0.130 |
| 36. | Connecticut | –0.150 |
| 37. | Massachusetts | –0.150 |
| 38. | California | –0.151 |
| 38. | Hawaii | –0.151 |
| 38. | Illinois | –0.151 |
| 38. | Maine | –0.151 |
| 38. | New York | –0.151 |
| 38. | Washington | –0.151 |
| 44. | Maryland | –0.233 |
| 45. | Colorado | –0.304 |
| 46. | New Mexico | –0.400 |
| 47. | Alaska | –0.400 |
| 48. | New Jersey | –0.429 |
| 49. | Oregon | –0.429 |
| 49. | Vermont | –0.429 |

Note: States with the same rank are tied. States with different scores may appear identical due to rounding.

## TABLE A6 **Moderate Pro-Choice Abortion Policy Index, 2022**

| Rank | State | Moderate Pro-Choice Abortion Policy Index, 2022 |
|---|---|---|
| 1. | Virginia | 0.006 |
| 2. | Delaware | 0.005 |
| 3. | Maryland | 0.003 |
| 4. | Nevada | 0.003 |
| 4. | Rhode Island | 0.003 |
| 6. | Massachusetts | 0.002 |
| 7. | California | 0.001 |
| 7. | Connecticut | 0.001 |
| 7. | Hawaii | 0.001 |
| 7. | Illinois | 0.001 |
| 7. | Maine | 0.001 |
| 7. | Minnesota | 0.001 |
| 7. | New York | 0.001 |
| 7. | Washington | 0.001 |
| 15. | Colorado | 0.000 |
| 16. | South Carolina | −0.001 |
| 17. | New Mexico | −0.002 |
| 18. | Arizona | −0.002 |
| 18. | Florida | −0.002 |
| 20. | Wyoming | −0.002 |
| 21. | New Jersey | −0.002 |
| 21. | Oregon | −0.002 |
| 21. | Vermont | −0.002 |
| 24. | Alaska | −0.002 |
| 25. | Iowa | −0.003 |
| 26. | Montana | −0.003 |
| 27. | Pennsylvania | −0.004 |
| 28. | Ohio | −0.005 |
| 29. | Wisconsin | −0.006 |
| 30. | North Carolina | −0.006 |
| 31. | Indiana | −0.007 |
| 31. | Kansas | −0.007 |
| 31. | Michigan | −0.007 |
| 34. | New Hampshire | −0.010 |
| 35. | Utah | −0.011 |
| 36. | West Virginia | −0.016 |
| 37. | Georgia | −0.016 |
| 38. | Nebraska | −0.016 |
| 39. | Alabama | −0.020 |
| 40. | Louisiana | −0.021 |
| 40. | Tennessee | −0.021 |
| 42. | North Dakota | −0.022 |
| 43. | Arkansas | −0.024 |
| 43. | Mississippi | −0.024 |
| 43. | South Dakota | −0.024 |
| 46. | Kentucky | −0.024 |
| 46. | Missouri | −0.024 |
| 48. | Idaho | −0.025 |
| 49. | Oklahoma | −0.026 |
| 49. | Texas | −0.026 |

Note: States with the same rank are tied. States with different scores may appear identical due to rounding.

