Dean Stansel,
José Torra,
Matthew Mitchell,
& Ángel Carrión-Tavárez

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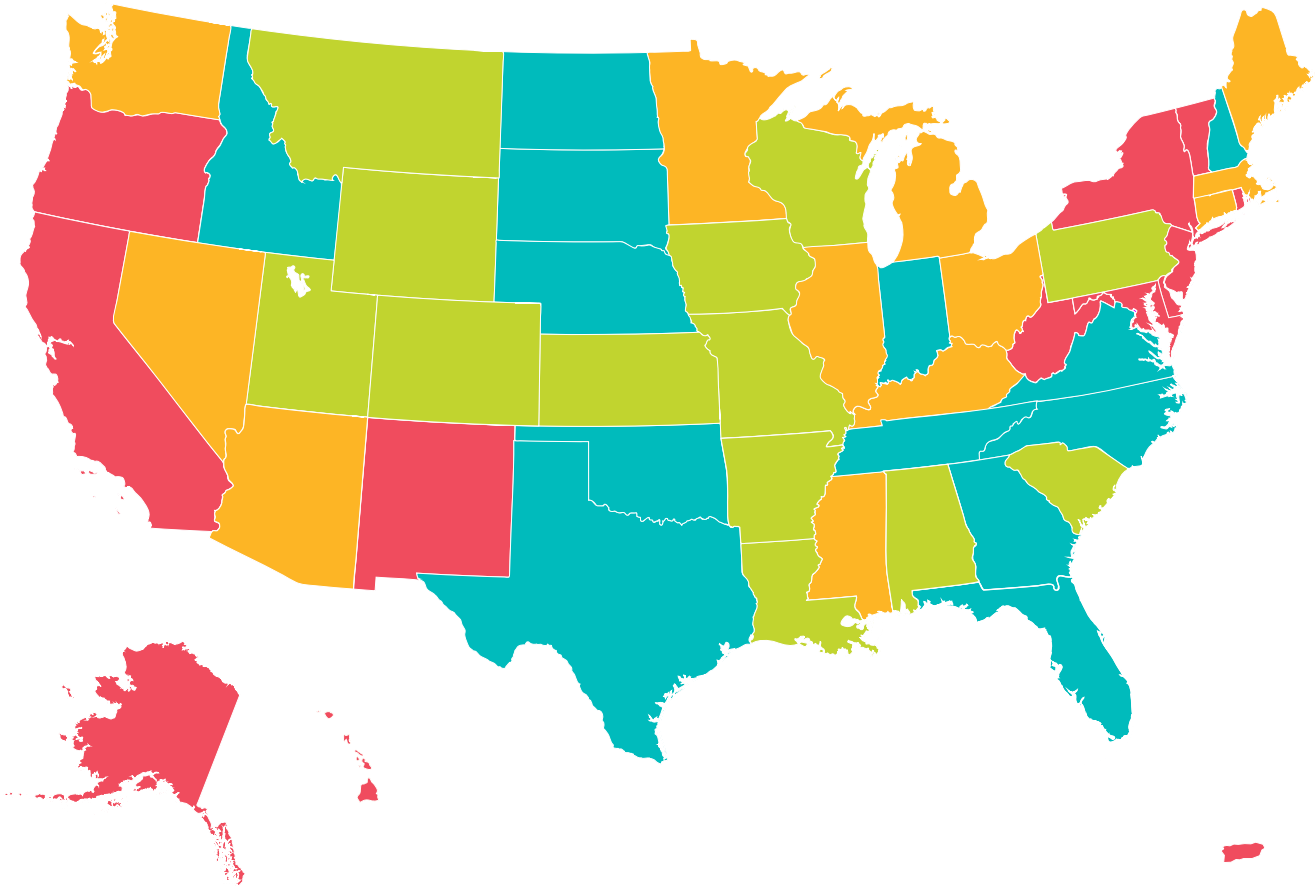
Economic Freedom of North America 2024



The map uses the subnational index.

MOST FREE
2ND QUARTILE
3RD QUARTILE
LEAST FREE

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FOREWORD

The Buckeye Institute, in partnership with the Fraser Institute, is proud to announce the release of the 20th edition of the Economic Freedom of North America (EFNA) report. This report is the latest entry in a series dating back to 2001 and represents a comprehensive effort to meticulously assess the levels of economic freedom in the United States, Canada, Mexico, and Puerto Rico. Using a new methodology this year, the index examines the tax environment, regulatory climate, and general labor market restraints present at various levels of government within these countries, generates ratings based on these examinations, and ranks the localities based on these ratings. An essential guide for advancing liberty-oriented policy changes, the EFNA report highlights the intrinsic importance of economic freedom and its key role in advancing prosperity.

In the 2024 EFNA, Ohio ranks 35th out of 50 states and Puerto Rico, with an overall score of 6.04. This places it in the third quartile of the index's sub-national rankings. Although Ohio's taxation score is commendable and it boasts a decent labor-market score, its government spending score, particularly with respect to its public pension system, continues to drag its overall ranking down.

To raise Ohio's EFNA ranking, its leaders must rein-in state spending and confront looming public pension problems. Policymakers must also continue working to improve Ohio's state and local tax systems, as well as its regulatory regime, to create a more competitive, pro-growth environment. The Buckeye Institute remains committed to working with state leaders to achieve these goals and has offered a broad range of policy proposals that will aid in this endeavor.

Zachary D. Cady
Associate Economist
The Buckeye Institute

Ohio Economic Freedom Fact Sheet

The Fraser Institute, using an updated methodology to measure economic freedom, ranked Ohio **35th out of the 50 states and Puerto Rico.**

Neighboring States' Rankings

States Less Free Than Ohio

WEST VIRGINIA

States Freer Than Ohio

INDIANA

PENNSLYVANIA

MICHIGAN

KENTUCKY

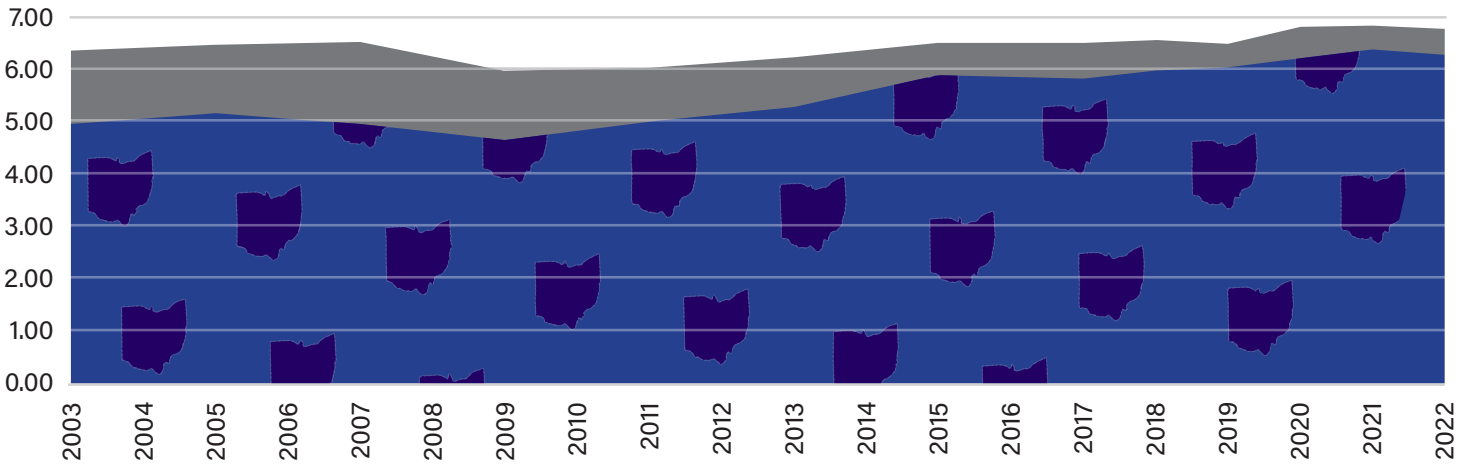
Ohio's Rankings in Key Areas

45th | IN GOVERNMENT SPENDING

18th | IN TAXES

29th | IN LABOR-MARKET FREEDOM

Ohio's Overall Economic Freedom vs. the Country's 2003-2022



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Economic Freedom of North America in 2022

Economic freedoms are a subset of human freedoms. And when people have more economic freedom, they are allowed to make more of their own economic choices—choices about work, about buying and selling goods and services, about acquiring and using property, and about forming contracts with others.

The indices published in the *Economic Freedom of North America 2024* (EFNA) report measure the degree to which provincial, state, and local governments in North America permit their citizens to make their own economic choices. These governments can limit economic freedom through taxes, regulations, barriers to trade, and manipulation of the value of money, or they can safeguard economic freedom by protecting people and their property.

Economic Freedom of North America 2024 is the twentieth edition of the Fraser Institute's annual report. It measures the extent of economic freedom in each of the 10 Canadian provinces, 50 US states, the US territory of Puerto Rico, and all 32 Mexican states.

It includes four distinct indices. The all-government index, which includes all 93 jurisdictions, takes account of federal government policies and should be used to compare jurisdictions across all three countries. Three separate subnational indices—one for each country—account for provincial/state and local government policies and these indices should be used to compare jurisdictions within the same country.

In the subnational indices, we employ 10 variables for each provincial/state government in three areas: 1) Government Spending; 2) Taxes; and 3) Labor Market Freedom.

The all-government index builds on the subnational indices to account for federal policies in two ways. First, we add federal spending and taxes in the provinces and states to the provincial/state and local totals used in the subnational index.

This accounts for the fact that federal policies may differentially affect one state relative to another or one province relative to another. Second, the all-government index incorporates six variables from the *Economic Freedom of the World* (EFW) index to account for differences in economic freedom between the coutries. These include three additional areas: 4) Legal Systems and Property Rights; 5) Sound Money; and 6) Freedom to Trade Internationally. And it includes three additions to existing areas: It expands on EFNA's Area 1 to include federal government investment (variable 1C in EFW), Area 2 to include federal top marginal income and payroll tax rates (variable 1Dii in EFW), and Area 3 to include federal credit market regulation and business regulations. These additions help capture restrictions on economic freedom that arise from federal policy.

Results for Canada, the United States, and Mexico

The all-government index

The all-government index should be used to compare jurisdictions across the three countries. Canada and the United States have similar national scores in *Economic Freedom of the World*, and both have typically been among the top 15 nations in that report. In the 2024 *Economic Freedom of the World* index, the US ranks fifth while Canada is eighth. Mexico, on the other hand, typically ranks much lower and is 65th in the 2024 report. These different country rankings in the *Economic Freedom of the World* report affect state and provincial rankings in the all-government *Economic Freedom of North America* index.

The top jurisdiction in the all-government index of *Economic Freedom of North America 2024* is New Hampshire at 8.13 on the 0 to 10 scale. New Hampshire is followed by Idaho (8.07), Oklahoma and South Carolina (8.06) tied for third, and Florida and Indiana (8.05) tied for fifth.

The lowest-ranking jurisdictions are all Mexican states. In last place is Ciudad de México (5.62) at 93rd. Above that is Colima (5.78) at 92nd, Campeche (5.98) at 91st place, Tamaulipas (6.06) at 90th, and Zacatecas (6.09) at 89th.

Alberta (8.01) is the highest-ranking Canadian province, tied for 12th place with Tennessee, South Dakota, Colorado, and Texas. The next-highest Canadian province is British Columbia (7.84) which is tied with Massachusetts, Minnesota, and New Mexico for 43rd place. Canada's four Atlantic provinces rank below all 50 US states:

New Brunswick (7.64) is 57th, Prince Edward Island (7.63) is 58th, Nova Scotia (7.62) is 59th, and Newfoundland & Labrador (7.58) is 60th.

Puerto Rico and all the Mexican states are more than a full point behind the lowest-ranking Canadian province, Newfoundland & Labrador. Puerto Rico (6.57) is in 61st place. The highest-ranked Mexican state is close behind, Baja California (6.54) at 62nd place. The next-highest ranked Mexican state is Chihuahua (6.46) in 63rd place, followed by Jalisco (6.44) in 64th place, Puebla (6.43) in 65th place, and Guanajuato (6.42) in 66th place.

The lowest-ranking US state is Delaware (7.65) at 56th place. The next-lowest is New York (7.68) at 55th, Hawaii (7.73) at 52nd, and Alaska (7.76) which is tied with Saskatchewan in 50th.

Averaging across all 93 jurisdictions, economic freedom in North America peaked in 2004 at 7.76 then fell to a low of 7.30 in 2009. Average economic freedom in North America then rose slowly to 7.50 in 2017, but it has remained more than a quarter-point below its 2004 peak ever since. Average economic freedom across all 93 jurisdictions has fallen every year since 2017 and is now only 0.02 points above its all-time low.

The subnational indices

The subnational indices should be used to compare jurisdictions within the same country. There is a separate subnational index for each country. In Canada's subnational index, the most economically free province in 2022 was again Alberta with 6.59, followed by Ontario (5.40) in second place and Manitoba (5.14) in third. The least free by far was Quebec at 3.41, with the next-lowest being Nova Scotia (4.22) at ninth, and Saskatchewan (4.46) in eighth.

In the United States subnational index, the most economically free state was New Hampshire at 8.12, followed by South Dakota (8.05) in second, Florida (8.03) in third, Tennessee (8.01) in fourth, and Texas (8.00) in fifth. Note that since the indices were calculated separately for each country, the numeric scores on the subnational indices are not directly comparable across countries. The least-free state was again New York (4.25) at 50th, well behind California (4.44) at 49th, Hawaii (4.68) at 48th, and New Mexico (4.81) at 47th. The US territory of Puerto Rico's score was even lower at 2.13, only half that of the lowest state.

In the Mexican subnational index, the most economically free state was Michoacán de Ocampo at 6.30, far ahead of Baja California (5.67) in second, followed by Morelos (5.56) in third, Jalisco (5.34) in fourth, and Puebla (5.32) in fifth. The least free Mexican state was Zacatecas (2.60). The next-lowest was Campeche (2.99) at 31st, Tabasco (3.47) at 30th, Quintana Roo (3.62) at 29th, and México (3.69) at 28th.

In addition to the tables found in chapter 5, our interactive website at https://www.freetheworld.com/ contains all the latest scores and rankings for each of the components of the indices as well as historical data on the overall and area scores. The full dataset is also available for download at that same website, which can also be accessed by scanning the following QR code:

Economic freedom and economic well-being at the subnational level

Economically free places tend to prosper. One way to see this is to compare economic freedom with income per person. Among those North American jurisdictions that were in the bottom 25% for all-government economic freedom (averaged from 2013 to 2022) income per person in 2022 was US$2,997. But among those jurisdictions that were in the top 25% on all-government economic freedom, income per person was US$62,184. In other words, incomes in the freest North American jurisdictions were 21 times higher than in the least-free jurisdictions.

Incomes are not only higher in economically free places, but they tend to grow faster in these places as well. From 2013 to 2022 total income in the freest 25% of North American jurisdictions grew 29% after adjusting for inflation. In the least-free jurisdictions, however, inflation-adjusted income fell 13%.

The same patterns hold when we compare jurisdictions within countries. In those places that were the most-free relative to the rest of their country, incomes were, on average, about 3% higher than in the rest of the country. But among those places that

were the least-free relative to the rest of their country, incomes were 6.8% below the country average.

Among the freest US states, population grew 10 times faster than it did in the least-free from 2013 to 2022. Total employment in these states also grew about three times faster than in the least-free states over this time.

These general patterns have been corroborated by independent scholars using careful statistical analyses that control for possibly confounding factors such as geography, climate, and historical development. There are now nearly 400 articles by independent researchers examining subnational economic freedom using the data from *Economic Freedom of North America.* Appendix C lists some of the most recent ones.

Much of that literature focuses on economic growth or entrepreneurship but the list also includes studies of a variety of topics such as income inequality, eminent domain, and labor markets. The vast majority of the results find higher levels of economic freedom to be correlated with positive outcomes such as economic growth, lower unemployment, reduced poverty, and so on. The results of these studies tend to mirror those found for these same relationships at the country level using the index published in *Economic Freedom of the World.*

Data available to researchers

The full data set, including all of the data published in this report as well as data omitted due to limited space, can be downloaded for free at <https://www.fraserinstitute.org/economic-freedom/dataset>. The data file available there contains the most up-to-date and accurate data for the index published in *Economic Freedom of North America*. All editions of the report are available in PDF and can be downloaded for free at <www.fraserinstitute.org/studies/economic-freedom>. However, users are always strongly encouraged to use the data from the most recent data file as updates and corrections, even to earlier years' data, do occur.

If you have difficulty downloading the data, please contact <freetheworld@fraserinstitute.org>. If you have technical questions about the data itself, please contact Dean Stansel via e-mail to <dean.b.stansel@gmail.com>.

Cite the dataset

Authors Dean Stansel, José Torra, Matthew Mitchell, and Ángel Carrión-Tavárez

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URL <https://www.fraserinstitute.org/economic-freedom/dataset>

Chapter One

Economic Freedom of Canada, the United States, and Mexico in 2022

Economic freedom and the index

The indices published in *Economic Freedom of North America* (EFNA) are an attempt to gauge the extent to which governments in North America permit their citizens economic freedom. The indices published here measure economic freedom at two levels, the subnational and the all-government. There are three separate subnational indices, one each for Canada, the United States, and Mexico. These indices measure the impact of provincial/state and local governments on economic freedom and should be used to compare jurisdictions within the same country. The all-government index builds on the subnational indices to measure the impact of all levels of government—federal, provincial/state, and local—in all three countries. The all-government index should be used to compare jurisdictions across countries. All 10 Canadian provinces, 50 US states, 32 Mexican states (including Ciudad de México), and the US territory of Puerto Rico are included (figures 1.1, 1.2a, 1.2b, and 1.2c). The most recent data available for the report are from fiscal year 2022.

What is economic freedom and how is it measured in this index?

Economic freedoms are a subset of human freedoms. They concern economic activity such as transacting, working, acquiring and using property, and contracting with others. When people have more economic freedom, they are allowed to make more of their own economic choices. On one hand, governments can prevent people from making their own economic choices through regulations, taxes, barriers to trade, and manipulation of the value of money. On the other hand, governments can safeguard individual economic choice by protecting persons and their property from fraud or force.

The Fraser Institute has been measuring economic freedom for nearly three decades, beginning with the first *Economic Freedom of the World* (EFW) report, published

in 1996.[1] Since that first publication, independent researchers have used the EFW to conduct about 1,000 studies assessing the relationship between economic freedom and various measures of human wellbeing. These studies find overwhelming evidence that economic freedom is associated with better outcomes. For example, economic freedom is positively correlated with higher per-capita income, faster economic growth, greater life expectancy, lower child mortality, stronger democratic institutions, better protection of civil and political freedoms, greater tolerance, and more trust.[2] While the goal of the *Economic Freedom of the World* index is to measure the economic freedom of countries on an international basis, the goal of the *Economic Freedom of North America* index is to measure economic freedom across Canadian provinces, US jurisdictions, and Mexican states.

In 1999, the Fraser Institute published *Provincial Economic Freedom in Canada: 1981–1998* (Arman, Samida, and Walker, 1999), a measure of economic freedom in 10 Canadian provinces. *Economic Freedom of North America* updates and expands this initial endeavor by including the 50 US states, the 32 Mexican states, and the US territory of Puerto Rico. This latest edition includes data from 1981 through 2022 for all Canadian provinces and US states, data from 2000 through 2022 for Puerto Rico, and data from 2003 through 2022 for all Mexican states.

All jurisdictions are ranked on economic freedom at both the subnational (state/provincial and local) and the all-government (federal, state/provincial, and local) levels. This helps isolate the impact of different levels of government on economic freedom in each jurisdiction. The subnational index provides a comparison of how individual jurisdictions within a country measure up against other jurisdictions in that country. The all-government index provides a comparison of how individual jurisdictions in different countries compare to each other.

We examine state- and provincial-level data in three areas of economic freedom: government spending, taxes, and labor-market regulation. To account for factors that vary primarily across countries but not subnational jurisdictions, our all-government index includes additional variables found in *Economic Freedom of the World*.

1 It was the Fraser Institute's founder and first president, Michael Walker, who first suggested the idea of measuring economic freedom. To see it to fruition, he worked with Milton and Rose Friedman to organize a series of conferences with dozens of experts, including three Nobel Prize-winning economists.

2 A list of such articles and additional information can be found at <https://www.fraserinstitute.org/economic-freedom/>. For more details on the history of the index and the literature see Lawson (2022) and Mitchell (2024).

For the third time, we have included the US territory of Puerto Rico in the report. It was introduced in the subnational index in the 2022 report and into the all-government index in 2023. Chapter 3 provides more details on Puerto Rico's inclusion in the indices.

All-government economic freedom

As figure 1.1 on page 10 indicates, in the all-government index, the highest-ranked jurisdiction is again New Hampshire with a score of 8.13, followed by Idaho (8.07), Oklahoma and South Carolina tied for third (8.06), and then Florida and Indiana tied for fifth (8.05). Alberta is the highest-ranked Canadian province, tied with four US states for 12th place with a score of 8.01. British Columbia, the province next highest after Alberta, is now tied with three US states at 43rd with 7.84. The lowest-ranked Canadian province in the all-government index is Newfoundland & Labrador at 60th (7.58). The next-lowest are Nova Scotia (7.62) at 59th, Prince Edward Island (7.63) at 58th, and New Brunswick (7.64) at 57th. These four Canadian provinces rank below all 50 US states in all-government economic freedom (last year, seven of the 10 provinces ranked below all 50 US states). The lowest-ranked US state, Delaware, is 56th with 7.65. The next lowest-ranked states in the United States are New York (55th, 7.68), Hawaii (52nd, 7.73), and Alaska (50th, 7.76).

Thanks to the efforts of Ángel Carrión-Tavárez of the *Instituto de Libertad Económica*, two years ago we made a preliminary attempt to include the US territory of Puerto Rico in the US subnational index. Last year we built on that by making a preliminary effort to include it in the all-government index as well. Several improvements have been made in that effort and both data sets have been expanded back to 2000. Puerto Rico comes in at 61st in the all-government index with 6.57. This is 1.01 points below the lowest-ranked Canadian province and only 0.03 above the highest-ranked Mexican state.

The highest-rated Mexican states are again Baja California at 62nd (6.54) and Chihuahua at 63rd with 6.46, behind all 50 US states and 10 Canadian provinces, and below the lowest-ranked Canadian province by 1.04. Jalisco (6.44) and Puebla (6.43) are next highest at 64th and 65th, respectively. The lowest rated jurisdiction in North America is Ciudad de México (93rd with 5.62). The next lowest are Colima at 5.78 and Campeche at 5.98. For a more detailed discussion of the Mexican results, see Chapter 2: Economic Freedom of the Mexican States in 2022.

Figure 1.1: Summary of 2022 Ratings at the All-Government Level

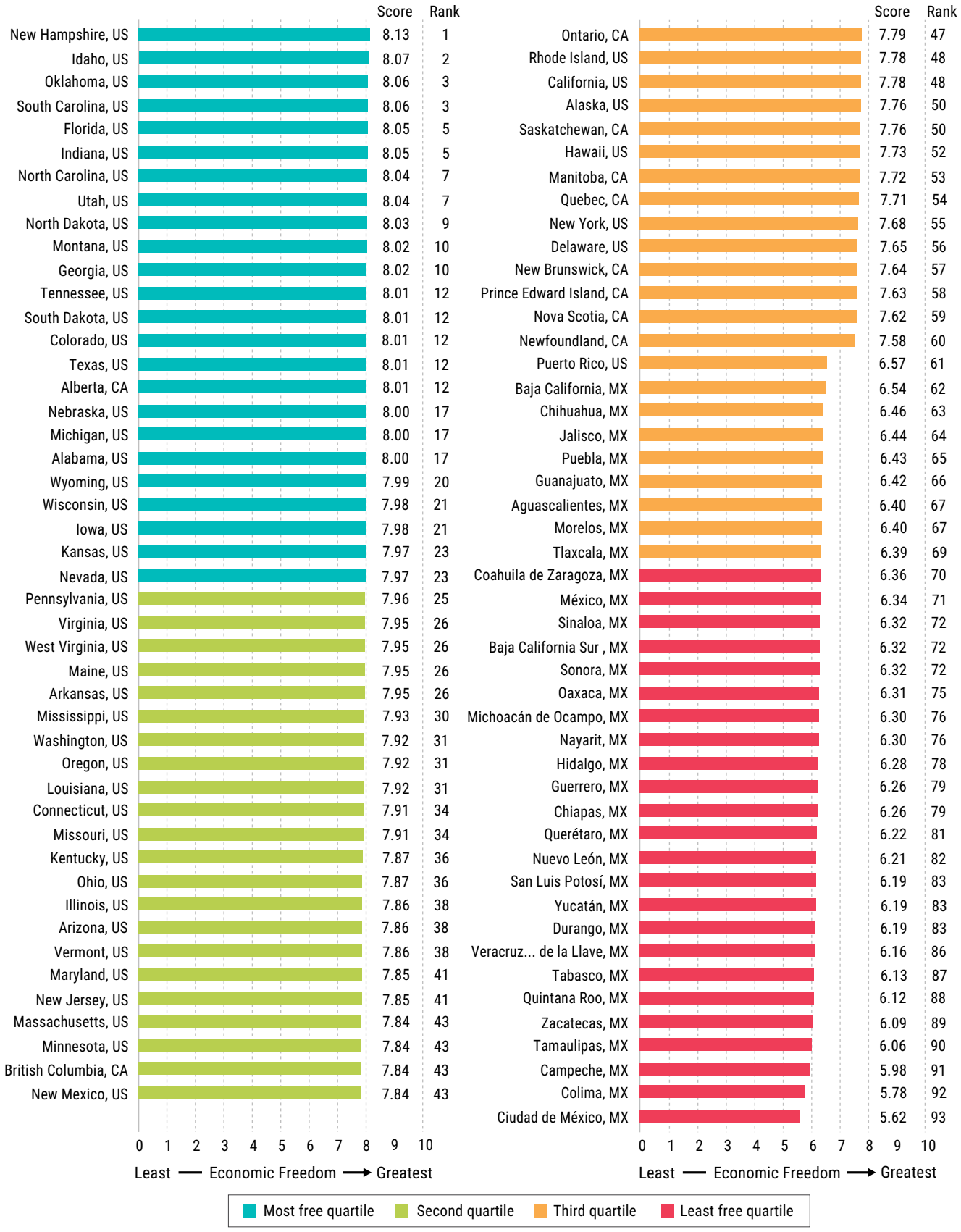


Table 1.1: Average Economic Freedom Scores at the All-Government Level, Selected Years, 2009–2022

	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022
Canada	7.92	7.80	7.90	8.00	7.92	7.84	7.84	7.64	7.68	7.73
United States	7.89	8.03	8.09	8.17	8.20	8.18	8.15	8.06	8.00	7.93
Mexico	6.21	6.12	6.07	6.29	6.29	6.31	6.34	6.27	6.35	6.24
Overall average	7.30	7.33	7.36	7.49	7.50	7.49	7.48	7.39	7.38	7.32
US minus CAN	-0.03	0.23	0.20	0.17	0.28	0.34	0.32	0.42	0.32	0.21
CAN minus MX	1.70	1.68	1.82	1.72	1.63	1.53	1.49	1.37	1.33	1.49

As table 1.1 indicates, the average US state has a higher level of economic freedom on the all-government index than the aveage Canadian province (7.93 out of 10 compared to 7.73). For the third year in a row, that margin shrank. Averaging across all 93 jurisdictions, all-government economic freedom has fallen every year since 2017.

Historically, economic freedom had generally been declining in all three countries, though Canada has bucked the trend in the last three years. From 2004 to 2011, the average score across all 93 jurisdictions declined from 7.76 to 7.33, and then increased steadily to 7.50 in 2017. That rise was generally maintained through 2019.

In 2020, the trend reversed as governmental response to the COVID-19 pandemic led to a 0.09 decline in the overall average for all jurisdictions. That was the largest single year decline since the 0.17 decline in 2009 during the Great Recession. Since then, the all-jurisdiction average has fallen even further to 7.32 in 2022 (from 7.48 in 2019). Now, all-government economic freedom in North America is lower than it has been since 2009. We concur with our colleagues who wrote in *Economic Freedom of the World: 2024 Annual Report*:

> We take no position on the efficacy of the various public-health policies designed to deal with the coronavirus pandemic; they very well may have saved millions of lives, or they may have been completely ineffectual. That is a question for epidemiologists and health economists to work out. Our concern is economic freedom, and on that margin, there is no question that government policies responding to the coronavirus pandemic have reduced economic freedom. (Gwartney, Lawson, and Murphy, 2024: 25)

Table 5.1 (pp. 74–76) shows the individual scores for all six areas included in the all-government index. The calculations for the index and the data sources for the scores are found in appendices A and B. The longer time series back to 1985 is available in the full dataset published on the Fraser Institute's website <www.fraserinstitute.org/studies/economic-freedom>. The EFW data for countries (used in the all-governments index) is currently only available at five-year intervals prior to 2000, so our index has that same limitation. Since these data are at the national level, they do not affect calculations of the subnational indices. The subnational indices for Canada and the United States extend back to 1981.

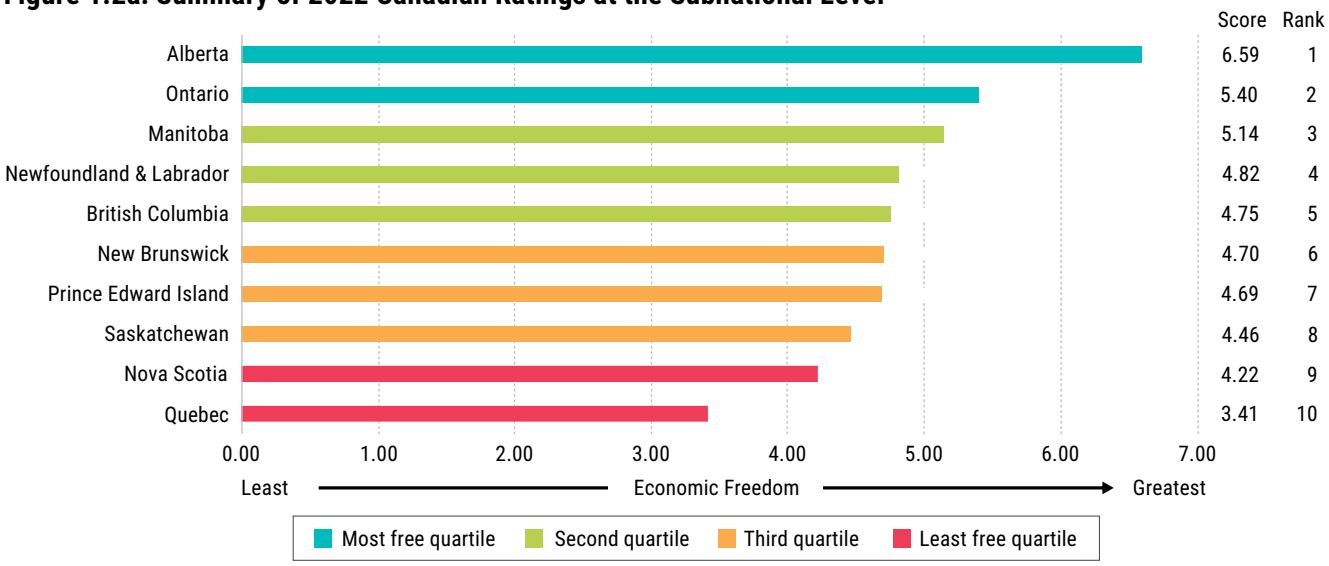
Subnational economic freedom

For comparisons of jurisdictions within the same country, the subnational indices are most appropriate. Figures 1.2a, 1.2b, and 1.2c show the subnational indices for Canada, the United States, and Mexico.

Canada

Alberta, with a score of 6.59, was the most economically free province in Canada in 2022 (figure 1.2a), as it has been for many years. However, since 2014 that lead has shrunk substantially, falling from 2.29 points in 2014 to 1.19 in 2022 (after bottoming out at 0.78 in 2020). The next highest provinces in the subnational index were Ontario at 5.40 and Manitoba at 5.14, followed by Newfoundland & Labrador at 4.82. British

Figure 1.2a: Summary of 2022 Canadian Ratings at the Subnational Level

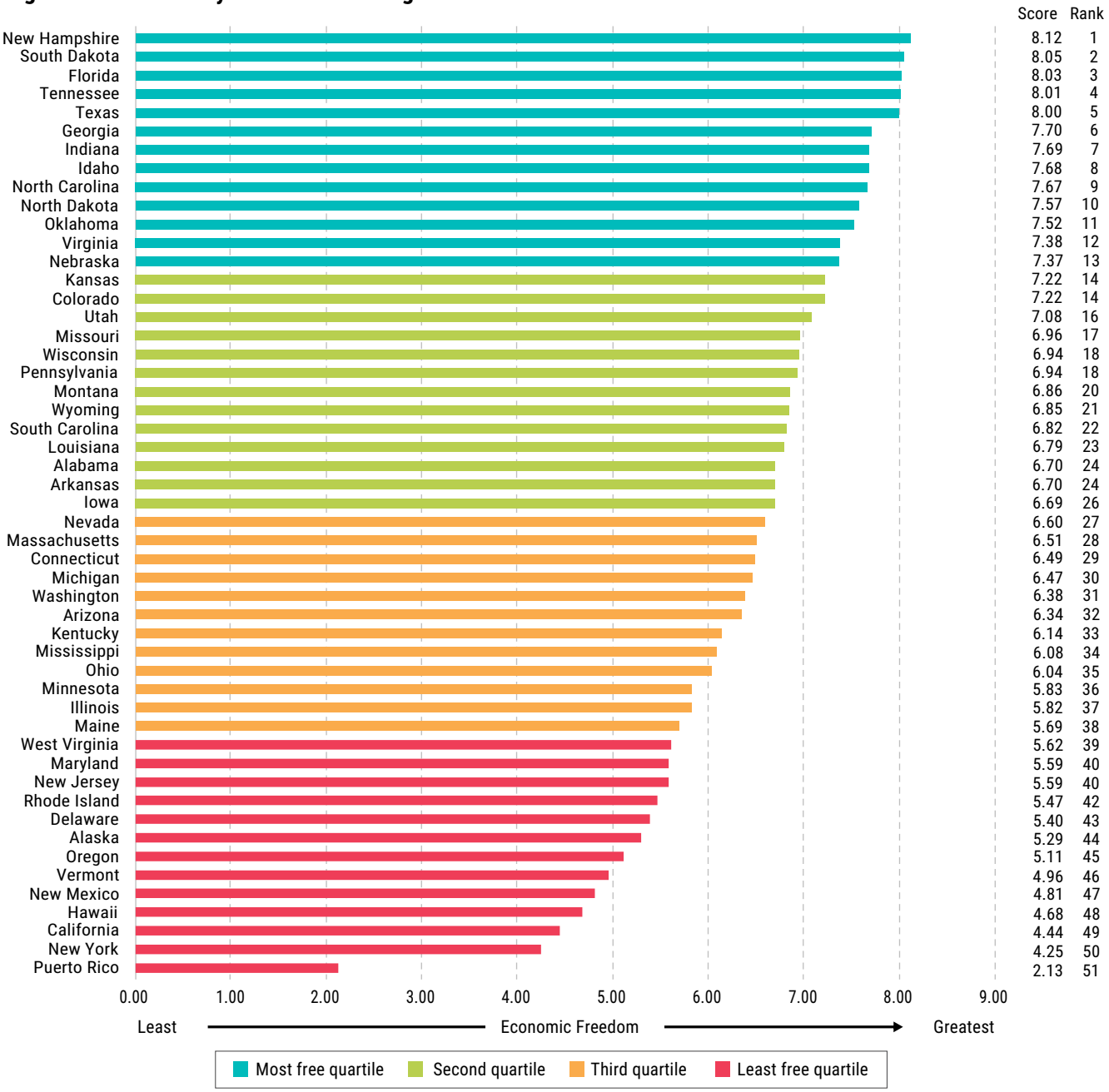


Columbia has now fallen to fifth at 4.75 from second in 2018 when it scored 5.73. Quebec was at the bottom of the subnational economic freedom index with 3.41, well below Nova Scotia at 4.22, Saskatchewan at 4.46, and Prince Edward Island at 4.69.

United States

Figure 1.2b shows the subnational scores for the US states. New Hampshire (8.12) again earned the top spot. South Dakota (8.05) rose to second, and Florida fell to

Figure 1.2b: Summary of 2022 US Ratings at the Subnational Level



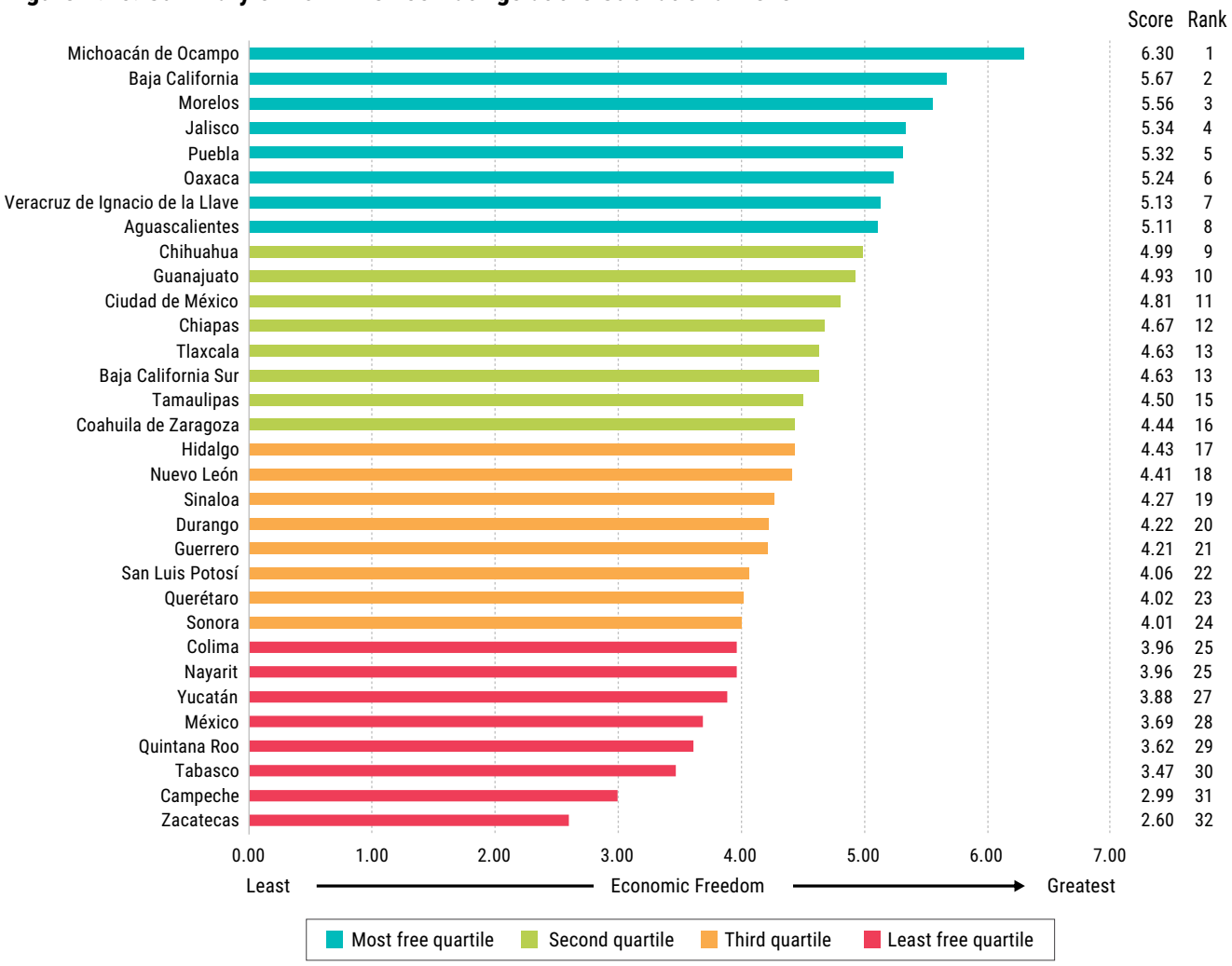
third with 8.03, followed by Tennessee (8.01) and Texas (8.00).[3] The least-free state was again New York with 4.25, well behind California (4.44), Hawaii (4.68), New Mexico (4.81), Vermont (4.96), and Oregon (5.11).

The US territory of Puerto Rico again had by far the lowest score, 2.13. The next lowest score was nearly twice as high. See chapter 3 for a more detailed discussion of economic freedom in Puerto Rico.

Mexico

The subnational scores for the Mexican states can be found in figure 1.2c. Chapter 2 contains a more detailed discussion of the Mexican index. The most economically free state by this measure was Michoacán de Ocampo at 6.30, followed by Baja

Figure 1.2c: Summary of 2022 Mexico Ratings at the Subnational Level



3 Note that since the indices were calculated separately for each country the numeric scores on the subnational indices are not directly comparable across countries.

California at 5.67, and Morelos at 5.56.[4] This year, Zacatecas was the least-free Mexican state at 2.60, followed by Campeche (2.99) and Tabasco (3.47).

Additional resources

In addition to the tables in Chapter 5, all the 2022 scores and rankings for each of the components of the index as well as historical data on the overall and area scores can be found on our interactive website at www.freetheworld.org, where the full dataset is also available for download. It can also be accessed with the following QR code:

Description of components

The theory of economic freedom is no different at the subnational level than it is at the global level, although different variables consistent with the theory of economic freedom must be found that suit subnational measures. The 10 components of the subnational index fall into three areas: 1) Government Spending, 2) Taxes, and 3) Labor Market Freedom (Regulation, 3Ai–3Aiii). Most of the components we use are calculated as a ratio of income in each jurisdiction and thus do not require the use of exchange rates or purchasing power parities (PPP). The exception is component 2B, Top Marginal Income Tax Rate and the Income Threshold at Which It Applies, where purchasing power parity is used to calculate equivalent top thresholds in Canada and Mexico in US dollars.

Using a simple mathematical formula to reduce subjective judgments, a scale from zero to 10 for each component was constructed to represent the underlying distribution of each of the 10 components in the index. The highest possible score on each component is 10, which indicates a high degree of economic freedom, and the lowest

4 Mexico has a much more centralized government structure than Canada and the United States. As a result, since the subnational index leaves out the impact of the federal government, it is a less useful measure of the relative level of economic freedom across the Mexican states.

possible score is zero, which indicates a low degree of economic freedom.[5] Thus, this index is a relative ranking.

The rating formula is consistent across time to allow an examination of the evolution of economic freedom. To construct the overall index without imposing subjective judgments about the relative importance of the components, each area was equally weighted and each component within each area was equally weighted (see Appendix A: Methodology, p. 105, for more details).

In order to produce comparable tax and spending data for jurisdictions of widely different sizes and income levels, all such variables are standardized by dividing by income (as is the minimum-wage variable). In Canada and Mexico, we use "household income"; in the United States, the comparable concept is called "personal income." We use income instead of GDP because there are some jurisdictions where there are large levels of economic activity (included in GDP) that do not directly benefit residents and GDP thus overstates the resources that residents have available to pay the burden of government.

For example, because of peculiarities in its tax law, the US state of Delaware has an abnormally high number of corporate bank headquarters. Much of the revenue generated by those operations goes to shareholders outside Delaware. Those dollars are included in Delaware's GDP, making taxes and spending seem less burdensome as a percentage of the economy than they actually are. Those dollars are not included in personal income, so using income provides a more accurate measure of the level of economic freedom.

Area 1 Government Spending

1A General Consumption Expenditures by Government as a Percentage of Income

As the size of government expands, less room is available for private choice. While government can fulfill useful roles in society, there is a tendency for government to undertake superfluous activities as it expands: "there are two broad functions of government that are consistent with economic freedom: 1) protection of individuals against invasions by intruders, both domestic and foreign, and 2) provision of a few selected

5 Because of the way scores for economic freedom are calculated, a minimum-maximum procedure discussed in Appendix A: Methodology (p. 105), a score of 10 is not indicative of perfect economic freedom, but rather the most freedom among the existing jurisdictions.

goods—what economists call public goods" (Gwartney, Lawson, and Block, 1996: 22). These two broad functions of government are often called the "protective" and "productive" functions of government. Once government moves beyond these two functions into the provision of private goods, goods that can be produced by private firms and individuals, it restricts consumer choice and, thus, economic freedom (Gwartney, Lawson, and Block, 1996). In other words, government spending, independent of taxation, by itself reduces economic freedom once this spending exceeds what is necessary to provide a minimal level of protective and productive functions. Thus, as the size of government consumption expenditure grows, a jurisdiction receives a lower score in this component.

