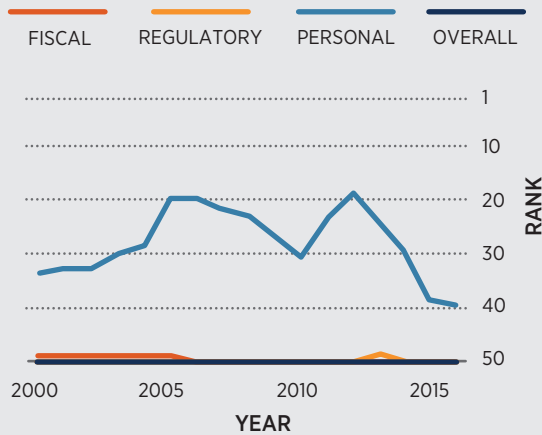


# NEW YORK

2016 RANK  
**50th**



## POLICY RECOMMENDATIONS

- **Fiscal:** Cut spending on hospitals, housing, public buildings, public welfare, education, corrections, police and fire, sanitation and sewerage, employee retirement, and “miscellaneous,” which are all above national averages. Cut all taxes, and pay down debt.
- **Regulatory:** Abolish rent control. This move could have raised New York to 45th, ahead of Vermont and New Jersey, on regulatory policy.
- **Personal:** Slash cigarette taxes, which are so high as to be almost tantamount to prohibition.



Population, 2017  
**19,849,399**

Net Migration Rate  
**-14.1%**



State Taxes, Percent of Personal Income, FY 2017  
**6.75%**

Local Taxes, Percent of Personal Income, FY 2015  
**8.50%**

Partisan Lean, 2016  
**D +11.3**



Real Per Capita Personal Income, 2016, in 2009 \$  
**\$46,416**

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

## ANALYSIS

New York has been the least free state in the country for a long time. Economic freedom is the most significant weakness, but the state has not kept up with the rest of the country on personal freedom either.

The only fiscal policy area where New York is not below average is the ratio of government to private employment, where the state has actually improved significantly since the early 2000s. The government GDP ratio has scarcely fallen over that same time period, suggesting that New York pairs relatively low government employment with high salaries and benefits for public employees. New York’s local tax burden is twice that of the average state: 8.5 percent of income in FY 2015. This is a dramatic rise from the early 2000s, when it was 7 percent. However, New Yorkers have ample choice in local government: 2.9 competing jurisdictions per 100 square miles. The state tax burden, at a projected 6.8 percent of income in FY 2017, is also higher than the national average. Debt is the highest in the country at 31.2 percent of income, and liquid assets are less than half that, at 14.2 percent of income.

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 Interstate Insurance Product Regulation Compact), 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. While drug arrests are about average, nondrug victimless crime arrests are quite low. Incarceration rates are below average. Unfortunately, the state is one of only a few to impose loss of a driver’s license as a punishment for non-driving-related drug crimes. Local law enforcement enthusiastically participates in equitable sharing, even though the state law imposes only modest limits in the first place. Tobacco freedom is the worst in the country because of smoking bans and stratospheric taxes (\$4.30 a pack in 2015 dollars in 2016). Since 2014, localities have actually enacted total prohibition for 18- to 20-year-olds. New York is perhaps the worst state for homeschoolers, and it has no private or public school choice programs. Sparklers were legalized in 2015 and mixed martial arts competitions in 2016. Gambling freedom is better than average; casinos were introduced in 2005. Cannabis freedom is now slightly above average, as the state enacted a limited medical marijuana law in 2014. 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 possible with some effort to get a concealed-carry license in some parts of the state.