## TABLE A7 **Strong Pro-Choice Abortion Policy Index, 2022**

| Rank | State | Strong Pro-Choice Abortion Policy Index, 2022 |
|---|---|---|
| 1. | Oregon | 0.040 |
| 1. | Vermont | 0.040 |
| 3. | New Jersey | 0.040 |
| 4. | Alaska | 0.040 |
| 5. | New Mexico | 0.040 |
| 6. | Colorado | 0.040 |
| 7. | Maryland | 0.012 |
| 8. | Delaware | 0.007 |
| 9. | Virginia | 0.007 |
| 10. | Massachusetts | 0.007 |
| 11. | California | −0.004 |
| 11. | Hawaii | −0.004 |
| 11. | Illinois | −0.004 |
| 11. | Maine | −0.004 |
| 11. | New York | −0.004 |
| 11. | Washington | −0.004 |
| 17. | Connecticut | −0.004 |
| 18. | Nevada | −0.004 |
| 19. | Minnesota | −0.004 |
| 20. | Rhode Island | −0.004 |
| 21. | South Carolina | −0.023 |
| 22. | Arizona | −0.028 |
| 22. | Florida | −0.028 |
| 24. | New Hampshire | −0.036 |
| 25. | Montana | −0.037 |
| 26. | Wyoming | −0.037 |
| 27. | Pennsylvania | −0.039 |
| 28. | Iowa | −0.048 |
| 29. | Ohio | −0.050 |
| 30. | Michigan | −0.053 |
| 31. | Kansas | −0.053 |
| 32. | Indiana | −0.053 |
| 33. | North Carolina | −0.056 |
| 34. | Wisconsin | −0.061 |
| 35. | Utah | −0.080 |
| 36. | Nebraska | −0.113 |
| 37. | West Virginia | −0.126 |
| 38. | Georgia | −0.127 |
| 39. | Alabama | −0.154 |
| 40. | North Dakota | −0.157 |
| 41. | Louisiana | −0.165 |
| 42. | Tennessee | −0.165 |
| 43. | Kentucky | −0.168 |
| 44. | Missouri | −0.168 |
| 45. | Idaho | −0.173 |
| 46. | South Dakota | −0.181 |
| 47. | Mississippi | −0.181 |
| 48. | Arkansas | −0.181 |
| 49. | Texas | −0.184 |
| 50. | Oklahoma | −0.184 |

Note: States with the same rank are tied. States with different scores may appear identical due to rounding.

## TABLE A8 **Pro-Life Personal Freedom, 2022**

| Rank | State | Pro-Life Personal Freedom, 2022 | Rank | State | Pro-Life Personal Freedom, 2022 |
|---|---|---|---|---|---|
| 1. | Oklahoma | 1.575 | 26. | Iowa | 0.327 |
| 2. | Missouri | 1.551 | 27. | Florida | 0.296 |
| 3. | Texas | 1.487 | 28. | Nevada | 0.234 |
| 4. | Idaho | 1.440 | 29. | Montana | 0.222 |
| 5. | Kentucky | 1.414 | 30. | Wyoming | 0.198 |
| 6. | North Dakota | 1.404 | 31. | South Carolina | 0.185 |
| 7. | South Dakota | 1.232 | 32. | Rhode Island | 0.096 |
| 8. | Arkansas | 1.186 | 33. | Maine | 0.080 |
| 9. | Mississippi | 1.180 | 34. | Virginia | 0.022 |
| 10. | Louisiana | 1.114 | 35. | Massachusetts | −0.012 |
| 11. | Nebraska | 1.095 | 36. | California | −0.026 |
| 12. | Tennessee | 1.087 | 37. | Washington | −0.037 |
| 13. | Alabama | 1.019 | 38. | Minnesota | −0.039 |
| 14. | Utah | 0.936 | 39. | Connecticut | −0.052 |
| 15. | West Virginia | 0.902 | 40. | Illinois | −0.057 |
| 16. | Georgia | 0.835 | 41. | New York | −0.081 |
| 17. | Michigan | 0.783 | 42. | Delaware | −0.098 |
| 18. | Indiana | 0.776 | 43. | Hawaii | −0.118 |
| 19. | Kansas | 0.735 | 44. | Maryland | −0.158 |
| 20. | Wisconsin | 0.486 | 45. | New Mexico | −0.202 |
| 21. | Arizona | 0.455 | 46. | Colorado | −0.220 |
| 22. | North Carolina | 0.441 | 47. | Vermont | −0.242 |
| 23. | Ohio | 0.417 | 48. | Alaska | −0.303 |
| 24. | New Hampshire | 0.349 | 49. | Oregon | −0.325 |
| 25. | Pennsylvania | 0.338 | 50. | New Jersey | −0.370 |

Note: States with different scores may appear identical due to rounding.