1B Transfers and Subsidies as a Percentage of Income

When the government taxes one person in order to give money to another, it separates individuals from the full benefits of their labor and reduces the real returns of such activity (Gwartney, Lawson, and Block, 1996). These transfers represent the removal of property without providing a compensating benefit and are, thus, an infringement on economic freedom. Put another way, when governments take from one group in order to give to another, they are violating the same property rights they are supposed to protect. The greater the level of transfers and subsidies, the lower the score a jurisdiction receives.

1C Insurance and Retirement Payments as a Percentage of Income

When private, voluntary arrangements for retirement, disability insurance, and so on are replaced by mandatory government programs, economic freedom is diminished. As the amount of such spending increases, the score on this component declines.

1D Government Investment (all-government index only)

When government engages in more of what would otherwise be private investment, economic freedom is reduced. This variable, used only in the all-government index, is the country score for variable 1C in *Economic Freedom of the World: 2024 Annual Report*. A detailed description and data sources can be found in that report, available at <https://fraserinstitute.org/studies/economic-freedom-of-the-world-2024-annual-report>.

Area 2 Taxes

As the tax burden grows, the restrictions on private choice increase and thus economic freedom declines. We examine the major forms of taxation separately.

2A Income and Payroll Tax Revenue as a Percentage of Income

This variable includes all personal and corporate income taxes as well as payroll taxes used to fund social insurance schemes (i.e., employment insurance, Workers Compensation, and various pension plans).

2Bi Top Marginal Income Tax Rate[6] and the Income Threshold at Which It Applies

Because marginal income tax rates represent the direct penalty on economic activity, in addition to the revenue variable, we include a variable that incorporates the top tax rate as well as the income level at which that rate applies. Top personal income-tax rates are rated by the income thresholds at which they apply. Higher thresholds result in a better score. More details can be found in appendices A and B.

2Bii Top Marginal Income and Payroll Tax Rates (all-government index only)

This variable, used only in the all-government index, is the country score for variable 1Dii in *Economic Freedom of the World: 2024 Annual Report*. A detailed description and data sources can be found in that report, available at <https://fraserinstitute.org/studies/economic-freedom-of-the-world-2024-annual-report>.

2C Property Tax and Other Taxes as a Percentage of Income

This variable includes all forms of taxation other than income, payroll, and sales taxes (which are already captured in variables 2A and 2D), with one exception. Revenue from taxes on natural resources are excluded for three reasons: 1) most areas do not have them; 2) their burden is largely exported to taxpayers in other areas; 3) they can fluctuate widely along with the prices of natural resources (for example, oil), thereby creating outliers that distort the relative rankings.

6 See Appendix A: Methodology (p. 105) for further discussion of how the rating for the top marginal tax rate and its threshold was derived.

2D Sales Tax Revenue as a Percentage of Income

This variable includes all sales and gross receipts taxes (including excise taxes). Such taxes are a major source of revenue for subnational governments.

Note about intergovernmental transfers and double counting

In examining the two areas above, it may seem that Areas 1 and 2 create a double counting, in that they capture the two sides of the government ledger sheet, revenues and expenditures, which presumably should balance over time. However, in examining subnational jurisdictions, this situation does not hold. A number of intergovernmental transfers break the link between taxation and spending at the subnational level.[7] The break between revenues and spending is even more pronounced at the all-government level, which includes the federal government. Obviously, what the federal government spends in a state or a province does not necessarily bear a strong relationship to the amount of money it raises in that jurisdiction. Thus, to take examples from both Canada and the United States, the respective federal governments spend more in the province of Newfoundland & Labrador and the state of West Virginia than they raise through taxation in these jurisdictions—while the opposite pattern holds for Alberta and Connecticut. As discussed above, both taxation and spending can suppress economic freedom. Since the link between the two is broken when examining subnational jurisdictions, it is necessary to examine both sides of the government's balance sheet.

Area 3 Regulation

3A Labor Market Regulation

3Ai Minimum Wage

High minimum wages restrict the ability of employees and employers to negotiate contracts to their liking. In particular, minimum wage legislation restricts the ability of low-skilled workers and new entrants to the workforce to negotiate for employment they might otherwise accept and, thus, restricts the economic freedom of these workers and the employers who might have hired them.

7 Most governments have revenue sources other than taxation and national governments also have international financial obligations so that the relation between taxation and spending will not be exactly one to one, even at the national level. Nevertheless, over time, the relationship will be close for most national governments, except those receiving large amounts of foreign aid.

This component measures the annual income earned by someone working full time at the minimum wage as a percentage of per-capita income. Since per-capita income is a proxy for the average productivity in a jurisdiction, this ratio takes into account differences in the ability to pay wages across jurisdictions. As the minimum wage grows relative to productivity, thus narrowing the range of employment contracts that can be freely negotiated, there are further reductions in economic freedom, resulting in a lower score for the jurisdiction. For example, minimum wage legislation set at 0.1% of average productivity is likely to have little impact on economic freedom; set at 50% of average productivity, the legislation would limit the freedom of workers and firms to negotiate employment to a much greater extent. For instance, a minimum wage requirement of $2 an hour for New York will have little impact but, for a developing nation, it might remove most potential workers from the effective workforce. The same idea holds, though in a narrower range, for jurisdictions within Canada, the United States, and Mexico.

3Aii Government Employment as a Percentage of Total State/Provincial Employment

Economic freedom decreases for several reasons as government employment increases beyond what is necessary for government's productive and protective functions. Government, in effect, is using expropriated money to take an amount of labor out of the labor market. This restricts the ability of individuals and organizations to contract freely for labor services since employers looking to hire have to bid against their own tax dollars to obtain labor. High levels of government employment may also indicate that government is attempting to supply goods and services that individuals contracting freely with each other could provide on their own; that the government is attempting to provide goods and services that individuals would not care to obtain if able to contract freely; or that government is engaging in regulatory and other activities that restrict the freedom of citizens. Finally, high levels of government employment suggest government is directly undertaking work that could be contracted privately. When government, instead of funding private providers, decides to provide a good or service directly, it reduces economic freedom by limiting choice and by typically creating a governmental quasi-monopoly in provision of services. For instance, the creation of

school vouchers may not decrease government expenditures but it will reduce government employment, eroding the government's monopoly on the provision of publicly funded education services while creating more choice for parents and students and, thus, enhancing economic freedom.

3Aiii Union Density

Workers should have the right to form and join unions, or not to do so, as they choose. However, laws and regulations governing the labor market often force workers to join unions when they would rather not, permit unionization drives where coercion can be employed (particularly when there are undemocratic provisions such as union certification without a vote by secret ballot), and may make decertification difficult even when a majority of workers would favor it. On the other hand, with rare exceptions, a majority of workers can always unionize a workplace and workers are free to join an existing or newly formed union.

To this point in time, there is no reliable compilation of historical data about labor-market laws and regulations that would permit comparisons across jurisdictions for the United States, Canada, and Mexico. In this report, therefore, we attempt to provide a proxy for this component. We begin with union density, that is, the percentage of unionized workers in a state or province. However, a number of factors affect union density: laws and regulations, the level of government employment, and manufacturing density. In measuring economic freedom, our goal is to capture the impact of policy factors, laws and regulations, and so on, not other factors. We also wish to exclude government employment—although it is a policy factor that is highly correlated with levels of unionization—since government employment is captured in component 3Aii above.

Thus, we ran statistical tests to determine how significant an effect government employment had on unionization—a highly significant effect—and held this factor constant in calculating the component. We also ran tests to determine if the size of the manufacturing sector was significant. It was not and, therefore, we did not correct for this factor in calculating the component. It may also be that the size of the rural population has an impact on unionization. Unfortunately, consistent data from Canada, the United States, and Mexico are not available. Despite this limitation, the authors believe this proxy component is the best available at this time. Its

results are consistent with the published information that is available (see, for example, Godin, Palacios, Clemens, Veldhuis, and Karabegović, 2006).[8]

Most of the components of the three areas described above exist for both the subnational and the all-government levels. Income and payroll tax revenue, for example, is calculated first for local/municipal and provincial/state governments, and then again counting all levels of government that capture such revenue from individuals living in a given province or state.

Components added for the all-government index

To incorporate more accurately the differences in economic freedom in the Mexican states relative to the rest of North America, we include a number of variables from the world index in our all-government index of North American states and provinces. The index expands the regulatory area to include data on these areas. Labor regulation becomes one of three components of Area 3: Regulation, which comprises 3A: Labor Market Regulation; 3B: Credit Market Regulation (Area 5A from *Economic Freedom of the World*); and 3C: Business Regulations (Area 5C from EFW). See appendix A for a description of how Area 3 is now calculated.

Why the regulation of credit and business affects economic freedom is easily understood. When government limits who can lend to and borrow from whom and puts other restrictions on credit markets, economic freedom is reduced; when government limits business people's ability to make their own decisions, freedom is reduced.

3A Labor Market Regulation

3Aiv Labor Regulations and Minimum Wage

3Av Hiring and Firing Regulations

3Avi Flexible Wage Determination

3Avii Hours Regulations

3Aviii Costs of Worker Dismissal

8 The National Right to Work Legal Defense Foundation (2024) provides a reasonable measure of right-to-work laws and when they were established for US states, see <www.nrtw.org/b/rtw_faq.htm>. We considered using this to replace or complement the measure of unionization rates used in the past. However, the benefit of using a measure of unionization rates is that it picks up some of the differences in enforcement and informal freedoms not picked up by the legislation. For instance, some states may have right-to-work laws with weak enforcement while other states that do not have such laws may actually protect labor freedom more in practice. Although we decided not to include a measure for right-to-work legislation, the analysis was fruitful in that it strongly validates the proxy as an appropriate measure of workers' freedom.

3Aix Conscription

3Ax Foreign Labor

3B Credit Market Regulation

3Bi Ownership of Banks

3Bii Private Sector Credit

3Biii Interest Rate Controls/Negative Real Interest Rates

3C Business Regulations

3Ci Regulatory Burden

3Cii Bureaucracy Costs

3Ciii Impartial Public Administration

3Civ Tax Compliance

We also include three other areas: Area 4: Legal System and Property Rights (Area 2 from *Economic Freedom of the World*), Area 5: Sound Money (Area 3 from *Economic Freedom of the World*), and Area 6: Freedom to Trade Internationally (Area 4 from *Economic Freedom of the World*).

Area 4 Legal System and Property Rights

Protection of property rights and a sound legal system are vital for economic freedom; otherwise, the government and other powerful economic actors can limit the economic freedom of the less powerful for their own benefit. The variables for Legal System and Property Rights from the world index are the following.

4A Judicial Independence

4B Impartial Courts

4C Property Rights

4D Military Interference

4E Integrity of the Legal System

4F Contracts

4G Real Property

4H Police and Crime

Area 5 Sound Money

Provision of sound money is important for economic freedom because without it the resulting high rate of inflation serves as a hidden tax on consumers. The variables for Sound Money from the world index are the following.

5A Money Growth

5B Standard Deviation of Inflation

5C Inflation: Most Recent Year

5D Foreign Currency Bank Accounts

Area 6 Freedom to Trade Internationally

Freedom to trade internationally is crucial to economic freedom because it increases the ability of individuals to engage in voluntary exchange, which creates wealth for both the buyer and seller. The variables for Area 6 from the index in *Economic Freedom of the World* are the following.

6A Tariffs

6Ai Trade Tax Revenue

6Aii Mean Tariff Rate

6Aiii Standard Deviation of Tariff Rates

6B Regulatory trade barriers

6Bi Non-tariff Trade Barriers

6Bii Costs of Importing and Exporting

6C Black-market exchange rates

6D Controls of the movement of capital and people

6Di Financial Openness

6Dii Capital Controls

6Diii Freedom of Foreigners to Visit

6Div Protection of Foreign Assets

More information on the variables and the calculations can be found in appendices A and B. For detailed descriptions of the country-level variables, readers can refer to Appendix: Explanatory Notes and Data Sources in *Economic Freedom of the World: 2024 Annual Report* (Gwartney, Lawson, and Murphy, 2024). The inclusion of these data from the world index raises the scores for both the Canadian provinces and US states since both Canada and the United States do well in these areas when compared to other nations, as is done in the world index. The effect on the Mexican states tends to be the opposite.

Overview of the results

Following are some graphs that demonstrate the important link between prosperity and economic freedom. Figure 1.3 breaks the states and provinces into quartiles (or fourths) by economic freedom at the all-government level (measured as the average over the most recent 10 years of our dataset, 2013–2022). For example, the category on the far left of the chart, "Least Free," represents the jurisdictions that score in the lowest fourth of the economic freedom ratings. The jurisdictions in this least-free

Figure 1.3: All-Government Economic Freedom and Income Per Person in Canada, the United States, and Mexico in 2022

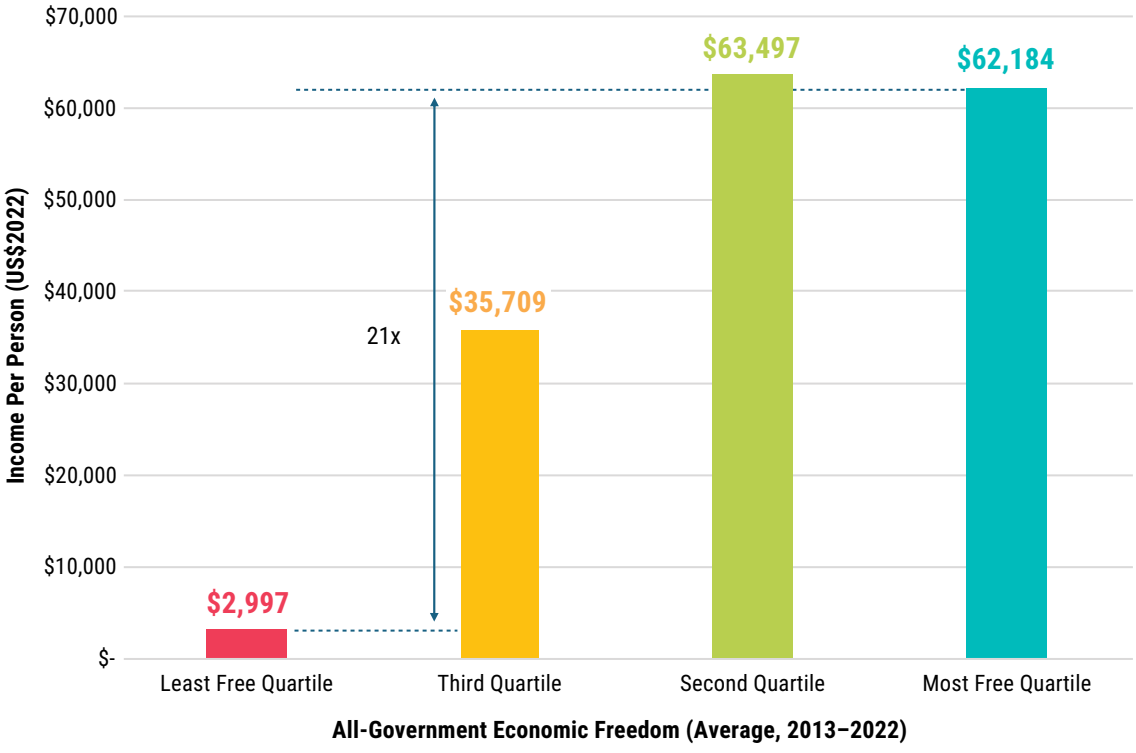
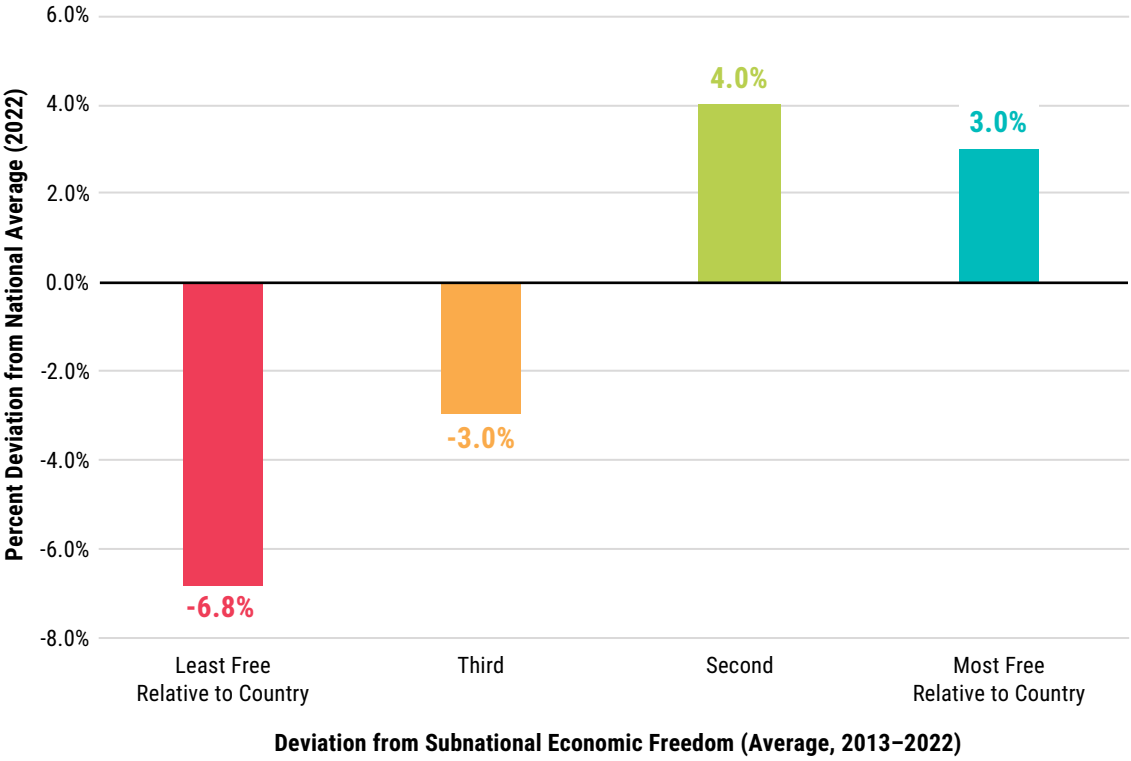


Figure 1.4: Subnational Economic Freedom and Relative Income Per Person in Canada, the United States, and Mexico 2022



quartile have an average per-capita income of just US$2,997. This compares to an average per-capita income of US$62,184 for the most-free quartile.

Figure 1.4 is similar to figure 1.3 but it shows economic freedom at the subnational level and measures it as deviations from the national average, since the three subnational indices are not directly comparable.[9] Jurisdictions in the two most-free quartiles relative to their countries had average per-capita incomes that were at least 3.0% above the national average in their country. In contrast, those that were the least free relative to their countries were 6.8% below the national average. In each index, per-capita income in the most-free jurisdictions is substantially higher than in those that are the least free.

Next, we look at the relationship between economic freedom and the growth of a jurisdiction's economy. The states and provinces are again divided into quartiles based on average economic freedom scores over the most recent 10 years. The most-free

9 Since the subnational index scores are calculated separately for each country, we cannot average the scores of jurisdictions in different countries. Instead, for each jurisdiction we have calculated the deviation of its economic-freedom score from the national average and used that to determine the quartiles.

Figure 1.5: All Government Economic Freedom and Growth in Total Income in Canada, the United States, and Mexico from 2013 to 2022

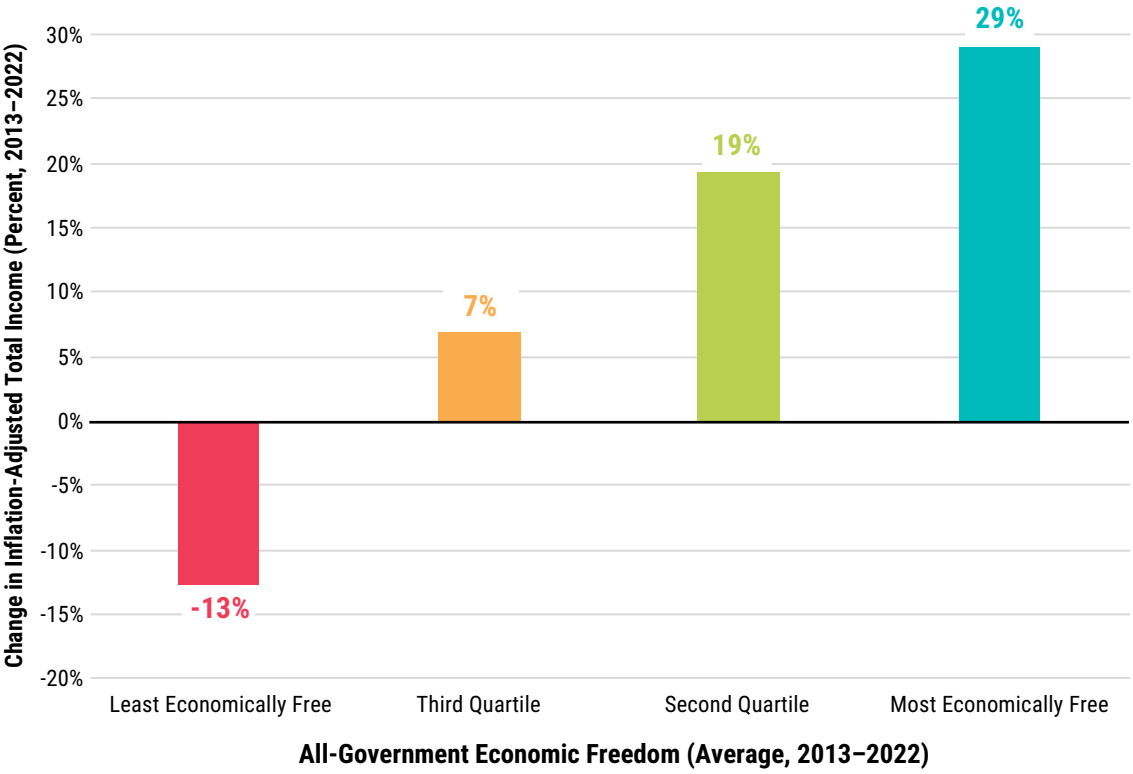


Figure 1.6: US Subnational Economic Freedom and Change in Total Employment from 2013 to 2022

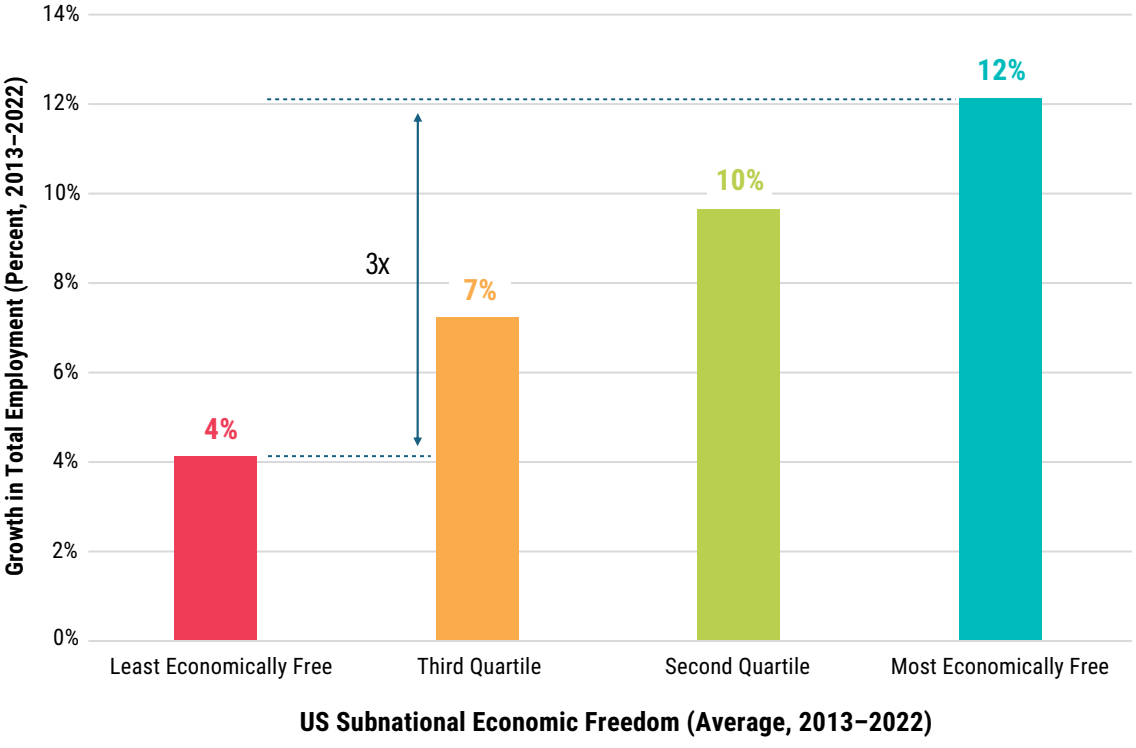


Figure 1.7: US Subnational Economic Freedom and Change in Population from 2013 to 2022

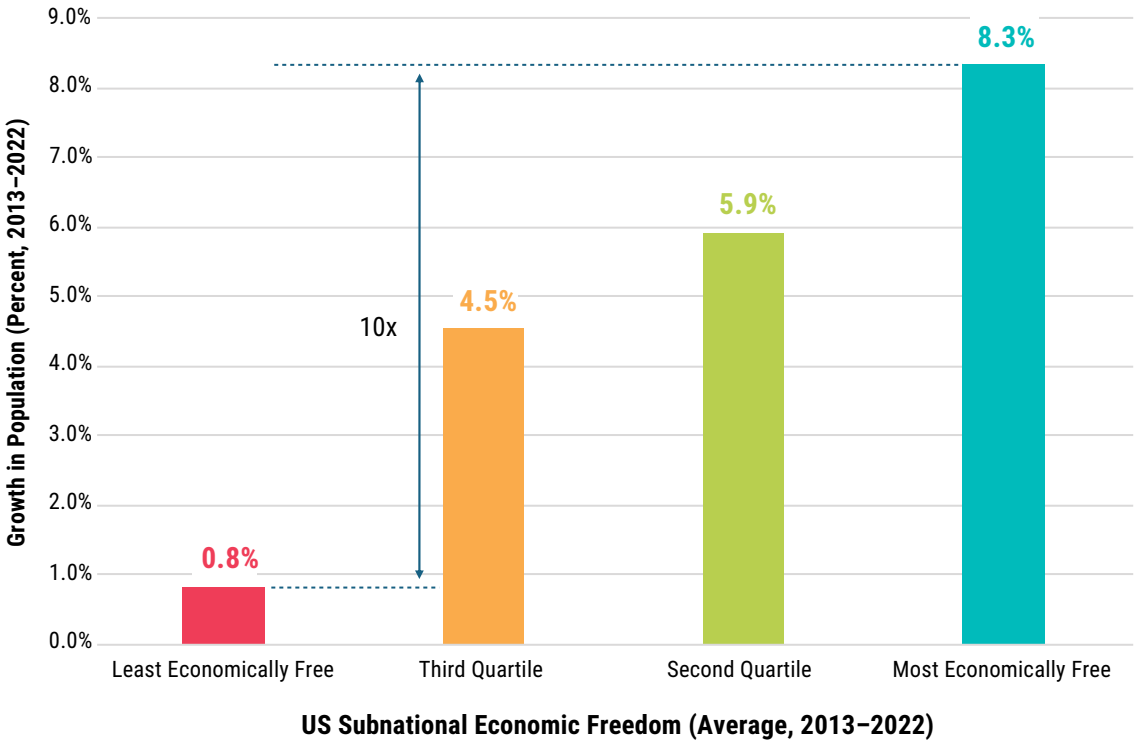
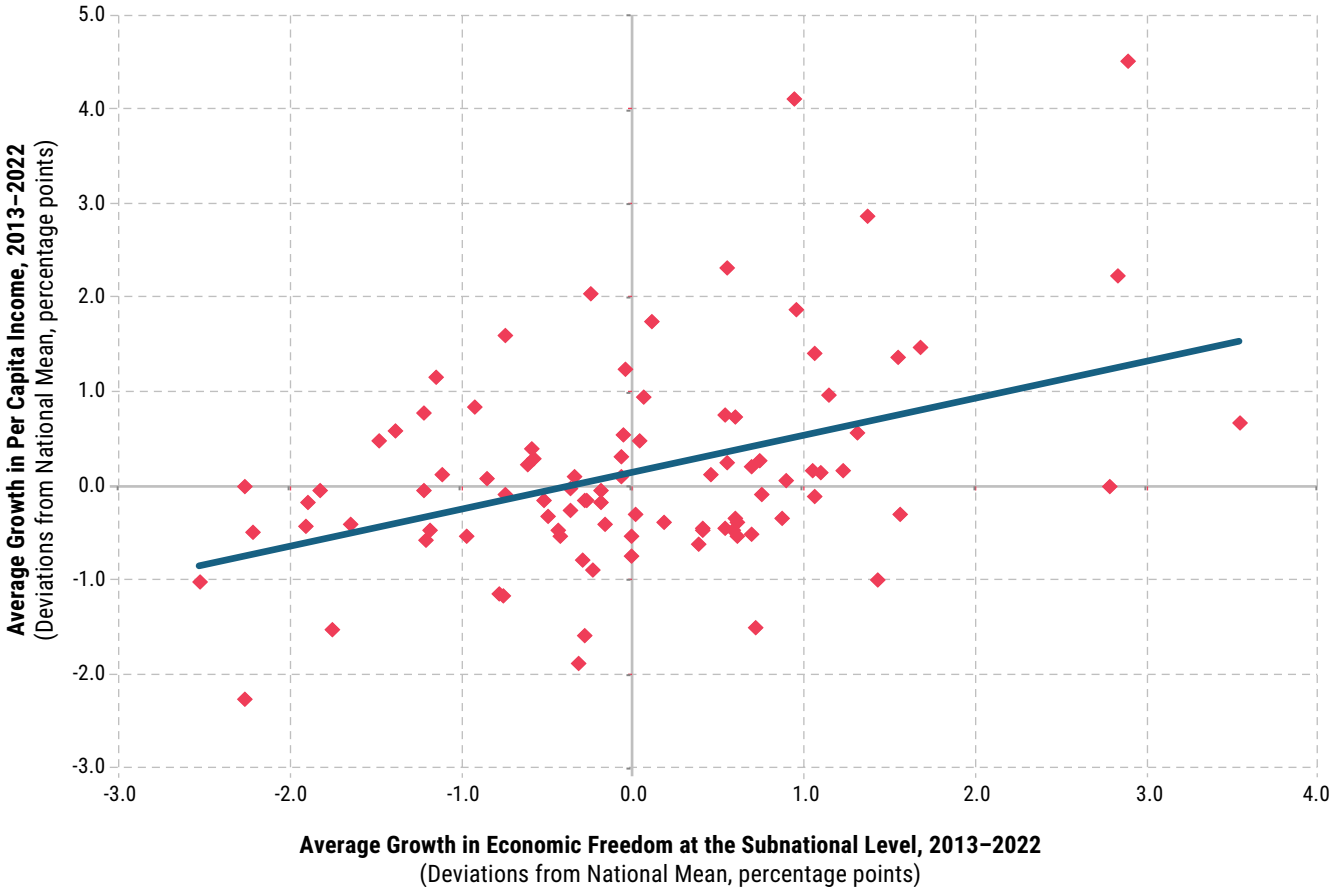


Figure 1.8: Average Growth in Per Capita Income and Average Growth in Economic Freedom at the All-Government Level, 2013–2022

areas, based on the all-government index, saw total income grow by 29% in inflation-adjusted dollars, while the least-free areas saw a 13% decline in real income (figure 1.5). Focusing on the subnational index, on which each country is scored separately, the most-free US states saw employment grow by 12%, compared to only 4% in the least-free (figure 1.6). The most-free states saw an even bigger advantage in population growth–growing 8.3% over the 10-year period vs. only 0.8% among the least-free US states (figure 1.7).

Finally, we look at the relationship between the *growth* of economic freedom and the growth of a jurisdiction's economy. In figures 1.8 and 1.9, growth in economic freedom is plotted along the horizontal axis while growth in income per capita is plotted along the vertical axis. Again, the expected relationships are found, with economic growth positively correlated with growth in economic freedom whether the latter is measured at the all-government level or the subnational level.

Figure 1.9: Average Growth in Per Capita Income and Average Growth in Economic Freedom at the Subnational Level, 2013–2022



Comparing the all-government level and the subnational level

The distribution of government responsibilities between the federal government and subnational governments varies widely across the three nations. For example, in 2021, provinces and local governments accounted for about 63% of total government revenue in Canada. In the United States, state and local governments were responsible for 36%, and in Mexico, for only 5.4%. Thus, subnational government spending and taxation patterns cannot be directly compared across countries. This is why we produce separate subnational indices for each country.

Economic freedom and economic well-being

The economic freedom indices published by the Fraser Institute have spawned a large and ever-growing body of research. According to Google Scholar, *Economic Freedom of the World* has now been cited about 14,000 times. And according to the Social Science Citation Index, it has been used in nearly one thousand peer-reviewed studies to assess the relationship between economic freedom and human well-being. Most of this research finds that economic freedom positively correlates with well-being. One recent review of the literature, for example, looked at 721 peer-reviewed studies and found that a majority associate economic freedom with good outcomes (Lawson, 2022). Among other things, economic freedom is positively correlated with higher incomes, faster growth, increased immigration, more entrepreneurship, better labor outcomes, more investment, cleaner environments, greater trust, more tolerance, less conflict, less corruption, and better protection of human rights (Lawson, 2022; Mitchell, 2024). Moreover, despite what one might think, economic freedom does not seem to be correlated with higher income inequality (Lawson, Miozzi, and Tuszynski, 2024).

Our measure of economic freedom in North America adds to this sizeable literature. Since the publication of the first edition of *Economic Freedom of North America* in 2002, there have been nearly 400 academic and policy articles exploring the relationship between our measure of economic freedom and other indicators such as economic growth and entrepreneurial activity.[10] Findings have been similar to those using the national index. Among 155 papers using the EFNA, two-thirds

10 For a selected list of the most recent works, see appendix C (p. 85).

associate it with good outcomes such as faster growth and only one associates it with a bad outcome, with the rest finding mixed results (Stansel and Tuszynski, 2018). In one recent example, a 10% increase in economic freedom was found to be associated with a 5% increase in real per-capita gross state product (Hall, Lacombe, and Shaughnessy, 2019).

This evidence matches intuition: it makes sense that when individuals are allowed to make their own economic choices—guided by the market signals and incentives of prices, profits, and loss—they will tend to pursue opportunities that improve their lives.

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Chapter Two

Economic Freedom of the Mexican States in 2022

José Torra

Introduction

Measuring economic freedom in Mexico has always been difficult. Previous efforts to include Mexico in the index published in *Economic Freedom of North America* were successful in measuring the relative positions for economic freedom that Mexican states hold against each other, but the results were not fully comparable with those of the Canadian provinces or the US states. The advancement of those efforts and the adjustments introduced to the methodology in the 2012 and 2013 reports laid the groundwork that made it possible to build an integrated index for North America for the first time in the 2014 report. Since 2014, we have continued to make incremental improvements to the report each year.

Before proceeding to the analysis of the data, we need to address the problems faced earlier while constructing the index of economic freedom for the Mexican States. There were two main reasons that the data collected for the Mexican economy was not comparable to that of the US states and Canadian provinces. First, most of the data for Mexico is incomplete and does not date as far back as the data for the US and Canada. The length of the Mexican time series should not cause too much trouble when the three countries are compared, as most data are available for Mexico in a standardized way from 2003. Data from previous years is unreliable since the methods used for measuring aggregates were different than those currently used. These changes made it very difficult to work with long series because the data tend to vary widely from one methodology to another. The only feasible solution was to include only the standardized and trustworthy data for Mexico from 2003 to 2022. As for the incompleteness of the data, while most of the figures required for the components are available publicly to researchers from the National Institute of Statistics and Geography (INEGI), there is a portion that is scattered around in websites and yearbooks published by different departments of state, and states and municipal governments. Access to these data, while not restricted, requires

researchers to have previous knowledge of its existence and of how and where to locate it. Additionally, some data, such as the social security payments required for component 1C, were not publicly available. To access this information, researchers had to navigate a series of bureaucratic procedures that took months to clear and required personal visits to government offices, making access nearly impossible for most institutions outside the country.[1] We have been able to acquire all the data that had been missing from the previous reports and, while some of the variables used are not identical to those used for the Canadian provinces and US states because of the differences in the methodologies, the differences among them is not significant and allow for comparison.

The second reason that the comparison among the three countries was not possible was that "the index of *Economic Freedom of North America* did not contain components on the rule of law or property rights" (Karabegović and McMahon, 2008: 69). This was because there had been little difference between Canada and the United States on scores for Legal System and Property Rights. However, after 2010 Canadian and US scores had begun to drift apart, making it necessary to modify the methodology in order to measure these changes properly. This issue was solved in 2012 by including variables for the rule of law from *Economic Freedom of the World* in the North American index.

The absence of variables measuring the legal system had been a huge concern in previous efforts to integrate Mexico into the North American index, since Mexico does not enjoy the same degree of protection of property rights and rule of law. In previous measurements, additional components taken from publications and polls by other institutions were used to reflect the issues with the legal system in Mexico. Because these components were not available for the US states and Canadian provinces, the Mexican data, while more accurate in itself, could not be compared to the data from the other two countries. The inclusion of the rule-of-law components from *Economic Freedom of the World* opened the door to including Mexico fully in the North American report by reflecting the large gap between the rule of law in Mexico and its two northern neighbors.

Another factor that made it difficult to make a comparison among the three countries was the differences that exist in labor regulations. Mexican law, for example, makes

1 This has since changed, in part thanks to studies such as ours that pushed for this information to be made public and readily available.

the hiring and firing of workers by the private enterprise a very difficult task. The number of regulations applied to the labor market and its lack of flexibility are a huge impediment for free enterprise. Canada and the United States have much more flexible labor markets but these differences could not be reflected using the earlier methodology. Past reports included components that measured Credit Market Regulations and Business Regulations, both from Area 5 of *Economic Freedom of the World*; but, since the results for the labor market were similar for the United States and Canada, the components measuring labor market regulation were left out. Starting with the *Economic Freedom of North America 2015*, however, given the difference in policies on labor regulation between these two countries and Mexico, it was resolved to add the components of area 5B from *Economic Freedom of the World* to help reflect the effect of the differences in labor policies on the index and help make a better comparison.

The data

As previously stated, this year's report includes the complete data for the 10 components of *Economic Freedom of North America* from 2003 to 2022; the data covers the 32 Mexican states. Several adjustments had to be made in how the data were measured for Mexico.

Personal income was estimated from the *Encuesta nacional de ingresos y gastos de los hogares* (National household income and spending poll, ENIGH) (INEGI, 2022), using the same formula that the US Bureau of Economic Analysis uses for their calculations. It is important to mention that because of the nature of this poll, household income tends to be underestimated since the respondents usually choose not to disclose their real income levels out of fear that they could get in trouble for any income they are not declaring to the *Servicio de Administración Tributaria* (Taxation administration service). For 2016, changes were made to the way the ENIGH measured income for the households. These new series were not compatible with the previous one. The National Council for the Evaluation of Social Development Policy (CONEVAL) put out an alternative measurement using a statistical adjustment for the new series in order to make them more comparable. For years 2015 and 2016, we estimated the Personal Income using this adjusted new series. Since 2018, the ENIGH measurement was reworked and it is now again compatible with the old series.

All-government economic freedom in Mexico

The economic freedom ranking for the Mexican states in the all-government index for 2022 (figure 2.1) has *Baja California* in the first place, 62nd overall, and *Chihuahua, Jalisco, Puebla, Guanajuato, Aguascalientes* and *Morelos* ranking 63rd to 67th among all the states and provinces of North America.[2] The lowest ranked Mexican states were *Ciudad de México; Colima, Campeche, Tamaulipas, Zacatecas,* and *Quintana Roo. Colima* and *Ciudad de México* have placed in the bottom two positions since the inclusion of Mexico in the index.

As recently as 2014, *Coahuila de Zaragoza* was ranked in the top five among Mexican states. This was due to the forced austerity policies that had been applied by its government since the beginning of 2012 after the state's bankruptcy. With these policies, government expenditures were significantly reduced. This factor and the state's already relatively low level of taxation are what caused *Coahuila* to be ranked as high as it was. This had changed by 2016 when the austerity policies were relaxed and the government had the ability to increase spending and taxation. Since then, *Coahuila* dropped all the way to 88th in 2019, but has gradually improved since then and now sits at 70th (for 2022) out of the 93 states and provinces of North America.

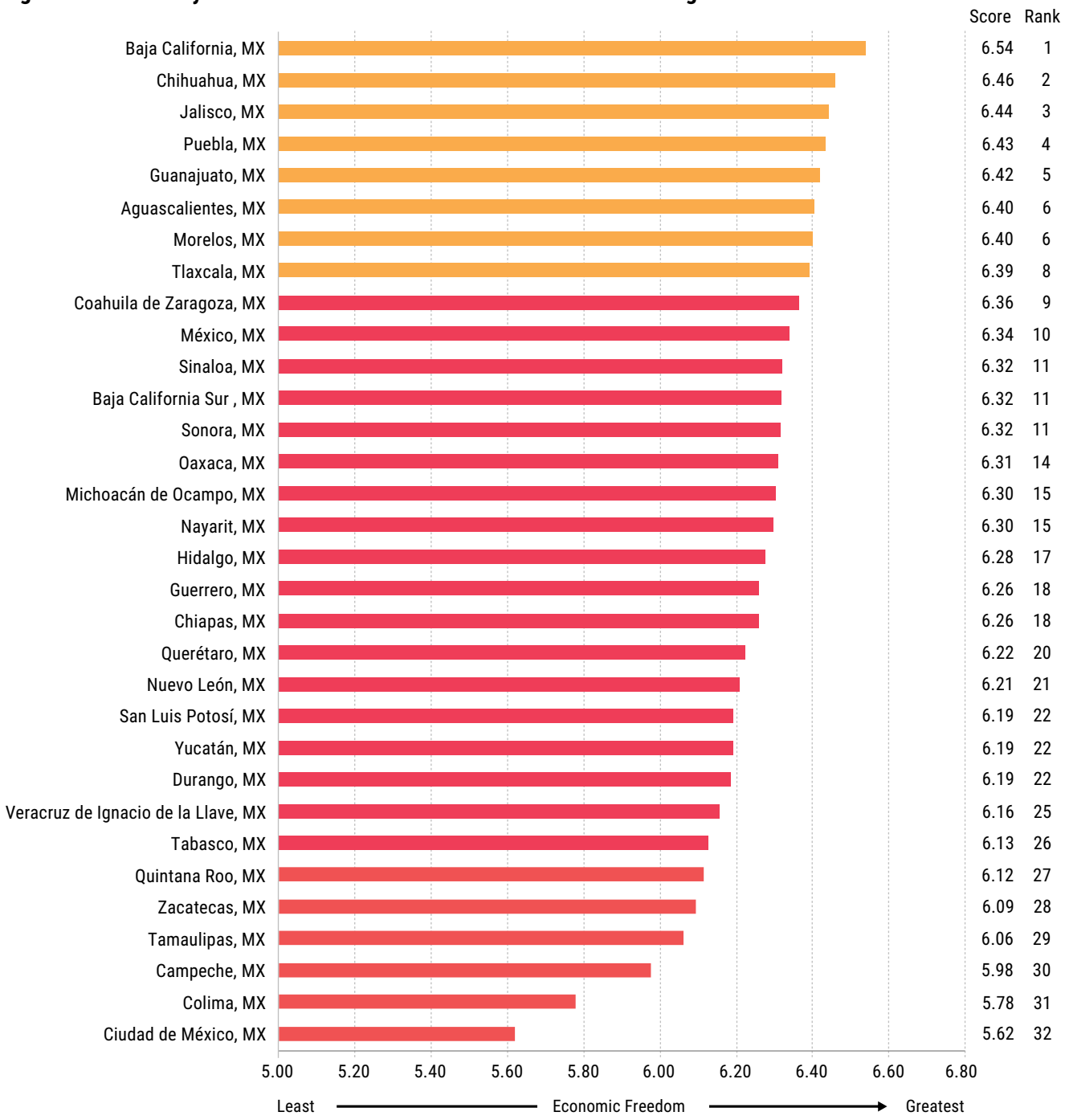
Colima and *Campeche*, two of the lowest ranked states, score poorly on both the Government Spending and Taxes areas. Their high tax revenue and government spending make them two of the four least economically free states of North America. The reasons for *Ciudad de México's* low ranking is mainly due to its high levels of government consumption and tax revenue, the largest in the country. These factors can be partly explained by *Ciudad de México*'s size, its importance in the economy, and the fact that all federal government departments have their headquarters there. Nonetheless, the high level of government spending crowds out the space for free exchange, and thus, reduces economic freedom.

