

# NEW HAMPSHIRE WATCHDOG

## Cato Institute lauds New Hampshire as one of freest states, points to ways to get even better

Dave Lemery

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The motto “Live Free or Die” is a remarkably clear and concise statement of purpose, one that marks New Hampshire as a state with a singular focus on freedom as a goal above virtually all others.

And in most of the years that the Cato Institute, a think tank devoted to limited government and personal liberty, has maintained its rankings of the states by the degree of freedom, New Hampshire had managed to hold onto the top spot in the rankings. Most years, that is, until the last three, when it has been surpassed by Florida for the top spot.

The latest rankings in the updated report, “**Freedom in the 50 States**,” tie in data from 2016, and for the third year in a row they have the Granite State listed in second place.

To the report’s authors, calculating a freedom score for each state is a way to encourage policymakers and citizens to pursue change that will increase liberty.

“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,” authors William Ruger and Jason Sorens wrote. “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.”

In the case of New Hampshire, despite its recent inability to reclaim the top spot, the Granite State remains one of the freest states for a variety of reasons. When it comes to state fiscal policy, Cato ranks New Hampshire second, personal freedom is fifth, and economic freedom is fifth. Only in the regulatory freedom categories does the state fall short, landing in 31st.

“In the more distant past, New Hampshire had a huge lead over the rest of the country on fiscal policy,” the study notes. “[That lead] dissipated between 2000 and 2008 because of big increases in local property taxes, which were in turn driven by growth in education spending.”

As in many such studies, New Hampshire is an outlier compared to its neighbors. Massachusetts is the next freest state in New England, managing a 23rd place mark, while Connecticut was 33rd, Maine 39th and Vermont 46th. Nearby New York state was ranked as the least free in the country.

“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,” Ruger and Sorens note, hinting at the much cited New Hampshire Advantage compared to its neighbors. “New Hampshire’s state government taxes less than any other state but Alaska.”

Cato awarded New Hampshire a lot of high marks in the various subcategories, including first place in lawsuit freedom, which measures “how plaintiff-friendly each state’s civil liability system is.” The state was ninth in educational freedom, where just a decade it was in the bottom 10 states in that regard, and it finished third when it came to asset forfeiture rules.

“Government debt, consumption, and employment are all much lower than average, and in all these categories we see improvements since 2010,” the study says. “However, cash and security assets are below average and have been dropping.”

In the negative column was land-use freedom, with a 42nd place ranking in a metric that looked at eminent domain and land-use regulations. For gaming freedom, New Hampshire was the 41st freest state, and 43rd in campaign finance freedom.

“The Granite State is one of the four worst states in the country for residential building restrictions,” the authors said. “Part of the problem might be the absence of a regulatory taking law. However, the eminent domain law is strong. On labor-market freedom, New Hampshire is below average primarily because of the absence of a right-to-work law and of any exceptions to the workers’ compensation mandate.”

In addition to its absolute rankings, the Cato report also looked at how overall freedom has increased or declined over time. When they calculated this change in freedom from 2000 to 2016, they found that freedom had declined in New Hampshire, one of only 13 states to see such a slide in those years.

But when shrinking the time period from 2015 to 2016, New Hampshire actually had the greatest increase in freedom of any state, which suggests that the slide has ended and the state is now trending back in the right direction.

As for what the state can do to further increase freedom, Ruger and Sorens indicated that gambling and local zoning reforms would be good places to start. They also noted that rising local property taxes has become one of the biggest concerns in New Hampshire.

“Local governments need to get a handle on school spending and taxes,” they wrote. “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.”