TABLE A9 **Moderate Pro-Choice Personal Freedom, 2022**

| Rank | State | Moderate Pro-Choice Personal Freedom, 2022 |
|---|---|---|
| 1. | Nevada | 0.281 |
| 2. | Arizona | 0.245 |
| 3. | Maine | 0.231 |
| 4. | New Mexico | 0.196 |
| 5. | New Hampshire | 0.194 |
| 6. | Vermont | 0.185 |
| 7. | Montana | 0.144 |
| 8. | Massachusetts | 0.141 |
| 9. | Virginia | 0.129 |
| 10. | California | 0.126 |
| 11. | Missouri | 0.120 |
| 12. | Washington | 0.114 |
| 13. | West Virginia | 0.113 |
| 14. | Rhode Island | 0.105 |
| 15. | Oregon | 0.102 |
| 16. | Connecticut | 0.099 |
| 17. | Alaska | 0.095 |
| 18. | Illinois | 0.094 |
| 19. | Minnesota | 0.093 |
| 20. | Florida | 0.086 |
| 21. | Michigan | 0.086 |
| 22. | Colorado | 0.084 |
| 23. | Indiana | 0.078 |
| 24. | Maryland | 0.078 |
| 25. | Iowa | 0.076 |
| 26. | New York | 0.071 |
| 27. | Ohio | 0.067 |
| 28. | Wisconsin | 0.067 |
| 29. | South Dakota | 0.065 |
| 30. | Utah | 0.065 |
| 31. | Pennsylvania | 0.058 |
| 32. | North Carolina | 0.057 |
| 33. | New Jersey | 0.056 |
| 34. | North Dakota | 0.044 |
| 35. | Oklahoma | 0.040 |
| 36. | Kansas | 0.038 |
| 37. | Hawaii | 0.033 |
| 38. | Louisiana | 0.032 |
| 39. | Delaware | 0.029 |
| 40. | Georgia | 0.018 |
| 41. | Nebraska | 0.014 |
| 42. | South Carolina | 0.010 |
| 43. | Alabama | 0.006 |
| 44. | Tennessee | 0.005 |
| 45. | Arkansas | −0.001 |
| 46. | Wyoming | −0.002 |
| 47. | Mississippi | −0.007 |
| 48. | Kentucky | −0.016 |
| 49. | Idaho | −0.025 |
| 50. | Texas | −0.047 |

Note: States with different scores may appear identical due to rounding.

TABLE A10 **Strong Pro-Choice Personal Freedom, 2022**

| Rank | State | Pro-Life Personal Freedom, 2022 |
|---|---|---|
| 1. | Nevada | 0.274 |
| 2. | New Mexico | 0.238 |
| 3. | Vermont | 0.227 |
| 4. | Maine | 0.227 |
| 5. | Arizona | 0.218 |
| 6. | New Hampshire | 0.167 |
| 7. | Massachusetts | 0.145 |
| 8. | Oregon | 0.144 |
| 9. | Alaska | 0.138 |
| 10. | Virginia | 0.130 |
| 11. | Colorado | 0.124 |
| 12. | California | 0.121 |
| 13. | Montana | 0.111 |
| 14. | Washington | 0.110 |
| 15. | New Jersey | 0.099 |
| 16. | Rhode Island | 0.098 |
| 17. | Connecticut | 0.094 |
| 18. | Illinois | 0.089 |
| 19. | Minnesota | 0.088 |
| 20. | Maryland | 0.087 |
| 21. | New York | 0.066 |
| 22. | Florida | 0.059 |
| 23. | Michigan | 0.040 |
| 24. | Indiana | 0.033 |
| 25. | Delaware | 0.031 |
| 26. | Iowa | 0.031 |
| 27. | Hawaii | 0.028 |
| 28. | Pennsylvania | 0.023 |
| 29. | Ohio | 0.022 |
| 30. | Wisconsin | 0.012 |
| 31. | North Carolina | 0.007 |
| 32. | West Virginia | 0.002 |
| 33. | Utah | −0.004 |
| 34. | Kansas | −0.007 |
| 35. | South Carolina | −0.012 |
| 36. | Missouri | −0.023 |
| 37. | Wyoming | −0.038 |
| 38. | Nebraska | −0.083 |
| 39. | North Dakota | −0.090 |
| 40. | South Dakota | −0.093 |
| 41. | Georgia | −0.093 |
| 42. | Louisiana | −0.111 |
| 43. | Oklahoma | −0.118 |
| 44. | Alabama | −0.128 |
| 45. | Tennessee | −0.139 |
| 46. | Arkansas | −0.159 |
| 47. | Kentucky | −0.160 |
| 48. | Mississippi | −0.165 |
| 49. | Idaho | −0.174 |
| 50. | Texas | −0.205 |