It is important to note that, for all the components of Area 2, there were difficulties when dealing with revenue: certain states such as *Oaxaca* and *Chiapas* reported very low tax revenue because of the large size of their informal sectors. However, most of this income is reported on the income and spending surveys conducted

2 In previous reports, Mexican states were ranked from the 61st place on, since the addition of Puerto Rico to the index they have been pushed back one place.

by INEGI, which is reflected in the personal income numbers, and thereby drives up the scores of these states but does not necessarily reflect the status of economic freedom there. This same problem would apply to the states like *Guerrero*, *Sinaloa*, *Michoacán*, *Guanajuato, Tamaulipas, Jalisco,* and *Nayarit,* where drug cartels and

Figure 2.1: Summary of 2021 All-Government Economic Freedom Ratings for Mexico



fuel-theft mafias are very active. This problem was, however, partially solved by our recent changes in the variables regarding sales and excise taxes and income taxes at the all-government level.[3] (See appendices A and B for a full description of the variables.) These issues also show the need for improvement in the measurement of the rule of law for the Mexican states.

Between 2019 and 2020, economic freedom in Mexico dropped 0.07 from 6.34 to 6.27 in the national average on the all-government index. While the economic policies of the current administration were responsible for a part of this decrease, the effects of the COVID-19 pandemic were evident. All-government economic freedom increased 0.08 in 2021 but then fell 0.11 points in 2022, still below the pre-pandemic level. The economic policy response to the pandemic in Mexico was not as large as those seen in their North American neighbors but, since the Mexican economy is not as large or resilient as theirs, however mild the restrictions were they had a negative impact on economic freedom that was captured in our measurement for 2020, 2021, and 2022.

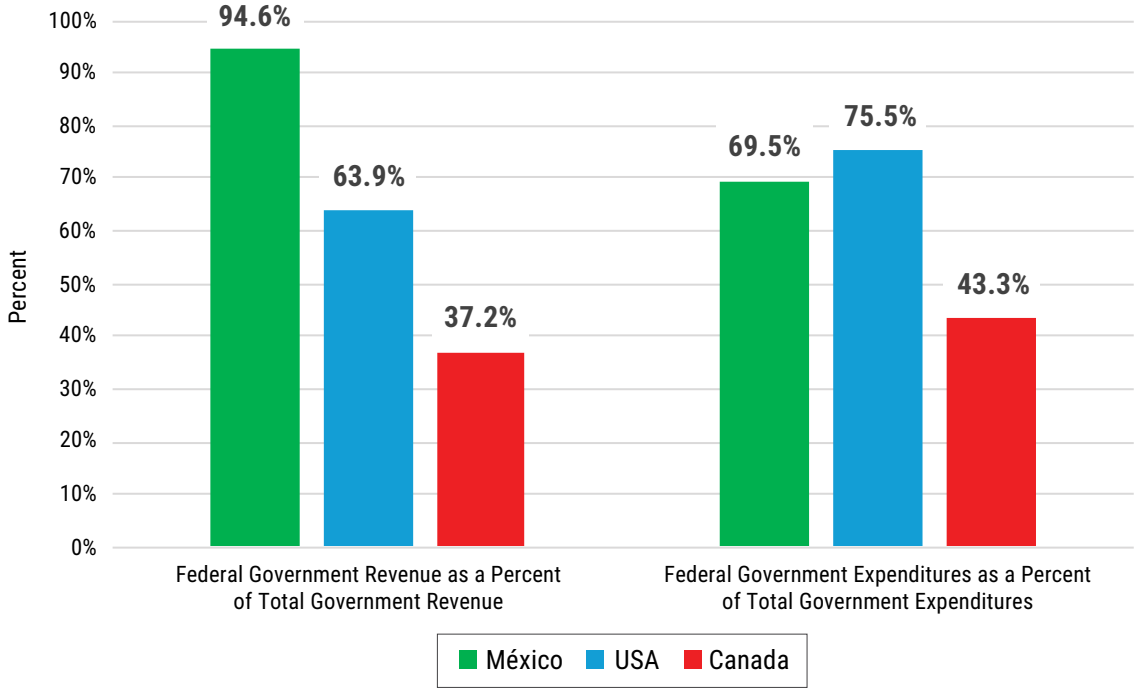
Subnational economic freedom in Mexico

Mexico is a highly centralized country where the federal government is in charge of most of the spending and taxation. For example, as figure 2.2 shows, federal revenue for 2021 was nearly 95% of the total revenue at all levels, compared to 64% in the United States and about 37% in Canada. This degree of centralization has an impact on the components we can use to obtain accurate measures of economic freedom at the subnational level; there are a number of components that can only be measured at the federal level. Since there are no state or local income taxes in Mexico, the subnational index component 2A (income and payroll taxes) contains only payroll taxes and there is no component 2B (the top marginal income-tax rate).

Component 1C poses a similar difficulty. Social security in Mexico is almost totally centralized. Only one of the 32 states has its own Social Security institution, which serves only a minority of their population because the rest are already

3 For the Mexican states, we take the national total of federal sales and excise tax revenue and divide it by the national total for personal income. That resulting ratio is used as the number for all 32 states on variable 2D in the all-government index. A similar approach is taken for the federal corporate income tax in all three countries. We take the national total of federal corporate income-tax revenue and divide it by the national total for personal income. That resulting ratio is used for all 32 states and added to the actual state numbers for individual income and payroll tax revenue as a percentage of personal income in each state to get the total figure for variable 2A in each state.

Figure 2.2: Centralization of Revenues and Expenditures, 2022



covered by one of the federal social security institutions (*Instituto Mexicano del Seguro Social* for the private sector or *Instituto de Seguridad Social y Servicio de los Trabajadores del Estado* for the public sector); the armed forces and the PEMEX workers also have their own social security institution. The inclusion of component 1C would worsen the ranks of the states that have their own social security institutes and raise the average ranks of the state that do not, making them appear to be much better off than those that do. We decided therefore not to include component 1C on the grounds that, while its inclusion would make a more accurate measurement of the states with local social security, it would give an unfair advantage to the rest since the amount paid to the local social security agencies is not really significant given the centralization of the social security.

At the subnational level, for 2022 *Michoacán, Baja California,* and *Morelos* were the three states with the highest rankings (figure 1.2c). *Baja California* is also in the top five on the all-government level so their ranking comes as no surprise. *Baja California* also has the highest score for Areas 1 and 3. *Michoacán* has the third highest score among Mexican states for Area 2 and above-average scores for Areas 1 and 3, which accounts for its high ranking at the subnational level. (In the all-government index, however, it drops to 12th and 16th out of 32).

For Area 1 at the subnational level, *Ciudad de México* ranked fourth among the Mexican states. *Ciudad de México* has a significant advantage on this particular area over the states because it has only one level of subnational government. The poorest scores for this area belonged to *Chiapas, Guerrero, Oaxaca, Zacatecas,* and *Tabasco*. These states are among the least developed in the country, which makes them receivers of large subsidies and transfers; these in turn account for a high level of government spending. The state of *Quintana Roo* was second to last in this area during the pandemic since its economy is particularly tourism driven. This meant lower flows of money through the private sector and a higher dependence on government spending. It has since bounced back to 12th place.

Oaxaca, Chiapas, and *Michoacán de Ocampo* held the top three ranks for Area 2. These three states have high rankings for Area 2 mostly because a large part of their populations work in the informal sector because of poverty or the dominance of drug cartels in the area and, thus, are not registered in the *Registro Federal de Contribuyentes* (Federal Registry of Taxpayers) and do not pay any direct taxes. *Queretaro*, *Quintana Roo*, and *Ciudad de México* are the three states with the lowest scores.

Baja California, Ciudad de México, and *Chihuahua* ranked at the top for Area 3. *Ciudad de México,* while having the largest ratio of government employment to total employment, also has the lowest income-weighted minimum wage and ranks at the top in component 3Aiii. The degree to which the minimum wage is binding on labor markets depends on the level of income. In higher income areas, the now unified Mexican minimum wage is by definition less binding on the labor market in that area. *Ciudad de México* has the highest income amongst the 32 states. *Tamaulipas, Tabasco,* and *Zacatecas* had the lowest scores for this area.

Conclusion

This is the tenth year that Mexico has been included in the index published in *Economic Freedom of North America*. Since the conception of the index, many changes in the methodology were needed to make it possible to reflect not only the circumstantial but the structural differences between legislation and policies in Canada, the United States, and Mexico. Mexico's highly centralized government, excessive regulation, and lack of an effective legal system that protects property rights is still a drag on economic

freedom and it is certainly what causes the country's states to rank so low when compared to the Canadian provinces and US states.

Baja California, Chihuahua, Jalisco, Puebla, Guanajuato, and *Aguascalientes* were the highest-ranked Mexican states at the all-government level, ranking 61st to 67th among their North American peers. The lowest rankings were held by *Ciudad de México* (93rd), *Colima* (92nd), and *Campeche* (91st). In the subnational rankings, *Michoacán de Ocampo, Baja California,* and *Morelos,* and were the top-ranked states; *Zacatecas, Campeche,* and *Tabasco* were the lowest ranked.

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Chapter Three

Economic Freedom in Puerto Rico

Ángel Carrión-Tavárez

Puerto Rico was included preliminarily in *Economic Freedom of North America* for the first time in 2022. This chapter provides an overview of the process involved in fully incorporating Puerto Rico into the report, along with a concise analysis of the results obtained in the 2024 edition. It also presents several laws and regulations that restrict economic freedom on the Island, identifying areas where regulatory burdens impact individuals and businesses alike. By addressing these issues, this chapter highlights both the challenges and potential pathways for enhancing economic freedom in Puerto Rico.

The integration of Puerto Rico in this report was a gradual process. In 2022, we began by collecting the relevant statistical information for the subnational index variables. The following year, a decision was made to gather comparable data from Puerto Rico for one reporting year to estimate the Island's score across all components and subcomponents used in the all-government index.[1] To increase the accuracy of the Island's data in the 2024 edition, the co-authors agreed to conduct a survey to obtain the necessary information for scoring Puerto Rico on the qualitative variables of the all-government index.

Economic Freedom of North America assigns each subnational jurisdiction their nation's federal government score in the areas Legal System and Property Rights, Sound Money, and Freedom to Trade Internationally of the all-government index. For instance, all US states receive the United States' national score in the *Economic Freedom of the World* report, based on an assumed equivalence across the country. Since available data indicated that this assumption might not be accurate for Puerto Rico, a decision was made to conduct the survey to gather comparable data for those areas in the all-government index.

The first part of the questionnaire consisted of sociodemographic data on participants, including age, education, stakeholder type, economic sector, and the region of

1 In addition, data collection for the 10 subnational variables was expanded to cover the 11 most recent years of the index (2011–2021). The process of Puerto Rico's inclusion in the report is explained in detail in *Economic Freedom of North America 2022* and *2023.*

Puerto Rico in which they operate. The second part included 14 questions addressing the following variables: 3Av. Hiring and Firing Regulations, 3Avi. Flexible Wage Determination, 3Ax. Foreign Labor, 3Cii. Bureaucracy Costs, 3Ciii. Impartial Public Administration, 4A. Judicial Independence, 4B. Impartial Courts, 4C. Property Rights, 4E. Integrity of the Legal System, 4H. Police and Crime, 6Bi. Non-tariff Trade Barriers, and 6Div. Protection of Foreign Assets.

The questions were modeled verbatim in most cases or, in a few others, as closely as possible to those in the *Economic Freedom of the World: 2023 Annual Report* used for scoring Canada, the United States, and Mexico. This approach ensured the comparability of question sources for the all-government index. The sources of these questions were the World Economic Forum's *Global Competitiveness Report*, the World Bank's *Doing Business*, IHS Markit's *Regulatory Burden Risk Ratings*, the V-Dem Institute's *Varieties of Democracy*, and the PRS Group's *International Country Risk Guide*.

The data collection method was an online survey, chosen for its ability to reach a large number of potential respondents; the accuracy it provides in data collection (Fleming and Bowden, 2009);[2] the accessibility and convenience it offers to participants (Callegaro et al., 2015); and the opportunity to gather and verify information until the last moment. The survey was disseminated, and participation was promoted through professional organizations.[3] The target of 200 responses was reached within two months.

The calculation of Puerto Rico's scores was based on the methodology of the *Economic Freedom of the World: 2023 Annual Report* (specifically, the descriptions and formulas published in its "Appendix Explanatory Notes and Data Sources"). Using the data obtained through the survey and the scores for both Puerto Rico and the United States, we calculated a series of variable-specific ratios in the all-government index to (a) review and adjust the estimated scores for Puerto Rico in the 2023 edition and (b) complete the historical series from 1985 to 2022.

2 Fleming and Bowden (2009) refer to the fact that online surveys can be automatically inserted into spreadsheets, databases, or statistical software packages, which not only saves time and resources but also reduces human error in data entry and coding. Additionally, data can be collected continuously, regardless of the day of the week or time of day, and without geographical limitations (Callegaro et al., 2015).

3 These professional organizations included the Puerto Rico Chamber of Commerce, the Food Marketing, Industry and Distribution Chamber, the Puerto Rico Retailers Association, the Asociación Hecho en Puerto Rico (Made in Puerto Rico Association), the Puerto Rico Manufacturers Association, and the Restaurants Association of Puerto Rico.

Puerto Rico in *Economic Freedom of North America 2024*

Puerto Rico's data in the United States subnational index was backdated to 2000, though the situation remains largely unchanged from last year. In this new edition, the Island ranks 51st overall for the third consecutive year, with a score of 2.13. For comparison, the next lowest jurisdictions are New York, at 50th with 4.25 (nearly double Puerto Rico's score); California, at 49th with 4.44; and Hawaii, at 48th with 4.68 (figure 3.1). At the top of the subnational index, New Hampshire held the highest score among the states with 8.13.

As shown in table 3.1 (page 46) the Island ranks 51st across all three areas of the subnational index. Puerto Rico is also last in four of the ten variables, ties for last in three others, and ranks 47th and 40th in two of the remaining three. It is significant to highlight that the Island's overall score is about one-third of the US average, and Puerto Rico's per-capita income is 60% lower than the US national mean in 2022. Despite these results, no public policy changes have been implemented in Puerto Rico to improve its economic freedom situation.

Figure 3.1: Summary of the Ratings of the Bottom 10 US States and Puerto Rico for Economic Freedom at the Subnational Level, 2022

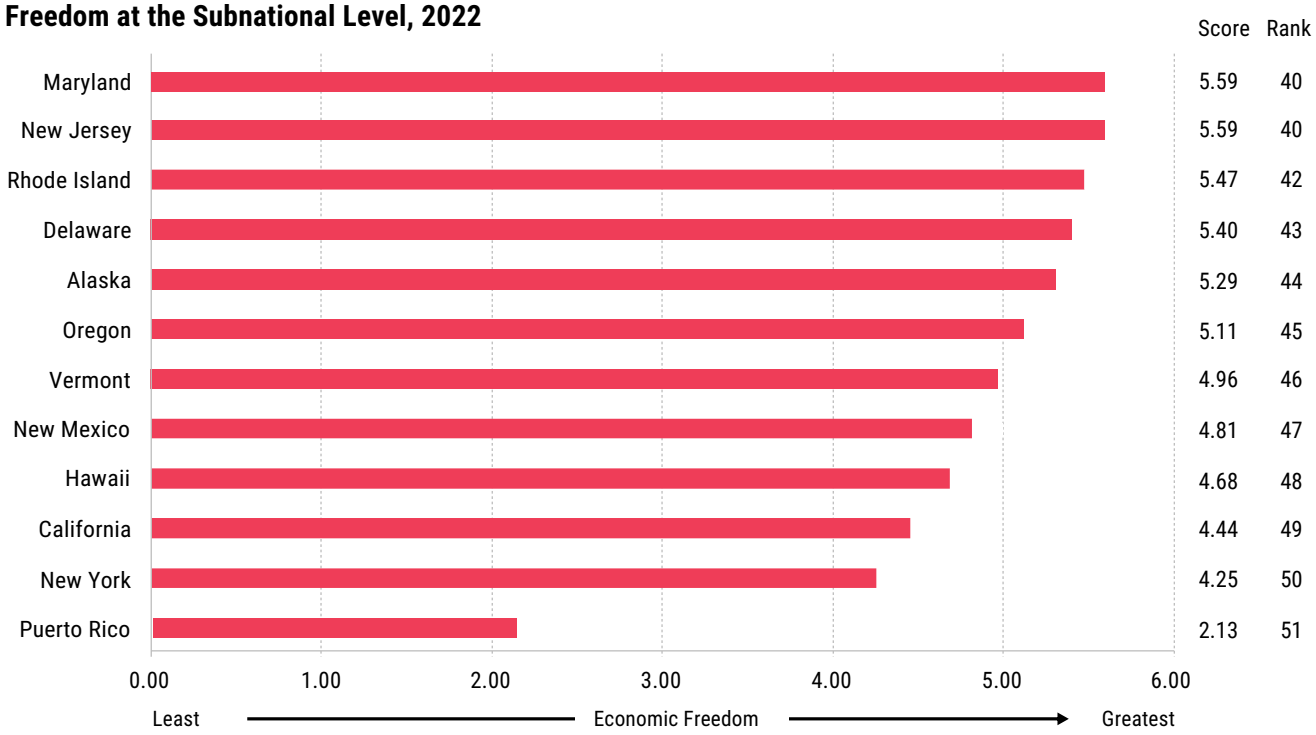


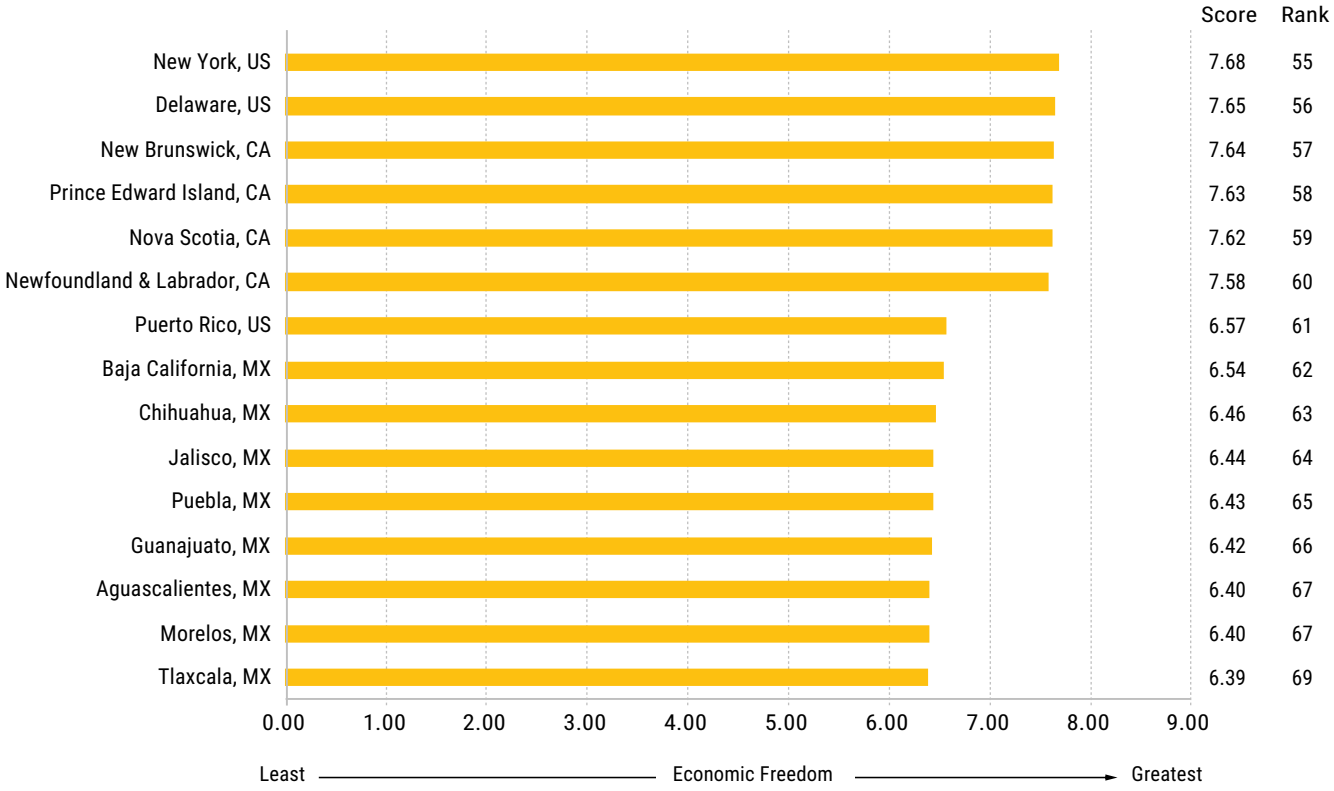
Table 3.1: Economic Freedom at the Subnational Level in Puerto Rico, 2022

	Data	Score	Rank
Overall Score		2.13	51
Area 1: Government Spending		1.56	51
1A: Consumption spending, % of personal income	19.6%	4.69	47
1B: Transfers & subsidies, % of personal income	49.6%	0.00	49*
1C: Insurance & retirement payments, % of personal income	6.3%	0.00	51
Area 2: Taxes		0.91	51
2A: Income & payroll tax revenue, % of personal income	11.1%	0.00	49*
2B: Top income tax rate	30.4%	0.00	51
Top income tax threshold	$61,500		
2C: Property tax & other tax revenue, % of personal income	4.4%	3.63	40
2D: Sales tax revenue, % of personal income	7.5%	0.00	49*
Area 3: Labor Market Freedom		3.91	51
3Ai: Minimum wage income, % of per capita personal income	68.8%	0.00	51
3Aii: Government employees, % of total employees	15.8%	1.72	51
3Aiii: Union density, % of total employees	4.2%	10.00	1

In the all-government index, which includes the 10 provinces of Canada, the 50 US states (and now Puerto Rico), and the 31 states and capital of Mexico, for a total of 93 jurisdictions, the Island ranks 61st again this year, with a score of 6.57. The lowest-ranked jurisdictions in the United States and Canada are Delaware at 56th, with 7.65 and Newfoundland & Labrador at 60th, with 7.58. The highest-ranked Mexican state, Baja California, ranks 62nd with a score of 6.54 (figure 3.2, page 47); thus, Puerto Rico aligns more closely with Mexico than with the United States and Canada.

Among all the jurisdictions of Canada, the United States, and Mexico in the all-government index, Puerto Rico ranks second to last in Government Spending (including last place on Insurance and Retirement Payments), 28th on Taxes, and 61st on Labor Market Freedom. Additionally, the Island is last on two of the economic freedom indicators used exclusively in this index; it ranks 61st on three of

Figure 3.2: Summary of the Ratings of Selected North American Jurisdictions and Puerto Rico for Economic Freedom in the Third Quartile at the Subnational Level, 2022



them, and 33rd, 11th, and 1st on the remaining three (table 3.2, page 48). Puerto Rico's scores and ranks in the all-government index this year reflect the results of the conducted survey.

During the 10-year period from 2013 to 2022,[4] the Government of Puerto Rico declared itself unable to pay its debt; the US Government established an oversight board to manage the Island's fiscal crisis; the Government of Puerto Rico filed for bankruptcy; and the Island was struck by two hurricanes, a series of earthquakes, and the COVID-19 pandemic. Yet, Puerto Rico's overall score was 2.13 at both the beginning and the end of this decade. This suggests that the Island's low score is tied more closely to the public policies of the Government of Puerto Rico and the regulatory framework they have established than to the net effect of these economic events.

4 This is the most recent 10-year period for which the *Economic Freedom of North America* report has complete data.

Table 3.2: Economic Freedom at the All-Government Level in Puerto Rico, 2022

	Data	Score	Rank
Overall Score		6.57	61
Area 1: Government Spending		4.54	92
1A: Consumption spending, % of personal income	44.7%	6.08	66
1B: Transfers & subsidies, % of personal income	64.5%	0.00	86
1C: Insurance & retirement payments, % of personal income	14.0%	2.07	93
1D: Government Enterprises and Investment (component 1C in EFW)*			1**
Area 2: Taxes		6.99	28
2A: Income & payroll tax revenue, % of personal income	19.0%	7.27	10
2Bi: Top income tax rate	30.4%	8.00	1**
Top income tax threshold	$61,500		
2Bii: Top marginal income and payroll tax rate (component 1Dii in EFW)*		5.00	33
2C: Property tax & other tax revenue, % of personal income	4.5%	7.56	67
2D: Sales tax revenue, % of personal income	7.5%	6.62	52
Area 3: Labor Market Freedom		6.42	61
3Ai: Minimum wage income, % of per capita personal income	68.8%	2.32	66
3Aii: Government employees, % of total employees	17.5%	4.99	83
3Aiii: Union density, % of total employees	4.2%	10.00	1
3Aiv: Labor market regulations (component 5B in EFW)*		4.98	93
3B: Regulation of credit markets (component 5A in EFW)*		8.79	61
3C: Business regulations (component 5C in EFW)*		5.18	61
Area 4: Legal System and Property Rights (Area 2 in EFW)*		5.04	61
Area 5: Sound Money (Area 3 in EFW)*		8.53	11***
Area 6: Freedom to Trade Internationally (Area 4 in EFW)*		7.91	93

*All-government index only
**Tied with the 32 Mexican states.
***Tied with the 50 U.S. states.

The regulatory environment of Puerto Rico

Puerto Rico has been subject to state control over productive assets, strong government intervention in the market, and significant income redistribution for decades.[5] These conditions have created economic distortions that have discouraged private investment, reduced entrepreneurship, and limited individuals' and businesses' appropriability, among other effects. Consequently, the Island has experienced a historically slack labor market, low labor force participation, low wages, high poverty levels, high levels of dependence on federal transfers, and substantial outward migration.

A report published by the Institute for Economic Liberty in October 2024 presented a sample of over 50 laws and regulations exemplifying the regulatory excesses of the Puerto Rican government.[6] The laws and regulations included in the report stem from centrally planned, paternalistic, and protectionist public policies that failed to achieve their intended purposes, ultimately harming those they aimed to help or benefiting some at the expense of others. The following paragraphs provide examples of the topics and regulatory burdens outlined in the document.

Occupational licensing. Puerto Rico regulates over 140 occupations, of which at least 131 are currently subject to active occupational regulations.[7] Among these, 34 licenses are required in fewer than five states, including 13 that exist solely on the Island.[8] This raises questions about the necessity of requiring licenses in Puerto Rico for occupations that, in most US states, are unregulated—that is, which are practiced in all or nearly all US jurisdictions without the need for an occupational license, thus allowing broader access to employment and entrepreneurial opportunities.

5 It is relevant to mention that Hayek did not question the good intentions of those advocating for a better distribution of resources. What he opposed was resorting to coercion and discrimination when what was appropriate was to gradually modify the general rules of law, and to the idea that the state should have direct control over the means of production, instead of sensibly inducing individuals to act spontaneously (González Taboada, 2006, as cited in Carrión-Tavárez, 2024).

6 The report titled *Acciones de libertad económica para un Puerto Rico justo y próspero* (Economic freedom actions for a fair and prosperous Puerto Rico) is available at https://doi.org/10.53095/13584013.

7 These 140 licenses do not include licenses for sports-related occupations, such as boxer, hunter, jockey, referee, judge, and official, as they are considered atypical occupations; if these licenses were included, the number of regulated occupations on the Island would be significantly higher. For more information on occupational licensing in Puerto Rico, see Carrión-Tavárez et al. (2024).

8 Across the United States, there are seven occupations licensed exclusively in a single jurisdiction. Puerto Rico's 13 unique occupational licenses exceed the total number of exclusive licenses held by all 50 states and Washington, D.C. combined (Trudeau et al., 2024).

Property registration. Puerto Rico uses the Spanish registration system, which is complex and costly; for example, the cost of processing the deed for a commercial property with similar characteristics in Charlotte, Durham, Greensboro, and Raleigh is $26.00, while in San Juan it is $1,940.85.[9] This difference highlights the lack of competitiveness of the Island's property registration system compared to other markets and the need for a more robust and efficient mechanism that safeguards private property and facilitate secure, quick, and cost-effective transactions.

Ease of doing business. The lack of a public policy supportive of entrepreneurship, along with bureaucracy and government hurdles, has made Puerto Rico an inhospitable place to start and run businesses. In fact, San Juan ranked last among 83 US jurisdictions in the *Doing Business North America 2022 Report.* Most variables relevant to entrepreneurship, such as obtaining permits, getting electricity, employing workers, using land and space, and paying taxes are controlled at the state level on the Island; therefore, San Juan's results in the study reflect Puerto Rico as a whole.

Taxes. The income tax system and the intricate fiscal structure of the Island restrict economic freedom, discourage productive effort, and lead to tax evasion and informality, thereby reducing the tax base. Puerto Rico has the second highest corporate tax rate in the world at 37.5%, while the combined federal and state corporate tax rate in the United States is 25.77%. This tax climate is a deterrent for local investors and represents a competitive disadvantage in attracting private investment from the United States and other countries.

Inventory tax. Municipalities in Puerto Rico impose an inventory tax that affects both businesses and consumers. This tax applies to the value of inventories in the form of finished products (ready for sale), partially assembled products, and raw materials. Due to this tax, businesses maintain inventory levels below optimal, resulting in product shortages, higher prices, and reduced competitiveness. The inventory tax has been eliminated in 36 US states, and the remaining 14 states have inventory taxes that are significantly lower than those on the Island.

Labor laws. US federal labor and civil rights laws, such as the *Fair Labor Standards Act* of 1938, the *Equal Pay Act* of 1963, Title VII of the *Civil Rights Act* of 1964, the *Age Discrimination in Employment Act* of 1967, the *Americans with Disabilities Act* of 1990,

9 The excerpt of the *Doing Business North America 2022 Report* (Carrión-Tavárez, 2023) provides more information on this topic.

and the *Family and Medical Leave Act* of 1993 are in effect in Puerto Rico; however, over 25 additional labor and civil rights laws—many of them redundant and tautological—have been passed on the Island, creating an overloaded regulatory environment that hinders the creation of jobs and the hiring of workers.

Private parking lots. The Government of Puerto Rico considers the private parking business to be of public interest and controls the rates that owners and operators can charge.[10] This government intervention discourages economic activity, reduces private investment, limits market competition, generates operational inefficiencies, and restricts the sector's growth potential. As private property, parking facilities should operate without undue government intervention, in accordance with their operational costs and market conditions.

Freight transportation. Freight transportation prices are also controlled by the Government of Puerto Rico, resulting in rates that are 2.5 times higher than in most US jurisdictions and increasing the cost of goods, especially groceries.[11] The fixed-rate system on the Island creates market rigidity, with bureaucratic processes that prevent economic agents from responding effectively to emergencies and unforeseen situations, such as a hurricane or a pandemic; as well as from adapting to changing market conditions, improving efficiency, and providing greater stability.

Distribution contracts. The *Distribution Contracts Act* regulates relationships between principals or grantors and their distributors in Puerto Rico, with the aim of protecting local distributors.[12] The government's duty under the Rule of Law is neither to favor nor to disfavor either party but to uphold contracts entered into

10 The role of the State is to "create conditions in which competition will be as effective as possible, to supplement it where it cannot be made effective" (Hayek, 1944/2006: 40). State intervention through price controls imposes restrictions that contravene this principle. In a competitive market, prices naturally adjust to the conditions of supply and demand.

11 Moore (n.d.) states that in US jurisdictions where freight transportation prices are regulated, "studies showed that regulation increased costs and rates significantly. Not only were rates lower without regulation, but service quality, as judged by shippers, also was better. Products exempt from regulation moved at rates 20% to 40% below those for the same products subject to ICC [Interstate Commerce Commission] controls. For example, regulated rates for carrying cooked poultry, compared to unregulated charges for fresh dressed poultry (a similar product), were nearly 50% higher."

12 This is stated in Article 2 of the law: "Notwithstanding the existence of a clause in a distribution contract reserving to the parties the unilateral right to terminate the existing relationship, no principal or grantor may terminate the relationship, or directly or indirectly take any action to undermine it or refuse to renew the contract upon its normal expiration, except for just cause" (Ley Núm. 75, 1964). The requirement to establish "just cause" compels the principal or grantor to demonstrate, in court, that there has been a breach of the essential obligations of the contract, or some action or omission by the distributor that adversely and substantially affected their interests.

freely and voluntarily within a free market, both efficiently and swiftly. Under no circumstance should the state act as both judge and party, using the law to benefit nor harm any party in a contract.

Inspection of containers. In Puerto Rico, the Government requires that 100% of the containers arriving on the Island be inspected. Since its implementation in 2009, universal container inspection has cost over $20 million annually, which has a significant impact on Puerto Rican consumers within the value chain. This practice has become an additional tax for consumers, without providing a practical benefit to society, as there have been no reported findings of weapons, illegal drugs, or other restricted materials in the 15 years of inspecting 100% of containers.

Certificates of need. The Secretary of Health of Puerto Rico has complete authority over the "orderly planning" of health facilities and the "costs of healthcare services" (Ley Núm. 2, 1975: 1). It is, thus, mandatory to obtain a certificate of need granted by this official before constructing or acquiring a pharmacy, a blood bank, a clinical laboratory, or a health facility; offering or developing a new health service; making capital investments of $500,000 or more in an existing health facility; or acquiring highly specialized medical equipment valued at $250,000 or more.[13]

Municipal businesses. Municipalities in Puerto Rico have the authority to acquire, create, operate, and sell businesses and commercial franchises. Municipalities can manage all types of for-profit businesses or corporate entities using public funds. Additionally, corporate entities owned or operated by municipalities are exempt from paying duties, licenses, tariffs, and taxes. This constitutes unfair competition from the Government against private businesses—which are a substantial source of public funds—in offering goods and services that the private sector can provide.

Government size. Puerto Rico has the highest number of government employees as a percentage of total employment among all US jurisdictions. As of May 2024, the Island had 166,122 positions occupied in state and local government, which represents approximately 510 public employees per 10,000 residents. Additionally, Puerto Rico has 132 state agencies and entities, while states with similar populations

13 In the United States, 17 states do not have a certificate of need law. Between 2022 and January 2024, 23 jurisdictions modified their certificate of need laws, mostly to make them more flexible or to exclude specific facilities. These adjustments in the certificate of need laws reflect a shift towards deregulation and market liberalization in response to the demand for a more efficient and competitive healthcare system.

operate with fewer than 38 agencies. This raises the question of why Puerto Rico requires nearly 100 more agencies.

The cited report not only highlights the laws and regulations that limit economic freedom in Puerto Rico but also offers recommendations for establishing and implementing a new public policy. The included proposals aim to promote (a) the cessation of undue interference in economic freedom, (b) the elimination of government control over productive assets, (c) the decentralization of economic planning, and (d) the reduction of tax burdens that discourage wealth creation, in order to reduce poverty and dependence.

Conclusion

The inclusion of Puerto Rico in the *Economic Freedom of North America* represents an effort to measure and evaluate the Island's economic freedom within the broader United States and North American context. Puerto Rico's poor performance in the US subnational index reveals significant challenges within its public policies, particularly in areas affecting individual liberty, market competitiveness, efficiency, and innovation. These results underscore critical issues in the Island's regulatory framework, suggesting that current policies may be hindering, rather than fostering, economic dynamism.

In reviewing Puerto Rico's regulatory landscape, it is evident that a variety of policies and laws have created significant barriers to economic freedom on the Island. From occupational licensing to price controls on freight transportation and the extensive reach of government, this regulatory regime often inhibits competition, limits access to essential goods and services, and places a unique strain on local businesses and consumers. Together, these restrictions result in an environment where economic growth is stifled, leaving Puerto Rico at a disadvantage compared to other jurisdictions.

Economic freedom is one of the most fundamental rights of free people. Where economic freedom is protected, there are greater opportunities, more entrepreneurship, more employment, more prosperity, and less poverty. It is not surprising, then, that Puerto Rico's long-standing social and economic challenges reflect a lack of freedom. Addressing these policy constraints could be crucial to enhancing Puerto Rico's economic freedom and giving each person the opportunity to prosper and contribute to the sustainable development of Puerto Rican society.

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Chapter Four

Restoring Prosperity: Renewing Economic and Political Institutions among Native Americans and First Nations

Thomas Stratmann

In this chapter, I discuss the economic freedoms of Native Americans and First Nations, focusing specifically on measures of economic freedom within the United States and ways to expand them into Canada.

Introduction

In the United States, 574 federally recognized American Indian tribes hold the legal status of "sovereign nations." In theory, this sovereignty affords them a level of autonomy comparable to US federal and state governments, enabling them to enact their laws, establish regulatory frameworks, operate courts, and design electoral systems. Yet, despite this nominal sovereignty and the ability to govern their own affairs, many tribes face significant challenges in translating political autonomy into economic prosperity. As a result, substantial economic disparities persist, with reservation income levels remaining well below the national average.

Per-capita income levels on reservations remain significantly below the US average. According to the 2021 American Community Survey (ACS), the median household income for Native Americans living on reservations in the lower 48 states was $42,224—well below Mississippi's median household income of $52,719, the lowest among US states (U.S. Census Bureau, 2021). Notably, income disparities between Native American reservations are stark: the wealthiest five reservations have median household incomes over eight times higher than the five poorest.

Historically, Native American and Indigenous economies were robust and thriving, and some scholars argue that increased federal regulations over the past 150 years have significantly contributed to the economic stagnation seen today (Anderson and Purnell 2019; Lofthouse 2019). Before European contact and in the years that followed, Indigenous economies were characterized by entrepreneurial activity and vibrant trade networks—both between tribes and with foreign settlers. Indigenous

communities governed their economic relations through tribal customs and rules, securing property rights and providing conflict resolution systems (Demsetz 1967). Given this historical legacy of economic freedom, the contemporary prevalence of poverty on many reservations poses a puzzling question: What happened to those systems that once supported Indigenous prosperity?

Part of the answer lies in the destruction of prosperity-enhancing institutions, which not only weakened Indigenous governance but also contributed to the long-term economic challenges that persist on many reservations today. To better understand these challenges, one must consider how the current institutional arrangement within reservations plays a role.

Economists, social scientists, and lawyers have long emphasized the importance of institutions in maintaining and increasing prosperity and economic growth (North, 1991). Institutions that allow for greater economic freedom—so that people are allowed to make more of their own economic choices—are associated with higher levels of income and prosperity (Lawson, 2022; Lawson, Miozzi, and Tuszynski 2024; Berggren, 2024; Mitchell, 2024).

Native Americans are subject to a mix of institutions, some of which are externally imposed, such as through federal and state laws. Other institutions are developed by the tribes, with varying levels of autonomy that allow them to establish rules and governance structures that, in some cases, offer more flexibility than the surrounding states. For example, many tribes operate tribal courts that apply traditional law and restorative justice practices, offering more culturally relevant solutions than state courts. Additionally, tribes like the Yakama Nation manage natural resources, such as fisheries, with a degree of autonomy that allows them to implement traditional ecological knowledge differently from state regulations. Conceptually, three factors influence the welfare of American Indians on their reservations (Cornell and Kalt, 2000). Scholars quantify some of these institutions, categorizing them into those that are likely to achieve these objectives and others that are not.

Indices published by the Fraser Institute on its website and in *Economic Freedom of the World* and *Economic Freedom of North America* are examples of attempts to quantify economic freedom. Individuals living in jurisdictions with greater economic freedom are allowed to make more of their own economic choices. The concept of economic freedom is grounded in the protection of private property rights and the

freedom to exercise those rights however an individual chooses so long as doing so does not interfere with the rights of others. Government policies shape the protection of and restrictions on property rights, especially in areas such as the rule of law, the regulatory environment, taxes, and spending.

Scholars have recognized the importance of economic freedom for the well-being of society since at least the time of Adam Smith. As Smith (1776) observed, "In general, if any branch of trade, or any division of labor, be advantageous to the public, the freer and more general the competition, it will always be the more so" (*The Wealth of Nations*, Book II, Chapter II, p.329, para. 106). Since then, many scholars have emphasized the role of economic freedom in driving growth, innovation, economic mobility, and other wealth-enhancing outcomes. Numerous notable scholars, including Hayek (1944), Mises (1952), and Friedman (1962), have even suggested that economic freedom is essential for the development and maintenance of political and civil liberties.

In this chapter, I discuss economic liberties on Native American lands and for First Nations, focusing specifically on measures of economic freedom within the United States and Canada. The following section discusses the Reservation Economic Freedom Index (REFI), which measures economic freedom on Native American reservations. In Section III, I discuss some measures of institutional variation and outcomes among First Nations people, and Section IV has concluding remarks.

Native Americans and the Reservation Economic Freedom Index

Economic freedom indices allow one to compare a composite of market-friendly institutions among countries, states, provinces, cities, and reservations. Hundreds of papers by independent scholars have used these indices to examine whether freer areas are more prosperous. The overwhelming evidence is that they are. However, aggregate indices are less informative about which specific institutions of economic freedom are most potent in increasing prosperity, and it has been suggested that analyzing those institutions separately would be more helpful than using indices (Acemoglu and Robinson, 2008). Scholars who have taken up this challenge have studied specific aspects of economic freedom, documenting the effect of, for example, independent courts on economic growth (Crepelle and Stratmann, 2023).

Stratmann (2024) follows a methodology like the *Economic Freedom of the World* index to develop the Reservation Economic Freedom Index (REFI). The REFI includes components that measure market freedoms and institutions identified by the economic and political science literature as conducive to economic prosperity. Reservations operate under various institutions, some imposed by federal and state governments and others chosen by tribes. The flexibility of tribes to set their own rules varies by state and is often at the discretion of the Bureau of Indian Affairs (BIA). The index's development is informed by economics, law, and political science research.

Components of the REFI assess the rule of law, security of property rights, predictability of Native American courts, and policies and laws under tribal control. Tribal laws provide information on land ownership arrangements, rules of commerce, and tax codes, while tribal constitutions and bylaws provide information on judicial independence.

The REFI has five main categories. The first evaluates each reservation's regulatory framework; the second evaluates governance; the third evaluates federal contracts; the fourth evaluates openness and transparency; and the fifth evaluates a reservation's judiciary system. Within each of these categories, the REFI employs multiple indicators. The final score is calculated by summing the individual components; the maximum possible score is 11.

To evaluate regulatory frameworks, the REFI identifies the percentage of reservation land with fee-simple property rights. Fee-simple property rights are the highest and strongest form of property rights. They allow one to sell his or her land and property to whomever he or she wishes. Such property rights foster entrepreneurial activity, as landholders can use their property as collateral for loans. This section also indicates whether the reservation has an explicit Uniform Commercial Code (UCC) in its tribal code or whether the reservation defers to state UCC.

The UCCs are a comprehensive set of laws governing commercial transactions in the US. They provide a consistent and standardized legal framework to facilitate commerce and trade across state lines. Tribes can adopt the UCC in their tribal codes to provide greater legal certainty for commerce within their reservations and with outside businesses. When laws are simple and transparent, more people understand them and are more likely to obey and follow them. Stable laws and codes allow for stable trading and entrepreneurship. As Ludwig von Mises argues in *Human Action*

(1949: 198–199), in a tyrannical state, "there is neither right nor law; there are only directives and regulations which the director may change daily and apply with what discrimination he pleases which the wards must obey. The wards have one freedom only: to obey without asking questions."

When laws are undefined, confusing, limiting, or subject to constant change, they can have a tyrannical effect on citizens. Entrepreneurial activity can be stifled without stability in the regulations surrounding property and everyday conduct.

The second category is governance, which does not strictly relate to economic freedom but to the transparency and accountability of tribal governments. This category includes two sub-indicators. The first is the government structure of the reservation. It is measured by the presence of an executive or legislative branch or just a General Council. The second sub-indicator determines whether the highest office is elected by general elections or only by the tribal council. In *Omnipotent Government*, Mises (1944) writes that "governments become liberal only when forced to by the citizens." Citizens can exert such force through elections at multiple levels of government. This indicator examines whether the reservation's government is divided horizontally and vertically and whether citizens participate in electing the highest official. Governments structured in this way are more likely to implement regulations that promote prosperity.

Friedrich Hayek argued that local governing bodies—those closest to the issue—are best suited to problem-solving for their communities. This view is also echoed in Tiebout's (1956) and Musgrave's (1959) seminal works, making a case that the spillover of the public good should determine the size of the relevant jurisdiction. When Indigenous groups have a local self-governing approach, as seen in programs like BIA self-governance, this approach contributes to developing the foundational institutions that generate prosperity.

The third category, federal contracts, uses three sub-indicators. The first identifies whether the reservation participates in the Bureau of Indian Affairs' Tribal Self-Governance program. Tribes can self-select into this governance model, which is a federally administered program that allows tribes greater autonomy and control over their funds. Self-governance allows for greater control over economic activities, allowing the use of local knowledge and thus tending to increase economic freedom. The self-governance program includes social services, law enforcement, natural resource

management, and other community development initiatives. The program also mandates regular reporting and auditing to ensure accountability for using funds. The REFI indicates whether a reservation has been selected for this program.

