



Cato Institute Ranks the 50 States

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The Cato Institute this week released *Freedom in the 50 States*, a report that ranks the states on three areas:

- Fiscal policy: taxes, government employment, spending, debt, and fiscal decentralization
- Regulatory policy: liability system, property rights, health insurance, and labor market
- Personal freedom: a variety of categories including incarceration rates, marriage laws, education, guns, and alcohol

Overall, Cato puts New Hampshire, Alaska, Oklahoma, Indiana, and South Dakota as the most free; at the other end of the list are New York, California, Hawaii, New Jersey, and Maryland.

The fiscal policy metric is more than just taxes, of course, but taxes are evidently a strong factor for that area. The top three states for fiscal policy are New Hampshire, Tennessee, and South Dakota, all of which rank highly in our *State Business Tax Climate Index*. The bottom three states are New York, Hawaii, and Illinois.

The report is by William Ruger and Jason Sorens, and is an updated version of a similar study they used to do for the Mercatus Center.