Note: States with different scores may appear identical due to rounding.

TABLE A11 **Pro-Life Overall Freedom, 2022**

| Rank | State | Pro-Life Overall Freedom, 2022 | Rank | State | Pro-Life Overall Freedom, 2022 |
|---|---|---|---|---|---|
| 1. | Texas | 1.731 | 26. | Pennsylvania | 0.475 |
| 2. | Missouri | 1.706 | 27. | Nevada | 0.467 |
| 3. | Idaho | 1.674 | 28. | Wyoming | 0.425 |
| 4. | South Dakota | 1.666 | 29. | Iowa | 0.314 |
| 5. | Oklahoma | 1.654 | 30. | Montana | 0.263 |
| 6. | North Dakota | 1.600 | 31. | South Carolina | 0.255 |
| 7. | Kentucky | 1.520 | 32. | Virginia | 0.140 |
| 8. | Tennessee | 1.437 | 33. | Rhode Island | 0.008 |
| 9. | Arkansas | 1.278 | 34. | Massachusetts | −0.035 |
| 10. | Louisiana | 1.136 | 35. | Connecticut | −0.083 |
| 11. | Mississippi | 1.109 | 36. | Colorado | −0.107 |
| 12. | Georgia | 1.079 | 37. | Washington | −0.137 |
| 13. | Alabama | 1.069 | 38. | Alaska | −0.169 |
| 14. | Nebraska | 1.048 | 39. | Minnesota | −0.187 |
| 15. | Utah | 1.021 | 40. | Illinois | −0.201 |
| 16. | Michigan | 0.999 | 41. | Maine | −0.347 |
| 17. | Indiana | 0.961 | 42. | Delaware | −0.356 |
| 18. | New Hampshire | 0.852 | 43. | New Mexico | −0.360 |
| 19. | West Virginia | 0.842 | 44. | Maryland | −0.570 |
| 20. | Kansas | 0.812 | 45. | Vermont | −0.622 |
| 21. | Florida | 0.776 | 46. | California | −0.732 |
| 22. | Arizona | 0.653 | 47. | Oregon | −0.824 |
| 23. | Wisconsin | 0.649 | 48. | New Jersey | −0.846 |
| 24. | North Carolina | 0.515 | 49. | Hawaii | −0.872 |
| 25. | Ohio | 0.507 | 50. | New York | −0.923 |

Note: States with different scores may appear identical due to rounding.