In 1984, the Presidential Commission on Indian Reservation Economies published a report documenting jurisdictional uncertainty on reservations, that is, whether the state or the tribe has jurisdiction, impedes tribal economic development (Robertson and Swimmer, 1984). The report further stated that this uncertainty causes investors to not know whether to comply with tribal or state laws. Further, investors fear tribal courts do not have safeguards, such as due process of law procedures. As a result, investments on reservations are viewed as riskier than investments in other United States jurisdictions.

The second sub-indicator for federal contracts examines whether a tribe is subject to Public Law 280 (PL 280), which transfers criminal jurisdiction over tribal lands to state governments in specific states and allows another subset of states to assume jurisdiction if they choose. PL 280 ties the hands of tribal courts, replacing their authority with state court jurisdiction, thereby having the potential to enhance economic growth (Anderson and Parker, 2008).

The third sub-indicator assesses whether tribal law enforcement operates through the federal government (PL 93-638) or under a self-governance contract. Self-governance contracts provide more flexibility and enable law enforcement to be informed by localized knowledge, thereby enhancing economic freedom.

The fourth category, openness and transparency, measures blood quantum. Tribes typically require quantum blood as a membership requirement. However, some tribes have lower quantum requirements, suggesting a higher level of diversity and membership openness.

The fifth category, the functioning of the judiciary, includes two sub-indicators with other indicators embedded within those. The sub-indicators evaluate both the judicial institutional quality of the courts and the quality of the judges within the courts. Judge quality is measured by determining the standards required for tribal judges: whether tribal judges are required to have law degrees, the level of experience needed to become a tribal judge, and who can become a tribal judge. Adam Smith famously asserted that for a society to achieve prosperity, it needs "peace, easy taxes, and a tolerable administration of justice." While this is a broad and somewhat vague

statement, a stable and independent judiciary is central to maintaining the rule of law, economic freedom, and fostering economic growth.

The second sub-indicator assesses the institutional quality of the courts by using measures for assessing whether a Tribal court is divided into, for example, criminal and civil courts and how accessible the Tribal codes are to the public (Tribal codes can be found on Tribal websites), and the term length of judges. Having a Tribal Code that is accessible could indicate that governance becomes more understandable and predictable; this not only helps inform personal choices but could also remove barriers to the marketplace for entrepreneurs. When information is readily available to the public, lower barriers to entrepreneurship imply that individuals are less restricted to enter and compete in the marketplace while remaining within the bounds of the codes.

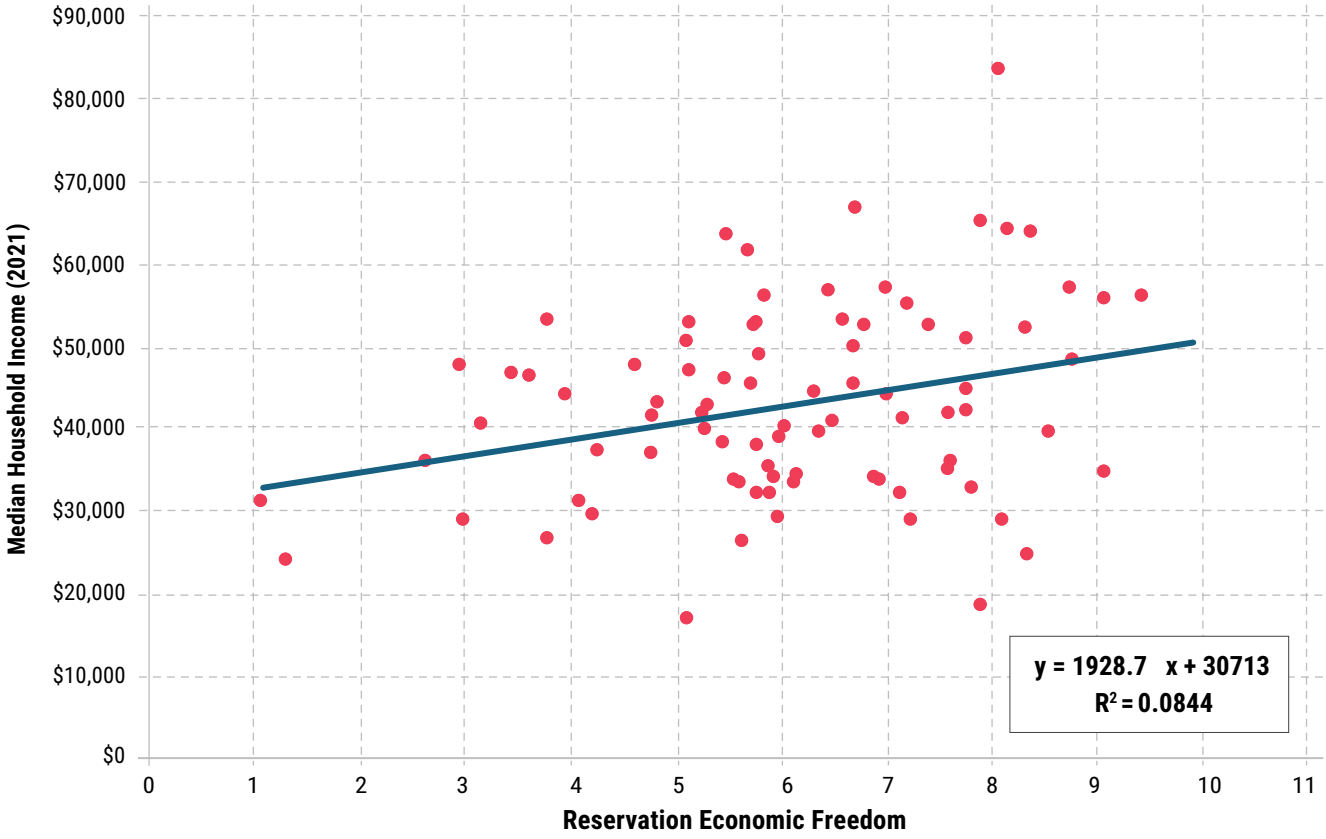
In the appendix, table A1 shows the overall score for each reservation. That table also includes all main subcomponents, of the overall score, thereby indicating the weight each component takes.

Correlating the REFI with measures of reservation-level incomes identifies a positive association between higher scores on the Reservation Economic Freedom Index and greater prosperity. One of these income measures is the median Native American household income on reservations.

Stratmann (2024) finds that a one standard deviation increase in the REFI score—1.79 points—is associated with an estimated $3,450 increase in median Native American household income, or about 7.4 percent of the median income. This fact does not suggest that institutional changes are easy or that they will immediately boost incomes. However, it suggests that economic freedom is critical to long-term prosperity on reservations. Table 1A in the appendix shows a list of the reservations and their respective scores, including the scores for each index component.

Figure 4.1 shows a scatter plot with a linear regression line depicting the relationship between the Reservation Economic Freedom Index and median Native American household income on reservations in 2021. The scatter plot displays individual reservations, with the REFI on the horizontal axis and median household income on the vertical axis. The regression line indicates a positive correlation between the two variables, with a correlation coefficient of 0.29.

Figure 4.1: Linear Bivariate Regression Predicting Median Reservation Indian Household Income with the Reservation Economic Freedom Index



Notes: The mean (standard deviation) of reservation median Indian household income is $42,989 ($11,878), and the mean (standard deviation) for the REFI is 6.36 (1.79). The bivariate regression's point estimate is 1,928, with an estimated standard error of 689. This point estimate implies that a one standard deviation increase in the REFI is associated with an approximately $3,450 increase in reservation median household income.

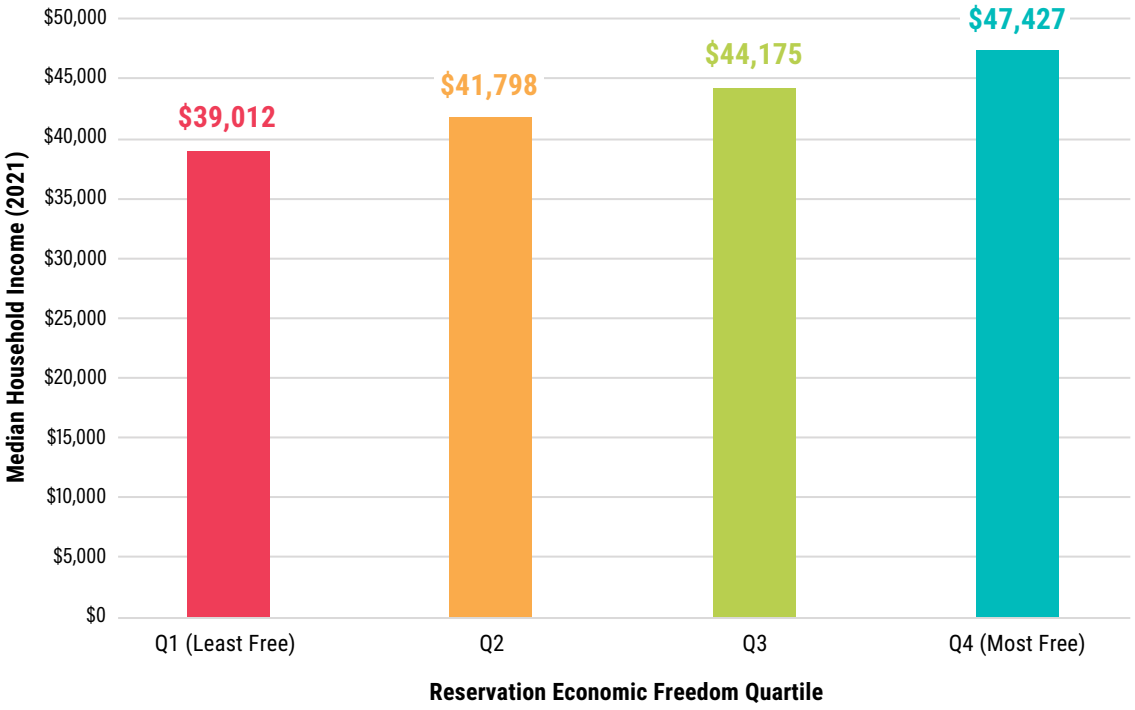
Source: Stratmann, 2024.

For the analysis in Figure 4.1, the underlying descriptive statistics are that the average median household income on reservations is $42,989, with a standard deviation of $11,878, and the mean REFI is 6.70, with a standard deviation of 1.79 The regression model estimates that each standard deviation increase in the REFI is associated with an approximate $3,450 increase in median Native American household income. This positive trend, as visualized by the upward-sloping regression line, underscores the economic impact of higher levels of economic freedom on income within reservations.

Figure 4.2 displays the median household income for American Indian households in 2021, broken down by economic freedom quartiles. The quartile with the most economic freedom (Q1) has the highest median income, just above $50,000. The income decreases for Q2, Q3, and Q4, with each subsequent group showing median incomes

around $40,000. The gap between Q1 and the other quartiles reflects the positive correlation between higher economic freedom and higher median household income, as documented in figure 4.1.

Figure 4.2: Median Household Income By Economic Freedom Quartiles



First Nations and Canada

This section presents the existing measures of institutional variation and quality of life among First Nations people in Canada. While there are rich sources of information on institutions and outcomes, none of these data capture the types of economic freedoms that comprise economic freedom indices such as the REFI or the *Economic Freedom of North America*.

Indigenous populations in Canada include the Métis, First Nations people living on reserves, First Nations people living off reserves, and the Inuit. The on- and off-reserve First Nations comprise the largest segment of these groups. The Métis are a distinct group formed from marriages between European settlers and Indigenous people in the western Canadian Prairies during the 18th century. The Métis reside primarily in British Columbia, Ontario, and the Northwest Territories. The Inuit, who are a much smaller group, primarily inhabit the Arctic regions of Canada.

Compared to the rest of Canada's population, the Indigenous population is younger, has grown faster, and is more likely to reside in rural areas. From 2016 to 2021, the Indigenous population in Canada increased by 9.4%, almost twice the rate of the non-Indigenous population, which grew by 5.3%. Similarly, in the United States, the American Indian and Alaska Native (AIAN) population grew by 27.1% between 2010 and 2020, outpacing the overall US population growth rate. The Indigenous populations in both countries are also younger on average, with Canada's Indigenous population having an average age of 33.6 years, compared to 41.8 for the non-Indigenous population.

The Community Well-Being Index

The Canadian federal government publishes the Community Well-Being (CWB) index, a composite measure designed to capture the quality of life in First Nations communities. It evaluates four equally weighted variables that measure on-reserve life: per-capita income, education, housing, and workforce participation.

In this measure, per-capita income is measured using the natural logarithm. Education levels are assessed through two measures: 1) the percentage of community members aged 15 and over who have completed at least grade nine and 2) the percentage of those aged 20 and over who have finished secondary school. The former is given two-thirds weight in the education component, while the latter is given one-third.

The housing measure includes both a quantity and a quality component. The quantity component measures the percentage of the population living in uncrowded housing, defined as no more than one person per room. The quality component measures the percentage of dwellings that do not require major repairs. The labor force participation measure looks at the rate of those aged 20 and over who are either employed or actively seeking employment and those aged 15 and over who are currently employed. The CWB standardizes these four main variables into percentages, weights them equally, and sums them to produce a final score ranging from zero to 100.

As with the REFI, the CWB does not include all First Nations reserves. However, there is a significant conceptual difference between the two indices: the CWB focuses on outcomes—such as income, education, and housing—while the REFI emphasizes governance, property rights, government accountability, and the independence of the judiciary.

The Aboriginal Governance Index

The Aboriginal Governance Index (AGI) from 2012 measures governance in participating bands in Manitoba, Saskatchewan, and Alberta. It focuses on services, human rights, elections, and transparency (Quesnel, 2012). Based on survey responses from band members, each band received a score between 14 and 100, reflecting perceptions of governance quality.

Each band's overall ranking is based on a weighted composite of scores that evaluate four broad areas of governance. The categories include services, which measure the quality of delivery for health, education, social services, and other public programs. Another category is elections, which assess whether votes for leadership are fair and impartial. The human rights category measures the regard for fundamental rights, and transparency captures how well citizens are informed about their government.

The AGI weighs all four categories equally. The total scores from the four categories are divided by four to determine the final band score. The index identifies positive correlations between categories.

The AGI is limited by its geographic focus—examining bands in three of Canada's 10 provinces—and has a narrower scope than the REFI. Unlike the REFI, which incorporates a broad range of economic liberties, property rights, and regulatory measures, the AGI focuses primarily on governance without assessing critical economic freedoms such as fee-simple property rights, tribal court independence, and market regulations that are essential to fostering economic prosperity.

Conclusion

The Reservation Economic Freedom Index (REFI) offers insights into the relationship between economic freedom and prosperity on Native American reservations. By evaluating key components such as property rights, the rule of law, and governance structures, the REFI captures the institutional environment that shapes economic outcomes for tribes. The index demonstrates a positive correlation between higher economic freedom and greater prosperity, measured by median household income. This research adds to the growing body of literature on how market-friendly institutions promote economic growth in Indigenous communities, highlighting the critical role of institutional quality in fostering development.

Despite its strengths, one of the challenges for future research is determining whether this observed correlation implies causation. A promising direction for future work is to conduct more rigorous analyses of the causal effects of institutions governing tribes and their influence on economic prosperity. The REFI includes components representing market freedoms and institutions identified in academic economics and political science literature as crucial to generating growth. However, the index is not exhaustive, and future iterations could include additional components, such as more detailed data on governance, judicial independence, or regulatory environments, subject to availability.

In the context of First Nations, current indices that measure governance and well-being do not capture the full range of economic freedoms as thoroughly as the REFI. For instance, the Community Well-Being (CWB) index focuses on outcomes like income, education, and housing but lacks detailed measures of property rights or regulatory environments, which are crucial for fostering economic prosperity. Similarly, while the Aboriginal Governance Index (AGI) assesses governance quality, it falls short of incorporating key economic liberties and property rights that are essential for sustainable growth. These limitations highlight the need for a more comprehensive approach, such as that provided by the REFI, which offers a broader evaluation of economic freedom and its impact on prosperity.

Appendix

Table A1: Reservation Economic Freedom Index from Highest to Lowest

Reservation	Freedom Index Score	Governance Score	Openness and Transparency Score	Regulatory Framework Score	Federal Contracts Score	Judiciary Score
Mille Lacs Reservation and Off-Reservation Trust Land, MN	10.167	2.000	0.500	3.000	3.000	1.667
Hoopa Valley Reservation, CA	9.677	1.000	1.000	3.011	3.000	1.667
Acoma Pueblo and Off-Reservation Trust Land, NM	9.333	2.000	1.000	4.000	1.000	1.333
Ho-Chunk Nation Reservation and Off-Reservation Trust Land, WI--MN	9.333	2.000	0.500	4.000	1.000	1.833
Chehalis Reservation and Off-Reservation Trust Land, WA	9.026	1.500	0.500	3.526	2.000	1.500
Swinomish Reservation and Off-Reservation Trust Land, WA	9.002	2.000	0.000	3.502	2.000	1.500
Leech Lake Reservation and Off-Reservation Trust Land, MN	8.789	1.500	0.500	2.956	2.000	1.833
Nisqually Reservation, WA	8.620	1.500	0.500	2.786	2.000	1.833
Sault Sainte Marie Reservation and Off-Reservation Trust Land, MI	8.596	1.500	1.000	2.762	2.000	1.333
Lummi Reservation, WA	8.571	0.000	0.500	3.404	3.000	1.667
Prairie Band of Potawatomi Nation Reservation, KS	8.394	1.500	0.500	3.727	1.000	1.667
Navajo Nation Reservation and Off-Reservation Trust Land, AZ--NM--UT	8.343	2.000	0.500	3.010	1.000	1.833
Tulalip Reservation and Off-Reservation Trust Land, WA	8.312	1.000	0.000	2.478	3.000	1.833
Puyallup Reservation and Off-Reservation Trust Land, WA	8.141	1.500	0.000	3.974	1.000	1.667
Rosebud Indian Reservation and Off-Reservation Trust Land, SD	8.136	1.500	1.000	3.303	1.000	1.333
White Earth Reservation and Off-Reservation Trust Land, MN	8.055	1.500	0.500	2.889	2.000	1.167
Colville Reservation and Off-Reservation Trust Land, WA	8.001	1.000	0.500	3.168	2.000	1.333
Red Lake Reservation, MN	8.000	1.500	1.000	2.000	2.000	1.500
Umatilla Reservation and Off-Reservation Trust Land, OR	8.000	2.000	0.500	2.500	1.000	2.000
Salt River Reservation, AZ	7.847	1.500	0.500	3.014	1.000	1.833
Agua Caliente Indian Reservation and Off-Reservation Trust Land, CA	7.833	2.000	1.000	2.000	1.000	1.833
Chitimacha Reservation, LA	7.833	1.500	1.000	3.000	1.000	1.333
Eastern Cherokee Reservation, NC	7.833	2.000	1.000	3.000	0.000	1.833
Isabella Reservation, MI	7.652	0.500	0.500	3.985	1.000	1.667
Standing Rock Reservation, SD--ND	7.465	1.500	0.500	3.631	0.000	1.833
Red Cliff Reservation and Off-Reservation Trust Land, WI	7.449	1.500	0.000	2.449	2.000	1.500

Table A1: Reservation Economic Freedom Index from Highest to Lowest

Reservation	Freedom Index Score	Governance Score	Openness and Transparency Score	Regulatory Framework Score	Federal Contracts Score	Judiciary Score
Fort Peck Indian Reservation and Off-Reservation Trust Land, MT	7.400	1.500	0.500	2.566	1.000	1.833
Omaha Reservation, NE--IA	7.366	0.500	0.500	3.866	1.000	1.500
Yavapai-Apache Nation Reservation and Off-Reservation Trust Land, AZ	7.270	0.500	0.500	3.604	1.000	1.667
Oneida (WI) Reservation and Off-Reservation Trust Land, WI	7.236	1.000	0.500	1.903	2.000	1.833
Flathead Reservation, MT	7.174	1.000	0.500	1.341	3.000	1.333
Spirit Lake Reservation, ND	7.140	1.500	0.500	2.973	1.000	1.167
Fort McDowell Yavapai Nation Reservation, AZ	7.001	2.000	0.500	3.001	0.000	1.500
Port Madison Reservation, WA	6.950	1.500	1.000	1.617	1.000	1.833
Stockbridge Munsee Community and Off-Reservation Trust Land, WI	6.936	1.500	0.500	2.269	1.000	1.667
Skokomish Reservation, WA	6.930	1.500	1.000	2.430	2.000	0.000
Menominee Reservation, WI	6.856	1.000	0.500	3.023	1.000	1.333
Saint Regis Mohawk Reservation, NY	6.833	1.500	0.500	1.000	2.000	1.833
Muckleshoot Reservation and Off-Reservation Trust Land, WA	6.712	1.000	1.000	2.712	2.000	0.000
Nez Perce Reservation, ID	6.691	1.500	0.500	1.858	1.000	1.833
Fond du Lac Reservation and Off-Reservation Trust Land, MN--WI	6.622	1.500	0.500	2.622	2.000	0.000
Southern Ute Reservation, CO	6.545	0.500	0.500	3.545	2.000	0.000
Lake Traverse Reservation and Off-Reservation Trust Land, SD--ND	6.384	0.500	0.500	3.884	0.000	1.500
Blackfeet Indian Reservation and Off-Reservation Trust Land, MT	6.366	2.000	0.500	2.366	0.000	1.500
L'Anse Reservation and Off-Reservation Trust Land, MI	6.260	0.500	0.500	2.760	1.000	1.500
Laguna Pueblo and Off-Reservation Trust Land, NM	6.220	1.500	0.000	2.053	1.000	1.667
Pine Ridge Reservation, SD--NE	6.200	1.500	0.000	3.200	0.000	1.500
Mescalero Reservation, NM	6.167	1.500	0.500	3.000	0.000	1.167
Lac Courte Oreilles Reservation and Off-Reservation Trust Land, WI	6.134	0.500	1.000	2.300	1.000	1.333
Quinault Reservation, WA	6.123	1.500	0.500	2.123	2.000	0.000
San Ildefonso Pueblo and Off-Reservation Trust Land, NM	6.063	2.000	0.500	2.063	0.000	1.500
Wind River Reservation and Off-Reservation Trust Land, WY	6.019	1.500	0.500	2.185	0.000	1.833
Fort Apache Reservation, AZ	6.010	1.500	0.000	3.010	0.000	1.500
Ysleta del Sur Pueblo and Off-Reservation Trust Land, TX	6.000	0.500	1.000	0.000	3.000	1.500
Fort Berthold Reservation, ND	5.998	1.500	1.000	3.498	0.000	0.000

Table A1: Reservation Economic Freedom Index from Highest to Lowest

Reservation	Freedom Index Score	Governance Score	Openness and Transparency Score	Regulatory Framework Score	Federal Contracts Score	Judiciary Score
Santee Reservation, NE	5.993	1.500	0.500	2.993	1.000	0.000
Turtle Mountain Reservation and Off-Reservation Trust Land, MT--ND--SD	5.965	1.500	0.500	2.131	1.000	0.833
Winnebago Reservation and Off-Reservation Trust Land, NE--IA	5.913	0.500	0.500	3.246	0.000	1.667
Lac du Flambeau Reservation, WI	5.849	1.500	0.500	1.349	1.000	1.500
Tohono O'odham Nation Reservation and Off-Reservation Trust Land, AZ	5.833	1.000	0.000	2.000	1.000	1.833
Spokane Reservation and Off-Reservation Trust Land, WA	5.791	1.500	0.500	1.124	1.000	1.667
Bad River Reservation, WI	5.709	0.500	0.000	2.542	1.000	1.667
Colorado River Indian Reservation, AZ--CA	5.692	1.500	0.500	2.025	0.000	1.667
Pascua Pueblo Yaqui Reservation and Off-Reservation Trust Land, AZ	5.671	0.500	0.500	3.004	0.000	1.667
Rincon Reservation and Off-Reservation Trust Land, CA	5.667	1.000	1.000	1.000	1.000	1.667
Crow Reservation and Off-Reservation Trust Land, MT	5.522	1.000	0.500	2.356	0.000	1.667
Elko Colony, NV	5.500	0.500	0.500	2.000	1.000	1.500
Reno-Sparks Indian Colony and Off-Reservation Trust Land, NV	5.486	1.500	0.500	0.986	1.000	1.500
Bay Mills Reservation and Off-Reservation Trust Land, MI	5.347	0.500	0.500	3.014	0.000	1.333
Warm Springs Reservation and Off-Reservation Trust Land, OR	5.347	1.500	0.500	1.013	1.000	1.333
Makah Indian Reservation, WA	5.336	1.000	0.000	0.003	3.000	1.333
Fort McDermitt Indian Reservation, NV--OR	5.333	1.500	0.500	2.000	0.000	1.333
Fort Belknap Reservation and Off-Reservation Trust Land, MT	5.049	1.500	1.000	1.049	0.000	1.500
Northern Cheyenne Indian Reservation and Off-Reservation Trust Land, MT--SD	5.014	1.500	0.500	2.014	0.000	1.000
Cheyenne River Reservation and Off-Reservation Trust Land, SD	4.988	1.500	0.000	2.488	1.000	0.000
Sac and Fox/Meskwaki Settlement and Off-Reservation Trust Land, IA	4.833	0.500	0.000	3.000	1.000	0.333
Mississippi Choctaw Reservation, MS	4.485	0.000	0.000	2.151	1.000	1.333
Yankton Reservation, SD	4.414	1.500	0.500	0.914	0.000	1.500
Fort Hall Reservation and Off-Reservation Trust Land, ID	4.333	1.500	0.000	1.000	1.000	0.833
Zuni Reservation and Off-Reservation Trust Land, NM--AZ	4.178	1.500	0.500	0.512	0.000	1.667

Table A1: Reservation Economic Freedom Index from Highest to Lowest

Reservation	Freedom Index Score	Governance Score	Openness and Transparency Score	Regulatory Framework Score	Federal Contracts Score	Judiciary Score
Gila River Indian Reservation, AZ	4.005	0.500	0.500	1.005	2.000	0.000
Isleta Pueblo, NM	4.000	0.500	0.000	1.000	1.000	1.500
Hopi Reservation and Off-Reservation Trust Land, AZ	3.833	1.500	0.500	0.000	0.000	1.833
Yakama Nation Reservation and Off-Reservation Trust Land, WA	3.652	1.000	0.500	1.152	1.000	0.000
Hualapai Indian Reservation and Off-Reservation Trust Land, AZ	3.365	0.500	0.500	1.031	0.000	1.333
Lower Brule Reservation and Off-Reservation Trust Land, SD	3.192	1.500	0.500	0.359	0.000	0.833
Pyramid Lake Paiute Reservation, NV	3.167	0.500	0.000	0.000	1.000	1.667
Rocky Boy's Reservation and Off-Reservation Trust Land, MT	2.833	0.500	0.000	0.000	1.000	1.333
Ute Mountain Reservation and Off-Reservation Trust Land, CO--NM--UT	1.500	0.500	0.000	1.000	0.000	0.000
Uintah and Ouray Reservation and Off-Reservation Trust Land, UT	1.264	0.500	0.000	0.764	0.000	0.000

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Chapter Five

Detailed Tables of Economic Freedom in Canada, the United States, and Mexico

The following tables provide more information on economic freedom in the provinces and states as measured by the index of economic freedom in North America at the all-government and the subnational levels. At the all-government level, the index measures the impact of all levels of government—federal, provincial/state, and municipal/local—in Canada, the United States, and Mexico. At the subnational level, it measures the impact of provincial and municipal governments on economic freedom in Canada and state and local governments in the United States and Mexico.

In addition to the tables found in chapter 5, our interactive website at <https://www.fraserinstitute.org/economic-freedom> contains all the latest scores and rankings for each of the components of the index as well as historical data on the overall and area scores. The full dataset is also available for download at that same website.

Economic Freedom in Canada, the United States, and Mexico

Tables 5.1 (a, b, c) and 5.2 (a, b, c) provide a detailed summary of the scores for 2022. Tables 5.3 (a, b, c) to 5.10 (a, b, c) provide historical information both for the overall index and for each of Area 1: Government Spending; Area 2: Taxes; and Area 3: Labor Market Regulation. Economic freedom is measured on a scale from zero to 10, where a higher value indicates a higher level of economic freedom.

Detailed data for the world-adjusted scores, taken from the *Economic Freedom of the World: 2024 Annual Report* (Gwartney, Lawson, and Murphy, 2024), are not included; they can be found in that publication. Tables 5.3 (a, b, c) to 5.10 (a, b, c) show data for a selection of years. The full set of data from 1981 to 2022 and all other data included in this report are available at <www.fraserinstitute.org/studies/economic-freedom>.

Table 5.1a: Canada—Economic Freedom at the All-Government Level, 2022

	Area 1	Area 2	Area 3	Area 4	Area 5	Area 6	Overall Index	Rank out of 92 (2022)
Canada Average	**7.94**	**5.42**	**7.64**	**8.30**	**8.55**	**8.53**	**7.73**	
Alberta	8.77	6.12	7.78	8.30	8.55	8.53	8.01	12
British Columbia	8.60	5.38	7.66	8.30	8.55	8.53	7.84	43
Manitoba	7.97	5.38	7.60	8.30	8.55	8.53	7.72	53
New Brunswick	7.39	5.42	7.64	8.30	8.55	8.53	7.64	57
Newfoundland & Labrador	7.32	5.19	7.59	8.30	8.55	8.53	7.58	60
Nova Scotia	7.30	5.38	7.64	8.30	8.55	8.53	7.62	59
Ontario	8.51	5.15	7.71	8.30	8.55	8.53	7.79	47
Prince Edward Island	7.27	5.52	7.58	8.30	8.55	8.53	7.63	58
Quebec	8.17	5.19	7.54	8.30	8.55	8.53	7.71	54
Saskatchewan	8.09	5.44	7.66	8.30	8.55	8.53	7.76	50

Table 5.1b: Mexico—Economic Freedom at the All-Government Level, 2022

	Area 1	Area 2	Area 3	Area 4	Area 5	Area 6	Overall Index	Rank out of 92 (2022)
Mexico Average	**6.11**	**5.31**	**6.16**	**4.32**	**7.47**	**8.10**	**6.24**	
Aguascalientes	6.76	5.60	6.17	4.32	7.47	8.10	6.40	67
Baja California	7.74	5.25	6.36	4.32	7.47	8.10	6.54	62
Baja California Sur	6.62	5.10	6.30	4.32	7.47	8.10	6.32	72
Campeche	4.30	5.52	6.15	4.32	7.47	8.10	5.98	91
Coahuila de Zaragoza	6.81	5.48	6.01	4.32	7.47	8.10	6.36	70
Colima	5.26	3.34	6.19	4.32	7.47	8.10	5.78	92
Chiapas	5.50	5.96	6.21	4.32	7.47	8.10	6.26	79
Chihuahua	7.20	5.38	6.30	4.32	7.47	8.10	6.46	63
Ciudad de México	4.93	2.59	6.31	4.32	7.47	8.10	5.62	93
Durango	5.43	5.67	6.13	4.32	7.47	8.10	6.19	83
Guanajuato	6.91	5.56	6.16	4.32	7.47	8.10	6.42	66
Guerrero	5.43	6.08	6.17	4.32	7.47	8.10	6.26	79
Hidalgo	5.57	6.06	6.15	4.32	7.47	8.10	6.28	78
Jalisco	7.48	5.10	6.19	4.32	7.47	8.10	6.44	64
México	6.53	5.46	6.15	4.32	7.47	8.10	6.34	71
Michoacán de Ocampo	7.29	4.47	6.18	4.32	7.47	8.10	6.30	76
Morelos	6.38	5.99	6.16	4.32	7.47	8.10	6.40	67
Nayarit	6.08	5.72	6.11	4.32	7.47	8.10	6.30	76
Nuevo León	7.01	4.16	6.20	4.32	7.47	8.10	6.21	82

Table 5.1b: Mexico—Economic Freedom at the All-Government Level, 2022

	Area 1	Area 2	Area 3	Area 4	Area 5	Area 6	Overall Index	Rank out of 92 (2022)
Oaxaca	5.78	6.02	6.17	4.32	7.47	8.10	6.31	75
Puebla	6.84	5.71	6.17	4.32	7.47	8.10	6.43	65
Querétaro	6.72	4.55	6.18	4.32	7.47	8.10	6.22	81
Quintana Roo	5.54	5.14	6.13	4.32	7.47	8.10	6.12	88
San Luis Potosí	5.61	5.58	6.08	4.32	7.47	8.10	6.19	83
Sinaloa	6.31	5.58	6.16	4.32	7.47	8.10	6.32	72
Sonora	6.52	5.33	6.16	4.32	7.47	8.10	6.32	72
Tabasco	4.98	5.79	6.12	4.32	7.47	8.10	6.13	87
Tamaulipas	5.74	4.80	5.94	4.32	7.47	8.10	6.06	90
Tlaxcala	6.18	6.18	6.09	4.32	7.47	8.10	6.39	69
Veracruz de Ignacio de la Llave	5.40	5.51	6.15	4.32	7.47	8.10	6.16	86
Yucatán	5.50	5.60	6.16	4.32	7.47	8.10	6.19	83
Zacatecas	5.03	5.55	6.11	4.32	7.47	8.10	6.09	89

Table 5.1c: United States—Economic Freedom at the All-Government Level, 2022

	Area 1	Area 2	Area 3	Area 4	Area 5	Area 6	Overall Index	Rank out of 92 (2022)
USA Average*	**8.18**	**6.94**	**8.06**	**7.78**	**8.53**	**8.11**	**7.93**	
Alabama	7.84	7.59	8.12	7.78	8.53	8.11	8.00	17
Alaska	7.40	6.79	7.97	7.78	8.53	8.11	7.76	50
Arizona	7.32	7.37	8.04	7.78	8.53	8.11	7.86	38
Arkansas	8.19	6.99	8.07	7.78	8.53	8.11	7.95	26
California	8.13	6.22	7.92	7.78	8.53	8.11	7.78	48
Colorado	8.41	7.14	8.10	7.78	8.53	8.11	8.01	12
Connecticut	8.37	6.71	7.98	7.78	8.53	8.11	7.91	34
Delaware	8.01	5.41	8.07	7.78	8.53	8.11	7.65	56
Florida	8.65	7.10	8.14	7.78	8.53	8.11	8.05	5
Georgia	8.48	7.00	8.19	7.78	8.53	8.11	8.02	10
Hawaii	7.75	6.41	7.81	7.78	8.53	8.11	7.73	52
Idaho	8.51	7.32	8.18	7.78	8.53	8.11	8.07	2
Illinois	8.30	6.45	7.98	7.78	8.53	8.11	7.86	38
Indiana	8.52	7.21	8.14	7.78	8.53	8.11	8.05	5
Iowa	8.30	7.01	8.15	7.78	8.53	8.11	7.98	21
Kansas	8.38	6.91	8.09	7.78	8.53	8.11	7.97	23
Kentucky	7.64	7.09	8.10	7.78	8.53	8.11	7.87	36

Table 5.1c: United States—Economic Freedom at the All-Government Level, 2022

	Area 1	Area 2	Area 3	Area 4	Area 5	Area 6	Overall Index	Rank out of 92 (2022)
Louisiana	7.90	7.02	8.19	7.78	8.53	8.11	7.92	31
Maine	8.38	6.91	7.97	7.78	8.53	8.11	7.95	26
Maryland	7.80	6.90	7.99	7.78	8.53	8.11	7.85	41
Massachusetts	8.26	6.35	8.00	7.78	8.53	8.11	7.84	43
Michigan	8.34	7.24	7.97	7.78	8.53	8.11	8.00	17
Minnesota	8.49	6.10	8.00	7.78	8.53	8.11	7.84	43
Mississippi	7.57	7.46	8.12	7.78	8.53	8.11	7.93	30
Missouri	8.14	6.86	8.02	7.78	8.53	8.11	7.91	34
Montana	8.27	7.40	8.05	7.78	8.53	8.11	8.02	10
Nebraska	8.56	6.89	8.14	7.78	8.53	8.11	8.00	17
Nevada	8.50	6.87	8.01	7.78	8.53	8.11	7.97	23
New Hampshire	8.79	7.46	8.11	7.78	8.53	8.11	8.13	1
New Jersey	8.56	6.15	7.96	7.78	8.53	8.11	7.85	41
New Mexico	7.37	7.24	7.97	7.78	8.53	8.11	7.84	43
New York	8.15	5.65	7.87	7.78	8.53	8.11	7.68	55
North Carolina	8.27	7.31	8.21	7.78	8.53	8.11	8.04	7
North Dakota	8.20	7.40	8.16	7.78	8.53	8.11	8.03	9
Ohio	8.19	6.58	8.01	7.78	8.53	8.11	7.87	36
Oklahoma	8.29	7.48	8.16	7.78	8.53	8.11	8.06	3
Oregon	8.09	7.13	7.89	7.78	8.53	8.11	7.92	31
Pennsylvania	8.29	6.99	8.07	7.78	8.53	8.11	7.96	25
Rhode Island	7.97	6.41	7.90	7.78	8.53	8.11	7.78	48
South Carolina	8.33	7.37	8.23	7.78	8.53	8.11	8.06	3
South Dakota	8.26	7.20	8.18	7.78	8.53	8.11	8.01	12
Tennessee	8.31	7.16	8.18	7.78	8.53	8.11	8.01	12
Texas	8.43	6.99	8.20	7.78	8.53	8.11	8.01	12
Utah	8.39	7.24	8.15	7.78	8.53	8.11	8.04	7
Vermont	7.98	6.77	7.96	7.78	8.53	8.11	7.86	38
Virginia	8.07	7.07	8.15	7.78	8.53	8.11	7.95	26
Washington	8.54	6.70	7.88	7.78	8.53	8.11	7.92	31
West Virginia	7.64	7.60	8.04	7.78	8.53	8.11	7.95	26
Wisconsin	8.23	7.06	8.16	7.78	8.53	8.11	7.98	21
Wyoming	8.01	7.35	8.17	7.78	8.53	8.11	7.99	20
Puerto Rico*	4.54	6.99	6.42	5.04	8.53	7.91	6.57	61

*US average does not include the territory of Puerto Rico.

Table 5.2a: Economic Freedom at the Subnational Level in Canada, 2022

	1A	1B	1C	2A	2B	2C	2D	3Ai	3Aii	3Aiii	Area 1	Area 2	Area 3	Overall Index	Rank out of 10
Canada Average	**1.98**	**4.49**	**6.06**	**2.70**	**4.80**	**6.93**	**5.70**	**3.65**	**4.44**	**7.65**	**4.17**	**5.03**	**5.25**	**4.82**	
Alberta	4.76	6.23	8.37	7.10	6.00	6.50	5.34	4.33	7.61	9.33	6.45	6.23	7.09	6.59	1
British Columbia	4.13	6.37	1.22	3.36	5.00	6.28	5.16	3.14	8.14	4.89	3.91	4.95	5.39	4.75	5
Manitoba	0.00	8.63	10.00	3.65	5.00	4.98	3.80	3.73	3.40	7.46	6.21	4.36	4.87	5.14	3
New Brunswick	0.00	7.72	0.67	3.32	4.50	8.33	7.17	3.21	3.66	9.58	2.80	5.83	5.48	4.70	6
Newfoundland & Labrador	0.00	7.78	4.56	0.00	4.00	9.95	8.77	4.01	0.00	10.00	4.11	5.68	4.67	4.82	4
Nova Scotia	0.00	4.61	1.75	0.71	3.50	9.19	8.03	2.61	2.89	10.00	2.12	5.36	5.17	4.22	9
Ontario	5.12	3.51	10.00	1.11	5.00	5.52	4.37	2.92	8.82	6.22	6.21	4.00	5.99	5.40	2
Prince Edward Island	1.27	0.00	9.99	2.56	4.00	9.31	8.15	2.56	6.91	3.47	3.75	6.00	4.31	4.69	7
Quebec	4.19	0.00	4.00	0.00	4.50	5.27	4.13	3.79	2.74	5.55	2.73	3.47	4.03	3.41	10
Saskatchewan	0.32	0.00	10.00	5.23	6.50	3.98	2.09	6.24	0.21	10.00	3.44	4.45	5.49	4.46	8

Table 5.2b: Economic Freedom at the Subnational Level in Mexico, 2022

	1A	1B	2A	2C	3Ai	3Aii	3Aiii	Area 1	Area 2	Area 3	Overall Index	Rank out of 32
Mexico Average	**7.25**	**6.54**	**2.04**	**3.47**	**0.35**	**8.01**	**6.75**	**5.63**	**2.75**	**5.04**	**4.47**	
Aguascalientes	9.50	3.68	1.94	5.86	0.00	7.38	6.82	6.69	3.90	4.73	5.11	8
Baja California	9.88	6.80	0.04	2.61	2.50	10.00	9.30	8.40	1.32	7.27	5.67	2
Baja California Sur	9.11	0.00	2.81	0.00	3.63	7.39	5.38	7.04	1.40	5.46	4.63	13
Campeche	3.85	6.30	0.00	2.24	0.00	5.03	7.77	3.59	1.12	4.27	2.99	31
Coahuila de Zaragoza	8.21	4.01	1.59	3.11	0.00	9.20	0.00	7.90	2.35	3.07	4.44	16
Colima	8.96	8.18	4.80	0.27	0.00	6.88	6.60	4.87	2.53	4.50	3.96	25
Chiapas	3.71	9.10	4.81	7.98	0.00	7.32	10.00	1.85	6.40	5.77	4.67	12
Chihuahua	9.43	0.44	0.00	2.52	1.39	10.00	8.18	7.17	1.26	6.53	4.99	9
Ciudad de México	7.11	8.13	0.00	0.00	2.32	10.00	7.73	7.73	0.00	6.68	4.81	11
Durango	5.81	7.70	6.09	0.00	0.00	6.48	6.78	5.20	3.04	4.42	4.22	20
Guanajuato	6.93	9.13	0.00	4.06	0.00	9.87	8.04	6.78	2.03	5.97	4.93	10
Guerrero	5.11	8.58	7.36	4.14	0.00	4.66	8.34	2.55	5.75	4.33	4.21	21
Hidalgo	8.57	8.97	0.00	6.23	0.00	8.33	7.77	4.82	3.11	5.37	4.43	17
Jalisco	7.97	6.56	2.22	2.05	0.00	9.33	8.87	7.82	2.14	6.07	5.34	4
México	7.35	5.84	0.00	0.08	0.00	10.00	7.93	5.06	0.04	5.98	3.69	28
Michoacán de Ocampo	6.59	9.72	4.89	7.52	0.00	8.22	9.08	6.93	6.21	5.77	6.30	1
Morelos	9.44	4.03	6.08	4.83	0.00	8.52	8.05	5.69	5.45	5.52	5.56	3
Nayarit	8.59	6.16	4.60	0.76	0.00	6.66	5.87	5.03	2.68	4.18	3.96	25

Table 5.2b: Economic Freedom at the Subnational Level in Mexico, 2022

	1A	1B	2A	2C	3Ai	3Aii	3Aiii	Area 1	Area 2	Area 3	Overall Index	Rank out of 32
Nuevo León	7.99	7.54	0.00	2.01	1.34	10.00	4.20	7.04	1.01	5.18	4.41	18
Oaxaca	6.46	0.00	5.83	8.34	0.00	7.85	8.34	3.23	7.08	5.40	5.24	6
Puebla	5.92	8.63	1.60	5.11	0.00	10.00	9.11	6.23	3.35	6.37	5.32	5
Querétaro	9.07	6.85	0.00	0.00	0.00	10.00	7.06	6.37	0.00	5.69	4.02	23
Quintana Roo	8.47	4.83	0.00	0.00	0.00	9.37	3.88	6.43	0.00	4.42	3.62	29
San Luis Potosí	8.02	6.49	0.00	5.84	0.00	7.29	4.84	5.23	2.92	4.04	4.06	22
Sinaloa	9.50	8.38	2.50	1.37	0.00	7.75	7.68	5.73	1.93	5.14	4.27	19
Sonora	9.14	8.86	2.74	1.10	0.00	8.54	4.97	5.61	1.92	4.50	4.01	24
Tabasco	3.06	8.85	0.00	8.17	0.00	2.67	6.29	3.35	4.08	2.99	3.47	30
Tamaulipas	6.81	5.61	0.00	7.44	0.00	8.38	0.00	7.00	3.72	2.79	4.50	15
Tlaxcala	7.33	7.49	2.38	8.86	0.00	8.49	5.35	3.67	5.62	4.61	4.63	13
Veracruz de Ignacio de la Llave	4.60	7.72	2.57	6.72	0.00	8.04	7.70	5.51	4.65	5.25	5.13	7
Yucatán	6.51	7.30	0.35	0.28	0.00	7.30	8.25	6.16	0.31	5.18	3.88	27
Zacatecas	3.01	7.26	0.00	1.41	0.00	5.43	5.82	3.33	0.71	3.75	2.60	32

Note: There is no state and local spending on component 1C, nor any state and local income tax (2B) or state and local sales tax (2D).

