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## **New Study Shows Path to Economic Recovery for States Utah Lands Top Ranking in Economic Competitiveness**

**Washington, D.C.** — In the midst of economic turmoil, federal bailouts, and budget deficits in more than 40 states, a new report from the American Legislative Exchange Council (ALEC) offers a roadmap to recovery based on economic performance trends from states over the past 10 years. The second edition of *Rich States, Poor States: ALEC-Laffer State Economic Competitiveness Index* shows how the federal bailout of the states may simply encourage out-of-control spending by states, which is up 124 percent over the last 10 years, without requiring them to make the tough decisions needed to bring about financial stability.

“As legislators, we know that we are in direct competition with other states for human and investment capital,” said Utah Revenue and Taxation Committee Chairman, Senator Wayne Niederhauser. “*Rich States, Poor States* has provided invaluable information to strengthen our efforts to reduce tax burdens in Utah and we are happy to again be ranked as the most competitive state in the nation.”

Co-author and renowned economist Dr. Arthur B. Laffer summarized the report's findings when he said, “States cannot tax their way into prosperity.” *Rich States, Poor States* presents rankings of the 50 states based on the relationship between policies and performance – revealing which states are best positioned to make a recovery, and which are not.

Laffer and his co-authors, Steve Moore, senior economics writer at *The Wall Street Journal*, and Jonathan Williams, director of the Tax and Fiscal Policy Task Force for ALEC, analyze how economic competitiveness drives income, population and job growth in the states. They found that, “states with a high and rising tax burden are more likely to suffer through economic decline, while those with lower and falling tax burdens are more likely to enjoy robust economic growth.”

“The top performing states keep taxes, spending, and regulatory burdens low, while the biggest losers in the book tend to share similar policies of high tax rates, unsustainable spending and regulation,” said co-author, Jonathan Williams. “State governments that believe they can bring about economic recovery by growing government and increasing taxes are sadly mistaken.”

### TOP FIVE STATES

1. Utah
2. Colorado
3. Arizona
4. Virginia
5. South Dakota

### BOTTOM FIVE STATES

46. New Jersey
47. Maine
48. Rhode Island
49. Vermont
50. New York

To read more about the state-to-state comparisons, see the individual state analysis, and view the full report, download it for free at [www.alec.org](http://www.alec.org)

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*The American Legislative Exchange Council is the nation's largest individual membership organization of state legislators dedicated to advancing the principles of free markets, limited government, federalism and individual liberty.*