TABLE A12 **Pro-life Overall Freedom, No Right-to-Work Laws, 2022**

| Rank | State | Pro-Life Overall Freedom, No Right-to-Work Laws, 2022 |
|---|---|---|
| 1. | Missouri | 1.729 |
| 2. | Texas | 1.706 |
| 3. | Idaho | 1.649 |
| 4. | South Dakota | 1.641 |
| 5. | Oklahoma | 1.629 |
| 6. | North Dakota | 1.575 |
| 7. | Kentucky | 1.495 |
| 8. | Tennessee | 1.412 |
| 9. | Arkansas | 1.253 |
| 10. | Louisiana | 1.111 |
| 11. | Mississippi | 1.084 |
| 12. | Georgia | 1.054 |
| 13. | Alabama | 1.044 |
| 14. | Nebraska | 1.023 |
| 15. | Utah | 0.996 |
| 16. | Michigan | 0.974 |
| 17. | Indiana | 0.936 |
| 18. | New Hampshire | 0.874 |
| 19. | West Virginia | 0.817 |
| 20. | Kansas | 0.787 |
| 21. | Florida | 0.751 |
| 22. | Arizona | 0.628 |
| 23. | Wisconsin | 0.624 |
| 24. | Ohio | 0.530 |
| 25. | Pennsylvania | 0.497 |
| 26. | North Carolina | 0.490 |
| 27. | Nevada | 0.442 |
| 28. | Wyoming | 0.400 |
| 29. | Iowa | 0.289 |
| 30. | Montana | 0.286 |
| 31. | South Carolina | 0.230 |
| 32. | Virginia | 0.115 |
| 33. | Rhode Island | 0.031 |
| 34. | Massachusetts | –0.012 |
| 35. | Connecticut | –0.060 |
| 36. | Colorado | –0.084 |
| 37. | Washington | –0.114 |
| 38. | Alaska | –0.146 |
| 39. | Minnesota | –0.164 |
| 40. | Illinois | –0.179 |
| 41. | Maine | –0.324 |
| 42. | Delaware | –0.334 |
| 43. | New Mexico | –0.337 |
| 44. | Maryland | –0.547 |
| 45. | Vermont | –0.599 |
| 46. | California | –0.709 |
| 47. | Oregon | –0.802 |
| 48. | New Jersey | –0.823 |
| 49. | Hawaii | –0.849 |
| 50. | New York | –0.900 |

Note: States with different scores may appear identical due to rounding.

TABLE A13 **Moderate Pro-Choice Overall Freedom, 2022**

| Rank | State | Moderate Pro-Choice Overall Freedom, 2022 | Rank | State | Moderate Pro-Choice Overall Freedom, 2022 |
|---|---|---|---|---|---|
| 1. | New Hampshire | 0.587 | 26. | Kansas | 0.115 |
| 2. | Florida | 0.556 | 27. | Arkansas | 0.091 |
| 3. | Nevada | 0.515 | 28. | Kentucky | 0.090 |
| 4. | South Dakota | 0.443 | 29. | South Carolina | 0.080 |
| 5. | Arizona | 0.428 | 30. | Connecticut | 0.068 |
| 6. | Tennessee | 0.368 | 31. | Iowa | 0.064 |
| 7. | Michigan | 0.348 | 32. | Alabama | 0.056 |
| 8. | Missouri | 0.333 | 33. | Louisiana | 0.054 |
| 9. | Indiana | 0.325 | 34. | West Virginia | 0.053 |
| 10. | Georgia | 0.312 | 35. | New Mexico | 0.038 |
| 11. | Virginia | 0.274 | 36. | Rhode Island | 0.017 |
| 12. | North Dakota | 0.256 | 37. | Washington | 0.015 |
| 13. | Wisconsin | 0.228 | 38. | Nebraska | −0.033 |
| 14. | Alaska | 0.201 | 39. | Illinois | −0.050 |
| 15. | Wyoming | 0.195 | 40. | Minnesota | −0.056 |
| 16. | Idaho | 0.194 | 41. | Mississippi | −0.078 |
| 17. | Colorado | 0.192 | 42. | Vermont | −0.195 |
| 18. | Texas | 0.180 | 43. | Maine | −0.195 |
| 19. | Pennsylvania | 0.160 | 44. | Delaware | −0.229 |
| 20. | Montana | 0.156 | 45. | Maryland | −0.334 |
| 21. | Ohio | 0.154 | 46. | Oregon | −0.397 |
| 22. | Utah | 0.154 | 47. | New Jersey | −0.420 |
| 23. | North Carolina | 0.145 | 48. | California | −0.581 |
| 24. | Oklahoma | 0.135 | 49. | Hawaii | −0.721 |
| 25. | Massachusetts | 0.133 | 50. | New York | −0.772 |

Note: States with different scores may appear identical due to rounding.