Table 5.2c: Economic Freedom at the Subnational Level in the United States, 2022

	1A	1B	1C	2A	2B	2C	2D	3Ai	3Aii	3Aiii	Area 1	Area 2	Area 3	Overall Index	Rank out of 51
USA Average*	**7.80**	**6.47**	**5.56**	**5.25**	**7.43**	**5.28**	**5.02**	**7.24**	**8.11**	**6.29**	**6.61**	**5.75**	**7.21**	**6.52**	
Alabama	7.43	3.68	6.09	5.48	8.00	9.77	3.51	8.37	6.30	8.35	5.73	6.69	7.68	6.70	24
Alaska	1.93	6.80	0.26	8.75	10.00	0.00	9.07	7.65	4.15	5.97	3.00	6.95	5.92	5.29	44
Arizona	9.67	0.00	7.12	7.14	9.00	8.14	3.36	2.53	10.00	7.04	5.60	6.91	6.52	6.34	32
Arkansas	8.29	6.30	6.35	6.01	7.00	10.00	2.59	3.92	7.39	8.83	6.98	6.40	6.71	6.70	24
California	6.77	4.01	2.06	0.00	3.00	4.76	5.38	5.20	8.89	3.20	4.28	3.28	5.77	4.44	49
Colorado	9.82	8.18	5.97	5.23	8.00	6.21	5.40	6.58	8.13	7.65	7.99	6.21	7.46	7.22	14
Connecticut	10.00	9.10	4.38	2.82	7.00	3.80	6.48	6.52	9.69	3.65	7.83	5.02	6.62	6.49	29
Delaware	6.06	0.44	6.67	2.60	6.00	0.00	9.66	6.56	8.46	6.68	4.39	4.56	7.23	5.40	43
Florida	10.00	8.13	8.34	9.73	10.00	6.05	4.14	7.26	10.00	6.07	8.82	7.48	7.78	8.03	3
Georgia	10.00	7.70	6.60	4.88	7.00	6.58	5.96	9.42	10.00	7.28	8.10	6.11	8.90	7.70	6
Hawaii	6.33	9.13	4.86	2.53	4.00	3.96	0.00	4.45	8.17	1.36	6.77	2.62	4.66	4.68	48
Idaho	9.67	8.58	6.96	4.59	6.00	7.96	5.34	9.39	8.41	8.15	8.40	5.97	8.65	7.68	8
Illinois	8.75	8.97	1.30	3.95	7.00	2.94	4.58	5.73	9.59	4.17	6.34	4.62	6.50	5.82	37
Indiana	8.38	6.56	9.56	4.34	8.00	8.64	4.54	9.69	9.36	6.50	8.17	6.38	8.52	7.69	7
Iowa	6.96	5.84	6.02	5.17	7.50	4.40	5.30	10.00	6.55	8.09	6.27	5.59	8.21	6.69	26
Kansas	7.56	9.72	7.60	5.10	7.00	6.29	4.50	10.00	5.89	7.05	8.29	5.72	7.65	7.22	14

Table 5.2c: Economic Freedom at the Subnational Level in the United States, 2022

	1A	1B	1C	2A	2B	2C	2D	3Ai	3Aii	3Aiii	Area 1	Area 2	Area 3	Overall Index	Rank out of 51
Kentucky	6.63	4.03	3.40	2.87	7.00	9.09	4.83	8.58	8.41	6.39	4.69	5.95	7.79	6.14	33
Louisiana	6.73	6.16	3.79	6.83	8.00	8.50	1.41	9.15	8.06	8.64	5.56	6.19	8.61	6.79	23
Maine	7.80	7.54	6.61	4.39	6.00	0.00	5.05	3.32	8.60	5.77	7.31	3.86	5.90	5.69	38
Maryland	8.36	0.00	6.64	1.01	8.00	5.64	5.98	5.72	9.61	4.53	5.00	5.16	6.62	5.59	40
Massachusetts	8.99	8.63	5.67	1.69	7.00	3.62	7.80	6.47	10.00	3.73	7.76	5.03	6.73	6.51	28
Michigan	7.96	6.85	4.88	5.86	8.00	5.74	6.01	6.10	9.29	3.91	6.56	6.40	6.43	6.47	30
Minnesota	8.06	4.83	5.78	0.68	5.00	6.02	5.59	7.80	8.89	4.12	6.22	4.32	6.94	5.83	36
Mississippi	5.94	6.49	3.15	6.61	7.00	6.54	2.90	7.34	4.91	9.61	5.19	5.76	7.29	6.08	34
Missouri	8.98	8.38	5.11	5.68	8.00	7.54	5.94	4.67	9.38	5.75	7.49	6.79	6.60	6.96	17
Montana	8.25	8.86	4.69	3.51	8.00	4.08	9.15	7.68	7.68	6.02	7.27	6.18	7.13	6.86	20
Nebraska	8.66	8.85	8.22	5.52	6.00	4.29	6.01	8.84	7.72	7.66	8.58	5.45	8.07	7.37	13
Nevada	10.00	5.61	5.81	10.00	10.00	4.16	0.00	6.26	10.00	3.56	7.14	6.04	6.61	6.60	27
New Hampshire	10.00	7.49	9.04	8.28	10.00	0.58	9.84	10.00	10.00	5.01	8.84	7.18	8.34	8.12	1
New Jersey	9.18	7.72	4.14	2.99	4.00	0.00	6.40	6.33	9.24	3.63	7.01	3.35	6.40	5.59	40
New Mexico	3.16	7.30	2.11	6.48	8.00	4.95	1.34	2.56	3.71	8.89	4.19	5.19	5.05	4.81	47
New York	6.05	7.26	2.01	0.00	4.00	0.05	5.15	6.09	8.10	1.83	5.11	2.30	5.34	4.25	50
North Carolina	8.71	6.09	7.82	5.34	7.00	8.32	5.23	9.69	8.40	8.94	7.54	6.47	9.01	7.67	9
North Dakota	6.98	7.52	6.86	8.07	10.00	5.87	5.08	10.00	6.42	8.60	7.12	7.25	8.34	7.57	10
Ohio	7.71	6.05	1.13	5.77	8.50	6.58	4.20	6.93	9.28	4.42	4.96	6.26	6.88	6.04	35
Oklahoma	9.26	6.34	7.16	6.84	7.00	8.44	4.94	9.54	5.91	9.08	7.59	6.80	8.18	7.52	11
Oregon	5.20	8.00	2.02	1.08	6.50	4.86	8.08	3.03	8.79	3.55	5.08	5.13	5.12	5.11	45
Pennsylvania	7.68	8.81	4.90	4.28	8.00	5.57	5.56	10.00	10.00	3.52	7.13	5.85	7.84	6.94	18
Rhode Island	6.75	7.57	2.82	4.12	8.00	2.98	5.22	4.58	10.00	2.27	5.71	5.08	5.62	5.47	42
South Carolina	7.71	3.47	6.84	5.77	6.00	5.45	5.67	8.91	7.28	10.00	6.01	5.72	8.73	6.82	22
South Dakota	10.00	7.05	7.65	10.00	10.00	6.36	3.94	8.19	7.60	9.25	8.23	7.57	8.35	8.05	2
Tennessee	10.00	3.75	8.62	9.43	10.00	8.42	2.68	9.73	10.00	7.07	7.46	7.63	8.93	8.01	4
Texas	9.40	7.84	7.51	10.00	10.00	3.04	3.59	10.00	9.31	7.97	8.25	6.66	9.09	8.00	5
Utah	8.22	3.06	8.29	4.08	7.00	8.91	4.86	9.97	8.73	6.82	6.52	6.21	8.51	7.08	16
Vermont	4.37	3.34	7.77	4.21	6.00	0.54	5.11	4.04	7.85	5.40	5.16	3.97	5.77	4.96	46
Virginia	9.32	7.42	7.86	4.48	7.00	5.34	6.52	7.04	8.67	8.56	8.20	5.84	8.09	7.38	12
Washington	8.99	7.35	6.87	9.41	10.00	5.33	0.53	4.48	7.29	3.53	7.74	6.32	5.10	6.38	31
West Virginia	5.67	5.23	4.37	4.54	6.00	7.08	4.47	5.77	3.90	9.06	5.09	5.52	6.24	5.62	39
Wisconsin	8.16	6.55	4.70	4.97	6.00	6.10	6.19	10.00	8.26	7.38	6.47	5.82	8.55	6.94	18
Wyoming	3.66	8.80	3.73	9.45	10.00	4.51	5.95	10.00	3.02	10.00	5.40	7.48	7.67	6.85	21
Puerto Rico*	4.69	0.00	0.00	0.00	0.00	3.63	0.00	0.00	1.72	10.00	1.56	0.91	3.91	2.13	51

*US average does not include the territory of Puerto Rico.

Table 5.3a: Canada—Economic Freedom at the All-Government Level, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 92 (2022)
Canada Average	**7.97**	**8.01**	**7.97**	**7.92**	**7.80**	**7.90**	**8.00**	**7.92**	**7.84**	**7.84**	**7.64**	**7.68**	**7.73**	
Alberta	8.29	8.36	8.28	8.21	8.12	8.22	8.33	8.17	8.08	8.09	7.86	7.93	8.01	12
British Columbia	8.14	8.19	8.14	8.08	7.95	8.04	8.13	8.09	7.98	7.98	7.77	7.80	7.84	43
Manitoba	7.93	7.96	7.93	7.89	7.75	7.84	7.96	7.91	7.84	7.82	7.65	7.67	7.72	53
New Brunswick	7.94	7.97	7.93	7.87	7.76	7.83	7.87	7.82	7.75	7.74	7.54	7.60	7.64	57
Newfoundland & Labrador	7.81	7.85	7.85	7.84	7.72	7.87	7.99	7.80	7.74	7.73	7.53	7.58	7.58	60
Nova Scotia	7.99	7.99	7.91	7.84	7.68	7.77	7.88	7.81	7.74	7.73	7.54	7.60	7.62	59
Ontario	8.07	8.09	8.05	7.98	7.85	7.93	8.04	7.96	7.89	7.89	7.70	7.73	7.79	47
Prince Edward Island	7.83	7.84	7.83	7.76	7.67	7.76	7.88	7.80	7.72	7.72	7.51	7.58	7.63	58
Quebec	7.89	7.92	7.88	7.83	7.69	7.77	7.88	7.84	7.78	7.77	7.58	7.64	7.71	54
Saskatchewan	7.84	7.88	7.92	7.90	7.81	7.94	8.08	7.99	7.89	7.88	7.72	7.69	7.76	50

Table 5.3b: Mexico—Economic Freedom at the All-Government Level, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 92 (2022)
Mexico Average	**6.61**	**6.65**	**6.55**	**6.21**	**6.12**	**6.07**	**6.29**	**6.29**	**6.31**	**6.34**	**6.27**	**6.35**	**6.24**	
Aguascalientes	6.68	6.69	6.62	6.36	5.99	6.12	6.21	6.28	6.32	6.39	6.28	6.42	6.40	67
Baja California	6.90	6.89	6.79	6.55	6.53	6.46	6.65	6.55	6.52	6.61	6.53	6.62	6.54	62
Baja California Sur	6.65	6.68	6.41	6.07	6.11	6.04	6.24	6.37	6.43	6.35	6.20	6.42	6.32	72
Campeche	6.09	6.09	6.27	6.01	5.98	5.72	5.98	6.11	6.15	6.17	6.06	6.06	5.98	91
Coahuila de Zaragoza	6.71	6.70	6.57	6.35	5.92	6.15	6.37	6.22	6.25	6.26	6.20	6.39	6.36	70
Colima	5.90	6.04	6.08	5.75	5.70	5.66	5.83	5.82	5.86	5.87	5.80	5.91	5.78	92
Chiapas	6.47	6.55	6.51	6.13	6.13	6.08	6.27	6.25	6.30	6.40	6.28	6.36	6.26	79
Chihuahua	6.62	6.67	6.70	6.43	6.12	5.99	6.29	6.44	6.46	6.56	6.58	6.61	6.46	63
Ciudad de México	6.03	5.99	5.85	5.53	5.55	5.45	5.51	5.69	5.76	5.66	5.46	5.68	5.62	93
Durango	6.63	6.64	6.43	6.08	6.03	5.97	6.18	6.15	6.20	6.28	6.27	6.27	6.19	83
Guanajuato	6.84	6.86	6.77	6.09	5.98	6.24	6.60	6.54	6.42	6.47	6.41	6.49	6.42	66
Guerrero	6.47	6.55	6.45	5.97	5.83	6.12	6.17	6.24	6.24	6.30	6.30	6.42	6.26	79
Hidalgo	6.49	6.53	6.38	6.12	6.04	6.06	6.27	6.32	6.38	6.41	6.39	6.49	6.28	78
Jalisco	6.88	6.89	6.77	6.54	6.49	6.41	6.60	6.54	6.62	6.57	6.44	6.51	6.44	64
México	6.97	7.00	6.86	6.60	6.61	6.42	6.45	6.47	6.49	6.41	6.19	6.39	6.34	71
Michoacán de Ocampo	6.77	6.84	6.72	6.31	6.11	5.87	6.04	6.17	6.32	6.37	6.36	6.42	6.30	76
Morelos	6.79	6.79	6.69	6.39	6.27	6.16	6.35	6.36	6.42	6.45	6.38	6.39	6.40	67
Nayarit	6.74	6.90	6.67	6.22	6.11	6.23	6.42	6.46	6.46	6.54	6.49	6.50	6.30	76

Table 5.3b: Mexico—Economic Freedom at the All-Government Level, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 92 (2022)
Nuevo León	6.68	6.70	6.57	6.35	6.30	5.81	6.59	6.48	6.30	6.38	6.33	6.36	6.21	82
Oaxaca	6.62	6.64	6.54	6.22	6.17	6.10	6.26	6.32	6.33	6.45	6.38	6.46	6.31	75
Puebla	6.69	6.90	6.71	6.34	6.29	6.18	6.34	6.33	6.40	6.47	6.43	6.49	6.43	65
Querétaro	6.52	6.62	6.62	6.28	6.33	6.18	6.24	6.21	6.24	6.28	6.23	6.32	6.22	81
Quintana Roo	6.75	6.72	6.55	6.35	6.25	6.13	6.45	6.34	6.46	6.31	6.05	6.46	6.12	88
San Luis Potosí	6.62	6.75	6.69	6.27	6.17	6.13	6.29	6.21	6.29	6.30	6.20	6.30	6.19	83
Sinaloa	6.80	6.78	6.70	6.29	6.21	6.21	6.39	6.37	6.36	6.44	6.37	6.44	6.32	72
Sonora	6.81	6.81	6.74	6.30	6.14	6.18	6.50	6.48	6.41	6.48	6.37	6.38	6.32	72
Tabasco	6.28	6.41	6.33	6.08	6.07	6.00	6.22	6.25	6.25	6.28	6.23	6.18	6.13	87
Tamaulipas	6.37	6.39	6.22	5.96	5.95	6.03	6.26	6.20	6.11	6.13	6.06	6.16	6.06	90
Tlaxcala	7.05	6.92	6.61	6.36	6.28	6.26	6.45	6.50	6.54	6.53	6.44	6.48	6.39	69
Veracruz de Ignacio de la Llave	6.49	6.55	6.48	6.20	6.07	6.01	6.23	6.14	6.20	6.21	6.13	6.16	6.16	86
Yucatán	6.65	6.67	6.59	6.18	6.09	6.01	6.32	6.25	6.26	6.36	6.48	6.39	6.19	83
Zacatecas	6.66	6.65	6.60	6.14	5.99	6.00	6.25	6.14	6.21	6.31	6.30	6.19	6.09	89

Table 5.3c: United States—Economic Freedom at the All-Government Level, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 92 (2022)
USA Average*	**8.40**	**8.30**	**8.31**	**7.89**	**8.03**	**8.09**	**8.17**	**8.20**	**8.18**	**8.15**	**8.06**	**8.00**	**7.93**	
Alabama	8.48	8.39	8.38	7.97	8.10	8.16	8.25	8.27	8.23	8.22	8.11	8.06	8.00	17
Alaska	8.23	8.16	8.20	7.74	7.93	8.02	8.10	8.19	8.13	8.15	8.03	7.99	7.76	50
Arizona	8.46	8.37	8.35	7.93	8.05	8.15	8.24	8.14	8.11	8.07	7.99	7.93	7.86	38
Arkansas	8.34	8.23	8.24	7.83	7.90	8.02	8.11	8.14	8.12	8.09	8.01	7.97	7.95	26
California	8.36	8.24	8.24	7.81	7.95	8.00	8.10	8.14	8.09	8.05	7.97	7.88	7.78	48
Colorado	8.43	8.34	8.35	7.92	8.03	8.16	8.25	8.24	8.23	8.21	8.11	8.08	8.01	12
Connecticut	8.39	8.28	8.33	7.94	8.00	8.01	8.09	8.17	8.16	8.12	8.02	7.95	7.91	34
Delaware	8.42	8.26	8.19	7.79	7.83	7.86	8.01	8.04	7.99	7.91	7.81	7.76	7.65	56
Florida	8.52	8.39	8.38	7.99	8.15	8.20	8.30	8.35	8.32	8.29	8.19	8.13	8.05	5
Georgia	8.45	8.36	8.35	7.96	8.08	8.13	8.25	8.30	8.27	8.24	8.15	8.10	8.02	10
Hawaii	8.35	8.24	8.24	7.75	7.94	7.98	8.06	8.12	8.01	7.98	7.90	7.86	7.73	52
Idaho	8.39	8.31	8.35	7.93	8.07	8.18	8.27	8.31	8.30	8.28	8.18	8.13	8.07	2
Illinois	8.39	8.27	8.31	7.86	7.97	8.04	8.13	8.15	8.15	8.13	8.03	7.95	7.86	38
Indiana	8.48	8.33	8.38	7.92	8.09	8.14	8.23	8.28	8.27	8.21	8.13	8.10	8.05	5
Iowa	8.43	8.35	8.38	7.92	8.07	8.12	8.20	8.23	8.20	8.17	8.07	8.03	7.98	21
Kansas	8.39	8.28	8.33	7.90	8.09	8.19	8.23	8.26	8.21	8.18	8.09	8.02	7.97	23

Table 5.3c: United States—Economic Freedom at the All-Government Level, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 92 (2022)
Kentucky	8.42	8.33	8.33	7.86	7.96	8.03	8.08	8.09	8.08	8.07	7.96	7.95	7.87	36
Louisiana	8.42	8.27	8.26	7.84	8.00	8.09	8.12	8.17	8.16	8.15	8.07	8.01	7.92	31
Maine	8.36	8.24	8.27	7.87	7.99	8.11	8.19	8.22	8.20	8.14	8.05	8.00	7.95	26
Maryland	8.44	8.33	8.33	7.93	8.05	8.07	8.13	8.16	8.13	8.09	7.97	7.87	7.85	41
Massachusetts	8.39	8.28	8.31	7.87	7.99	8.05	8.13	8.17	8.12	8.10	8.00	7.92	7.84	43
Michigan	8.36	8.28	8.26	7.85	8.01	8.12	8.21	8.24	8.21	8.19	8.12	8.05	8.00	17
Minnesota	8.27	8.18	8.17	7.76	7.92	8.00	8.02	8.07	8.05	8.01	7.93	7.90	7.84	43
Mississippi	8.39	8.29	8.26	7.90	8.04	8.11	8.15	8.17	8.13	8.09	8.01	7.98	7.93	30
Missouri	8.39	8.32	8.31	7.91	8.04	8.10	8.14	8.16	8.16	8.14	8.06	8.00	7.91	34
Montana	8.35	8.33	8.34	7.91	8.07	8.15	8.24	8.30	8.27	8.26	8.16	8.10	8.02	10
Nebraska	8.44	8.32	8.35	7.96	8.14	8.14	8.22	8.23	8.20	8.17	8.08	8.04	8.00	17
Nevada	8.53	8.42	8.41	7.99	8.12	8.17	8.27	8.29	8.26	8.24	8.15	8.10	7.97	23
New Hampshire	8.59	8.49	8.51	8.09	8.22	8.29	8.35	8.37	8.35	8.34	8.25	8.19	8.13	1
New Jersey	8.34	8.21	8.22	7.80	7.93	7.99	8.09	8.14	8.12	8.09	8.00	7.95	7.85	41
New Mexico	8.32	8.26	8.26	7.84	7.96	8.05	8.13	8.16	8.16	8.09	8.01	7.94	7.84	43
New York	8.22	8.08	8.13	7.71	7.84	7.88	7.94	8.03	7.98	7.96	7.86	7.82	7.68	55
North Carolina	8.45	8.36	8.38	7.97	8.06	8.13	8.22	8.25	8.24	8.21	8.12	8.06	8.04	7
North Dakota	8.38	8.29	8.35	7.91	8.10	8.16	8.17	8.23	8.25	8.22	8.13	8.09	8.03	9
Ohio	8.27	8.16	8.17	7.75	7.89	7.97	8.09	8.12	8.11	8.09	7.98	7.94	7.87	36
Oklahoma	8.33	8.30	8.37	7.95	8.13	8.21	8.25	8.30	8.26	8.22	8.13	8.08	8.06	3
Oregon	8.37	8.30	8.32	7.86	7.96	8.06	8.14	8.19	8.16	8.13	8.03	7.96	7.92	31
Pennsylvania	8.41	8.30	8.30	7.89	8.00	8.08	8.16	8.17	8.17	8.14	8.07	8.02	7.96	25
Rhode Island	8.28	8.15	8.19	7.75	7.91	7.94	8.03	8.05	8.03	7.98	7.96	7.88	7.78	48
South Carolina	8.43	8.33	8.35	7.94	8.08	8.18	8.28	8.31	8.27	8.28	8.17	8.13	8.06	3
South Dakota	8.50	8.41	8.44	8.02	8.21	8.23	8.28	8.25	8.23	8.23	8.15	8.07	8.01	12
Tennessee	8.47	8.36	8.38	7.96	8.10	8.16	8.24	8.28	8.27	8.25	8.15	8.08	8.01	12
Texas	8.44	8.37	8.36	7.94	8.13	8.19	8.25	8.28	8.27	8.24	8.13	8.10	8.01	12
Utah	8.45	8.34	8.39	7.94	8.07	8.15	8.27	8.29	8.26	8.23	8.16	8.08	8.04	7
Vermont	8.39	8.26	8.25	7.85	8.00	8.04	8.11	8.13	8.10	8.08	8.00	7.90	7.86	38
Virginia	8.48	8.36	8.38	7.92	8.11	8.14	8.22	8.25	8.23	8.19	8.08	8.00	7.95	26
Washington	8.38	8.31	8.33	7.92	8.03	8.12	8.20	8.22	8.18	8.17	8.07	8.01	7.92	31
West Virginia	8.35	8.28	8.33	7.94	8.01	8.09	8.16	8.05	8.05	8.10	8.04	8.00	7.95	26
Wisconsin	8.39	8.28	8.30	7.81	7.98	8.05	8.19	8.23	8.22	8.18	8.08	8.03	7.98	21
Wyoming	8.38	8.32	8.29	7.84	8.07	8.13	8.20	8.29	8.28	8.26	8.16	8.07	7.99	20
Puerto Rico*	6.50	6.43	6.43	6.12	6.56	6.71	6.76	6.73	6.82	6.66	6.75	6.61	6.57	61

*US average does not include the territory of Puerto Rico.

Table 5.4a: Overall Canadian Scores at Provincial and Municipal Levels, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 10 (2022)
Canada Average	**5.41**	**5.48**	**5.40**	**4.79**	**4.87**	**5.08**	**5.19**	**4.88**	**4.73**	**4.69**	**4.91**	**4.69**	**4.82**	
Alberta	7.89	8.53	8.14	7.19	7.71	7.94	8.24	7.05	6.69	6.47	6.16	6.08	6.59	1
British Columbia	5.55	6.19	6.67	6.31	5.96	5.82	6.21	6.19	5.73	5.63	5.23	4.79	4.75	5
Manitoba	4.95	4.89	5.02	4.77	4.51	4.54	4.90	4.97	4.93	4.91	5.25	4.88	5.14	3
New Brunswick	5.96	5.79	5.35	5.25	5.76	5.59	4.45	4.14	4.01	4.13	4.63	4.87	4.70	6
Newfoundland & Labrador	4.55	4.47	4.67	4.36	4.45	4.98	5.44	4.46	4.59	4.39	5.26	4.97	4.82	4
Nova Scotia	6.78	6.18	5.15	4.24	3.95	4.13	4.10	3.92	4.16	4.12	4.63	4.46	4.22	9
Ontario	5.89	5.80	5.70	4.76	4.52	5.73	5.89	5.55	5.14	5.41	5.38	5.08	5.40	2
Prince Edward Island	6.41	6.27	5.84	4.77	5.07	5.00	4.66	4.60	4.31	4.14	4.56	4.55	4.69	7
Quebec	2.95	2.88	2.99	2.53	2.47	2.62	2.85	2.89	2.85	2.83	2.89	2.80	3.41	10
Saskatchewan	3.18	3.80	4.45	3.76	4.25	4.49	5.12	5.03	4.86	4.92	5.07	4.40	4.46	8

Table 5.4b: Overall Mexican Scores at State and Local Levels, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 32 (2022)
Mexico Average	**7.01**	**6.78**	**6.50**	**6.04**	**5.53**	**5.11**	**4.85**	**4.48**	**4.62**	**4.32**	**4.12**	**4.44**	**4.47**	
Aguascalientes	7.38	7.21	6.50	6.19	5.42	4.88	4.45	4.67	4.80	4.53	4.33	4.67	5.11	8
Baja California	8.32	7.93	7.74	7.73	7.38	6.99	7.00	6.10	6.04	6.03	5.46	5.85	5.67	2
Baja California Sur	5.86	5.11	4.59	4.00	4.44	4.03	4.04	4.61	4.91	4.43	3.55	4.48	4.63	13
Campeche	4.52	4.38	4.60	4.70	3.87	3.75	2.21	2.61	2.78	2.51	2.34	2.86	2.99	31
Coahuila de Zaragoza	7.02	6.75	7.11	6.82	5.02	5.66	5.02	4.40	4.90	4.31	4.15	4.54	4.44	16
Colima	6.86	6.46	6.43	6.29	4.60	4.12	4.05	4.02	4.16	3.74	3.43	3.81	3.96	25
Chiapas	6.48	6.66	6.25	4.87	4.57	4.35	4.27	3.80	3.93	4.32	4.10	4.39	4.67	12
Chihuahua	6.57	6.48	7.06	6.76	5.61	4.82	4.50	5.07	5.01	5.00	5.52	5.52	4.99	9
Ciudad de México	5.84	5.73	5.58	5.49	5.55	5.46	4.79	5.14	5.33	4.83	4.19	4.86	4.81	11
Durango	6.86	6.83	6.22	4.86	4.91	4.42	4.09	3.69	3.88	3.95	4.16	4.06	4.22	20
Guanajuato	8.78	8.09	7.81	7.05	6.80	6.45	6.69	6.03	5.26	4.73	4.58	4.86	4.93	10
Guerrero	5.75	5.59	5.59	5.38	4.95	4.28	3.89	3.48	3.96	3.61	3.71	4.24	4.21	21
Hidalgo	7.25	6.84	6.01	5.67	5.71	5.49	5.44	4.68	4.79	4.52	4.74	4.91	4.43	17
Jalisco	7.97	7.63	7.46	6.94	7.15	6.71	6.35	6.12	6.57	5.75	5.17	5.41	5.34	4
México	8.08	7.72	6.99	6.53	6.44	5.73	4.68	4.06	4.29	3.13	2.71	3.36	3.69	28
Michoacán de Ocampo	8.15	8.35	7.76	7.15	6.50	5.84	6.26	6.04	6.39	5.88	5.69	5.96	6.30	1
Morelos	8.31	7.88	7.42	7.04	6.33	5.79	5.27	4.51	4.94	4.74	4.87	4.95	5.56	3

Table 5.4b: Overall Mexican Scores at State and Local Levels, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 32 (2022)
Nayarit	6.64	6.85	5.91	4.93	4.90	3.96	4.79	4.75	4.69	4.53	4.36	4.54	3.96	25
Nuevo León	6.54	6.57	6.55	6.73	5.76	4.74	5.64	5.53	5.04	5.05	5.10	5.16	4.41	18
Oaxaca	7.49	7.19	6.55	6.28	5.87	5.00	4.42	4.20	4.27	4.49	4.35	4.97	5.24	6
Puebla	8.37	8.76	8.03	7.39	6.82	6.10	5.07	4.26	4.75	4.89	4.93	5.42	5.32	5
Querétaro	6.82	6.17	5.95	5.46	5.64	5.26	4.47	4.18	4.36	4.02	3.92	4.08	4.02	23
Quintana Roo	5.60	5.30	5.16	5.11	4.70	4.43	4.03	3.47	4.15	3.30	1.85	3.51	3.62	29
San Luis Potosí	7.28	7.07	7.01	6.45	5.72	4.78	4.45	4.01	4.40	3.82	3.75	4.10	4.06	22
Sinaloa	7.82	7.46	7.21	6.62	5.65	5.46	5.12	4.53	4.94	4.39	3.81	4.24	4.27	19
Sonora	7.28	7.02	6.90	6.18	5.36	5.17	5.37	5.29	4.69	4.57	3.97	4.15	4.01	24
Tabasco	4.87	4.57	4.85	4.40	3.54	3.68	3.18	2.99	3.44	2.92	2.80	2.99	3.47	30
Tamaulipas	5.89	6.01	5.56	5.55	5.78	5.18	5.28	5.04	4.67	4.46	4.13	4.25	4.50	15
Tlaxcala	7.84	7.35	6.38	6.15	5.77	5.72	5.33	5.01	4.93	4.64	4.46	4.65	4.63	13
Veracruz de Ignacio de la Llave	7.52	7.47	7.40	6.64	6.29	5.62	5.40	4.01	4.34	4.00	4.25	4.64	5.13	7
Yucatán	7.72	7.43	7.36	6.65	5.56	5.10	4.86	4.29	4.60	4.11	3.99	4.18	3.88	27
Zacatecas	6.69	6.06	6.02	5.19	4.28	4.42	4.89	2.87	2.77	2.89	3.61	2.41	2.60	32

Table 5.4c: Overall US Scores at State and Local Levels, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 51 (2022)
US Average*	6.12	6.23	6.28	5.74	5.80	6.00	6.27	6.26	6.31	6.24	6.56	6.58	6.52	
Alabama	5.85	6.88	6.73	6.09	5.99	6.13	6.38	6.40	6.32	6.40	6.68	6.72	6.70	24
Alaska	3.64	3.71	4.24	4.50	4.50	4.79	5.07	5.20	5.10	5.29	5.45	5.65	5.29	44
Arizona	6.99	7.07	6.65	6.31	6.29	6.53	6.88	5.93	5.93	5.74	6.19	6.29	6.34	32
Arkansas	6.38	6.55	6.33	5.99	5.45	5.75	6.16	6.16	6.33	6.09	6.41	6.60	6.70	24
California	4.64	4.82	4.90	4.27	4.35	4.26	4.74	4.83	4.63	4.46	4.92	4.68	4.44	49
Colorado	7.28	7.32	7.13	6.48	6.26	6.67	7.00	6.63	6.62	6.55	6.89	7.10	7.22	14
Connecticut	6.50	6.55	6.87	6.63	6.39	6.26	6.44	6.42	6.48	6.45	6.43	6.37	6.49	29
Delaware	6.91	6.56	6.42	5.94	5.50	5.31	5.56	5.67	5.75	5.25	5.45	5.33	5.40	43
Florida	7.51	7.15	7.16	6.78	7.05	7.27	7.71	7.97	7.90	7.85	7.99	7.99	8.03	3
Georgia	6.94	7.13	7.06	6.46	6.38	6.54	7.19	7.41	7.40	7.54	7.72	7.79	7.70	6
Hawaii	5.26	5.48	5.53	5.29	5.35	5.26	5.35	5.31	4.93	4.91	5.34	5.34	4.68	48
Idaho	6.01	6.32	6.65	5.72	5.76	6.44	6.83	6.93	7.07	7.23	7.47	7.65	7.68	8
Illinois	6.37	6.13	6.38	5.54	5.34	5.42	5.98	5.92	6.16	6.07	6.13	5.97	5.82	37
Indiana	6.92	6.44	6.74	6.01	6.15	6.47	6.91	7.02	7.16	6.96	7.39	7.59	7.69	7
Iowa	6.17	6.37	6.18	5.49	5.62	5.76	6.11	6.19	6.27	6.22	6.43	6.62	6.69	26
Kansas	6.42	6.61	6.88	6.49	6.55	7.06	7.10	7.03	7.00	6.98	7.22	7.15	7.22	14

Table 5.4c: Overall US Scores at State and Local Levels, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 51 (2022)
Kentucky	5.78	5.93	5.80	5.14	5.00	5.12	5.45	5.28	5.40	5.70	5.99	6.25	6.14	33
Louisiana	5.87	6.15	6.36	5.62	6.06	6.45	6.37	6.50	6.56	6.56	6.85	6.92	6.79	23
Maine	5.00	4.98	5.06	5.05	5.01	5.46	5.72	5.70	5.60	5.17	5.47	5.72	5.69	38
Maryland	7.25	7.45	7.12	6.62	6.63	6.46	6.33	6.56	6.43	6.34	6.32	5.84	5.59	40
Massachusetts	6.48	6.66	6.81	6.20	6.22	6.41	6.75	6.58	6.60	6.53	6.75	6.69	6.51	28
Michigan	5.68	5.68	5.20	4.72	5.01	5.64	6.07	5.97	6.03	5.94	6.40	6.48	6.47	30
Minnesota	5.60	5.76	5.95	5.24	5.33	5.61	5.54	5.54	5.45	5.52	5.77	5.87	5.83	36
Mississippi	5.73	5.88	5.70	5.41	5.29	5.38	5.34	5.35	5.41	5.31	5.84	6.05	6.08	34
Missouri	6.63	6.67	6.79	6.50	6.48	6.76	6.78	6.78	6.92	6.69	7.15	7.03	6.96	17
Montana	5.55	6.19	6.01	5.52	5.81	5.88	6.17	6.37	6.40	6.47	6.85	6.84	6.86	20
Nebraska	6.95	6.93	6.98	6.57	7.01	6.89	7.03	6.71	6.78	6.72	7.00	7.22	7.37	13
Nevada	7.32	7.54	7.10	6.11	5.83	6.06	6.54	6.59	6.57	6.63	6.80	6.88	6.60	27
New Hampshire	7.96	7.98	8.05	7.41	7.39	7.71	7.92	7.88	7.94	7.86	8.11	8.08	8.12	1
New Jersey	6.18	5.86	5.66	5.13	5.27	5.49	5.76	5.94	6.00	5.46	5.77	5.82	5.59	40
New Mexico	4.79	5.58	5.49	5.05	4.91	5.00	5.17	5.19	5.44	4.67	5.50	5.48	4.81	47
New York	4.29	3.76	4.18	3.78	3.88	3.93	3.99	4.32	4.16	4.22	4.44	4.48	4.25	50
North Carolina	6.30	6.92	7.01	6.50	6.01	6.16	6.79	6.90	7.09	7.09	7.53	7.63	7.67	9
North Dakota	6.72	6.64	6.97	6.12	6.64	6.92	6.75	7.00	7.30	7.20	7.60	7.64	7.57	10
Ohio	4.77	4.97	4.77	4.48	4.81	5.08	5.66	5.61	5.75	5.81	5.98	6.14	6.04	35
Oklahoma	6.64	7.11	7.13	6.57	6.85	7.09	7.21	7.08	7.16	6.98	7.33	7.43	7.52	11
Oregon	4.66	4.99	5.26	4.64	4.55	4.75	5.15	5.24	5.14	5.10	5.29	5.05	5.11	45
Pennsylvania	6.43	6.32	6.12	5.69	5.64	6.07	6.38	6.20	6.40	6.48	6.87	6.93	6.94	18
Rhode Island	4.86	4.65	5.18	4.75	5.26	5.18	5.43	5.24	5.20	4.97	5.62	5.58	5.47	42
South Carolina	5.69	5.62	5.75	5.01	5.05	5.53	6.05	6.15	6.16	6.48	6.70	6.96	6.82	22
South Dakota	7.66	7.81	8.06	7.55	7.83	7.89	7.69	7.27	7.37	7.47	7.85	8.02	8.05	2
Tennessee	7.35	7.12	7.15	6.67	6.90	7.11	7.52	7.66	7.83	7.89	8.06	7.97	8.01	4
Texas	7.23	7.46	7.66	7.02	7.26	7.53	7.75	7.67	7.82	7.81	7.89	8.11	8.00	5
Utah	6.05	6.23	6.65	5.69	5.43	5.74	6.51	6.41	6.69	6.41	7.20	6.99	7.08	16
Vermont	5.55	5.18	5.25	4.74	5.09	5.07	5.12	4.94	4.91	4.94	5.47	4.96	4.96	46
Virginia	7.66	7.59	7.69	7.24	7.38	7.24	7.33	7.62	7.65	7.59	7.74	7.46	7.38	12
Washington	5.18	5.59	5.67	5.13	5.11	5.57	6.09	6.04	5.93	6.09	6.41	6.45	6.38	31
West Virginia	4.45	5.19	5.49	5.20	4.91	5.21	5.25	4.46	4.70	4.79	5.54	5.64	5.62	39
Wisconsin	5.57	5.70	5.80	4.79	5.20	5.27	6.38	6.48	6.65	6.48	6.69	6.83	6.94	18
Wyoming	6.31	6.31	6.31	5.41	5.85	6.30	6.32	6.50	6.77	6.64	6.95	6.94	6.85	21
Puerto Rico*	1.88	1.99	1.81	2.30	2.01	2.13	2.14	1.97	2.07	1.50	2.22	2.10	2.13	51

*US average does not include the territory of Puerto Rico.

Table 5.5a: Canada—Scores for Area 1 (Government Spending) at the All-Government Level, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 10 (2022)
Canada Average	**8.21**	**8.26**	**8.18**	**7.69**	**7.91**	**8.20**	**8.21**	**8.03**	**7.92**	**7.98**	**7.18**	**7.69**	**7.94**	
Alberta	9.13	9.34	9.32	8.75	9.01	9.31	9.29	8.90	8.82	8.86	7.93	8.50	8.77	2
British Columbia	8.79	8.95	8.89	8.31	8.51	8.72	8.76	8.69	8.57	8.66	7.84	8.39	8.60	4
Manitoba	8.25	8.21	8.28	7.81	7.94	8.21	8.25	8.12	8.01	8.03	7.29	7.71	7.97	45
New Brunswick	7.86	7.82	7.71	7.22	7.46	7.65	7.59	7.41	7.32	7.37	6.59	7.14	7.39	57
Newfoundland & Labrador	7.29	7.34	7.30	6.93	7.28	7.79	7.85	7.48	7.34	7.40	6.56	7.08	7.32	59
Nova Scotia	8.04	7.98	7.73	7.23	7.36	7.55	7.54	7.41	7.32	7.38	6.68	7.15	7.30	61
Ontario	8.96	9.00	8.84	8.20	8.36	8.64	8.68	8.57	8.47	8.55	7.73	8.23	8.51	9
Prince Edward Island	7.42	7.48	7.24	6.71	7.06	7.35	7.39	7.26	7.12	7.20	6.38	7.01	7.27	63
Quebec	8.42	8.46	8.27	7.80	8.04	8.24	8.24	8.19	8.13	8.22	7.40	7.96	8.17	35
Saskatchewan	7.91	8.04	8.22	7.93	8.13	8.57	8.53	8.27	8.14	8.10	7.43	7.77	8.09	39

Table 5.5b: Mexico—Scores for Area 1 (Government Spending) at the All-Government Level, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 33 (2022)
Mexico Average	6.39	6.36	6.24	4.98	4.81	4.93	5.20	5.50	5.58	5.57	5.45	6.22	6.11	
Aguascalientes	6.63	6.35	6.37	5.49	3.75	4.93	4.62	5.23	5.38	5.65	5.38	6.46	6.76	69
Baja California	7.99	7.74	7.58	6.78	6.85	6.76	7.08	6.97	6.83	7.12	7.00	7.68	7.74	51
Baja California Sur	6.40	6.51	5.77	4.06	4.46	4.56	4.74	5.72	5.94	5.38	4.88	6.76	6.62	71
Campeche	3.09	2.93	4.33	3.64	3.72	3.55	3.64	4.37	4.46	4.40	4.12	4.33	4.30	93
Coahuila de Zaragoza	6.96	6.72	6.62	5.66	4.01	5.63	5.74	5.35	5.41	5.32	5.25	6.59	6.81	68
Colima	4.11	4.66	5.21	3.77	3.83	3.93	4.27	4.49	4.54	4.47	4.41	5.40	5.26	88
Chiapas	5.19	5.32	5.56	4.05	4.27	4.39	4.72	4.84	4.92	5.22	5.14	5.81	5.50	83
Chihuahua	6.54	6.57	7.14	6.00	4.63	4.45	5.18	6.28	6.31	6.61	6.83	7.47	7.20	64
Ciudad de México	5.71	5.57	5.46	4.64	4.74	4.27	3.32	4.24	4.75	4.03	3.60	4.65	4.93	91
Durango	6.08	5.79	5.05	3.73	3.81	3.83	4.25	4.44	4.57	4.78	4.96	5.47	5.43	85
Guanajuato	7.39	7.29	7.25	5.81	5.82	5.41	6.55	6.62	5.97	6.06	6.05	6.80	6.91	66
Guerrero	5.34	5.44	5.23	4.49	4.50	4.83	4.47	4.78	4.85	4.81	5.01	6.06	5.43	85
Hidalgo	5.30	5.26	5.02	3.81	4.07	4.28	4.52	5.12	5.28	5.31	5.50	6.41	5.57	81
Jalisco	7.77	7.67	7.45	6.35	6.53	6.59	6.83	7.01	7.37	7.02	6.59	7.27	7.48	55
México	8.27	8.15	7.85	6.68	6.89	6.55	5.96	6.38	6.40	5.99	5.27	6.46	6.53	72
Michoacán de Ocampo	6.95	7.29	7.07	5.37	4.86	4.43	4.80	5.57	6.27	6.35	6.40	7.21	7.29	62
Morelos	7.07	6.92	6.76	5.61	5.23	5.15	5.14	5.48	5.75	5.73	5.64	5.96	6.38	74
Nayarit	6.75	7.28	6.54	4.62	4.11	5.31	5.40	6.01	5.88	6.14	6.16	6.57	6.08	77
Nuevo León	7.40	7.41	7.43	6.55	6.51	5.69	7.38	7.37	6.62	6.66	6.65	7.04	7.01	65

Table 5.5b: Mexico—Scores for Area 1 (Government Spending) at the All-Government Level, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 33 (2022)
Oaxaca	5.95	5.79	5.53	4.23	4.28	4.35	4.54	5.05	5.07	5.40	5.28	6.04	5.78	78
Puebla	6.69	7.40	6.99	5.32	5.43	5.33	5.40	5.70	5.92	6.07	6.08	6.91	6.84	67
Querétaro	6.18	6.51	6.85	5.64	6.00	5.92	5.44	5.77	5.82	5.86	5.71	6.62	6.72	70
Quintana Roo	7.28	6.96	6.63	5.89	5.60	5.45	6.20	5.93	6.64	5.76	4.30	6.97	5.54	82
San Luis Potosí	6.15	6.57	6.65	4.85	4.70	4.98	5.00	5.09	5.23	5.14	4.99	5.76	5.61	80
Sinaloa	7.15	6.86	6.73	5.00	4.90	5.17	5.50	5.72	5.82	5.83	5.70	6.45	6.31	75
Sonora	7.25	7.04	7.06	5.16	4.66	5.13	5.97	6.19	5.75	6.03	5.71	6.22	6.52	73
Tabasco	4.21	4.56	4.50	3.84	4.13	4.32	4.61	4.85	4.91	4.88	4.85	4.86	4.98	90
Tamaulipas	6.06	5.73	5.20	4.19	4.15	4.70	5.42	5.42	5.22	5.06	4.82	5.86	5.74	79
Tlaxcala	8.38	7.38	6.10	5.09	5.00	5.24	5.50	6.12	6.26	6.04	5.82	6.34	6.18	76
Veracruz de Ignacio de la Llave	5.83	5.79	5.61	4.56	4.54	4.24	4.67	4.56	4.84	4.71	4.62	5.06	5.40	87
Yucatán	6.30	6.08	6.28	4.46	4.18	4.05	4.98	4.91	4.89	5.34	6.29	6.07	5.50	83
Zacatecas	6.17	6.07	6.00	4.08	3.86	4.23	4.53	4.35	4.65	5.02	5.21	5.50	5.03	89

