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New Hampshire shows how to advance freedom

Gov. Chris Sununu, William Ruger, & Jason Sorens

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What makes a state free? New Hampshire seems to be figuring it out.

In the Cato Institute's latest ranking of Freedom in the 50 States, the Granite State comes out on top for overall freedom, besting Florida, which ranked No. 1 in the previous report.

New Hampshire is now the first state to hold the top spot for both economic freedom and overall freedom simultaneously.

One of the big advantages of America's federal system is the possibility of what political scientists call "yardstick competition." Because states are free to try different approaches to a wide range of policies, they can compare the results, take notes, and adopt the policies that work best.

Freedom works, and as it turns out, people want it. Studies show economic freedom increases economic growth. The public has also been voting for personal and economic freedom with their feet by moving from less-free to more-free states.

For these reasons, New Hampshire and other relatively free states, such as Florida, Nevada, and Indiana, have a lot to be proud of. In recent years, New Hampshire has significantly cut taxes across the board, and just this year, it put the interest and dividends tax on a path to abolition in its latest budget proposal.

New Hampshire has avoided a minimum wage and let the free market dictate opportunity. The result is that almost no one earns the minimum, and wages have grown so much that household incomes in the Granite State are some of the highest in America.

New Hampshire hasn't been lax on growing personal freedoms either. Just in the past few years, the Legislature has required a criminal conviction before assets can be forfeited to the state in civil court, decriminalized marijuana, and legalized sports betting. It also expanded "conservative" personal freedoms, such as "constitutional carry," allowing adult citizens who lawfully own a firearm to carry it outside the home without a license.

New Hampshire has also passed education freedom accounts, a school choice policy that empowers families of low to moderate income to choose educational opportunities that best fit the needs of their children.

What are other secrets to New Hampshire's success?

Taxes are low, and they keep getting lower. With the most recent budget signed into law, the minimum business tax threshold was raised to exempt over 30,000 small businesses from even filing taxes, the meals and rooms tax was reduced by 5.55%, and the interest and dividends tax is on its way to being phased out entirely. The state is also highly decentralized from a fiscal standpoint, with nearly three competing local jurisdictions for every 100 miles, giving residents the option of voting with their feet without having to move to another state. Government consumption is low at only 7.9% of the economy.

Leadership is also important. Last year, the Cato Institute named Gov. Chris Sununu as the most fiscally responsible state leader in the nation. As this most recent report shows, the people of New Hampshire continue to benefit from the freedoms that a limited government philosophy can bring about.

National politics is broken; exploding debt, growing inflation, and an incompetent pandemic response are just a few of the symptoms. But in many states, we're seeing a different approach that bears real results. D.C. should get out of the way and let states innovate.

The way to create growth and optimism about the future is to unleash citizen potential with a light regulatory touch. States such as New Hampshire are showing the way.

Chris Sununu is serving his third term as governor of New Hampshire. William Ruger and Jason Sorens are the authors of the Cato Institute's Freedom in the 50 States report.