TABLE A14 **Moderate Pro-Choice Overall Freedom, No Right-to-Work Laws, 2022**

| Rank | State | Moderate Pro-Choice Overall Freedom, No Right-to-Work Laws, 2022 |
|---|---|---|
| 1. | New Hampshire | 0.719 |
| 2. | Florida | 0.541 |
| 3. | Nevada | 0.490 |
| 4. | South Dakota | 0.474 |
| 5. | Arizona | 0.418 |
| 6. | Tennessee | 0.330 |
| 7. | Missouri | 0.299 |
| 8. | Michigan | 0.277 |
| 9. | Alaska | 0.252 |
| 10. | Indiana | 0.239 |
| 11. | Georgia | 0.237 |
| 12. | Virginia | 0.222 |
| 13. | Colorado | 0.220 |
| 14. | Pennsylvania | 0.217 |
| 15. | North Dakota | 0.215 |
| 16. | Montana | 0.208 |
| 17. | Wisconsin | 0.205 |
| 18. | Wyoming | 0.200 |
| 19. | Idaho | 0.184 |
| 20. | Ohio | 0.180 |
| 21. | Texas | 0.172 |
| 22. | Massachusetts | 0.141 |
| 23. | Utah | 0.124 |
| 24. | North Carolina | 0.106 |
| 25. | Oklahoma | 0.094 |
| 26. | Connecticut | 0.091 |
| 27. | Kansas | 0.090 |
| 28. | Arkansas | 0.067 |
| 29. | Kentucky | 0.065 |
| 30. | New Mexico | 0.061 |
| 31. | South Carolina | 0.055 |
| 32. | Rhode Island | 0.040 |
| 33. | Iowa | 0.039 |
| 34. | Washington | 0.038 |
| 35. | Alabama | 0.031 |
| 36. | Louisiana | 0.029 |
| 37. | West Virginia | 0.028 |
| 38. | Illinois | −0.027 |
| 39. | Minnesota | −0.033 |
| 40. | Nebraska | −0.058 |
| 41. | Mississippi | −0.102 |
| 42. | Vermont | −0.172 |
| 43. | Maine | −0.173 |
| 44. | Delaware | −0.206 |
| 45. | Maryland | −0.311 |
| 46. | Oregon | −0.375 |
| 47. | New Jersey | −0.397 |
| 48. | California | −0.558 |
| 49. | Hawaii | −0.698 |
| 50. | New York | −0.749 |

Note: States with different scores may appear identical due to rounding.