Table 5.5c: United States—Scores for Area 1 (Government Spending) at the All-Government Level, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 51 (2022)
USA Average*	**8.25**	**8.45**	**8.31**	**6.91**	**7.47**	**7.72**	**8.02**	**8.05**	**8.15**	**8.07**	**8.02**	**8.26**	**8.18**	
Alabama	8.07	8.31	8.07	6.79	7.31	7.53	7.81	7.78	7.85	7.76	7.73	7.93	7.84	48
Alaska	6.69	7.03	7.11	5.48	6.42	6.56	6.87	7.23	7.12	7.30	7.23	7.48	7.40	56
Arizona	8.41	8.59	8.49	6.97	7.49	7.75	8.05	7.27	7.40	7.25	7.20	7.41	7.32	59
Arkansas	8.23	8.49	8.34	7.01	7.14	7.47	7.86	7.99	8.12	7.95	7.98	8.27	8.19	33
California	8.28	8.48	8.34	6.87	7.41	7.64	8.01	8.08	8.11	8.00	7.96	8.22	8.13	38
Colorado	8.52	8.72	8.60	7.15	7.60	7.90	8.24	8.19	8.32	8.24	8.15	8.49	8.41	15
Connecticut	8.56	8.76	8.69	7.37	7.58	7.71	8.02	8.29	8.39	8.28	8.22	8.46	8.37	19
Delaware	8.65	8.76	8.55	7.20	7.58	7.63	7.88	7.96	8.10	7.93	7.89	8.10	8.01	42
Florida	8.67	8.73	8.64	7.28	7.79	8.10	8.47	8.62	8.66	8.54	8.48	8.74	8.65	3
Georgia	8.51	8.72	8.47	7.16	7.58	7.87	8.30	8.42	8.47	8.37	8.32	8.57	8.48	13
Hawaii	8.06	8.30	8.13	6.29	7.13	7.36	7.61	7.78	7.82	7.74	7.72	7.84	7.75	50
Idaho	8.31	8.54	8.44	6.88	7.45	7.89	8.29	8.36	8.45	8.36	8.31	8.59	8.51	9
Illinois	8.51	8.68	8.53	7.05	7.62	7.84	8.19	8.19	8.30	8.25	8.16	8.38	8.30	23
Indiana	8.58	8.67	8.48	7.11	7.73	7.98	8.30	8.32	8.43	8.31	8.27	8.61	8.52	8
Iowa	8.39	8.62	8.50	7.04	7.67	7.87	8.15	8.20	8.28	8.16	8.10	8.38	8.30	23
Kansas	8.42	8.61	8.51	6.99	7.79	8.14	8.34	8.33	8.43	8.30	8.22	8.46	8.38	17
Kentucky	8.11	8.27	8.15	6.55	6.95	7.21	7.44	7.39	7.48	7.47	7.42	7.72	7.64	52

Table 5.5c: United States—Scores for Area 1 (Government Spending) at the All-Government Level, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 51 (2022)
Louisiana	8.07	8.08	7.91	6.65	7.29	7.59	7.71	7.89	7.97	7.83	7.79	7.99	7.90	47
Maine	8.18	8.29	8.19	6.89	7.37	7.84	8.16	8.26	8.37	8.24	8.21	8.46	8.38	17
Maryland	8.36	8.49	8.32	6.93	7.44	7.54	7.79	7.96	8.09	7.96	7.85	7.89	7.80	49
Massachusetts	8.38	8.58	8.44	6.96	7.51	7.74	8.14	8.15	8.26	8.15	8.10	8.35	8.26	29
Michigan	8.37	8.55	8.31	6.85	7.47	7.81	8.18	8.23	8.31	8.17	8.15	8.43	8.34	20
Minnesota	8.46	8.67	8.43	7.12	7.80	8.07	8.34	8.41	8.45	8.37	8.30	8.58	8.49	12
Mississippi	7.85	7.93	7.61	6.46	7.09	7.23	7.36	7.31	7.41	7.31	7.31	7.65	7.57	54
Missouri	8.30	8.48	8.27	6.93	7.46	7.70	7.97	8.01	8.12	7.99	7.96	8.22	8.14	37
Montana	7.89	8.23	8.16	6.75	7.35	7.60	7.92	8.10	8.24	8.17	8.13	8.35	8.27	27
Nebraska	8.56	8.75	8.59	7.36	8.05	8.16	8.47	8.46	8.53	8.43	8.42	8.65	8.56	5
Nevada	8.79	9.02	8.81	7.38	7.80	8.04	8.38	8.42	8.48	8.38	8.34	8.58	8.50	11
New Hampshire	8.83	9.03	8.85	7.57	8.15	8.43	8.70	8.73	8.82	8.71	8.65	8.87	8.79	1
New Jersey	8.58	8.72	8.58	7.26	7.71	7.97	8.33	8.45	8.54	8.39	8.36	8.65	8.56	5
New Mexico	7.48	7.70	7.58	6.17	6.68	6.94	7.19	7.20	7.38	7.37	7.29	7.46	7.37	58
New York	8.04	8.23	8.18	6.82	7.32	7.51	7.84	8.00	8.05	7.96	7.93	8.23	8.15	36
North Carolina	8.41	8.65	8.56	7.17	7.53	7.70	8.00	8.06	8.21	8.12	8.10	8.35	8.27	27
North Dakota	7.80	8.02	8.12	6.81	7.59	7.87	7.96	7.97	8.21	8.12	8.11	8.29	8.20	32
Ohio	8.12	8.31	7.96	6.74	7.27	7.64	8.07	8.07	8.19	8.07	8.02	8.27	8.19	33
Oklahoma	8.23	8.56	8.42	7.11	7.75	8.01	8.24	8.19	8.32	8.22	8.13	8.38	8.29	25
Oregon	8.07	8.36	8.28	6.79	7.27	7.57	7.93	8.00	8.09	7.98	7.94	8.17	8.09	39
Pennsylvania	8.32	8.48	8.32	6.99	7.37	7.69	8.03	7.91	8.09	7.99	8.06	8.38	8.29	25
Rhode Island	8.09	8.26	8.13	6.67	7.21	7.45	7.80	7.81	7.91	7.87	7.88	8.05	7.97	45
South Carolina	8.16	8.31	8.21	6.79	7.38	7.75	8.06	8.12	8.19	8.18	8.13	8.41	8.33	21
South Dakota	8.22	8.42	8.37	7.10	7.80	7.99	8.27	8.09	8.22	8.18	8.15	8.35	8.26	29
Tennessee	8.37	8.53	8.45	7.01	7.56	7.85	8.17	8.27	8.35	8.24	8.18	8.39	8.31	22
Texas	8.50	8.72	8.61	7.22	7.87	8.15	8.40	8.39	8.52	8.40	8.29	8.52	8.43	14
Utah	8.32	8.57	8.48	7.12	7.52	7.78	8.23	8.24	8.37	8.29	8.26	8.48	8.39	16
Vermont	8.31	8.48	8.26	6.88	7.49	7.61	7.94	7.91	7.98	7.90	7.97	8.06	7.98	44
Virginia	8.29	8.47	8.25	6.66	7.53	7.61	7.94	8.00	8.08	7.97	7.90	8.16	8.07	41
Washington	8.31	8.60	8.52	7.11	7.58	7.94	8.25	8.41	8.48	8.46	8.38	8.62	8.54	7
West Virginia	7.68	8.11	8.06	6.83	7.04	7.30	7.59	6.73	6.89	7.51	7.44	7.73	7.64	52
Wisconsin	8.38	8.58	8.43	6.74	7.47	7.65	8.15	8.22	8.34	8.11	8.07	8.32	8.23	31
Wyoming	7.98	8.11	8.06	6.66	7.32	7.61	7.90	7.95	8.18	8.10	8.07	8.09	8.01	42
Puerto Rico*	3.94	4.18	3.95	3.19	3.86	4.38	4.71	4.53	4.86	4.22	4.81	4.65	4.54	92

*US average does not include the territory of Puerto Rico.

Table 5.6a: Scores for Area 1 (Government Spending) at the Provincial and Municipal Level in Canada, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 10 (2022)
Canada Average	**5.66**	**5.93**	**5.26**	**4.05**	**4.21**	**4.70**	**4.82**	**4.66**	**4.52**	**4.39**	**4.29**	**4.15**	**4.17**	
Alberta	7.70	9.39	8.79	7.18	7.67	8.44	8.60	7.07	6.66	6.26	6.68	6.44	6.45	1
British Columbia	5.67	6.90	7.49	6.59	5.66	5.51	6.52	6.91	6.11	5.92	4.21	3.69	3.91	5
Manitoba	6.08	5.79	5.89	5.64	4.96	4.79	5.69	6.04	6.12	6.18	6.50	6.31	6.21	2
New Brunswick	5.76	5.48	3.82	4.03	5.23	4.78	2.36	2.08	2.04	2.08	2.24	2.87	2.80	8
Newfoundland & Labrador	5.21	4.56	4.37	3.19	3.97	4.71	5.12	4.57	4.72	4.16	4.45	4.35	4.11	4
Nova Scotia	8.57	6.58	3.85	2.38	2.03	2.14	2.46	2.38	2.89	3.26	3.34	3.02	2.12	10
Ontario	6.13	6.63	5.85	3.61	2.92	6.03	6.56	6.57	6.15	6.53	6.21	5.84	6.21	2
Prince Edward Island	6.88	7.25	5.51	3.51	4.53	4.79	4.44	4.43	3.94	3.04	3.19	3.61	3.75	6
Quebec	2.88	2.79	2.50	1.45	1.82	2.02	2.30	2.45	2.54	2.69	2.72	2.41	2.73	9
Saskatchewan	1.68	3.93	4.52	2.93	3.33	3.77	4.15	4.07	4.02	3.79	3.38	2.91	3.44	7

Table 5.6b: Scores for Area 1 (Government Spending) at the State and Local Level in Mexico, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 32 (2022)
Mexico Average	**6.91**	**6.86**	**6.30**	**4.82**	**4.09**	**3.92**	**3.67**	**4.08**	**4.32**	**4.38**	**4.24**	**5.36**	**5.63**	
Aguascalientes	7.52	7.23	6.85	5.88	4.54	3.92	3.42	4.00	4.37	5.16	5.07	6.30	6.69	11
Baja California	9.20	9.13	8.89	8.47	7.92	7.92	7.86	7.30	7.42	7.71	7.20	7.92	8.40	1
Baja California Sur	7.43	7.29	5.96	4.15	4.74	4.13	3.79	5.28	5.99	5.37	5.10	6.66	7.04	6
Campeche	2.88	3.14	4.05	3.62	2.02	1.24	0.05	1.46	1.24	1.64	1.31	3.03	3.59	27
Coahuila de Zaragoza	8.82	8.27	7.87	6.68	2.97	7.19	6.95	6.12	6.72	6.60	6.34	7.40	7.90	2
Colima	5.36	6.03	6.23	5.44	3.20	3.32	2.39	3.51	3.51	3.66	3.63	4.35	4.87	24
Chiapas	3.08	3.73	2.81	0.18	0.00	0.00	0.00	0.00	0.83	1.38	1.06	1.89	1.85	32
Chihuahua	7.51	7.57	8.03	6.45	4.36	2.64	3.83	6.15	5.75	5.75	6.45	7.30	7.17	5
Ciudad de México	9.50	9.45	8.86	8.26	7.82	7.64	5.52	6.58	6.86	6.39	6.04	7.25	7.73	4
Durango	6.36	6.35	5.45	2.28	3.10	2.50	1.44	2.30	3.12	4.00	4.62	4.90	5.20	21
Guanajuato	8.26	8.43	8.30	6.34	5.82	5.33	5.85	6.03	5.18	5.44	5.57	6.55	6.78	10
Guerrero	3.19	3.67	3.67	2.94	2.10	1.60	1.60	1.66	2.18	1.85	1.56	2.68	2.55	31
Hidalgo	5.58	4.92	3.55	3.12	3.36	3.22	2.66	3.25	3.48	3.49	3.72	4.77	4.82	25
Jalisco	9.04	8.60	8.38	7.02	7.24	6.84	6.89	7.08	7.61	7.22	6.55	7.51	7.82	3
México	8.97	8.26	7.61	6.20	5.60	5.13	4.15	4.16	4.39	3.18	2.26	4.15	5.06	22
Michoacán de Ocampo	7.39	8.01	7.14	5.55	4.14	4.09	3.63	4.78	5.51	5.75	5.82	6.66	6.93	9
Morelos	7.35	6.97	6.67	5.72	4.21	3.95	3.60	3.30	3.85	4.08	4.26	4.34	5.69	17
Nayarit	6.41	7.31	6.06	3.09	2.81	3.14	2.88	4.02	3.40	3.77	4.14	4.99	5.03	23
Nuevo León	8.93	8.66	8.45	7.74	6.76	4.96	7.77	7.31	6.57	6.93	7.00	7.64	7.04	6

Table 5.6b: Scores for Area 1 (Government Spending) at the State and Local Level in Mexico, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 32 (2022)
Oaxaca	4.77	4.40	2.84	1.54	1.01	1.02	0.02	1.30	1.23	1.78	1.51	3.30	3.23	30
Puebla	7.02	8.17	7.10	5.49	5.47	4.06	3.46	4.41	5.09	5.29	5.46	6.38	6.23	14
Querétaro	7.03	7.39	7.45	6.06	6.16	5.82	4.90	5.03	5.22	5.17	5.19	6.22	6.37	13
Quintana Roo	7.65	7.08	5.98	5.32	3.78	3.76	4.27	3.34	5.38	4.18	1.10	5.82	6.43	12
San Luis Potosí	6.05	6.60	6.66	4.96	3.67	3.45	3.22	3.25	3.78	3.60	3.66	4.95	5.23	20
Sinaloa	8.03	7.85	7.24	5.20	4.73	4.41	4.16	4.39	4.40	4.48	4.37	5.44	5.73	16
Sonora	8.44	8.14	7.84	5.47	4.25	4.69	4.55	4.88	3.43	4.54	4.43	5.25	5.61	18
Tabasco	1.83	2.01	2.40	0.52	1.84	2.83	1.24	1.77	2.71	1.64	1.67	2.62	3.35	28
Tamaulipas	7.65	7.52	6.34	5.08	5.61	5.87	6.14	6.39	5.42	5.82	5.80	6.54	7.00	8
Tlaxcala	8.60	7.49	4.75	2.97	2.63	2.05	2.08	3.20	3.47	3.30	3.18	3.64	3.67	26
Veracruz de Ignacio de la Llave	7.42	7.50	6.77	4.93	4.34	3.73	3.50	2.84	3.64	2.96	3.02	4.57	5.51	19
Yucatán	8.01	7.50	7.44	5.62	4.66	3.77	4.15	4.48	5.19	5.43	4.85	6.52	6.16	15
Zacatecas	5.73	4.70	4.08	1.93	0.00	1.37	1.45	1.09	1.18	2.48	3.57	3.98	3.33	29

Table 5.6c: Scores for Area 1 (Government Spending) at the State and Local Level in the United States, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 51 (2022)
USA Average*	**6.58**	**6.80**	**6.94**	**5.81**	**5.56**	**6.00**	**6.38**	**6.23**	**6.34**	**6.48**	**6.53**	**6.61**	**6.61**	
Alabama	4.59	7.65	7.05	6.09	5.69	5.97	6.04	5.68	5.65	5.78	5.88	5.73	5.73	34
Alaska	0.00	0.00	1.38	1.47	1.43	1.35	1.87	2.41	2.17	2.90	2.81	3.00	3.00	50
Arizona	8.30	8.16	8.27	6.85	6.63	7.18	7.45	5.14	5.31	5.40	5.52	5.60	5.60	36
Arkansas	7.05	7.64	7.48	6.60	4.83	5.54	6.16	6.40	6.57	6.38	6.70	6.98	6.98	25
California	4.52	4.53	5.08	3.59	3.07	3.26	4.01	4.17	3.99	4.04	4.02	4.28	4.28	48
Colorado	8.18	8.26	8.43	7.09	6.33	7.13	7.63	7.21	7.44	7.64	7.52	7.99	7.99	11
Connecticut	7.86	8.24	8.62	7.79	7.04	7.02	7.48	7.70	7.75	7.80	7.77	7.83	7.83	12
Delaware	8.00	7.44	7.09	6.11	4.74	4.20	4.22	4.29	4.61	4.33	4.38	4.39	4.39	47
Florida	8.73	7.77	8.39	7.29	7.19	8.02	8.62	9.00	8.78	8.73	8.70	8.82	8.82	2
Georgia	7.83	8.02	7.98	7.00	6.29	7.07	7.84	8.02	7.92	7.97	7.96	8.10	8.10	10
Hawaii	6.40	7.16	7.30	6.26	6.11	6.53	6.65	6.95	6.81	6.92	7.03	6.77	6.77	26
Idaho	7.06	7.54	7.89	5.94	5.93	7.28	7.92	7.91	8.04	8.12	8.14	8.40	8.40	4
Illinois	7.01	7.16	7.40	6.01	5.53	5.89	6.38	6.01	6.21	6.42	6.31	6.34	6.34	30
Indiana	8.44	7.72	7.58	6.74	6.47	7.14	7.42	7.21	7.41	7.47	7.58	8.17	8.17	9
Iowa	7.19	7.41	6.72	5.71	5.64	5.92	6.11	5.97	6.03	6.00	5.97	6.27	6.27	31
Kansas	7.78	8.17	8.57	7.79	7.76	8.57	8.44	8.18	8.30	8.29	8.21	8.29	8.29	5
Kentucky	5.95	5.64	5.23	3.97	3.54	4.01	4.29	3.67	3.73	4.08	4.12	4.69	4.69	46

Table 5.6c: Scores for Area 1 (Government Spending) at the State and Local Level in the United States, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 51 (2022)
Louisiana	5.52	5.81	5.92	4.67	5.16	5.75	5.22	5.60	5.66	5.56	5.61	5.56	5.56	37
Maine	5.75	5.57	5.50	5.22	5.03	6.39	6.75	6.92	7.12	7.07	7.14	7.31	7.31	19
Maryland	8.23	8.33	7.50	6.40	5.99	5.61	5.89	6.57	6.79	6.87	6.47	5.00	5.00	44
Massachusetts	7.39	7.70	7.82	6.65	6.23	6.72	7.56	7.46	7.62	7.64	7.66	7.76	7.76	13
Michigan	6.38	6.34	5.85	4.43	4.37	5.60	6.28	6.19	6.24	6.13	6.29	6.56	6.56	27
Minnesota	5.61	5.73	6.27	4.84	5.23	5.66	5.93	6.02	5.77	5.95	5.91	6.22	6.22	32
Mississippi	6.29	6.49	5.95	5.41	5.06	5.07	4.79	4.39	4.45	4.55	4.76	5.19	5.19	39
Missouri	7.29	7.09	7.94	6.94	6.81	7.21	7.31	7.19	7.32	7.27	7.33	7.49	7.49	17
Montana	6.03	6.60	6.67	5.91	5.68	6.13	6.44	6.61	6.87	7.13	7.20	7.27	7.27	20
Nebraska	8.90	8.81	8.66	8.27	8.63	8.45	8.66	8.33	8.31	8.35	8.51	8.58	8.58	3
Nevada	9.28	9.50	9.16	7.11	6.14	6.76	7.35	7.18	7.09	7.18	7.19	7.14	7.14	21
New Hampshire	9.44	9.40	9.43	8.51	8.35	8.92	9.04	8.79	8.79	8.79	8.80	8.84	8.84	1
New Jersey	7.53	7.17	6.92	5.73	4.96	5.46	6.22	6.54	6.56	6.21	6.52	7.01	7.01	24
New Mexico	3.95	5.44	5.03	4.26	3.46	3.83	3.94	3.66	4.01	4.43	4.35	4.19	4.19	49
New York	4.14	3.80	4.86	3.74	3.62	3.53	4.10	4.55	4.46	4.55	4.70	5.11	5.11	41
North Carolina	6.20	7.76	8.28	7.00	5.99	6.33	6.86	6.84	7.11	7.26	7.37	7.54	7.54	16
North Dakota	7.44	7.25	7.56	6.02	6.44	6.89	6.22	6.27	6.95	7.06	7.23	7.12	7.12	23
Ohio	3.85	4.11	4.11	2.87	3.20	4.00	4.90	4.62	4.88	4.89	4.80	4.96	4.96	45
Oklahoma	7.56	8.12	8.04	7.14	7.29	7.89	7.76	7.25	7.50	7.61	7.48	7.59	7.59	15
Oregon	4.28	4.92	5.48	4.20	4.07	4.01	4.69	4.81	4.83	4.93	4.98	5.08	5.08	43
Pennsylvania	6.57	6.32	6.53	5.23	4.68	5.69	6.21	5.38	5.91	6.06	6.71	7.13	7.13	22
Rhode Island	4.24	4.20	5.43	4.43	4.67	4.69	5.33	5.09	5.28	5.64	5.86	5.71	5.71	35
South Carolina	5.25	4.51	5.05	3.33	3.35	4.62	5.17	5.04	4.94	5.63	5.64	6.01	6.01	33
South Dakota	8.76	8.91	9.06	8.45	8.66	8.71	8.76	7.91	8.10	8.36	8.28	8.23	8.23	7
Tennessee	7.95	6.77	6.94	6.05	6.57	7.17	7.54	7.63	7.65	7.72	7.59	7.46	7.46	18
Texas	8.24	8.47	8.80	7.98	7.90	8.38	8.51	8.14	8.39	8.42	8.21	8.25	8.25	6
Utah	6.12	6.27	7.01	5.26	4.26	4.91	6.12	5.78	6.18	6.56	6.73	6.52	6.52	28
Vermont	6.06	6.15	6.13	4.67	5.20	5.20	5.52	4.96	4.94	5.19	5.69	5.16	5.16	40
Virginia	8.59	8.19	8.25	7.40	7.54	7.27	7.55	8.22	8.20	8.19	8.04	8.20	8.20	8
Washington	5.38	6.59	6.55	5.09	4.65	5.83	6.46	7.18	7.05	7.82	7.69	7.74	7.74	14
West Virginia	3.79	6.30	6.52	5.96	4.71	5.07	5.29	2.84	3.24	4.88	4.84	5.09	5.09	42
Wisconsin	5.83	6.35	6.63	4.01	5.10	4.99	6.59	6.59	6.78	6.27	6.31	6.47	6.47	29
Wyoming	6.30	6.36	6.59	4.89	4.86	5.32	5.44	4.96	5.50	5.78	5.87	5.40	5.40	38
Puerto Rico*	1.13	1.44	0.81	2.09	1.89	2.92	3.09	2.56	2.56	1.08	2.66	2.01	1.56	51

*US average does not include the territory of Puerto Rico.

Table 5.7: Scores for Area 2 (Taxes) at the All-Government Level, Selected Years, 1985–2021

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 92 (2022)
Canada Average	**5.56**	**5.62**	**5.69**	**6.00**	**6.03**	**6.02**	**5.69**	**5.60**	**5.54**	**5.49**	**5.82**	**5.54**	**5.42**	
Alberta	6.32	6.43	6.19	6.49	6.61	6.58	6.34	6.08	5.97	6.02	6.34	6.14	6.12	50
British Columbia	6.01	6.04	5.96	6.27	6.29	6.34	5.86	5.92	5.69	5.63	5.90	5.50	5.38	76
Manitoba	5.37	5.52	5.47	5.79	5.83	5.76	5.51	5.53	5.47	5.42	5.82	5.52	5.38	76
New Brunswick	5.67	5.78	5.83	6.12	6.24	6.14	5.47	5.63	5.60	5.52	5.74	5.51	5.42	74
Newfoundland & Labrador	5.59	5.67	5.91	6.36	6.27	6.34	6.03	5.53	5.54	5.51	5.81	5.56	5.19	82
Nova Scotia	5.74	5.78	5.74	5.96	5.87	5.90	5.63	5.51	5.51	5.42	5.69	5.55	5.38	76
Ontario	5.31	5.33	5.43	5.78	5.80	5.71	5.34	5.23	5.25	5.22	5.57	5.23	5.15	84
Prince Edward Island	5.45	5.43	5.78	6.04	6.13	6.13	5.85	5.70	5.64	5.62	5.86	5.64	5.52	68
Quebec	4.99	5.07	5.17	5.45	5.36	5.36	5.05	5.10	5.07	5.01	5.41	5.19	5.19	82
Saskatchewan	5.17	5.15	5.41	5.72	5.90	5.92	5.84	5.79	5.63	5.56	6.02	5.52	5.44	73

Table 5.7: Scores for Area 2 (Taxes) at the All-Government Level, Selected Years, 1985–2021

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 92 (2022)
Mexico Average	**6.82**	**6.11**	**5.99**	**5.48**	**4.98**	**4.72**	**5.50**	**5.39**	**5.37**	**5.36**	**5.31**	**5.43**	**5.31**	
Aguascalientes	6.93	6.31	6.26	5.81	5.24	4.89	5.60	5.56	5.52	5.51	5.39	5.58	5.60	62
Baja California	6.74	6.03	5.97	5.53	5.28	5.03	5.62	5.31	5.18	5.24	5.12	5.35	5.25	81
Baja California Sur	6.96	6.05	5.60	5.50	5.19	4.70	5.62	5.55	5.65	5.47	5.44	5.24	5.10	86
Campeche	7.00	6.23	6.23	5.60	5.22	3.87	5.18	5.48	5.55	5.49	5.44	5.65	5.52	68
Coahuila de Zaragoza	6.89	6.14	5.79	5.59	4.59	4.49	5.49	5.21	5.26	5.23	5.16	5.42	5.48	71
Colima	4.83	4.13	4.16	3.84	3.43	3.20	3.65	3.57	3.63	3.59	3.49	3.54	3.34	92
Chiapas	7.31	6.69	6.61	6.09	5.75	5.48	6.02	6.01	6.10	6.13	5.67	5.92	5.96	56
Chihuahua	6.67	5.97	5.89	5.62	5.12	4.72	5.46	5.38	5.43	5.48	5.56	5.57	5.38	76
Ciudad de México	3.89	2.85	2.52	1.63	1.50	1.50	2.61	2.96	2.74	2.63	2.16	2.83	2.59	93
Durango	7.22	6.63	6.52	6.05	5.53	5.26	5.83	5.63	5.76	5.79	5.80	5.74	5.67	60
Guanajuato	7.17	6.42	6.33	3.91	3.09	5.15	5.96	5.72	5.62	5.61	5.57	5.67	5.56	66
Guerrero	7.18	6.57	6.54	4.68	3.72	5.31	5.72	6.03	5.85	6.00	5.99	6.11	6.08	52
Hidalgo	7.21	6.56	6.31	6.19	5.31	5.40	6.08	5.97	6.09	6.05	5.99	6.17	6.06	53
Jalisco	6.92	6.17	6.07	5.98	5.39	4.95	5.66	5.29	5.27	5.15	5.09	5.28	5.10	86
México	7.07	6.40	6.28	6.11	5.77	5.16	5.67	5.56	5.61	5.39	5.06	5.51	5.46	72
Michoacán de Ocampo	7.23	6.31	6.19	5.67	4.91	4.06	4.48	4.62	4.69	4.72	4.88	4.86	4.47	90
Morelos	7.13	6.38	6.31	5.90	5.46	4.95	5.92	5.86	5.87	5.87	5.83	5.99	5.99	55
Nayarit	7.17	6.62	6.43	5.96	5.65	5.29	6.05	5.92	5.94	5.90	5.96	6.02	5.72	58

Table 5.7: Scores for Area 2 (Taxes) at the All-Government Level, Selected Years, 1985–2021

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 92 (2022)
Nuevo León	6.15	5.30	4.87	4.64	4.25	2.27	5.01	4.52	4.14	4.36	4.33	4.56	4.16	91
Oaxaca	7.38	6.74	6.76	6.37	5.91	5.67	6.16	6.22	6.11	6.27	6.23	6.32	6.02	54
Puebla	7.05	6.54	6.22	5.94	5.42	4.97	5.65	5.49	5.61	5.68	5.64	5.65	5.71	59
Querétaro	6.50	5.77	5.79	5.17	4.93	4.29	4.88	4.55	4.58	4.55	4.69	4.77	4.55	89
Quintana Roo	6.69	5.88	5.55	5.33	4.90	4.38	5.38	5.20	5.15	4.93	5.12	5.34	5.14	85
San Luis Potosí	7.19	6.53	6.49	5.99	5.48	5.07	5.81	5.40	5.67	5.61	5.48	5.70	5.58	64
Sinaloa	7.12	6.36	6.33	5.87	5.42	5.20	5.77	5.57	5.37	5.61	5.57	5.70	5.58	64
Sonora	7.05	6.31	6.28	5.76	5.22	5.10	5.92	5.76	5.71	5.62	5.61	5.63	5.33	80
Tabasco	7.16	6.52	6.51	5.87	5.42	4.93	5.74	5.85	5.77	5.69	5.75	5.89	5.79	57
Tamaulipas	5.81	5.31	5.23	4.83	4.72	4.68	5.18	5.03	4.67	4.70	4.82	4.85	4.80	88
Tlaxcala	7.39	6.74	6.64	6.30	5.86	5.65	6.28	6.19	6.18	6.16	6.07	6.23	6.18	48
Veracruz de Ignacio de la Llave	6.74	6.17	6.29	5.89	5.02	5.11	5.79	5.58	5.55	5.54	5.34	5.54	5.51	70
Yucatán	7.06	6.44	6.17	5.79	5.44	5.18	5.84	5.71	5.71	5.64	5.72	5.82	5.60	62
Zacatecas	7.31	6.44	6.62	6.03	5.32	5.12	6.03	5.76	5.81	5.83	5.84	5.32	5.55	67

Table 5.7: Scores for Area 2 (Taxes) at the All-Government Level, Selected Years, 1985–2021

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 92 (2022)
USA Average*	**7.49**	**7.27**	**7.33**	**7.41**	**7.57**	**6.93**	**6.90**	**6.98**	**7.15**	**7.13**	**7.34**	**7.26**	**6.94**	
Alabama	8.12	7.94	7.98	8.05	8.16	7.53	7.58	7.59	7.77	7.81	7.89	7.83	7.59	2
Alaska	8.26	8.07	8.06	8.05	8.17	7.84	7.76	7.84	8.04	7.98	8.04	8.07	6.79	38
Arizona	7.63	7.51	7.41	7.55	7.62	7.22	7.26	7.37	7.53	7.53	7.77	7.69	7.37	8
Arkansas	7.08	6.74	6.82	6.90	7.05	6.66	6.62	6.62	6.81	6.86	7.05	7.03	6.99	28
California	7.34	6.99	6.95	7.09	7.25	6.52	6.57	6.62	6.74	6.69	6.96	6.67	6.22	47
Colorado	7.31	7.18	7.23	7.29	7.41	7.09	7.09	7.07	7.30	7.31	7.49	7.44	7.14	19
Connecticut	7.17	6.87	7.08	7.27	7.31	6.38	6.42	6.58	6.83	6.77	7.00	6.85	6.71	40
Delaware	7.22	6.74	6.35	6.51	6.22	5.56	6.03	6.10	6.04	5.78	5.98	5.96	5.41	75
Florida	7.75	7.46	7.36	7.57	7.88	7.15	7.17	7.23	7.37	7.43	7.59	7.50	7.10	21
Georgia	7.44	7.28	7.29	7.50	7.69	6.94	7.02	7.08	7.27	7.25	7.47	7.41	7.00	27
Hawaii	7.64	7.30	7.30	7.36	7.51	6.77	6.80	6.92	6.71	6.64	6.91	7.00	6.41	44
Idaho	7.37	7.18	7.35	7.64	7.81	7.21	7.19	7.26	7.46	7.53	7.67	7.59	7.32	11
Illinois	7.24	6.98	7.15	7.18	7.18	6.54	6.50	6.58	6.81	6.84	7.04	6.87	6.45	43
Indiana	7.66	7.25	7.56	7.39	7.67	6.92	6.98	7.11	7.34	7.18	7.43	7.45	7.21	16
Iowa	7.58	7.43	7.54	7.50	7.64	6.90	6.90	6.90	7.09	7.07	7.24	7.20	7.01	26
Kansas	7.25	6.96	7.15	7.32	7.58	7.01	6.89	7.00	7.02	7.01	7.23	7.12	6.91	32

Table 5.7: Scores for Area 2 (Taxes) at the All-Government Level, Selected Years, 1985–2021

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 92 (2022)
Kentucky	7.78	7.61	7.60	7.62	7.72	7.08	6.95	6.99	7.24	7.18	7.30	7.44	7.09	22
Louisiana	7.77	7.41	7.33	7.30	7.51	6.93	6.84	6.85	7.11	7.25	7.52	7.47	7.02	25
Maine	7.40	7.16	7.29	7.37	7.47	6.93	6.89	6.97	7.18	6.99	7.25	7.18	6.91	32
Maryland	7.64	7.38	7.40	7.62	7.67	6.92	6.83	6.81	6.96	6.90	7.01	6.89	6.90	34
Massachusetts	7.32	7.08	7.21	7.27	7.28	6.64	6.55	6.70	6.71	6.76	6.94	6.73	6.35	46
Michigan	7.28	7.16	7.18	7.35	7.61	7.07	7.08	7.12	7.29	7.32	7.63	7.46	7.24	13
Minnesota	6.56	6.33	6.38	6.45	6.59	6.01	5.74	5.89	6.13	6.03	6.33	6.41	6.10	51
Mississippi	7.79	7.76	7.74	7.87	8.01	7.48	7.40	7.48	7.55	7.51	7.73	7.66	7.46	4
Missouri	7.42	7.38	7.38	7.52	7.65	7.00	6.76	6.73	7.04	7.18	7.41	7.28	6.86	37
Montana	7.63	7.71	7.72	7.81	8.01	7.48	7.44	7.55	7.69	7.66	7.85	7.78	7.40	6
Nebraska	7.38	7.02	7.19	7.34	7.59	6.72	6.68	6.68	6.85	6.85	7.04	7.03	6.89	35
Nevada	7.78	7.46	7.47	7.65	7.88	7.18	7.23	7.17	7.35	7.40	7.60	7.55	6.87	36
New Hampshire	7.98	7.80	7.90	7.90	8.01	7.32	7.24	7.25	7.44	7.55	7.76	7.69	7.46	4
New Jersey	6.84	6.55	6.63	6.60	6.76	6.04	6.12	6.26	6.41	6.53	6.71	6.63	6.15	49
New Mexico	7.80	7.81	7.74	7.88	7.96	7.45	7.45	7.53	7.78	7.45	7.79	7.73	7.24	13
New York	6.75	6.38	6.57	6.60	6.71	6.04	5.88	6.16	6.22	6.29	6.43	6.37	5.65	61
North Carolina	7.48	7.33	7.39	7.49	7.59	7.08	7.07	7.11	7.31	7.26	7.49	7.38	7.31	12
North Dakota	7.80	7.60	7.66	7.60	7.78	7.07	6.82	7.11	7.40	7.39	7.54	7.63	7.40	6
Ohio	6.91	6.62	6.90	6.84	6.97	6.33	6.42	6.49	6.76	6.78	6.93	6.87	6.58	42
Oklahoma	7.03	7.06	7.51	7.48	7.84	7.30	7.04	7.32	7.37	7.29	7.54	7.54	7.48	3
Oregon	7.62	7.52	7.56	7.49	7.53	7.02	6.95	7.06	7.24	7.22	7.38	7.25	7.13	20
Pennsylvania	7.49	7.24	7.29	7.37	7.55	6.86	6.84	6.92	7.12	7.11	7.34	7.23	6.99	28
Rhode Island	7.03	6.67	6.85	6.87	7.16	6.38	6.35	6.42	6.62	6.42	7.01	6.86	6.41	44
South Carolina	7.70	7.51	7.55	7.74	7.89	7.36	7.37	7.45	7.55	7.61	7.73	7.70	7.37	8
South Dakota	7.99	7.87	7.97	7.92	8.21	7.37	7.20	7.17	7.33	7.42	7.65	7.44	7.20	17
Tennessee	7.74	7.45	7.47	7.65	7.80	7.13	7.09	7.11	7.39	7.39	7.58	7.45	7.16	18
Texas	7.37	7.31	7.19	7.31	7.67	6.95	6.88	7.01	7.18	7.15	7.34	7.41	6.99	28
Utah	7.68	7.33	7.55	7.50	7.73	7.15	7.23	7.23	7.35	7.25	7.60	7.43	7.24	13
Vermont	7.41	7.05	7.07	7.28	7.41	6.73	6.66	6.71	6.88	6.88	7.09	6.92	6.77	39
Virginia	7.82	7.51	7.60	7.72	7.87	7.19	7.16	7.18	7.35	7.31	7.41	7.27	7.07	23
Washington	7.51	7.36	7.43	7.57	7.61	7.00	6.97	6.91	7.01	7.07	7.19	7.10	6.70	41
West Virginia	7.83	7.58	7.82	7.92	7.99	7.42	7.37	7.49	7.71	7.43	7.83	7.81	7.60	1
Wisconsin	7.33	7.10	7.21	7.15	7.28	6.74	6.83	6.91	7.14	7.17	7.34	7.26	7.06	24
Wyoming	7.60	7.65	7.36	7.27	7.86	7.13	7.08	7.46	7.59	7.61	7.76	7.72	7.35	10
Puerto Rico*	5.41	5.28	5.33	5.38	7.15	6.81	6.62	6.54	6.97	6.69	7.27	7.04	6.99	28

*US average does not include the territory of Puerto Rico.

Table 5.8a: Scores for Area 2 (Taxes) at the Provincial and Municipal Level in Canada, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 10 (2022)
Canada Average	**5.47**	**5.14**	**5.23**	**5.38**	**5.53**	**5.35**	**5.27**	**4.89**	**4.86**	**5.01**	**5.92**	**5.37**	**5.03**	
Alberta	8.24	8.03	7.46	7.38	7.80	7.30	7.71	7.35	7.10	7.26	6.48	6.36	6.23	1
British Columbia	7.07	7.00	6.96	6.91	6.85	6.83	6.30	6.05	5.79	5.94	6.86	5.77	4.95	6
Manitoba	4.78	4.79	4.69	4.96	4.93	4.46	4.58	4.54	4.43	4.64	5.35	4.55	4.36	8
New Brunswick	5.98	5.62	5.79	6.00	6.59	6.20	5.26	4.93	4.89	5.01	6.37	6.13	5.83	3
Newfoundland & Labrador	5.00	4.58	5.09	5.97	5.81	6.19	6.24	4.70	4.88	4.79	6.93	6.29	5.68	4
Nova Scotia	5.38	5.44	5.28	5.02	4.60	4.77	4.49	4.06	4.32	4.33	5.90	5.88	5.36	5
Ontario	5.19	4.49	4.59	4.94	5.12	4.98	4.56	4.00	4.09	4.48	4.78	3.94	4.00	9
Prince Edward Island	5.84	5.44	5.24	5.13	5.58	5.19	5.19	4.77	4.84	5.07	6.51	6.28	6.00	2
Quebec	3.13	2.78	3.02	3.24	2.92	2.77	2.63	2.70	2.79	2.90	3.42	3.30	3.47	10
Saskatchewan	4.08	3.27	4.15	4.28	5.13	4.80	5.71	5.85	5.48	5.65	6.61	5.17	4.45	7

Table 5.8b: Scores for Area 2 (Taxes) at the State and Local Level in Mexico, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 32 (2022)
Mexico Average	**7.22**	**6.74**	**6.11**	**5.61**	**4.46**	**3.49**	**3.12**	**3.11**	**3.29**	**2.89**	**3.04**	**2.99**	**2.75**	
Aguascalientes	9.02	8.83	6.77	5.95	5.05	3.06	2.71	3.56	3.65	2.98	2.88	2.91	3.90	9
Baja California	6.51	5.83	5.18	5.25	4.80	3.85	3.50	1.98	1.78	1.92	1.30	1.59	1.32	23
Baja California Sur	6.33	3.42	2.51	2.20	2.08	1.65	1.53	1.84	1.90	1.31	0.96	1.58	1.40	22
Campeche	4.58	4.26	4.40	4.09	2.58	2.97	0.01	1.53	2.00	1.50	1.82	1.92	1.12	25
Coahuila de Zaragoza	7.79	7.44	7.19	6.94	5.09	3.42	2.48	2.11	2.92	2.06	2.26	2.74	2.35	17
Colima	8.76	7.47	6.87	6.43	2.75	1.81	2.66	2.19	2.50	1.85	2.18	2.36	2.53	16
Chiapas	7.95	7.89	7.58	5.82	4.86	4.27	4.07	6.13	5.62	6.12	5.86	6.26	6.40	2
Chihuahua	4.19	3.97	4.30	4.46	3.39	1.91	0.35	0.83	1.20	1.27	2.09	1.66	1.26	24
Ciudad de México	0.39	0.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30
Durango	8.21	8.14	6.66	5.95	4.09	3.31	3.30	3.35	3.24	3.19	3.02	3.09	3.04	13
Guanajuato	9.10	6.88	6.12	5.32	4.90	4.14	4.68	4.30	3.49	2.45	2.21	2.08	2.03	19
Guerrero	7.04	6.87	6.27	5.22	4.57	4.32	2.84	4.57	5.76	5.02	5.44	5.89	5.75	4
Hidalgo	8.12	7.81	7.18	5.51	5.19	4.88	4.97	5.15	5.04	4.90	5.22	5.19	3.11	12
Jalisco	6.46	6.18	5.81	5.55	4.93	4.13	3.31	3.65	4.06	2.95	2.58	2.66	2.14	18
México	6.81	6.90	5.20	4.72	4.41	2.75	0.48	0.63	0.88	0.00	0.00	0.00	0.04	29
Michoacán de Ocampo	8.50	8.42	7.89	7.12	6.39	4.76	6.62	7.15	7.11	6.02	5.96	6.42	6.21	3
Morelos	8.41	7.81	6.79	5.91	5.08	4.47	4.00	3.92	4.28	4.17	4.68	5.03	5.45	6
Nayarit	8.03	7.79	6.17	5.76	5.01	2.51	4.54	4.41	4.80	4.42	5.09	4.28	2.68	15
Nuevo León	4.69	4.62	4.45	4.59	2.50	0.82	1.34	0.84	0.62	0.76	1.96	1.50	1.01	26

Table 5.8b: Scores for Area 2 (Taxes) at the State and Local Level in Mexico, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 32 (2022)
Oaxaca	9.42	9.21	9.02	8.77	8.03	6.02	5.06	6.08	6.41	6.36	6.64	6.83	7.08	1
Puebla	8.23	8.68	7.40	6.85	5.05	4.26	1.95	1.64	2.43	2.87	2.94	3.74	3.35	11
Querétaro	6.85	4.16	2.87	2.13	1.87	1.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30
Quintana Roo	4.32	2.91	2.51	2.68	2.59	1.84	0.37	0.00	0.00	0.00	0.00	0.00	0.00	30
San Luis Potosí	8.96	8.47	8.05	7.26	6.64	3.95	3.33	3.75	4.32	3.51	3.85	4.00	2.92	14
Sinaloa	7.71	7.45	6.67	6.15	3.90	3.54	3.28	2.48	3.51	2.66	1.98	2.05	1.93	20
Sonora	6.99	6.74	6.23	5.85	4.11	3.25	4.18	3.78	3.59	2.59	2.54	2.28	1.92	21
Tabasco	8.25	8.53	8.25	7.64	3.44	3.13	3.67	3.75	4.26	4.03	4.33	4.09	4.08	8
Tamaulipas	6.18	6.67	6.19	6.08	5.62	4.01	4.79	3.62	3.83	3.54	3.81	3.53	3.72	10
Tlaxcala	9.19	8.89	8.60	8.51	7.56	7.60	6.45	6.42	6.26	5.85	5.75	5.92	5.62	5
Veracruz de Ignacio de la Llave	7.59	7.40	7.24	6.74	5.75	4.40	4.55	3.79	3.99	3.75	3.90	4.34	4.65	7
Yucatán	7.82	7.80	7.33	6.51	3.91	3.34	1.99	2.27	2.34	1.53	2.45	1.59	0.31	28
Zacatecas	8.49	8.02	7.92	7.52	6.64	5.85	6.87	3.73	3.52	2.95	3.52	0.10	0.71	27

