



## DC Should Take Its Cue from Florida — the Freest State

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A recent study by the Cato Institute is demonstrating why the 2018 election is so pivotal to the Sunshine State. The pearl of wisdom lies in the rankings, and the long path of prosperity Florida has trekked over the last 20 years.

In its fifth biennial “Freedom in the 50 States” report, Cato scholars tell the rest of the country what we have come to know here in Florida — when it comes to freedom, it just doesn’t get better than the Sunshine State.

Florida placed number one in the rankings in terms of overall freedoms enjoyed by the state’s residents. This is in stark contrast to New York, who came in dead last at number 50. So, what exactly makes Florida top dog and New York bottom of the barrel? Most of it can be explained by striking differences between the two states in terms of policy priorities and tax structure.

Let’s start with taxes. Florida’s lack of an individual state income tax is a feature that has long attracted wealthy retirees to the state. But younger folks are flocking to Florida more now than ever before, presumably for the same reason — to escape oppressive tax burdens imposed upon them by their home states. Every single day hundreds move to the Sunshine State, with no signs of the influx slowing down.

According to How Money Walks, a website that tracks wealth migration between states using IRS tax data, Florida gained a staggering \$156 billion in annual gross income from other states during the period of 1992–2016. It should come as no surprise that New York was our biggest contributor, with \$28 billion of wealth flowing to Florida from the Empire State. In contrast to the sizable economic gains we made, New York saw \$99 billion of wealth migrate to other states in that same period. Travis Brown, owner of How Money Walks, quips: “Did money walk because the opportunity to keep more personal income talked?”

After all, New York’s top marginal income tax rate of 8.82 percent is the 8<sup>th</sup> highest in the U.S. It makes perfect sense why those affected the most are flocking to Florida in droves. Despite not paying state income tax, these migrants and Millennials contribute significantly to the local economy through local taxes, as well as through new job creation, investments in local business ventures, real estate purchases, etc.

The irony of it all is that New York is losing out on the very same tax income that it had hoped to earn by imposing such high taxes on its citizens. Indeed, over a million people have left New

York and moved on to greener pastures since 2010.

The good news for Florida's economy doesn't stop at just attracting new residents to the state, however. Florida is second in the country right now in terms of job growth rate, which translates into 210,600 additional jobs for Floridians versus the same time last year.

Moreover, Florida has a current unemployment rate of 3.6 percent vs. New York's 4.3 percent. There is a direct correlation. When citizens are able to keep more of their own money, they can save or spend it as they wish. Either way contributes to the state and national economy.

Conversely, the Empire State has a staggering annual budget of \$171 billion, which is the second highest in the nation, behind only California (\$183 billion). Florida's annual budget of \$87 billion looks positively meager in comparison. However, there is a compelling argument to be made here about Floridians receiving much better value per taxpayer dollar compared to New Yorkers when it comes to such significant markers of economic prosperity as job growth and unemployment rates. But the important question is: will we be able to hold on to all our successes following the mid-term elections?

“What then is freedom?” the Roman philosopher Cicero writes, “the power to live as one wishes.”

In less than 50 days, the public will cast their votes and make their choices known. Representative democracy carries risks with it — our liberty and prosperity are not a guarantee. They are forged in the weeds of policy agendas and by the responses of more than 20 million Floridians engaged in businesses, homes, and schools from Pensacola to Key West. We stand at a fork in the road and we'll find out on November 7.