

# WEST VIRGINIA

2016 RANK  
**34th**



Population, 2017  
**1,815,857**

Net Migration Rate  
**-0.6%**



State Taxes, Percent  
of Personal Income, FY 2017  
**6.40%**

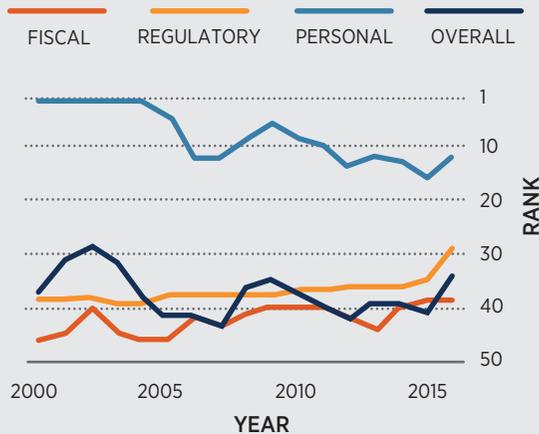
Local Taxes, Percent  
of Personal Income, FY 2015  
**3.09%**

Partisan Lean, 2016  
**R +21.8**



Real Per Capita Personal  
Income, 2016, in 2009 \$  
**\$37,906**

Real Personal Income  
Growth, CAGR, 2000-15  
**2.1%**



## POLICY RECOMMENDATIONS

- **Fiscal:** Reduce state employment, especially in general administration, highways, and public welfare. Further reduce the business income tax.
- **Regulatory:** Abolish price controls.
- **Personal:** Reform sentencing by abolishing mandatory minimums for nonviolent offenses, with an eye to reducing the incarceration rate to its 2000 level.

## ANALYSIS

West Virginia has usually done better on personal freedom than on economic freedom, but we show the lines converging as the state's public opinion has grown more conservative and Republican. Since 2006, the state has lagged Pennsylvania and Ohio in economic growth.

The Mountain State's overall tax burden is a little lower than average, but it is centralized at the state level. The state takes about 6.4 percent of adjusted income, a significant decline since FY 2006, when it peaked at 8.1 percent, while local governments take 3.1 percent, a figure that has risen a touch over the same period. There are 0.7 effective competing jurisdictions per 100 square miles. State and local debt and financial assets are both low and have fallen over time, which we show as a slight net gain for freedom. Government employment is way above average, at 16.9 percent of private employment. Government share of GDP is also high (12.2 percent of income) but has fallen since 2013.

Land-use freedom is broad in West Virginia. Labor-market freedom is better than average despite a minimum wage, because of an effective workers' compensation reform in 2007-8 and a right-to-work law in 2016. West Virginia is one of the very worst states for health insurance regulation and has virtually made the managed care model illegal.

Telecommunications was liberalized in 2015. Occupational freedom is a bit below average, both in extent of licensure and in scope of practice for second-line health professions. In an unusual reversal, nurse practitioners lost scope of practice in 2015. Insurance rate-setting freedom is restricted because of prior-approval requirements. The state has a hospital certificate-of-need law, a price-gouging law, and a general unfair-sales law. The civil liability system is still worse than average, but a significant tort reform in 2015 has improved the situation.

West Virginia used to lock up fewer of its residents than most other states, but that is no longer the case. Drug arrests have also risen over time as a share of the user base. Asset forfeiture is essentially unreformed. Cannabis laws are harsh. Even low-level cultivation or sale carries a mandatory minimum of two years in prison. West Virginia is one of the best states for gun rights, buttressed by 2016's constitutional carry law, and despite state involvement in alcohol distribution, it is also better than average for alcohol freedom. The seat belt law was upgraded to primary in 2013, and an open-container law was enacted in 2015, reducing travel freedom. There are ample opportunities to gamble in West Virginia. Private schools and homeschools are fairly heavily regulated, and there is no school choice. Tobacco freedom is only average after a big cigarette tax hike in 2016.