TABLE A15 **Strong Pro-Choice Overall Freedom, 2022**

| Rank | State | Strong Pro-Choice Overall Freedom, 2022 | Rank | State | Strong Pro-Choice Overall Freedom, 2022 |
|---|---|---|---|---|---|
| 1. | New Hampshire | 0.670 | 26. | Idaho | 0.061 |
| 2. | Florida | 0.539 | 27. | South Carolina | 0.058 |
| 3. | Nevada | 0.508 | 28. | Texas | 0.039 |
| 4. | Arizona | 0.416 | 29. | Iowa | 0.018 |
| 5. | South Dakota | 0.341 | 30. | Washington | 0.010 |
| 6. | Alaska | 0.272 | 31. | Rhode Island | 0.010 |
| 7. | Michigan | 0.256 | 32. | Oklahoma | –0.039 |
| 8. | Virginia | 0.248 | 33. | Kentucky | –0.054 |
| 9. | Colorado | 0.237 | 34. | Illinois | –0.055 |
| 10. | Indiana | 0.218 | 35. | West Virginia | –0.058 |
| 11. | Tennessee | 0.211 | 36. | Minnesota | –0.061 |
| 12. | Wyoming | 0.189 | 37. | Arkansas | –0.066 |
| 13. | Wisconsin | 0.175 | 38. | Alabama | –0.078 |
| 14. | Pennsylvania | 0.159 | 39. | Louisiana | –0.090 |
| 15. | Montana | 0.152 | 40. | Nebraska | –0.130 |
| 16. | Georgia | 0.151 | 41. | Vermont | –0.152 |
| 17. | Missouri | 0.133 | 42. | Maine | –0.200 |
| 18. | Massachusetts | 0.122 | 43. | Delaware | –0.227 |
| 19. | Ohio | 0.112 | 44. | Mississippi | –0.235 |
| 20. | North Dakota | 0.106 | 45. | Maryland | –0.324 |
| 21. | North Carolina | 0.081 | 46. | Oregon | –0.355 |
| 22. | Utah | 0.080 | 47. | New Jersey | –0.377 |
| 23. | New Mexico | 0.080 | 48. | California | –0.586 |
| 24. | Kansas | 0.069 | 49. | Hawaii | –0.725 |
| 25. | Connecticut | 0.063 | 50. | New York | –0.776 |

Note: States with different scores may appear identical due to rounding.

## TABLE A16 **Strong Pro-Choice Overall Freedom, No Right-to-Work Laws, 2022**

| Rank | State | Strong Pro-Choice Overall Freedom, No Right-to-Work Laws, 2022 |
|---|---|---|
| 1. | New Hampshire | 0.693 |
| 2. | Florida | 0.514 |
| 3. | Nevada | 0.483 |
| 4. | Arizona | 0.391 |
| 5. | South Dakota | 0.316 |
| 6. | Alaska | 0.295 |
| 7. | Colorado | 0.260 |
| 8. | Michigan | 0.231 |
| 9. | Virginia | 0.223 |
| 10. | Indiana | 0.193 |
| 11. | Tennessee | 0.186 |
| 12. | Pennsylvania | 0.182 |
| 13. | Montana | 0.175 |
| 14. | Wyoming | 0.164 |
| 15. | Missouri | 0.155 |
| 16. | Wisconsin | 0.150 |
| 17. | Massachusetts | 0.145 |
| 18. | Ohio | 0.135 |
| 19. | Georgia | 0.126 |
| 20. | New Mexico | 0.103 |
| 21. | Connecticut | 0.086 |
| 22. | North Dakota | 0.081 |
| 23. | North Carolina | 0.056 |
| 24. | Utah | 0.055 |
| 25. | Kansas | 0.044 |
| 26. | Idaho | 0.036 |
| 27. | Washington | 0.033 |
| 28. | South Carolina | 0.033 |
| 29. | Rhode Island | 0.033 |
| 30. | Texas | 0.014 |
| 31. | Iowa | −0.007 |
| 32. | Illinois | −0.032 |
| 33. | Minnesota | −0.038 |
| 34. | Oklahoma | −0.064 |
| 35. | Kentucky | −0.079 |
| 36. | West Virginia | −0.083 |
| 37. | Arkansas | −0.091 |
| 38. | Alabama | −0.103 |
| 39. | Louisiana | −0.115 |
| 40. | Vermont | −0.130 |
| 41. | Nebraska | −0.155 |
| 42. | Maine | −0.177 |
| 43. | Delaware | −0.204 |
| 44. | Mississippi | −0.260 |
| 45. | Maryland | −0.302 |
| 46. | Oregon | −0.332 |
| 47. | New Jersey | −0.354 |
| 48. | California | −0.563 |
| 49. | Hawaii | −0.703 |
| 50. | New York | −0.754 |

Note: States with different scores may appear identical due to rounding.

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