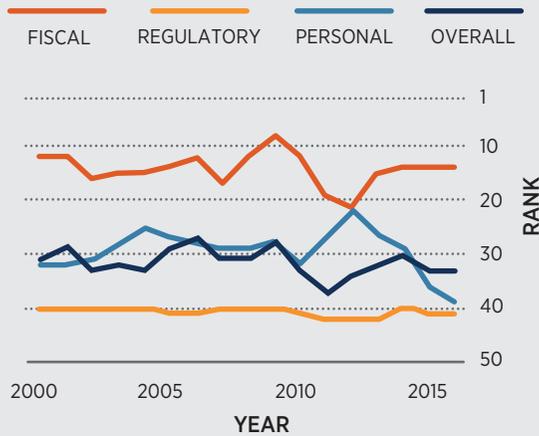


CONNECTICUT

2016 RANK
33rd



POLICY RECOMMENDATIONS

- **Fiscal:** Cut individual income taxes, which are much higher than average. Housing and “miscellaneous” government spending categories are higher than the national average and could likely be trimmed.
- **Regulatory:** Enact statewide restrictions on eminent domain.
- **Personal:** Reduce the incarceration rate to match regional levels by reducing maximum sentences and eliminating mandatory minimums for nonviolent crimes.¹¹⁷



Population, 2017
3,588,184

Net Migration Rate
-7.3%



State Taxes, Percent of Personal Income, FY 2017
5.80%

Local Taxes, Percent of Personal Income, FY 2015
4.30%

Partisan Lean, 2016
D +6.9



Real Per Capita Personal Income, 2016, in 2009 \$
\$57,554

Real Personal Income Growth, CAGR, 2000-15
1.7%

ANALYSIS

Connecticut is a middling state that is below average on overall freedom and falls about halfway between its freer neighbor, Massachusetts, and its less free one, Rhode Island. It suffers most from having consistently stifling regulatory policy that drags down its economic freedom ranking while, perhaps surprisingly for a New England “blue” state, also performing relatively poorly on personal freedom as other states have leapfrogged it.

After getting hit hard by the Great Recession, state finances have bounced back, along with the state’s fiscal policy score. Although Connecticut residents enjoy broad scope of choice among local governments, state government tax collections are about 33 percent greater than local tax collections, making the choice of local government less valuable. As a share of the economy, state-level taxation has fallen substantially since FY 2013, and local taxes have also come down from their Great Recession peak. Debt now hovers around 20 percent of personal income.

Connecticut does poorly in most areas of regulatory policy. Exclusionary zoning is common. Renewable portfolio standards are tight, keeping electric rates high. The state has a minimum wage; the legislature enacted a law in 2014 that raised it every year for four years, resulting in a rate of \$10.10 per hour as of 2018. The legislature is threatening to increase the minimum wage again, to \$15 per hour. The state also lacks a right-to-work law. Connecticut was once a leader in occupational openness, but the state grew dramatically more closed between 2000 and 2012;

by one measure, 2016 was its worst year yet. However, in 2013-14, the state legalized independent nurse practitioner practice with prescription authority, a significant achievement. Price regulation in the property and casualty market has become more interventionist over time. The civil liability system is mediocre. Cable was deregulated a decade ago.

On personal freedom, Connecticut has improved over the years in absolute terms, although it has dipped slightly since its 2014 peak. However, it has not kept up with other states and has slipped in the rankings. Despite Connecticut’s gun manufacturing tradition, firearms are strictly regulated. The state decriminalized low-level possession of cannabis and enacted a medical marijuana law in 2011-12. As of this writing, the legislature is earnestly considering recreational marijuana legalization. Alcohol taxes are relatively low, and alcohol blue laws were finally repealed in 2012. The state has no private school choice programs, but it does have interdistrict public school choice. Cigarette taxes are sky-high (\$4.35 a pack in 2018), and smoking bans, except for private workplaces, are tight. The state’s asset forfeiture law and practice are better than average. Crime-adjusted incarceration rates are around the national average but are much higher than those of other New England states. Victimless crime arrests are much lower than the national average. The state legalized same-sex marriage in 2007-8. Travel freedom declined since the fourth edition because of new requirements for uninsured and underinsured coverage, but driver’s licenses have been available since 2013 to residents without Social Security numbers.

117. For a list of Connecticut crimes for which there are mandatory minimum sentences, see Terrance Adams, “Crimes with Mandatory Minimum Sentences: Updated and Revised,” Office of Legislative Research, Connecticut General Assembly, Hartford, February 5, 2013, <https://www.cga.ct.gov/2013/rpt/2013-R-0103.htm>.