

# NEW HAMPSHIRE UNION LEADER

## **Another View -- Jason Sorens: Why we ranked NH as the freest state in America**

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The two major parties in 2016 haven't left freedom-loving people very hopeful for the future.

Indeed, over the last several years, they have favored bigger, more intrusive government. Neither have put a premium on liberty at the national level.

But the Live Free or Die state has reason for good cheer. In a new study we just published with the libertarian Cato Institute, [New Hampshire ranks as the freest state in the Union](#) based on a range of metrics for both personal and economic freedom.

Our study, [Freedom in the 50 States](#), ranks the American states according to how their public policies affect individual freedoms in the economic, social, and personal spheres. We examine state and local government intervention across a wide range of policy categories, from taxation to debt, from eminent domain laws to occupational licensing, and from drug policy to educational choice.

New Hampshire's state government taxes less than any other but Alaska's. The local tax burden is higher than average, but citizens have ample choice among local governments when buying a home. State debt and subsidies to business are low. Incarceration rates and drug arrest rates are below average. Gun rights are relatively strong, and the state has risen to above average on educational freedom over the last couple of years.

The 2011-12 Legislature repealed the state's costly certificate of need law for new hospital construction. Government is small and fiscally responsible.

So, why does the Granite State rank so highly in these categories? What makes New Hampshire tend toward more freedom, while New York, which came in last place, tends toward less?

There is a long-standing debate in the social sciences about what drives these things. Some think specific political institutions are what matter. New Hampshire has a very large Legislature that makes its politicians among the least susceptible to lobbyist influence, and its Executive Council adds another check on government spending.

Others think culture and political ideology are crucial. Conservative states tend to do better on economic freedom overall, although not always by a huge margin. On personal freedom, the results are less clear cut. Progressive states have done better on marriage freedom, cannabis laws, and incarceration. But conservative states gain points on personal freedom when it comes to gun rights, educational freedom, and smoking on private property.

New Hampshire's unique blend of conservative and liberal politics may be the key to its ranking as the freest state in the country. Unfortunately, the Granite State still scored poorly on several metrics, most significantly for economic growth.

Also, regulation needs improvement. Regulatory freedom is the most important policy predictor of subsequent economic growth in a state, suggesting states can improve their economies by reducing the regulatory burden on businesses. New Hampshire is one of the four worst states in the country for residential building restrictions, owing to strict zoning laws.

Local zoning ordinances should be reviewed and those that increase the price of new housing beyond what is needed to pay for the cost of new infrastructure should be struck down. New Hampshire's labor laws are mediocre, encouraging relatively high workers' compensation costs. Energy regulations drive up costs for manufacturing businesses, and New Hampshire has increased occupational licensing dramatically over the past decade.

Still, these areas requiring improvement shouldn't overshadow New Hampshire's status as the freest state in the Union. New Hampshire's high freedom ranking isn't just some abstract philosophical victory either. It translates to tangible, real life benefits and an overall higher standard of living.

Higher rates of economic and personal freedom mean people are wealthier and able to pursue their own happiness by living life without arbitrary constraints.

The states with low freedom rankings tend to be less economically prosperous. They tend to have higher rates of corruption and more lobbyists seeking government rents. Lower labor-market and regulatory freedom typically discourages business investment and raises the cost of living, which then can scare off Americans from other states looking to relocate for work.

Freedom really matters for your everyday life. And New Hampshire's success thus far doesn't mean it can rest on its laurels. We've conducted this study four times now and use data from 2000 to 2014.

During that period, we've seen states slip up and down the scale. New Hampshire wasn't number one in 2010, and even now, its lead over states like Alaska and the Dakotas is small. Attracting productive people to New Hampshire and raising the standard of living for those already here will require continued reform.

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