

NEWS RELEASE

Economic Freedom up slightly across U.S.; Alabama ranks 24th in North American index

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For immediate release

TROY—Alabama ranks 24th out of all 50 states in this year’s *Economic Freedom of North America* report, released today by the Manuel Johnson Center for Political Economy at Troy University, in conjunction with Canada’s Fraser Institute.

Alabama’s economic freedom improved slightly this year, at 7.0 out of 10 in this year’s report. State economic freedom measures government spending, taxation and labor market restrictions using data from 2015, the most recent year of available data.

“The freest economies operate with comparatively less government interference, relying more on personal choice and markets to decide what’s produced, how it’s produced and how much is produced. As government imposes restrictions on these choices, there’s less economic freedom and less opportunity for prosperity,” said Fred McMahon, the Dr. Michael A. Walker Research Chair in Economic Freedom at the Fraser Institute and report co-author.

For the third year in a row, New Hampshire—the Live Free or Die state—has the highest level of economic freedom among all U.S. states. Rounding out the top five freest states are Florida and Texas (tied for 2nd), South Dakota (4th) and Tennessee (5th). For the third year in a row, New York was ranked least free (50th), followed by California (49th), New Mexico and West Virginia (tied for 47th), and Hawaii and Mississippi (tied for 45th).

Since 2004, the average score for U.S. states in the all-government index has fallen from 8.20 to 7.78 out of 10 in 2015, driven largely by changes at the federal level.

In the most-free states, the average per capita income in 2015 was seven percent *above* the national average compared to roughly five percent *below* the national average in the least-free states.

“The link between economic freedom and prosperity is clear—people who live in states that support comparatively low taxation, limited government and flexible labor markets have higher living standards and greater economic opportunity,” said Dean Stansel, economics professor at Southern Methodist University and co-author of the report.

The *Economic Freedom of North America* report, also co-authored by José Torra, the head of research at the Mexico City-based Caminos de la Libertad, is an offshoot of the Fraser Institute’s *Economic Freedom of the World* index, the result of more than a quarter-century of work by more than 60 scholars, including three Nobel laureates.

See the full report at <https://www.fraserinstitute.org/studies/economic-freedom-of-north-america-2017>.

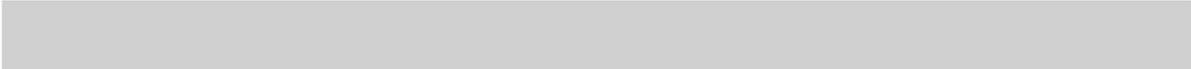
About the Economic Freedom Index

Economic Freedom of North America (EFNA) measures the degree to which the policies and institutions of states/provinces support economic freedom. This year’s publication ranks 92 provincial/state governments in Canada, the United States and Mexico. The report also updates data in earlier reports in instances where data has been revised.

For more information on the EFNA Network, datasets and previous *Economic Freedom of North America* reports, visit www.fraserinstitute.org/economic-freedom. And you can ‘Like’ the Economic Freedom Network on Facebook at facebook.com/EconomicFreedomNetwork.

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