

NEWS RELEASE

American states experience declining levels of economic freedom; Delaware, Texas, and Nevada ranked as most economically free

December 12, 2013
For Immediate Release

TORONTO, ON—Economic freedom in the United States has continued to decline, according to a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

The average score for U.S. states has fallen to 7.3 (out of 10) in 2011 from 8.2 in 2000 at the all-government level. While the Canadian provinces have also seen a decline (down to 7.4 in 2011), on average they are now freer than U.S. states.

“The freest economies operate with minimal government interference, relying 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,” said Dean Stansel, study co-author and economics professor at Florida Gulf Coast University.

The *Economic Freedom of North America 2013* study spotlights 50 states and 10 Canadian provinces. The two jurisdictions with the highest level of economic freedom are Canadian provinces Alberta and Saskatchewan. Delaware is the highest ranked state, in third place overall followed by Texas (4th), Nevada (5th), Wyoming (8th), South Dakota (9th), Colorado (10th), Nebraska (11th), Georgia (12th), Utah (13th) and Illinois (14th).

The study examines key indicators of economic freedom based on size of government, taxation, regulation, rule of law and property rights and other relevant factors using data from 2011, the most recent year available. Additionally, it measures economic freedom at two levels: the subnational and the all-government (comprising federal, state/provincial and municipal/local).

Among the report’s top 10 ranked states, the average per-capita GDP in 2011 was \$53,077 compared to \$40,014 for the 10 bottom ranked states, which are New Mexico (58th), West Virginia (57th), Mississippi (56th), Vermont (55th), Maine (54th), Kentucky (53rd), Montana (52nd), Arkansas (51st), Hawaii (50th), and Rhode Island (48th).

“The link between economic freedom and prosperity is clear—states that support low taxation, limited government and flexible labor markets see greater economic growth while states with lower levels of economic freedom see lower living standards for families and less economic opportunity,” said Fred McMahon, the Fraser Institute’s Dr. Michael A. Walker Research Chair in Economic Freedom and study co-author.

According to the study’s “size of government” ranking, among U.S. states, Delaware has the smallest government while West Virginia and New Mexico, the two lowest ranked states overall, feature the largest governments.

The *Economic Freedom of North America* report is an offshoot of the Fraser Institute’s [Economic Freedom of the World index](#), the result of a quarter century of work by more than 60 scholars including three Nobel laureates. The complete study is available for download as a free PDF at fraserinstitute.org.

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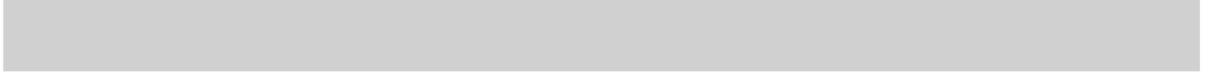
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