Table 5.8c: Scores for Area 2 (Taxes) at the State and Local Level in the United States, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 51 (2022)
USA Average*	**5.73**	**5.59**	**5.57**	**5.66**	**5.94**	**5.79**	**5.96**	**6.04**	**6.05**	**5.78**	**6.27**	**6.22**	**5.75**	
Alabama	7.06	7.02	6.85	6.94	7.06	7.06	7.22	7.17	7.14	7.09	7.14	7.01	6.69	11
Alaska	7.43	7.10	6.77	7.12	7.19	8.13	8.19	8.23	8.20	7.97	8.19	8.43	6.95	7
Arizona	6.02	6.15	5.60	6.07	6.23	6.31	6.67	6.77	6.79	6.70	7.18	7.13	6.91	8
Arkansas	5.82	5.48	5.45	5.59	5.80	5.35	5.86	5.96	6.00	5.90	6.37	6.53	6.40	14
California	4.51	4.49	4.18	4.18	4.67	3.85	4.28	4.45	4.18	3.90	4.68	3.88	3.28	48
Colorado	6.08	6.06	5.97	5.65	5.68	6.04	6.32	6.20	6.24	6.06	6.42	6.35	6.21	19
Connecticut	5.37	5.10	5.32	5.65	5.57	4.72	5.06	5.07	4.85	4.86	5.16	4.95	5.02	41
Delaware	6.12	5.70	5.63	5.48	5.33	5.20	5.80	5.94	5.67	4.75	4.99	4.57	4.56	43
Florida	6.63	6.44	5.83	6.22	7.10	6.96	7.55	7.57	7.52	7.55	7.81	7.90	7.48	3
Georgia	5.92	5.93	5.61	5.80	6.25	5.92	6.37	6.48	6.49	6.61	6.93	6.88	6.11	23
Hawaii	4.89	4.60	4.35	4.47	4.55	3.89	4.03	4.20	3.67	3.17	3.82	3.86	2.62	49
Idaho	5.07	4.92	5.18	5.51	5.65	5.88	6.08	6.04	6.12	6.30	6.47	6.43	5.97	25
Illinois	5.82	5.55	5.57	5.48	5.24	4.60	5.21	5.18	5.37	5.26	5.46	5.23	4.62	42
Indiana	6.11	5.25	6.12	5.63	6.42	6.02	6.65	6.82	6.84	6.11	6.71	6.64	6.38	16
Iowa	5.59	5.61	5.68	5.50	5.66	5.29	5.59	5.48	5.55	5.35	5.66	5.76	5.59	33
Kansas	5.19	5.12	5.16	5.41	5.77	5.95	6.10	6.02	5.72	5.64	6.09	5.85	5.72	31
Kentucky	5.68	5.86	5.82	5.98	6.12	6.00	6.03	6.08	6.15	6.20	6.45	6.52	5.95	26

Table 5.8c: Scores for Area 2 (Taxes) at the State and Local Level in the United States, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 51 (2022)
Louisiana	6.37	6.23	6.13	6.18	6.73	6.82	6.72	6.42	6.55	6.58	6.94	6.95	6.19	21
Maine	3.97	3.79	4.01	4.26	4.26	4.08	4.10	4.58	4.56	3.95	4.42	4.57	3.86	46
Maryland	5.94	5.91	5.99	5.81	6.24	5.88	5.84	5.84	5.82	5.81	5.97	5.95	5.16	37
Massachusetts	5.66	5.46	5.63	5.71	5.66	5.47	5.55	5.75	5.67	5.75	5.96	5.85	5.03	40
Michigan	5.66	5.34	5.28	5.45	5.98	6.02	6.32	6.39	6.34	6.22	6.94	6.67	6.40	14
Minnesota	4.97	4.89	4.81	4.81	4.74	4.74	4.57	4.69	4.71	4.48	5.06	4.93	4.32	44
Mississippi	5.77	5.91	5.63	5.90	6.09	5.77	5.65	5.88	5.88	5.51	6.23	6.08	5.76	30
Missouri	6.42	6.31	6.32	6.55	6.79	6.75	6.35	6.39	6.68	7.00	7.38	7.06	6.79	10
Montana	5.47	5.90	5.84	5.94	6.44	6.19	6.31	6.62	6.42	6.12	6.76	6.68	6.18	22
Nebraska	5.23	4.94	5.08	5.31	5.75	5.29	5.39	5.30	5.27	5.12	5.45	5.53	5.45	35
Nevada	6.15	6.10	5.92	5.98	6.48	6.34	6.67	6.57	6.64	6.60	7.03	7.28	6.04	24
New Hampshire	7.04	6.89	6.98	6.95	6.90	6.88	7.00	7.13	6.99	6.74	7.35	7.47	7.18	6
New Jersey	4.79	4.31	4.20	3.76	4.39	4.31	4.38	4.51	4.53	4.18	4.28	4.28	3.35	47
New Mexico	5.68	6.16	5.83	6.44	6.36	6.13	6.07	6.20	6.52	4.59	6.33	6.96	5.19	36
New York	3.67	3.03	3.13	3.07	3.09	2.94	2.83	3.30	3.07	3.38	3.34	3.16	2.30	50
North Carolina	5.70	5.72	5.73	5.83	5.77	5.66	6.29	6.39	6.49	6.13	6.88	6.74	6.47	13
North Dakota	6.24	6.10	6.18	6.10	6.66	6.51	6.04	6.76	6.98	6.72	7.27	7.58	7.25	5
Ohio	4.75	4.80	4.79	5.36	5.78	5.63	6.00	5.98	6.19	6.27	6.46	6.53	6.26	18
Oklahoma	5.99	6.31	6.55	6.64	7.16	7.05	6.89	7.06	6.97	6.32	7.03	7.03	6.80	9
Oregon	5.33	5.58	5.49	5.69	5.58	5.64	5.80	5.83	5.62	5.53	5.86	5.25	5.13	38
Pennsylvania	6.13	5.63	5.62	5.81	5.93	5.66	5.91	5.97	5.99	5.96	6.38	6.14	5.85	27
Rhode Island	4.64	3.99	4.12	4.15	5.05	4.78	4.98	5.14	5.15	4.09	5.81	5.59	5.08	39
South Carolina	5.58	5.57	5.51	5.91	6.11	5.86	6.09	6.27	6.21	6.20	6.41	6.46	5.72	31
South Dakota	7.11	7.31	7.48	7.29	7.67	7.51	7.28	6.93	7.08	7.07	7.58	7.92	7.57	2
Tennessee	7.35	7.27	7.00	7.37	7.55	7.46	7.69	7.79	8.12	7.94	8.10	7.97	7.63	1
Texas	6.53	6.67	6.61	6.48	7.05	6.92	6.96	7.00	6.99	6.76	6.97	7.32	6.66	12
Utah	5.61	5.61	5.79	5.79	6.13	5.84	6.35	6.22	6.48	5.05	6.66	6.26	6.21	19
Vermont	4.66	3.99	3.87	4.12	4.44	4.27	4.17	4.15	4.15	4.02	4.62	4.10	3.97	45
Virginia	6.30	6.09	5.91	6.28	6.61	6.37	6.49	6.42	6.41	6.11	6.30	6.26	5.84	28
Washington	6.06	6.01	6.07	6.24	6.36	6.35	6.59	6.48	6.31	6.50	6.70	6.72	6.32	17
West Virginia	4.75	4.33	5.30	5.64	5.76	5.70	5.71	5.88	5.96	4.42	6.08	6.04	5.52	34
Wisconsin	4.99	4.76	4.92	4.74	4.83	4.72	5.36	5.46	5.60	5.57	5.81	5.89	5.82	29
Wyoming	6.53	6.04	5.50	4.98	6.26	6.86	6.46	7.26	7.51	6.97	7.59	7.96	7.48	3
Puerto Rico*	1.18	1.21	1.28	1.47	0.82	0.15	0.00	0.00	0.33	0.09	0.67	0.92	0.91	51

*US average does not include the territory of Puerto Rico.

Table 5.9: Scores for Area 3 (Labor Market Freedom) at the All-Government Level, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 92 (2022)
Canada Average	**7.55**	**7.79**	**7.68**	**7.40**	**7.64**	**7.97**	**7.96**	**7.99**	**7.94**	**7.78**	**7.09**	**7.49**	**7.64**	
Alberta	7.78	8.03	7.90	7.60	7.88	8.22	8.18	8.12	8.05	7.87	7.16	7.57	7.78	51
British Columbia	7.50	7.78	7.70	7.47	7.71	8.00	8.00	8.05	7.99	7.82	7.11	7.53	7.66	53
Manitoba	7.45	7.68	7.56	7.30	7.54	7.88	7.86	7.93	7.89	7.71	7.04	7.44	7.60	57
New Brunswick	7.62	7.85	7.72	7.44	7.65	7.98	7.97	8.01	7.95	7.82	7.14	7.56	7.64	55
Newfoundland & Labrador	7.44	7.71	7.59	7.32	7.53	7.88	7.90	7.90	7.88	7.74	7.08	7.47	7.59	58
Nova Scotia	7.63	7.84	7.70	7.41	7.62	7.96	7.95	8.01	7.97	7.79	7.13	7.51	7.64	55
Ontario	7.65	7.87	7.76	7.47	7.70	8.05	8.05	8.08	7.98	7.83	7.15	7.57	7.71	52
Prince Edward Island	7.57	7.77	7.67	7.38	7.60	7.89	7.87	7.97	7.90	7.76	7.06	7.44	7.58	59
Quebec	7.42	7.65	7.54	7.28	7.51	7.84	7.82	7.88	7.82	7.65	6.94	7.36	7.54	60
Saskatchewan	7.48	7.73	7.62	7.35	7.62	7.97	7.97	7.99	7.94	7.83	7.12	7.51	7.66	53
Mexico Average	**6.55**	**6.69**	**6.68**	**6.62**	**6.64**	**6.61**	**6.52**	**6.70**	**6.61**	**6.58**	**6.38**	**6.17**	**6.16**	
Aguascalientes	6.61	6.74	6.73	6.69	6.66	6.71	6.55	6.75	6.67	6.63	6.44	6.24	6.17	72
Baja California	6.75	6.85	6.83	6.77	6.80	6.81	6.71	6.87	6.77	6.76	6.59	6.40	6.36	62
Baja California Sur	6.61	6.77	6.75	6.68	6.72	6.76	6.59	6.79	6.69	6.69	6.41	6.25	6.30	64
Campeche	6.51	6.66	6.68	6.65	6.68	6.68	6.55	6.69	6.60	6.57	6.32	6.10	6.15	81
Coahuila de Zaragoza	6.49	6.62	6.67	6.64	6.61	6.60	6.50	6.60	6.52	6.48	6.31	6.08	6.01	92
Colima	6.56	6.73	6.73	6.67	6.69	6.63	6.58	6.75	6.66	6.63	6.41	6.22	6.19	68
Chiapas	6.39	6.55	6.52	6.43	6.49	6.42	6.37	6.55	6.46	6.49	6.36	6.13	6.21	66
Chihuahua	6.61	6.74	6.79	6.78	6.71	6.60	6.63	6.81	6.71	6.74	6.60	6.36	6.30	64
Ciudad de México	6.65	6.78	6.77	6.73	6.79	6.75	6.63	6.82	6.78	6.73	6.52	6.34	6.31	63
Durango	6.55	6.66	6.65	6.53	6.56	6.56	6.50	6.67	6.57	6.55	6.40	6.13	6.13	85
Guanajuato	6.57	6.70	6.69	6.65	6.68	6.69	6.60	6.78	6.62	6.58	6.40	6.19	6.16	76
Guerrero	6.36	6.53	6.54	6.47	6.48	6.42	6.34	6.50	6.40	6.43	6.30	6.11	6.17	72
Hidalgo	6.48	6.61	6.57	6.51	6.56	6.52	6.49	6.66	6.58	6.54	6.34	6.11	6.15	81
Jalisco	6.66	6.78	6.75	6.70	6.76	6.72	6.62	6.79	6.73	6.68	6.48	6.26	6.19	68
México	6.57	6.69	6.67	6.62	6.69	6.63	6.58	6.73	6.65	6.55	6.32	6.11	6.15	81
Michoacán de Ocampo	6.53	6.72	6.70	6.61	6.60	6.53	6.43	6.68	6.63	6.60	6.40	6.17	6.18	70
Morelos	6.61	6.72	6.70	6.65	6.67	6.64	6.52	6.69	6.60	6.57	6.33	6.14	6.16	76
Nayarit	6.58	6.76	6.70	6.56	6.63	6.60	6.54	6.70	6.61	6.61	6.32	6.17	6.11	88
Nuevo León	6.59	6.73	6.72	6.72	6.75	6.73	6.67	6.84	6.71	6.70	6.49	6.29	6.20	67
Oaxaca	6.46	6.55	6.56	6.55	6.53	6.39	6.34	6.53	6.47	6.46	6.32	6.12	6.17	72
Puebla	6.51	6.69	6.66	6.58	6.62	6.56	6.47	6.64	6.56	6.51	6.35	6.12	6.17	72
Querétaro	6.53	6.70	6.73	6.70	6.77	6.70	6.61	6.80	6.72	6.68	6.52	6.28	6.18	70

Table 5.9: Scores for Area 3 (Labor Market Freedom) at the All-Government Level, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 92 (2022)
Quintana Roo	6.59	6.74	6.75	6.71	6.74	6.75	6.59	6.77	6.68	6.59	6.38	6.19	6.13	85
San Luis Potosí	6.48	6.65	6.65	6.59	6.58	6.52	6.45	6.63	6.55	6.51	6.26	6.04	6.08	91
Sinaloa	6.63	6.73	6.74	6.69	6.68	6.68	6.59	6.76	6.68	6.64	6.44	6.23	6.16	76
Sonora	6.62	6.75	6.76	6.67	6.69	6.69	6.60	6.78	6.66	6.65	6.41	6.19	6.16	76
Tabasco	6.39	6.60	6.61	6.55	6.60	6.55	6.48	6.64	6.53	6.53	6.27	6.06	6.12	87
Tamaulipas	6.44	6.57	6.55	6.53	6.57	6.61	6.45	6.61	6.48	6.44	6.21	5.96	5.94	93
Tlaxcala	6.65	6.68	6.56	6.56	6.55	6.50	6.40	6.57	6.50	6.44	6.27	6.06	6.09	90
Veracruz de Ignacio de la Llave	6.46	6.61	6.63	6.55	6.60	6.52	6.41	6.57	6.47	6.44	6.35	6.10	6.15	81
Yucatán	6.60	6.73	6.72	6.65	6.66	6.67	6.58	6.74	6.66	6.62	6.40	6.20	6.16	76
Zacatecas	6.53	6.64	6.65	6.56	6.51	6.47	6.44	6.57	6.48	6.47	6.29	6.04	6.11	88
USA Average*	**7.79**	**8.03**	**8.17**	**7.29**	**7.66**	**8.10**	**8.25**	**8.37**	**8.20**	**8.06**	**7.58**	**7.58**	**8.06**	
Alabama	7.82	8.02	8.19	7.27	7.63	8.05	8.23	8.40	8.20	8.07	7.63	7.65	8.12	19
Alaska	7.56	7.81	7.98	7.16	7.52	7.93	8.12	8.25	8.07	7.94	7.46	7.48	7.97	39
Arizona	7.87	8.09	8.17	7.33	7.69	8.12	8.28	8.36	8.17	7.99	7.54	7.55	8.04	29
Arkansas	7.86	8.10	8.21	7.36	7.71	8.18	8.30	8.39	8.22	8.07	7.59	7.60	8.07	25
California	7.68	7.93	8.08	7.20	7.57	8.02	8.16	8.28	8.11	7.95	7.48	7.46	7.92	45
Colorado	7.90	8.11	8.22	7.36	7.72	8.15	8.29	8.37	8.17	8.03	7.59	7.60	8.10	22
Connecticut	7.78	8.00	8.16	7.28	7.65	8.13	8.21	8.31	8.16	8.02	7.49	7.50	7.98	37
Delaware	7.82	8.03	8.18	7.31	7.70	8.13	8.26	8.38	8.22	8.07	7.59	7.58	8.07	25
Florida	7.87	8.10	8.24	7.37	7.73	8.15	8.28	8.44	8.28	8.13	7.65	7.64	8.14	16
Georgia	7.88	8.13	8.29	7.38	7.74	8.15	8.34	8.47	8.30	8.18	7.69	7.69	8.19	4
Hawaii	7.57	7.79	7.96	7.13	7.51	7.92	8.10	8.17	7.96	7.82	7.37	7.38	7.81	50
Idaho	7.83	8.09	8.25	7.32	7.70	8.14	8.28	8.43	8.28	8.14	7.67	7.69	8.18	6
Illinois	7.75	7.94	8.13	7.20	7.58	8.03	8.20	8.33	8.18	8.02	7.53	7.50	7.98	37
Indiana	7.80	8.02	8.18	7.29	7.64	8.11	8.25	8.40	8.25	8.11	7.65	7.64	8.14	16
Iowa	7.77	8.02	8.17	7.27	7.64	8.10	8.26	8.44	8.27	8.14	7.66	7.67	8.15	13
Kansas	7.85	8.09	8.26	7.37	7.71	8.17	8.28	8.41	8.25	8.12	7.63	7.62	8.09	24
Kentucky	7.77	8.04	8.19	7.29	7.64	8.04	8.22	8.33	8.19	8.09	7.63	7.62	8.10	22
Louisiana	7.84	8.10	8.28	7.37	7.75	8.19	8.32	8.47	8.30	8.16	7.69	7.70	8.19	4
Maine	7.73	7.97	8.11	7.26	7.63	8.06	8.22	8.29	8.08	7.91	7.42	7.44	7.97	39
Maryland	7.80	8.06	8.19	7.33	7.69	8.12	8.27	8.39	8.18	8.02	7.53	7.53	7.99	36
Massachusetts	7.77	8.02	8.17	7.26	7.66	8.11	8.25	8.35	8.17	8.02	7.56	7.54	8.00	34
Michigan	7.66	7.91	8.00	7.15	7.54	8.00	8.15	8.25	8.10	7.96	7.48	7.50	7.97	39
Minnesota	7.76	8.01	8.16	7.28	7.64	8.08	8.19	8.29	8.12	8.01	7.50	7.50	8.00	34

Table 5.9: Scores for Area 3 (Labor Market Freedom) at the All-Government Level, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 92 (2022)
Mississippi	7.83	8.03	8.19	7.32	7.67	8.14	8.26	8.39	8.22	8.07	7.62	7.63	8.12	19
Missouri	7.78	8.04	8.15	7.31	7.64	8.11	8.27	8.38	8.21	8.00	7.58	7.55	8.02	31
Montana	7.72	8.01	8.09	7.18	7.61	8.02	8.19	8.32	8.14	8.03	7.56	7.54	8.05	28
Nebraska	7.85	8.10	8.25	7.33	7.73	8.17	8.30	8.39	8.24	8.08	7.60	7.64	8.14	16
Nevada	7.77	8.02	8.10	7.22	7.55	7.98	8.15	8.30	8.13	8.00	7.53	7.53	8.01	32
New Hampshire	7.87	8.10	8.25	7.34	7.71	8.17	8.31	8.41	8.27	8.13	7.66	7.63	8.11	21
New Jersey	7.74	7.95	8.09	7.25	7.66	8.09	8.22	8.33	8.18	7.97	7.50	7.47	7.96	43
New Mexico	7.79	8.02	8.17	7.26	7.65	8.10	8.26	8.38	8.22	8.02	7.58	7.53	7.97	39
New York	7.66	7.83	7.98	7.11	7.50	7.94	8.05	8.18	8.01	7.87	7.40	7.37	7.87	49
North Carolina	7.93	8.16	8.28	7.41	7.75	8.18	8.35	8.48	8.32	8.20	7.73	7.73	8.21	2
North Dakota	7.85	8.08	8.27	7.35	7.74	8.19	8.37	8.50	8.33	8.17	7.71	7.70	8.16	10
Ohio	7.73	7.97	8.09	7.23	7.61	8.04	8.20	8.33	8.15	8.02	7.54	7.55	8.01	32
Oklahoma	7.85	8.12	8.24	7.36	7.72	8.13	8.32	8.44	8.27	8.13	7.67	7.67	8.16	10
Oregon	7.66	7.89	8.05	7.14	7.50	7.97	8.12	8.24	8.07	7.92	7.42	7.39	7.89	47
Pennsylvania	7.78	8.03	8.11	7.25	7.63	8.10	8.25	8.39	8.22	8.09	7.60	7.60	8.07	25
Rhode Island	7.72	7.94	8.10	7.21	7.60	8.02	8.17	8.25	8.05	7.91	7.43	7.44	7.90	46
South Carolina	7.88	8.15	8.26	7.36	7.72	8.16	8.36	8.47	8.31	8.20	7.72	7.74	8.23	1
South Dakota	7.90	8.11	8.28	7.40	7.77	8.21	8.31	8.43	8.26	8.12	7.68	7.68	8.18	6
Tennessee	7.85	8.12	8.27	7.37	7.74	8.15	8.32	8.45	8.29	8.17	7.71	7.70	8.18	6
Texas	7.89	8.13	8.29	7.38	7.76	8.20	8.36	8.48	8.32	8.19	7.71	7.72	8.20	3
Utah	7.85	8.09	8.24	7.32	7.69	8.15	8.32	8.45	8.29	8.16	7.70	7.68	8.15	13
Vermont	7.78	7.96	8.14	7.25	7.63	8.06	8.17	8.31	8.14	8.00	7.52	7.48	7.96	43
Virginia	7.92	8.17	8.35	7.45	7.80	8.21	8.36	8.50	8.34	8.21	7.74	7.66	8.15	13
Washington	7.63	7.85	8.00	7.13	7.51	7.94	8.13	8.19	8.01	7.85	7.41	7.40	7.88	48
West Virginia	7.72	7.94	8.07	7.18	7.56	8.02	8.15	8.28	8.13	8.00	7.55	7.55	8.04	29
Wisconsin	7.76	7.98	8.12	7.26	7.64	8.09	8.30	8.44	8.28	8.14	7.65	7.66	8.16	10
Wyoming	7.86	8.11	8.27	7.40	7.77	8.23	8.36	8.51	8.32	8.16	7.68	7.69	8.17	9
Puerto Rico*	6.00	6.17	6.34	5.47	5.84	6.25	6.40	6.54	6.47	6.36	5.92	5.98	6.42	61

*US average does not include the territory of Puerto Rico.

Table 5.10a: Scores for Area 3 (Labor Market Freedom) at the Provincial and Municipal Level in Canada, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 10 (2022)
Canada Average	**5.10**	**5.37**	**5.70**	**4.95**	**4.85**	**5.20**	**5.47**	**5.09**	**4.80**	**4.69**	**4.50**	**4.55**	**5.25**	
Alberta	7.72	8.17	8.16	7.00	7.64	8.08	8.41	6.74	6.30	5.90	5.30	5.43	7.09	1
British Columbia	3.91	4.69	5.56	5.43	5.37	5.11	5.82	5.61	5.29	5.02	4.62	4.90	5.39	5
Manitoba	3.98	4.10	4.46	3.70	3.65	4.36	4.42	4.34	4.24	3.92	3.90	3.78	4.87	7
New Brunswick	6.14	6.27	6.46	5.72	5.46	5.77	5.72	5.42	5.10	5.30	5.29	5.62	5.48	4
Newfoundland & Labrador	3.45	4.28	4.55	3.92	3.58	4.06	4.95	4.11	4.17	4.21	4.39	4.27	4.67	8
Nova Scotia	6.37	6.52	6.31	5.34	5.22	5.47	5.36	5.33	5.28	4.76	4.66	4.47	5.17	6
Ontario	6.36	6.28	6.65	5.73	5.52	6.18	6.55	6.08	5.17	5.21	5.14	5.46	5.99	2
Prince Edward Island	6.52	6.11	6.75	5.66	5.10	5.03	4.33	4.61	4.15	4.31	3.97	3.76	4.31	9
Quebec	2.82	3.07	3.46	2.91	2.67	3.08	3.61	3.52	3.23	2.90	2.53	2.69	4.03	10
Saskatchewan	3.77	4.19	4.69	4.07	4.29	4.89	5.50	5.15	5.08	5.32	5.21	5.12	5.49	3

Table 5.10b: Scores for Area 3 (Labor Market Freedom) at the State and Local Level in Mexico, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 32 (2022)
Mexico Average	**6.91**	**6.74**	**7.08**	**7.68**	**8.03**	**7.91**	**7.77**	**6.26**	**6.27**	**5.68**	**5.10**	**4.97**	**5.04**	
Aguascalientes	5.61	5.56	5.89	6.75	6.67	7.65	7.23	6.44	6.38	5.45	5.05	4.81	4.73	19
Baja California	9.25	8.84	9.14	9.46	9.44	9.21	9.65	9.03	8.91	8.45	7.89	8.04	7.27	1
Baja California Sur	3.82	4.62	5.30	5.66	6.48	6.30	6.79	6.72	6.85	6.61	4.59	5.19	5.46	12
Campeche	6.11	5.74	5.35	6.38	7.01	7.05	6.57	4.83	5.10	4.39	3.89	3.63	4.27	26
Coahuila de Zaragoza	4.44	4.53	6.26	6.85	7.00	6.38	5.62	4.97	5.07	4.26	3.84	3.48	3.07	30
Colima	6.46	5.90	6.18	7.00	7.85	7.22	7.09	6.36	6.48	5.72	4.49	4.72	4.50	21
Chiapas	8.41	8.37	8.37	8.60	8.85	8.78	8.75	5.27	5.33	5.46	5.37	5.02	5.77	8
Chihuahua	8.01	7.90	8.85	9.37	9.09	9.91	9.32	8.24	8.07	7.98	8.02	7.60	6.53	3
Ciudad de México	7.62	7.57	7.87	8.21	8.82	8.75	8.84	8.84	9.15	8.11	6.54	7.34	6.68	2
Durango	6.02	6.00	6.55	6.36	7.54	7.45	7.52	5.42	5.27	4.66	4.83	4.20	4.42	23
Guanajuato	8.98	8.97	9.00	9.50	9.69	9.88	9.54	7.76	7.11	6.28	5.95	5.95	5.97	7
Guerrero	7.01	6.22	6.84	7.98	8.19	6.93	7.23	4.21	3.93	3.97	4.12	4.14	4.33	25
Hidalgo	8.04	7.78	7.30	8.38	8.57	8.36	8.68	5.64	5.86	5.17	5.29	4.78	5.37	14
Jalisco	8.42	8.11	8.19	8.24	9.27	9.17	8.85	7.64	8.05	7.09	6.39	6.06	6.07	5
México	8.46	8.01	8.14	8.66	9.30	9.32	9.40	7.38	7.61	6.20	5.87	5.95	5.98	6
Michoacán de Ocampo	8.55	8.61	8.24	8.78	8.96	8.68	8.53	6.19	6.56	5.86	5.30	4.79	5.77	8
Morelos	9.17	8.87	8.80	9.47	9.72	8.97	8.20	6.32	6.67	5.96	5.68	5.48	5.52	11

Table 5.10b: Scores for Area 3 (Labor Market Freedom) at the State and Local Level in Mexico, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 32 (2022)
Nayarit	5.48	5.46	5.50	5.94	6.89	6.23	6.96	5.82	5.85	5.39	3.85	4.35	4.18	27
Nuevo León	6.00	6.41	6.76	7.86	8.01	8.43	7.81	8.45	7.92	7.47	6.35	6.34	5.18	16
Oaxaca	8.28	7.96	7.81	8.52	8.57	7.97	8.19	5.22	5.16	5.34	4.90	4.77	5.40	13
Puebla	9.85	9.43	9.60	9.81	9.93	9.98	9.81	6.73	6.72	6.52	6.39	6.14	6.37	4
Querétaro	6.59	6.95	7.53	8.19	8.88	8.53	8.52	7.52	7.86	6.88	6.57	6.01	5.69	10
Quintana Roo	4.84	5.92	7.00	7.34	7.73	7.69	7.43	7.09	7.06	5.73	4.46	4.70	4.42	23
San Luis Potosí	6.83	6.15	6.31	7.12	6.85	6.92	6.80	5.03	5.12	4.35	3.72	3.35	4.04	28
Sinaloa	7.73	7.09	7.73	8.50	8.32	8.42	7.93	6.73	6.92	6.03	5.09	5.24	5.14	18
Sonora	6.39	6.18	6.63	7.23	7.71	7.58	7.39	7.21	7.04	6.60	4.94	4.93	4.50	21
Tabasco	4.55	3.16	3.88	5.04	5.34	5.07	4.63	3.45	3.34	3.09	2.39	2.26	2.99	31
Tamaulipas	3.84	3.85	4.14	5.49	6.10	5.68	4.91	5.12	4.76	4.02	2.77	2.69	2.79	32
Tlaxcala	5.72	5.68	5.78	6.96	7.11	7.50	7.45	5.39	5.07	4.78	4.44	4.40	4.61	20
Veracruz de Ignacio de la Llave	7.54	7.52	8.20	8.25	8.77	8.73	8.17	5.41	5.38	5.28	5.82	5.02	5.25	15
Yucatán	7.33	6.99	7.31	7.82	8.12	8.20	8.45	6.13	6.27	5.36	4.68	4.42	5.18	16
Zacatecas	5.85	5.45	6.06	6.12	6.22	6.03	6.36	3.79	3.60	3.23	3.75	3.15	3.75	29

Table 5.10c: Scores for Area 3 (Labor Market Freedom) at the State and Local Level in the United States, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 51 (2022)
USA Average*	**6.05**	**6.31**	**6.34**	**5.76**	**5.89**	**6.20**	**6.49**	**6.49**	**6.53**	**6.45**	**6.87**	**6.92**	**7.21**	
Alabama	5.91	5.97	6.30	5.25	5.21	5.36	5.88	6.34	6.17	6.35	7.02	7.41	7.68	21
Alaska	3.48	4.04	4.56	4.90	4.86	4.89	5.15	4.97	4.92	4.99	5.34	5.51	5.92	41
Arizona	6.65	6.89	6.07	6.01	6.02	6.11	6.52	5.86	5.68	5.11	5.87	6.15	6.52	36
Arkansas	6.27	6.54	6.06	5.78	5.71	6.36	6.46	6.12	6.42	5.98	6.16	6.28	6.71	31
California	4.91	5.42	5.44	5.05	5.32	5.67	5.92	5.86	5.72	5.45	6.06	5.89	5.77	43
Colorado	7.59	7.63	6.98	6.69	6.75	6.83	7.05	6.49	6.19	5.95	6.72	6.95	7.46	24
Connecticut	6.28	6.31	6.68	6.46	6.56	7.04	6.80	6.49	6.82	6.69	6.35	6.34	6.62	32
Delaware	6.60	6.54	6.55	6.22	6.43	6.52	6.67	6.77	6.98	6.66	6.99	7.02	7.23	26
Florida	7.16	7.25	7.26	6.83	6.86	6.84	6.97	7.35	7.38	7.26	7.48	7.24	7.78	20
Georgia	7.06	7.43	7.60	6.58	6.61	6.65	7.36	7.72	7.79	8.03	8.27	8.40	8.90	4
Hawaii	4.47	4.66	4.94	5.15	5.41	5.36	5.39	4.76	4.32	4.63	5.17	5.40	4.66	50
Idaho	5.90	6.50	6.87	5.69	5.71	6.15	6.48	6.85	7.07	7.26	7.81	8.12	8.65	6
Illinois	6.27	5.67	6.18	5.14	5.25	5.77	6.35	6.56	6.91	6.54	6.62	6.34	6.50	37
Indiana	6.23	6.36	6.51	5.66	5.56	6.27	6.67	7.05	7.23	7.30	7.89	7.97	8.52	9

Table 5.10c: Scores for Area 3 (Labor Market Freedom) at the State and Local Level in the United States, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 51 (2022)
Iowa	5.72	6.10	6.13	5.26	5.55	6.09	6.63	7.13	7.24	7.32	7.65	7.83	8.21	14
Kansas	6.28	6.53	6.92	6.28	6.11	6.68	6.76	6.87	6.98	7.02	7.34	7.31	7.65	23
Kentucky	5.70	6.29	6.36	5.46	5.34	5.36	6.02	6.09	6.33	6.82	7.42	7.54	7.79	19
Louisiana	5.71	6.41	7.04	6.01	6.29	6.80	7.18	7.49	7.49	7.53	8.01	8.24	8.61	7
Maine	5.28	5.58	5.67	5.65	5.75	5.92	6.30	5.61	5.12	4.48	4.85	5.28	5.90	42
Maryland	7.59	8.11	7.86	7.64	7.68	7.88	7.24	7.27	6.68	6.35	6.52	6.56	6.62	32
Massachusetts	6.40	6.83	6.98	6.25	6.78	7.04	7.12	6.54	6.52	6.22	6.63	6.45	6.73	30
Michigan	4.99	5.37	4.46	4.29	4.68	5.30	5.60	5.34	5.51	5.48	5.98	6.21	6.43	38
Minnesota	6.24	6.65	6.76	6.07	6.03	6.43	6.11	5.90	5.88	6.14	6.35	6.45	6.94	28
Mississippi	5.13	5.25	5.53	4.90	4.71	5.31	5.59	5.78	5.91	5.88	6.53	6.87	7.29	25
Missouri	6.17	6.60	6.11	6.00	5.84	6.33	6.66	6.75	6.75	5.81	6.75	6.53	6.60	35
Montana	5.15	6.08	5.52	4.72	5.32	5.30	5.76	5.89	5.92	6.16	6.58	6.59	7.13	27
Nebraska	6.72	7.03	7.19	6.13	6.64	6.93	7.05	6.50	6.75	6.69	7.04	7.55	8.07	17
Nevada	6.53	7.02	6.21	5.24	4.87	5.07	5.60	6.03	5.99	6.12	6.19	6.22	6.61	34
New Hampshire	7.39	7.65	7.74	6.75	6.92	7.34	7.73	7.73	8.02	8.04	8.19	7.93	8.34	12
New Jersey	6.21	6.10	5.86	5.91	6.45	6.68	6.68	6.76	6.92	6.00	6.49	6.17	6.40	39
New Mexico	4.74	5.14	5.60	4.46	4.90	5.04	5.51	5.71	5.79	5.00	5.82	5.29	5.05	49
New York	5.07	4.46	4.55	4.54	4.94	5.31	5.04	5.12	4.96	4.72	5.29	5.19	5.34	46
North Carolina	6.99	7.27	7.02	6.66	6.27	6.49	7.21	7.48	7.66	7.89	8.35	8.61	9.01	2
North Dakota	6.46	6.58	7.17	6.25	6.81	7.37	7.99	7.97	7.96	7.83	8.30	8.23	8.34	12
Ohio	5.70	6.01	5.42	5.20	5.44	5.61	6.07	6.23	6.17	6.27	6.68	6.92	6.88	29
Oklahoma	6.37	6.91	6.79	5.93	6.11	6.34	6.97	6.93	7.02	7.02	7.48	7.67	8.18	15
Oregon	4.36	4.47	4.81	4.03	4.00	4.59	4.98	5.08	4.98	4.84	5.03	4.83	5.12	47
Pennsylvania	6.59	7.02	6.23	6.02	6.30	6.85	7.03	7.26	7.32	7.41	7.53	7.50	7.84	18
Rhode Island	5.70	5.77	6.00	5.68	6.06	6.05	5.99	5.49	5.16	5.17	5.19	5.44	5.62	45
South Carolina	6.23	6.80	6.69	5.78	5.68	6.10	6.88	7.15	7.33	7.61	8.06	8.40	8.73	5
South Dakota	7.11	7.22	7.66	6.93	7.17	7.44	7.04	6.96	6.95	6.98	7.70	7.92	8.35	11
Tennessee	6.74	7.32	7.50	6.59	6.58	6.69	7.33	7.56	7.73	8.02	8.49	8.48	8.93	3
Texas	6.90	7.25	7.56	6.60	6.83	7.29	7.79	7.89	8.08	8.24	8.49	8.76	9.09	1
Utah	6.42	6.82	7.14	6.01	5.89	6.47	7.05	7.24	7.42	7.61	8.20	8.20	8.51	10
Vermont	5.92	5.40	5.76	5.42	5.63	5.75	5.66	5.72	5.64	5.62	6.09	5.63	5.77	43
Virginia	8.11	8.50	8.92	8.06	7.99	8.08	7.95	8.21	8.33	8.45	8.88	7.91	8.09	16
Washington	4.11	4.19	4.40	4.07	4.31	4.52	5.22	4.47	4.42	3.96	4.84	4.89	5.10	48
West Virginia	4.80	4.96	4.64	4.01	4.27	4.84	4.76	4.65	4.91	5.07	5.69	5.80	6.24	40
Wisconsin	5.89	6.00	5.84	5.61	5.68	6.09	7.18	7.38	7.56	7.60	7.95	8.13	8.55	8

Table 5.10c: Scores for Area 3 (Labor Market Freedom) at the State and Local Level in the United States, Selected Years, 2003–2022

	2003	2005	2007	2009	2011	2013	2015	2017	2018	2019	2020	2021	2022	Rank out of 51 (2022)
Wyoming	6.09	6.53	6.84	6.34	6.44	6.74	7.07	7.29	7.31	7.16	7.39	7.45	7.67	22
Puerto Rico*	3.33	3.33	3.33	3.33	3.33	3.33	3.33	3.33	3.33	3.33	3.33	3.37	3.91	51

*US average does not include the territory of Puerto Rico.

Appendix A
Methodology

Calculating the scores

To avoid subjective judgments, objective methods were used to calculate and weight the components. For all components, each observation was transformed into a number from zero to 10 using the following formula: $(V_{max} - V_i)/(V_{max} - V_{min}) \times 10$, where (unless otherwise stated) V_{max} is the largest value found within a component, V_{min} is the smallest, and V_i is the observation to be transformed. The 2005 data were used to derive the maximum and minimum values for each variable. In some cases, there were severe outliers that skewed the scores substantially, so we chose a lower maximum or higher minimum, typically the mean plus or minus between one and four standard deviations (see Appendix B and Economic Freedom of the World, which uses a similar approach). When an observation equals or exceeds the 2005 maximum, it is given a score of 0; when it equals or falls below the 2005 minimum, it is given a score 10. For each component, the calculation was performed for all data for all years to allow comparisons over time.

To transform the individual components into specific areas and the overall summary index, multiple categories were created. In the subnational index, Areas 1, 2, and 3 were equally weighted, and each of the components within each area was equally weighted. For example, the weight for Area 1 was 33.3%. Area 1 has three components, each of which received equal weight in calculating Area 1, or 11.1% in calculating the overall index.

For the all-government index, we add federal government data (on spending, revenue, and government employment) to the exact same variables used in the subnational index. We also include data from several areas used in the country-level index published in *Economic Freedom of the World:*

- One additional component to Area 1—1D: Government Investment (the country score for variable 1C in Economic Freedom of the World: 2024 Annual Report [EFW]);

- One additional component to Area 2B—2Bii: Top marginal income and payroll tax rate (the country score for variable 1Dii in EFW);
- Three additional components to Area 3—
  - 3A: Labor Market Regulation (variable 5B in EFW),
  - 3B: Credit Market Regulations (variable 5A in EFW), and
  - 3C: Business Regulations (variable 5C in EFW);
- Area 4: Legal System and Property Rights (Area 2 in the EFW);
- Area 5: Sound Money (Area 3 in the EFW); and
- Area 6: Freedom to Trade Internationally (Area 4 in the EFW).

Thus, it has six areas. Each area was equally weighted and each of the components within each area was equally weighted. This enables us to produce a more comparable measure of the jurisdictions across the three countries with relatively diverse federal economic policies. More details on the calculations and data sources for the adjusted index can be found in Appendix B.

Fiscal variables

In order to produce tax and spending data that are comparable for jurisdictions that are of widely different sizes and income levels, all such variables are measured as a percentage of income, as is the minimum wage variable. In Canada and Mexico, we use "household income". In the United States, the comparable concept is called "personal income".

Income tax

Calculating the income-tax component was more complicated. The component examining the top marginal income-tax rate and the income threshold at which it applies was transformed into a score from 0 to 10 using Matrix 1, Matrix 2a, and Matrix 2b. Canadian nominal thresholds were first converted into constant 2022 Canadian dollars by using the Consumer Price Index and then converted into US dollars using the Purchasing Power Parity between Canada and the United States

for each year. US nominal thresholds were converted into real 2022 US dollars using the Consumer Price Index. Mexican nominal thresholds were first converted into constant 2022 Mexican Pesos by using the Índice Nacional de Precios al Consumidor (National Consumer Price Index) and then converted into US dollars using the Purchasing Power Parity between Mexico and the United States for each year. This procedure is based on the transformation system found in *Economic Freedom of the World: 1975–1995* (Gwartney, Lawson, and Block, 1996), modified for this study to take into account a different range of top marginal tax rates and income thresholds. Matrix 1 was used in calculating the score for Component 2Bi, Top Marginal Income Tax Rate and the Income Threshold at Which It Applies, at the all-government level; Matrix 2a was used to calculate the score for Component 2B at the subnational level for Canada, and Matrix 2b was used for the United States. Since there are no subnational income taxes in Mexico, this variable was not included in the Mexican subnational index.

In setting the threshold levels for income taxes at the subnational level, we faced an interesting quandary. In the United States, most state thresholds were below US federal thresholds in the 1980s and 1990s. In Canada, provincial thresholds were frequently higher than federal thresholds. Whenever the provincial or state threshold was higher than the federal threshold, the federal threshold was used at the sub-national level since, when a provincial threshold is above the national level, the cause is typically the imposition of a relatively small surcharge on those earning high incomes. Because of the structure of these matrixes, this can produce perverse scoring results. For example, in Matrix 2b a jurisdiction gets a score of 2.5 if it has a top marginal income-tax rate of, say, 12.5% for incomes between $74,924 and $149,849. Let us say the jurisdiction imposes a surcharge for income earners above $149,849, increasing the top marginal income-tax rate to 13%. In Matrix 2b, even though additional taxes in the form of a surcharge have been imposed, the state's score perversely increases to 3.0 because of the increase in the threshold level.

Our decision to use the federal threshold as the default threshold when the provincial threshold was higher is, frankly, a matter of judgment. Thus, it was important to understand whether this would affect the results significantly. To see whether this was so, we calculated the overall index both ways and found that changes were small and that the overall results were not significantly affected.

Matrix 1: Income Tax Matrix for Component 2B at the All-Government Level

Income Threshold Level (US $2022)			
Top Marginal Tax Rate	**Less than $74,924**	**$74,924 to $149,849**	**More than $149,849**
27% or less	10.0	10.0	10.0
27% to 30%	9.0	9.5	10.0
30% to 33%	8.0	8.5	9.0
33% to 36%	7.0	7.5	8.0
36% to 39%	6.0	6.5	7.0
39% to 42%	5.0	5.5	6.0
42% to 45%	4.0	4.5	5.0
45% to 48%	3.0	3.5	4.0
48% to 51%	2.0	2.5	3.0
51% to 54%	1.0	1.5	2.0
54% to 57%	0.0	0.5	1.0
57% to 60%	0.0	0.0	0.5
60% or more	0.0	0.0	0.0

Matrix 2a: Income Tax Matrix for Component 2B at the Subnational Level for Canada

Income Threshold Level (US $2022)			
Top Marginal Tax Rate	**Less than $74,924**	**$74,924 to $149,849**	**More than $149,849**
3.0% or less	10.0	10.0	10.0
3.0% to 6.0%	9.0	9.5	10.0
6.0% to 9.0%	8.0	8.5	9.0
9.0% to 12.0%	7.0	7.5	8.0
12.0% to 15.0%	6.0	6.5	7.0
15.0% to 18.0%	5.0	5.5	6.0
18.0% to 21.0%	4.0	4.5	5.0
21.0% to 24.0%	3.0	3.5	4.0
24.0% to 27.0%	2.0	2.5	3.0
27.0% to 30.0%	1.0	1.5	2.0
30.0% to 33.0%	0.0	0.5	1.0
33.0% to 36.0%	0.0	0.0	0.5
36.0% or more	0.0	0.0	0.0

Matrix 2b: Income Tax Matrix for Component 2B at the Subnational Level for the United States

Income Threshold Level (US $2022)			
Top Marginal Tax Rate	**Less than $74,924**	**$74,924 to $149,849**	**More than $149,849**
1.5% or less	10.0	10.0	10.0
1.5% to 3.0%	9.0	9.5	10.0
3.0% to 4.5%	8.0	8.5	9.0
4.5% to 6.0%	7.0	7.5	8.0
6.0% to 7.5%	6.0	6.5	7.0
7.5% to 9.0%	5.0	5.5	6.0
9.0% to 10.5%	4.0	4.5	5.0
10.5% to 12.0%	3.0	3.5	4.0
12.0% to 13.5%	2.0	2.5	3.0
13.5% to 15.0%	1.0	1.5	2.0
15.0% to 16.5%	0.0	0.5	1.0
16.5% to 18.0%	0.0	0.0	0.5
18.0% or more	0.0	0.0	0.0

Adjustment factors

Because of data limitations and revisions, some time periods are either not directly comparable or are not available. When necessary, we have generally used the data closest to the missing time period as an estimate for the missing data (specific exceptions to this approach are discussed individually in Appendix B). If there have been changes in a component during this period, this procedure would introduce some degree of error in the estimate of economic freedom for the particular data point. However, omitting the component in the cases when it is missing and basing the index score on the remaining components may create more bias in the estimate of overall economic freedom.

