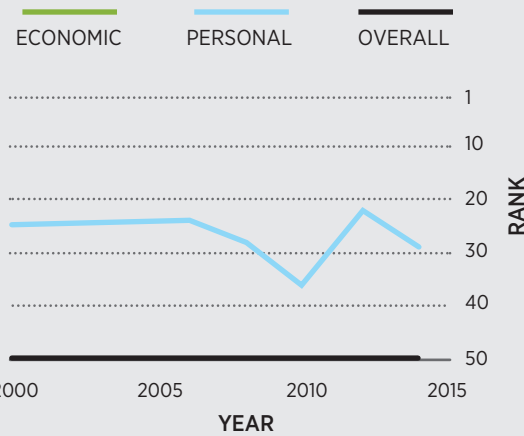


NEW YORK

2014 RANK
50th



Note: Economic and Overall ranking tied

POLICY RECOMMENDATIONS

- **Fiscal:** Cut spending on hospitals, housing, libraries, public welfare, sanitation and sewerage, public transit, employee retirement, and “miscellaneous”; cut all taxes, and pay down debt.
- **Regulatory:** Abolish rent control. This move could have raised New York to 47th, just behind Connecticut, on regulatory policy.
- **Personal:** Slash tobacco taxes, which are so high as to be almost tantamount to prohibition.



Population, 2014
19,746,227

Share of total U.S. population
6.2%

Population ranking
4th

Net migration rate
-11.2%



State Taxes, Percent of Personal Income, FY 2014
6.8%

Local Taxes, Percent of Personal Income, FY 2012
7.8%

Partisan Lean, 2012
D +12.5



Real Per Capita Personal Income, 2013, in 2009 \$
\$44,047

Real Personal Income Growth, CAGR, 2000-13
1.19%

ANALYSIS

New York is again the least free state in the country. Its huge, glaring weakness is fiscal policy. If New York were to adopt a fiscal regime closer to that of California, New Jersey, or Connecticut, its overall economic freedom score would be close to theirs. As it is, New York looks set to remain the least free state for many years to come.

New York’s local tax burden is twice that of the average state: 7.8 percent of income in FY 2012. However, New Yorkers have ample choice in local government: 4.1 competing jurisdictions per 100 square miles of private land. The state tax burden, at a projected 6.7 percent of income in FY 2015, is also higher than the national average. The government spends almost four times what the average state does on subsidies to business. Debt is the highest in the country at 31.9 percent of income. Government employment, however, is slightly lower than average and has come down since 2010.

New York is also the worst state on regulatory policy, although here it is at least within striking distance of number 49. Land-use freedom is very low, primarily because of the economically devastating rent control law in New York City. Local zoning is actually fairly moderate compared with surrounding states not named “Pennsylvania.” Renewable portfolio standards are high. The state enacted a minimum wage in 2013-14 and also has a short-term disability insurance

mandate. Cable and telecommunications are unreformed. Occupational freedom is a bit subpar, but nurse practitioners did gain some independence in 2013-14. Insurance freedom is a mixed bag (the state has stayed out of the IIPRC), but property and casualty insurers gained some freedom to set rates in 2013-14. The civil liability system looks poor, but we may underrate it slightly because of the state’s large legal sector.

New York’s criminal justice policies are reasonably decent. Although drug arrests are about average, nondrug victimless crime arrest rates are quite low. Incarceration rates are below average. Local law enforcement enthusiastically participates in equitable sharing, even though the state law imposes only modest limits in the first place. New York finally legalized same-sex marriage in 2011. Tobacco freedom is the worst in the country because of smoking bans and stratospheric taxes (\$3.70 a pack in 2006 dollars in 2014). New York is perhaps the worst state for homeschoolers, and it has no private school choice programs. All fireworks are completely banned, as are mixed martial arts competitions. There is little gambling. Cannabis freedom is now slightly above average, as the state enacted a limited medical law in 2013-14. Alcohol freedom is a bit above average, but grocery stores can’t sell wine. Gun rights are hedged about with all kinds of restrictions, but it is barely possible to get a concealed-carry license in some parts of the state.