Similarly, some Canadian spending categories were not strictly comparable to those in the United States. This required the use of judgment in some cases. Spending on medical care, for example, is structured as government consumption in Canada and as a set of transfer programs in the United States. Given that the index captures the impact of both government consumption and of transfer programs, we decided the most accurate method of accounting was to reflect the actual nature of the spending, a transfer program in the United States and government consumption in Canada,

rather than artificially include one or other in an inappropriate component. The same phenomenon occurs on the revenue side where the entire US Social Security program is funded by a dedicated payroll tax, whereas in Canada part of the similar program, Old Age Security, is funded by general tax revenues. Those revenues are included in variable 2A for US states and in variable 2C for Canadian provinces.

Other adjustments

Our earlier source of government finance data in Canada was discontinued in 2010, with the last year of data being 2009. As a result, in recent years we had used the change in overall aggregates in spending and revenue to produce estimates for the government finance variables in Area 1 and Area 2. The new data series became available in 2015, after the 2015 edition had gone to print. That new data was first incorporated into the 2016 edition. It goes back to 2007. To smooth the transition between the two series, for 2006 we used the average of that new 2007 data and the 2005 data from the previous data series. The two data series are not identical. There were changes in the way that spending and revenue categories were defined. However, this did not create any major changes in the relative rankings of the provinces.

The fiscal data for the US states comes from the US Census Bureau.

The Tax Foundation calculated the federal tax burden by US state up to the year 2005 using sophisticated techniques but has not issued updates in recent years. As several years of data are missing, we use data on federal tax collections within each state directly from the US Internal Revenue Service.

The historical data for federal spending in the US states comes from the Consolidated Federal Funds Report, which has been discontinued. The last year available is 2010. We use the annual percentage increases in the subnational amounts for the years since 2010 to calculate annual estimates for the federal amounts for both 1A and 1B for those years.

Variable 1C measures insurance and retirement payments as a percentage of income. Because there are several US states where retirees form an abnormally large percentage of the population, using federal spending in each state skews the scores on this variable in a way that does not reflect differences in economic freedom (but rather reflects differences in demographics). In the US states, the US total for this variable, as a percentage of total US income, was used as the federal component for this

variable (and simply added to the subnational spending for each state as a percentage of their state income). Since that phenomenon does not exist in Canada and Mexico, this adjustment was not made for the Canadian provinces and Mexican states.

There is a similar issue in the all-government index with regard to Variable 2A, which measures income and payroll taxes. Because states with low corporate income-tax (CIT) burdens tend to attract corporate relocations, those states may tend to have inordinately large revenue from corporate income tax. At the state level, when a corporation has operations in multiple states, taxable corporate income is apportioned based on activity within each state. At the federal level, there are wide disparities in federal CIT revenue collected in the various states (measured as a percentage of personal income) that cannot be driven by differences in state policy. For that reason, we have used the national average in each country for the federal CIT portion of 2A in each state or province.

Variable 2D measures sales and gross receipts taxes. Several Mexican states with large ports have abnormally high values for this variable, in some cases exceeding 100% of personal income. Because that revenue goes to the federal government, we have instead used the same national total for this variable, as a percentage of personal income, for the federal component of this variable for each Mexican state. This adjustment was not necessary for Canada or the United States.

Appendix B
Explanation of Components and Data Sources

Area 1 Government Spending

Component 1A General Consumption Expenditures by Government as a Percentage of Income

General consumption expenditure is defined as total expenditures minus transfers to persons, transfers to businesses, transfers to other governments, and interest on public debt. Spending on fixed capital is also excluded. Data for Quebec is adjusted for Quebec abatement at the subnational level. On the all-government index, there were several Mexican states that were far outliers for this variable and therefore skewed the standardized scores. To account for this, in calculating those scores, we used a lower maximum value of the mean plus 2 standard deviations. A similar approach is used in the annual reports of *Economic Freedom of the World.*

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Component 1B Transfers and Subsidies as a Percentage of Income

Transfers and subsidies include transfers to persons and businesses like welfare payments, grants, agricultural assistance, food-stamp payments (US), housing assistance. Foreign aid is excluded. Data for Quebec is adjusted for the Quebec abatement at the subnational level. On the all-government index, there were several Mexican states that were far outliers for this variable and therefore skewed the standardized scores. To account for this, in calculating those scores, we used a lower maximum value of the mean plus 2 standard deviations. (A similar approach is used in Economic Freedom of the World.)

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Component 1C Insurance and Retirement Payments as a Percentage of Income

Payments by Employment Insurance, Workers Compensation, and various pension plans are included in this component. As explained in Appendix A, for the US states, the federal component of insurance and retirement payment spending (as a percentage of US income) that we use is the same for every state.

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Component 1D Government Investment (all-government index only)

When government engages in more of what would otherwise be private investment, economic freedom is reduced. This variable, used only in the all-government index, is the country score for variable 1C in *Economic Freedom of the World: 2024 Annual Report.* A detailed description and the data sources can be found in that report, available at <https://fraserinstitute.org/studies/economic-freedom-of-the-world-2024-annual-report>.

Area 2 Taxes

Component 2A Income and Payroll Tax Revenue as a Percentage of Income

Income and Payroll Tax Revenue is defined as the sum of personal income taxes, corporate income taxes, and payroll taxes used to fund social-insurance schemes (i.e., employment insurance, Workers Compensation, and various pension plans). As explained in Appendix A, the federal component of corporate income tax revenue that we use is the same for every state within the same country. Data for Quebec is adjusted for the Quebec abatement at the subnational level.

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Component 2Bi Top Marginal Income Tax Rate and the Income Threshold at Which It Applies

See Matrix 1, Matrix 2a, and Matrix 2b in Appendix A (pp. 108–109) for information on how the final scores were calculated. Data for Quebec is adjusted for Quebec abatement at the subnational level.

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Component 2Bii Top Marginal Income and Payroll Tax Rates (all-government index only)

This variable, used only in the all-government index, is the country score for variable 1Dii in *Economic Freedom of the World: 2024 Annual Report.* A detailed description and data sources can be found in that report, available at <https://fraserinstitute.org/studies/economic-freedom-of-the-world-2024-annual-report>.

Component 2C Property Tax and Other Taxes as a Percentage of Income

Property and Other Tax revenue consists of total tax revenue minus income and sales tax revenues (which are already included in 2A and 2D). Natural resource royalties and severance taxes are not included in this component. Data for Quebec is adjusted for the Quebec abatement at the subnational level. On the all-government index, there were several Mexican states that were far outliers for this variable that skewed the standardized scores. To account for this, in calculating those scores, we used a lower maximum value of the mean plus 3 standard deviations. (A similar approach is used in *Economic Freedom of the World.*)

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Component 2D Sales Tax Revenue as a Percentage of Income

Sales tax revenue includes revenue from all sales and gross receipts taxes (including excise taxes and value-added taxes). As explained in Appendix A, we use the same national average percentage for every state in Mexico. Data for Quebec is adjusted for the Quebec abatement at the subnational level. On the all-government index, several Mexican states were far outliers for this variable and skewed the standardized scores. To account for this, in calculating those scores, we used a lower maximum value of the mean plus 1.5 standard deviations. A similar approach is used in *Economic Freedom of the World.*

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Area 3 Regulation

Component 3A Labor Market Regulation

3Ai Minimum Wage

This component was calculated as minimum wage multiplied by 2,080, which is the full-time equivalent measure of work hours per year (52 weeks multiplied by 40 hours per week) as a percentage of per-capita income. For the Canadian provinces, provincial minimum wage was used to compute both of the indices (subnational and all-government). For the United States, the federal minimum wage supersedes state minimum wages when it is higher so, for those states, the higher federal wage is used instead. On all three subnational indexes, there were several states that were far outliers for this variable and therefore skewed the standardized scores. To account for this, in calculating those scores, we used a lower maximum value of the mean plus 3 standard deviations for Canada, the mean plus 4 standard deviations for the United States, and the mean plus 2 standard deviations for Mexico. A similar approach is used in *Economic Freedom of the World.*

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3Aii Government Employment as a Percentage of Total State/Provincial Employment

Government employment includes public servants as well as those employed by government business enterprises. Military employment is excluded.

Sources

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3Aiii Union Density

For this component, our goal was to determine the relationship between unionization and public policy, other than the level of government employment, which is captured in 3Aii. We regressed union density on the size of the government sector. Data were not available to allow a regression on rural compared to urban populations. The government sector proved highly significant. Thus, the scores were determined holding public-sector employment constant: we calculated the union score by regressing the unionization rate on government employment for each given year using the following equation: $\text{Unionization}_i = \alpha + \beta\ \text{Government}_i + \text{residual}_i$. Then, we took the estimated intercept, α, and we added it to the residual. We found that this accounts for the decline in unionization rates through time and that the average union scores increase through time to reflect that decline.

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NOTE Data in Area 3 added for the all-government index / The additional data used for the all-government index is from *Economic Freedom of the World: 2024 Annual Report,* which is also published by the Fraser Institute. Minimum-maximum calculations are based on the 165 nations and territories covered by the world report. This is not ideal, since the minimum-maximum calculations for other components are based on data from the states and provinces. However, since the data were not typically available at the subnational level, this does provide an appropriate measure of the difference in economic freedom among Canada, the United States, and Mexico. The world data are available at <https://fraserinstitute.org/studies/economic-freedom-of-the-world-2024-annual-report>.

Area 3 Regulation (components used in all-government index only).

Since, as discussed above, Canada and the United States have been diverging on scores for business and credit regulation, the all-government index expands the regulatory area to include data on these areas. Labour regulation becomes one of three equally weighted components of Area 3: Regulation, which comprises 3A: Labour market regulation; 3B: Regulation of credit markets; and 3C: Business regulations. (See Appendix A for how Area 3 is now calculated.) The descriptions and sources for these components and subcomponents can be found in *Economic Freedom of the World: 2024 Annual Report,* available at <https://fraserinstitute.org/studies/economic-freedom-of-the-world-2024-annual-report>.

Component 3A Labor Market Regulation (component 5B in *Economic Freedom of the World*)

3Aiv Labor Regulations and Minimum Wage

3Av Hiring and Firing Regulations

3Avi Flexible wage determination

3Avii Hours Regulations

3Aviii Costs of Worker Dismissal

3Aix Conscription

3Ax Foreign Labor

Component 3B Credit Market Regulation (component 5A in *Economic Freedom of the World*)

3Bi Ownership of Banks

3Bii Private Sector Credit

3Biii Interest Rate Controls / Negative Real Interest Rates

Component 3C Business regulations (component 5C in *Economic Freedom of the World*)

3Ci Regulatory Burden

3Cii Bureaucracy Costs

3Ciii Impartial Public Administration

3Civ Tax Compliance

Area 4 Legal System and Property Rights (Area 2 in *Economic Freedom of the World*)

The descriptions and sources for these components and subcomponents can be found in *Economic Freedom of the World: 2024 Annual Report,* available at <https://fraserinstitute.org/studies/economic-freedom-of-the-world-2024-annual-report>.

4A Judicial Independence

4B Impartial Courts

4C Property Rights

4D Military Interference

4E Integrity of the Legal System

4F Contracts

4G Real Property

4H Police and Crime

Area 5 Sound Money (Area 3 in *Economic Freedom of the World*)

The descriptions and sources for these components and subcomponents can be found in *Economic Freedom of the World: 2024 Annual Report,* available at <https://fraserinstitute.org/studies/economic-freedom-of-the-world-2024-annual-report>.

5A Money Growth

5B Standard Deviation of Inflation

5C Inflation: Most Recent Year

5D Foreign Currency Bank Accounts

Area 6 Freedom to Trade Internationally (Area 4 in *Economic Freedom of the World*)

The descriptions and sources for these components and subcomponents can be found in *Economic Freedom of the World: 2024 Annual Report,* available at <https://fraserinstitute.org/studies/economic-freedom-of-the-world-2024-annual-report>.

6A Tariffs

6Ai Trade Tax Revenue

6Aii Mean Tariff Rate

6Aiii Standard Deviation of Tariff Rates

6B Regulatory Trade Barriers

6Bi Non-tariff Trade Barriers

6Bii Costs of Importing and Exporting

6C Black-market exchange rates

6D Controls of the Movement of Capital and People

6Di Financial Openness

6Dii Capital Controls

6Diii Freedom of Foreigners to Visit

6Div Protection of Foreign Assets.

Appendix C

Selected Recent* Publications Using Economic Freedom of North America

Abidin, Irwan S. Z., Muhammad Haseeb, Azrina A. Razak, Thu T. Nguyen, and Van C. Nguyen (2022). Impact of Economic Freedom, Corruption and Brain Drain on Economic Development of Malaysia: A Time Series Analysis. *International Journal of Trade and Global Markets* 16, 1–3: 163–177.

Arif, Imran (2023). Institutions and Industry-Level Employment Creation: An Empirical Analysis of the US Metro-Level Data. *Journal of Institutional Economic*s 19, 6: 868–892.

Akter, Mansura, Shahriar Akter, Mahfuzur Rahman, and Constantinos V. Priporas (2023). Mapping the Barriers to Socio-Economic Freedom in Internationalisation of Women-Owned SMEs: Evidence from a Developing Country. *Journal of International Management* 29, 6: 101067.

Andersson, David Emanuel (2023). Political Individualism. In *The Future of the Post-Industrial Society: Individualism, Creativity and Entrepreneurship* (Cham: Springer Nature Switzerland): 107–138.

Blizard, Zachary D. (2023). The Interaction Effect of Economic Freedom and Economic Development on Corruption in US States. *Journal of Private Enterprise* 38, 2: 17–37.

Buck, C.C. (2022). "Laboratories of Democracy" through Decentralization: Two Cheers for Federalism. *Federalism-E* 23, 1: 51–60.

Bykova, Anna, and Dennis Coates (2022). Professional Team Sporting Success: Do Economic and Personal Freedom Provide Competitive Advantages? *Economics of Governance* 23, 3–4: 323–358.

Campbell, David A. (2023). Migration Impacts of State Policy. In Ali Farazmand (ed.), *Global Encyclopedia of Public Administration, Public Policy, and Governance* (Cham: Springer International Publishing): 8127–8133.

Cardazzi, A., and R.A. Lawson (2023). Economic Freedom and One-Way Truck Rental Prices: An Empirical Note. *American Journal of Economics and Sociology* 82, 4: 313–318.

* There have been nearly 400 academic journal articles, public policy studies, and books that have cited *Economic Freedom of North America.* The list given in Appendix C comprises selected publications from 2022, 2023, and the first half of 2024. For a more comprehensive list that includes older publications, see Appendix C in *Economic Freedom of North America 2017* or see Citations in Professional Literature of the Fraser Institute's Economic Freedom Research at <https://www.fraserinstitute.org/economic-freedom/citations>

Cebula, Richard J. (2024). The Tiebout-Tullock Hypothesis Re-Examined Using Tax Freedom Measures: The Case of Post-Great Recession State-Level Gross In-Migration. *Public Choice* 199, 1: 65–81.

Cebula, Richard J., and Malissa L. Davis (2022). Determinants of Poverty in the US State of Virginia: An Examination of the Impact of Rent (the Neglected Variable). *Regional Studies, Regional Science* 9, 1: 818–830.

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Chairassamee, Nattanicha, Oudom Hean, and Parker Jabas (2023). The Financial Impact of State Tax Regimes on Local Economies in the US. *Journal of Risk and Financial Management* 16, 10: 419.

Chambers, Dustin, and Colin O'Reilly (2022). Regulation and Income Inequality in the United States. *European Journal of Political Economy* 72: 102101.

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Cole, Ismail M. (2023). The Political Economy Triangle of Government Spending, Interest-Group Influence, and Income Inequality: Evidence and Implications from the US States. *Economics and Politics* 35, 3: 1122–1176.

Cox, W. Michael, and Richard Alm (2023). Trade and Investment in the Texas-Mexico Relationship. In Jorge A. Schiavon and Rafael Fernández de Castro (eds.), *The International Relations of California and Texas with Mexico and the World* (Routledge): DOI: 10.4324/9781003342038-10.

Dean, James, and Vincent Geloso (2022). Economic Freedom Improves Income Mobility: Evidence from Canadian provinces, 1982–2018. *Journal of Institutional Economics* 18, 5: 807–826.

Deerfield, Amanda, and Niklas Elert (2023). Entrepreneurship and Regulatory Voids: The Case of Ridesharing. *Entrepreneurship Theory and Practice* 47, 5: 1568–1593.

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Hean, Oudom, and Parker Jabas (2024). Bank Competition and Business Formation in the US Midwest. *Journal of Financial Economic Policy* 16, 1: 120–134.

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Jackson, Jeremy, and Scott Beaulier (2023). Economic Freedom and Philanthropy. *Journal of Economic Behavior & Organization* 214: 148–183.

Mahadea, Darma, and Martin Kabange (2022). Examining the Relationship between Economic Freedom, Income and Entrepreneurship in South Africa: A VECM Approach. *Journal of Developmental Entrepreneurship* 27, 01. <https://www. worldscientific.com/doi/10.1142/S1084946722500042>.

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Miozzi, Vincent J., and Benjamin Powell (2023). The Pre-Pandemic Political Economy Determinants of Lockdown Severity. *Public Choice* 197: 167–183.

Mulholland, Sean E., and Reynaldo Hernandez-Julian (2023). Does Economic Freedom Lead to Selective Migration by Sex and Race? *Journal of Regional Analysis & Policy* 53, 1: 16–33.

Murphy, Ryan H., Ellen Taylor, and Dean Stansel (2023). Economic Freedom at Metropolitan Statistical Area Borders. *American Journal of Economics and Sociology* 82, 2: 141–149.

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Payne, James E., James W. Saunoris, Saban Nazlioglu, and Cagin Karul (2023a). Stochastic Convergence Analysis of US State Economic Freedom Sub-Components: Evidence from Unit Root Tests for Bounded Processes. *American Journal of Economics and Sociology* 82, 4: 319–348.

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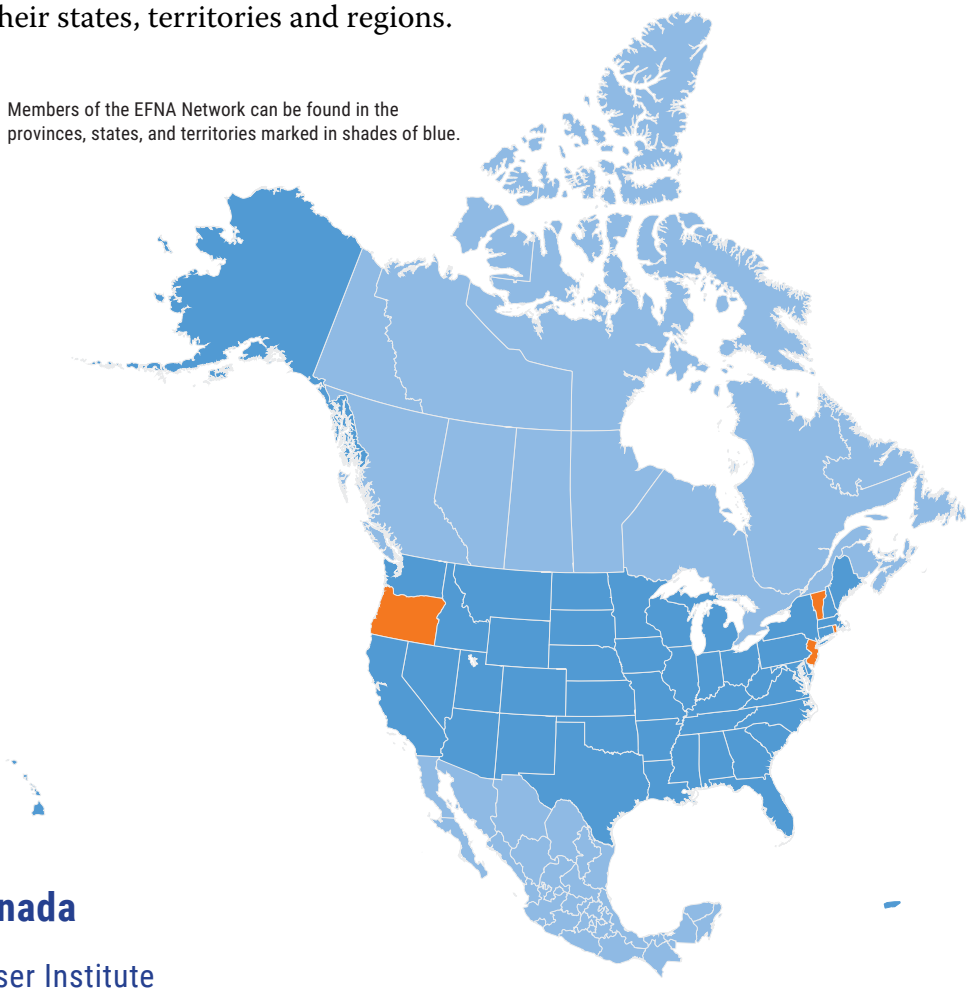
The Fraser Institute is proud to partner with a network of organizations across North America in promoting our *Economic Freedom of North America* (EFNA) report in the United States, Canada and Mexico. Our EFNA Network partners co-publish the report, host EFNA-related events, use the report in their own research and publications, and disseminate the report to engaged citizens, policymakers and media outlets in their states, territories and regions.

Members of the EFNA Network can be found in the provinces, states, and territories marked in shades of blue.



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Caminos de la Libertad
Mexico City, Mexico | caminosdelalibertad.com

Caminos de la Libertad seeks to promote discussion and reflection about the different aspects of freedom. We strive to generate critical thinking and policies as well as creating awareness among those who have not yet realized the value of their own freedom. Caminos de la Libertad has become an international effort that includes competitions, symposiums, conferences, and round-table discussions emphasizing the importance of freedom. With our different activities, we try to introduce academics, politicians, youth, and the general society to the liberal perspective.

United States of America

Alabama
Manuel Johnson Center for Political Economy at Troy University
Troy, Alabama
troy.edu/academics/colleges-schools/business/johnson-center/index.html

The Manuel H. Johnson Center for Political Economy at Troy University provides a dynamic and rigorous education program focused on the moral imperatives of free markets and individual liberty, as well as relevant policy research on current and local issues.

Alaska
Alaska Policy Forum
Anchorage, Alaska | alaskapolicyforum.org

The Alaska Policy Forum conducts timely, relevant, and accurate research and provides free market, Alaskan solutions in the most effective means possible to policymakers at the state and local level. We believe that individual freedom and private property are inextricably linked. We believe that government should be limited, transparent, and accountable. We believe in responsible, sustainable development. We believe that free markets offer better solutions than government planning.

Arizona

Center for the Philosophy of Freedom at the University of Arizona
Tucson, Arizona | freedomcenter.arizona.edu

The Center's mission is to promote the understanding and appreciation of the ideals of freedom and responsibility along four dimensions: published research, undergraduate education, graduate education, and community outreach.

Center for the Study of Economic Liberty at Arizona State University
Tempe, Arizona | csel.asu.edu

Committed to the study of the role economic liberty and the free enterprise system play in increasing opportunity and improving well-being, the Center for the Study of Economic Liberty seeks to advance our understanding through independent thinking, scholarly debate, factual argument, and clear, honest communication of research and policy findings. The Center is a non-partisan academic unit within the W. P. Carey School of Business at Arizona State University; our scholars enjoy academic freedom and share with each other a basic commitment to a freer, more prosperous world. Founded in 2014, the Center for the Study of Economic Liberty is dedicated to serving students and the public through research, education, and community outreach on the most pressing national and international economic policy issues.

Arkansas

University of Central Arkansas Center for Research in Economics
Conway, Arkansas | uca.edu/acre

The vision and hope of ACRE faculty, staff, and supporters is greater human well-being—a society in which everyone lives the best, most rewarding life possible, as defined by each individual. ACRE's four primary areas of economic research are regulations that inhibit earning a living, transparency and efficient governance, unleashing entrepreneurship, and public education.

California

Independent Institute
Oakland, California | independent.org

The Independent Institute is a non-profit, non-partisan, public policy research and educational organization that shapes ideas into profound and lasting impact. The mission of Independent is to boldly advance peaceful, prosperous, and free societies grounded in a commitment to human worth and dignity. Applying independent

thinking to issues that matter, we create transformational ideas for today's most pressing social and economic challenges. The results of this work are published as books and other publications and form the basis for numerous conference and media programs. By connecting these ideas with organizations and networks, we seek to inspire action to unleash an era of unparalleled human flourishing at home and around the globe.

Colorado

Independence Institute
Denver, Colorado | i2i.org

The mission of the Independence Institute is to empower individuals and to educate citizens, legislators, and opinion makers about public policies that enhance personal and economic freedom.

Woodford Foundation for Limited Government
Colorado Springs, Colorado | woodfordfoundation.org

We are a private foundation located in Colorado Springs. Our primary interest is to be persuasive in restoring the "Opportunity Society" by (a) promoting a gradual and significant reduction in the size and scope of both federal and state governments, (b) working as part of the Bastiat Society to influence business owners to be "Principled Wealth Creators," and (c) encouraging business and the general electorate to endorse both our Profit Sharing and Vouchers for Delivery of Social Services and Free Enterprise and True Responsible Capitalism statements.

Connecticut

Yankee Institute for Public Policy
Hartford, Connecticut | yankeeinstitute.org

The Yankee Institute develops and advances free-market, limited-government solutions in Connecticut. As one of America's oldest state-based think tanks, Yankee is a leading advocate for smart, limited government; fairness for taxpayers; and an open road to opportunity.

Delaware

Caesar Rodney Institute
Newark, Delaware | caesarrodney.org

The Caesar Rodney Institute is an independent, non-profit, non-partisan public policy research institute committed to protecting individual liberty.

Florida

James Madison Institute
Tallahassee, Florida | jamesmadison.org

The James Madison Institute is a Florida-based research and educational organization engaged in the battle of ideas. The Institute's ideas are rooted in a belief in the US Constitution and such timeless ideals as limited government, economic freedom, federalism, and individual liberty coupled with individual responsibility. The Institute's mission is to keep the citizens of Florida informed about their government and to shape our state's future through the advancement of practical free-market ideas on public policy issues.

Stavros Center for Economic Education at Florida State University
Tallahassee, Florida | https://cosspp.fsu.edu/stavros/

The mission of the Stavros Center is to further free enterprise and economic education in schools and the broader community. The Center develops and disseminates innovative ideas and materials that will help make economics more interesting and understandable. It seeks to help instructors at all levels become great teachers of economics.

Georgia

Georgia Public Policy Foundation
Atlanta, Georgia | georgiapolicy.org

The Georgia Public Policy Foundation is a 501(c)(3) non-profit, non-partisan research institute. Our mission is to improve the lives of Georgians through public policies that enhance economic opportunity and freedom. We believe good public policy is based upon fact, an understanding of sound economic principles and the core principles of our free enterprise system—economic freedom, limited government, personal responsibility, individual initiative, respect for private property and the rule of law.

Georgia Center for Opportunity
Peachtree Corner, Georgia | foropportunity.org

The mission of the Georgia Center for Opportunity is removing barriers to ensure that every person—no matter their race, past mistakes, or the circumstances of their birth—has access to a quality education, fulfilling work, and a healthy family life.

Hawaii

Grassroot Institute of Hawaii
Honolulu, Hawaii | grassrootinstitute.org

The Grassroot Institute of Hawaii is an independent, non-profit research and educational institution devoted to promoting the principles of individual liberty, free markets, and limited and accountable government throughout the state of Hawaii and the Pacific Rim.

Idaho

Idaho Freedom Foundation
Boise, Idaho | idahofreedom.org

Our goal is to hold public servants and government programs accountable, expose government waste and cronyism, reduce Idaho's dependency on the federal government, and inject fairness and predictability into the state's tax system.

Illinois

Illinois Policy Institute
Springfield/Chicago, Illinois | illinoispolicy.org

Illinois Policy is an independent organization generating public policy solutions aimed at promoting personal freedom and prosperity in Illinois. We believe Illinois should be a place where people of all talents, interests and cultural backgrounds can succeed with hard work and ingenuity. We want families to feel confident in planting their roots in Illinois soil. And we want to live in a state where communities flourish and good opportunities abound.

Indiana

Sagamore Institute
Indianapolis, Indiana | sagamoreinstitute.org

The Sagamore Institute is an Indianapolis-based non-profit, non-partisan, public policy research organization—or think tank. It is our mission to research, analyze, and respond to difficult issues, to serve as a meeting place for disparate groups, and to offer wise counsel for a world in progress.

Institute for the Study of Political Economy at Ball State University
Muncie, Indiana
bsu.edu/academics/centersandinstitutes/institute-for-the-study-of-political-economy

The Institute for the Study of Political Economy (ISPE) approaches the study of political economy as an analysis of governance. We examine what it means to have good public and private governance. We analyze which institutions and institutional rules are likely to lead to good governance, and how governance—good and bad—impacts outcomes. We are particularly interested in wealth and income, economic growth, health, freedom and liberty, and quality of life in the American Midwest. In order to positively impact outcomes, we communicate the lessons learned from rigorous academic analysis to students, citizens at large, private organization leadership, and elected and appointed officials.

Iowa

Iowans for Tax Relief Foundation
West Des Moines, Iowa | itrfoundation.org

ITR Foundation is not your traditional public policy think tank. Our goal is to ensure every Iowan can achieve the American dream by fostering a pro-growth tax code, a friendly business climate, and education system that prepares responsible leaders and citizens for the workforce.

Kansas

Kansas Policy Institute
Wichita, Kansas | kansaspolicy.org

Kansas Policy Institute is an independent think tank guided by the constitutional principles of limited government and personal freedom. We specialize in student-focused education and tax and fiscal policy at the state and local level, empowering citizens, legislators, and other government officials with objective research and creative ideas to promote a low-tax, pro-growth environment that preserves the ability of governments to provide high-quality services.

Kentucky

Pegasus Institute
Louisville, Kentucky | linkedin.com/company/pegasus-institute

Our mission is to provide public policy research and solutions that help improve the lives of all Kentuckians. Pegasus Institute operates as an independent, non-partisan,

privately funded research organization focused on state and local policies. We believe that Kentucky has the potential to emerge as a national leader and a beacon of the New South. That potential can be unlocked with data-driven public policy solutions based in free-market principles, individual liberty and responsibility, and effective, limited, and accountable government.

Center for Free Enterprise at the University of Louisville
Louisville, Kentucky | business.louisville.edu/the-center-for-free-enterprise

The mission of the Center for Free Enterprise is to engage in research and teaching that explores the role of enterprise and entrepreneurship in advancing the well-being of society.

Louisiana

Pelican Institute
New Orleans, Louisiana | pelicaninstitute.org

The Pelican Institute is a non-partisan research and educational organization—a think tank—and the leading voice for free markets in Louisiana. The Institute's mission is to conduct scholarly research and analysis that advances sound policies based on free enterprise, individual liberty, and constitutionally limited government.

Maine

Maine Policy Institute
Portland, Maine | mainepolicy.org

Maine Policy Institute is a 501(c)(3) nonprofit, nonpartisan organization that conducts detailed and timely research to educate the public, the media, and lawmakers about public policy solutions that advance economic freedom and individual liberty in Maine.

Massachusetts

Pioneer Institute
Boston, Massachusetts | pioneerinstitute.org

Pioneer Institute is an independent, non-partisan, privately funded research organization that seeks to improve the quality of life in Massachusetts through civic discourse and intellectually rigorous, data-driven public policy solutions based on free-market principles, individual liberty and responsibility, and the ideal of effective, limited and accountable government.

Maryland

Free State Foundation
Potomac, Maryland | freestatefoundation.org

The Free State Foundation is a non-profit, nonpartisan think tank. Its purpose is to promote, through research and educational activities, understanding of free market, limited government, and rule of law principles at the federal level and in Maryland.

Michigan

Mackinac Center for Public Policy
Midland, Michigan | mackinac.org

The Mackinac Center for Public Policy is a non-partisan research and educational institute dedicated to improving the quality of life for all Michigan residents by promoting sound solutions to state and local policy questions.

Minnesota

Center of the American Experiment
Golden Valley, Minnesota | americanexperiment.org

The Center of the American Experiment is Minnesota's leading public policy organization. The Center researches and produces papers on Minnesota's economy, education, health care, the family, employee freedom, and state and local governance. It also crafts and proposes creative solutions that emphasize free enterprise, limited government, personal responsibility, and government accountability.

Mississippi

Institute for Market Studies at Mississippi State University
Mississippi State, Mississippi | ims.msstate.edu

The Institute for Market Studies supports the study of markets and provides a deeper understanding regarding the role of markets in creating widely shared prosperity. The Institute brings together leading scholars in economics, finance, and international business. Research interests include analysis of the market process, corporate control, bureaucracy and regulation theory, shadow economies, and informal institutions. Research questions are motivated by current economic and financial issues.

Mississippi Center for Public Policy
Jackson, Mississippi | mspolicy.org

The Mississippi Center for Public Policy (MCPP) is an independent, non-profit, public policy organization based in Jackson, Mississippi. MCPP works to promote and protect the concepts of free markets, limited government, and strong traditional families.

Missouri

Hammond Institute for Free Enterprise at Lindenwood University
St. Charles, Missouri | hammondinstitute.org

The John W. Hammond Institute for Free Enterprise is a research and education center in the Plaster School of Business and Entrepreneurship at Lindenwood University. Its mission is to foster free enterprise and civil and religious liberty through the examination of market-oriented approaches to economic and social issues. This mission is based on the view that a limited government, such as that laid out in the Constitutional foundation of the United States, is a necessary component of a just and prosperous society.

Montana

Frontier Institute
Helena, Montana | frontierinstitute.org

Montana's Frontier Institute elevates powerful stories and sound policy solutions to break down government barriers so all Montanans can thrive.

Nebraska

Menard Family Institute for Economic Inquiry at Creighton University
Omaha, Nebraska | creighton.edu/instituteforeconomicinquiry

The Institute for Economic Inquiry supports research and education programs analyzing, and initiating conversations about, the institutions that promote human well-being. Through the Institute, social scientists and practitioners work together to define the characteristics of a free society, and then critically examine the impact of policy on human flourishing. The Institute supports research that compares and contrasts economic and social outcomes from the perspectives of economics, ethics, and entrepreneurship and their diverse methodologies.

Platte Institute for Economic Research
Omaha, Nebraska | platteinstitute.org

The Platte Institute's mission is to advance policies that remove barriers to growth and opportunity in Nebraska.

Nevada

Nevada Policy Research Institute
Las Vegas, Nevada | npri.org

The Nevada Policy Research Institute is a non-partisan, non-profit think tank that promotes policy ideas consistent with the principles of limited government, individual liberty and free markets. NPRI is an independent source of objective research and liberty-minded commentary focused on helping the citizens of Nevada understand the fundamental value of a free society, the inseparability of personal economic freedom and the comprehensive benefits of free market policy solutions.

New Hampshire

Josiah Bartlett Center for Public Policy
Concord, New Hampshire| jbartlett.org

The Josiah Bartlett Center for Public Policy is New Hampshire's free-market think tank. The Bartlett Center's mission is to develop and advance practical, free-market policies that promote prosperity and opportunity for all. The center is a 501(c)(3) non-profit educational organization.

New York

Economic Freedom Institute at Manhattanville College
Purchase, New York | mville.edu/programs/economics/economic-freedom-institute

EFI (economic.freedominstitute@mville.edu) provides a forum for the study, analysis, and discussion of the nature of economic freedom and its implications. It fosters the exchange and development of ideas concerning policies and programs of importance in regional, national, and international arenas. Open to a variety of viewpoints and philosophies, participants in EFI include scholars, corporate executives, and officials from labor unions, non-profit institutions, and various levels of government.

Empire Center
Albany, New York | empirecenter.org

The Empire Center for Public Policy is an independent, non-partisan, nonprofit think tank based in Albany, New York. Its mission is to make New York a better place to live and work by promoting public policy reforms grounded in free-market principles, personal responsibility, and the ideals of effective and accountable government.

New Mexico

Rio Grande Foundation
Albuquerque, New Mexico | riograndefoundation.org

The Rio Grande Foundation is a research institute dedicated to increasing liberty and prosperity for all of New Mexico's citizens. We do this by informing New Mexicans of the importance of individual freedom, limited government, and economic opportunity.

North Carolina

John Locke Foundation
Raleigh, North Carolina | johnlocke.org

The John Locke Foundation was created in 1990 as an independent, non-profit think tank that would work "for truth, for freedom, and for the future of North Carolina." The Foundation is named for John Locke, an English philosopher whose writings inspired Thomas Jefferson and the other Founders. The John Locke Foundation is a 501(c)(3) research institute and is funded solely from voluntary contributions from individuals, corporations, and charitable foundations. The John Locke Foundation envisions a North Carolina of responsible citizens, strong families, and successful communities committed to individual liberty and limited, constitutional government.

Center for the Study of Free Enterprise at Western Carolina University
Cullowhee, North Carolina | affiliate.wcu.edu/csfe

Our mission is to provide economics research and thought leadership on issues pertaining to economic development in North Carolina, the region, and beyond, by conducting scholarly inquiry, policy analysis, educational activities, and community outreach on the role of free enterprise in a flourishing society.

North Dakota

Center for the Study of Public Choice and Private Enterprise (PCPE) at North Dakota State University Fargo, North Dakota | x.com/NDSUpcpe

The Center for the Study of Public Choice and Private Enterprise engages in research and educational programs to uncover the institutions and policies that encourage and enhance human well-being. The Center seeks to advance knowledge of the sources and causes of human well-being and the distinctive roles of entrepreneurship, free markets, philanthropy, private enterprise and public policy in achieving it.

Ohio

Buckeye Institute
Columbus, Ohio | buckeyeinstitute.org

The Buckeye Institute was founded in 1989 as an independent research and educational institution—a think tank—to formulate and promote free-market solutions for Ohio's most pressing public policy problems.

Oklahoma

Institute for the Study of Free Enterprise at Oklahoma State University
Stillwater, Oklahoma | fe.okstate.edu

The mission of the Institute for the Study of Free Enterprise is to promote economic freedom, competitive markets, private ownership, and individual choice. We work to facilitate campus-wide discussions on those issues as they relate to value creation in society, personal liberty, and human flourishing. In addition, we coordinate OSU courses related to free enterprise, sponsor the Free Enterprise Society, provide scholarships and fellowships for students from all disciplines who are interested in free enterprise principles, and support faculty and student research.

Pennsylvania

Commonwealth Foundation
Harrisburg, Pennsylvania | commonwealthfoundation.org

The Commonwealth Foundation transforms free-market ideas into public policies so all Pennsylvanians can flourish.

Puerto Rico

Instituto de Libertad Económica
San Juan, Puerto Rico | ilepr.org

The Instituto de Libertad Económica (ILE) is a 501(c)(3) education and research think tank devoted to improving the lives of all residents of Puerto Rico through initiatives that increase freedom and economic opportunity. We advocate public policies based upon data, facts, and the pillars of the free-market system—individual liberty, rule of law, property rights, and limited government. The ILE seeks to influence and enrich the public and academic discussion by producing publications and sponsoring conferences on the principles of economic freedom. We work to remove barriers to individual initiative and ensure that everyone has equal opportunities to prosper.

South Carolina

Palmetto Promise Institute
Columbia, South Carolina | palmettopromise.org

Founded in 2013 by a visionary group of entrepreneurs, scholars, philanthropists, and public servants, Palmetto Promise Institute promotes a flourishing South Carolina where every citizen has the opportunity to reach their full potential. We strive to be a beacon of aspiration in a sea of negativity, inspired by South Carolina's state motto: "While I breathe, I hope." With a core focus on education, healthcare, tax, and energy policy research, PPI is the Palmetto State's trusted champion of free enterprise and human flourishing.

South Dakota

Great Plains Public Policy Institute
Sioux Falls, South Dakota | greatplainsppi.org

The mission of the Great Plains Public Policy Institute is to formulate and promote free enterprise solutions to public policy problems based on the principles of individual responsibility, limited government, privatization, and traditional American values.

Tennessee

Beacon Center of Tennessee
Nashville, Tennessee | beacontn.org

The Beacon Center of Tennessee empowers Tennesseans to reclaim control of their lives, so that they can freely pursue their version of the American dream.

Center for Economic Education at the University of Tennessee at Chattanooga
Chattanooga, Tennessee
utc.edu/gary-w-rollins-college-of-business/probasco-distinguished-chair-of-free-enterprise-new/cee

The Center for Economic Education offers programs for teachers and students to provide a better understanding of the theory and practice of capitalism, and the positive relationship between private enterprise and economic prosperity.

Center for Regional Economic Research at the University of Tennessee-Chattanooga
Chattanooga, Tennessee
utc.edu/gary-w-rollins-college-of-business/center-for-regional-economic-research

The Center for Regional Economic Research (CRER) is a think tank that conducts high-quality, data-focused economic research, analysis, and visualization on Chattanooga and the regional economy. The CRER seeks to be a leading resource for economic research, development, and entrepreneurship in Chattanooga and the surrounding region. The Center connects the Gary W. Rollins College of Business with the local community and serves an academic mission to educate students and energize research on local economic issues by mentoring graduate and undergraduate students in real-world projects.

Texas

Bridwell Institute for Economic Freedom at SMU
Dallas, Texas | smu.edu/cox/Centers-and-Institutes/Bridwell-Institute

The mission of the Bridwell Institute is to foster the scholarly study and intellectual discussion of the nature, consequences, and causes of economic freedom in our local, state, national, and international communities. In support of this mission, the Bridwell Institute seeks to: influence the academic debate by generating and sponsoring high-quality, peer-reviewed scholarship related to the nature, consequences, and causes of economic freedom; become a leader on the SMU campus by engaging students about the ideas of economic freedom through reading groups and related programs; elevate and enliven the discussion and debate about economic freedom in the wider Dallas-Fort Worth community; and encourage teaching about free enterprise and its benefits in schools in Texas and beyond through our economic education programs.

Texas Public Policy Foundation
Austin, Texas | texaspolicy.com

The Texas Public Policy Foundation is a non-profit, non-partisan research institute. The Foundation's mission is to promote and defend liberty, personal responsibility, and free enterprise in Texas and the nation by educating and affecting policymakers and the Texas public policy debate with academically sound research and outreach.

Utah

Libertas Institute
Lehi, Utah | libertas.org

Libertas Institute envisions a legal system that protects each person's pursuit of happiness not just in word, but in deed. A society governed by such a system will embrace personal responsibility, use persuasion rather than force to achieve important goals, and understand the importance of free markets, property rights, personal freedom and equal justice..

Virginia

Virginia Institute for Public Policy
Abingdon, Virginia | virginiainstitute.org

The Virginia Institute for Public Policy is an independent, non-partisan, education and research organization committed to the goals of individual opportunity and economic growth. Through research, policy recommendations, and symposia, the Institute works ahead of the political process to lay the intellectual foundation for a society dedicated to individual liberty, free enterprise, private property, the rule of law, and constitutionally limited government.

Washington

Washington Policy Center
Seattle, Washington | washingtonpolicy.org

The Washington Policy Center is an independent, non-profit think tank that promotes sound public policy based on free-market solutions.

West Virginia

Cardinal Institute
Charleston, West Virginia | cardinalinstitute.com

The Cardinal Institute for West Virginia Policy is a 501(c)(3) non-profit founded in 2014 dedicated to research, develop, and communicate effective conservative economic public policies for West Virginia.

West Virginia University Knee Regulatory Research Center
Morgantown, West Virginia | csorwvu.com

The mission of the Knee Regulatory Research Center is to produce high-quality research on the effects of government regulation and to communicate the results broadly to inform real-world change.

West Virginia University Center for Free Enterprise
Morgantown, West Virginia
business.wvu.edu/research-outreach/center-for-free-enterprise

The mission of the Center for Free Enterprise is to advance teaching, research, and outreach on the free enterprise system and how it relates to increased prosperity and quality of life in West Virginia and the world.

Wisconsin

MacIver Institute
Madison, Wisconsin | maciverinstitute.com

The John K. MacIver Institute for Public Policy is a Wisconsin-based think tank that fights for free markets, individual freedom, personal responsibility, and limited government. Our namesake believed that ideas are the most powerful force in politics and our democracy. In John's honor, the MacIver Institute works every day to produce the next generation of ideas that will move Wisconsin and our country forward.

Wyoming

Wyoming Liberty Group
Cheyenne, Wyoming | wyliberty.org

Founded in 2008 with the purpose of inviting citizens to prepare for informed, active and confident involvement in local and state government, Wyoming Liberty Group provides a venue for understanding public issues in light of constitutional principles and governmental accountability. We believe in the values of individual dignity and

personal liberty, and we encourage appreciation of our state constitution and the historical/cultural values that are the very source of our liberty.

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Our mission is to improve the quality of life for Canadians, their families, and future generations by studying, measuring, and broadly communicating the effects of government policies, entrepreneurship, and choice on their well-being.

Notre mission consiste à améliorer la qualité de vie des Canadiens et des générations à venir en étudiant, en mesurant et en diffusant les effets des politiques gouvernementales, de l'entrepreneuriat et des choix sur leur bien-être.

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The Fraser Institute provides a useful public service. We report objective information about the economic and social effects of current public policies, and we offer evidence-based research and education about policy options that can improve the quality of life.

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