



Dear Friend of ALEC,

It is with great pleasure that we provide you with this latest edition of *Rich States, Poor States*. Our eighth edition continues the work of past editions and provides new insights for state policymakers. The central theme of our work remains clear: free market fiscal policies continue to drive competitiveness across the states. The empirically-based analysis contained within the pages of *Rich States, Poor States* demonstrates which state policies lead to greater opportunity and which policies hinder job growth and overall economic prosperity.

In this edition, we take an in depth look at the much-discussed tax reform in Kansas, which has been under fire from Left-leaning pundits. The Sunflower State's experience should be instructive. The Kansas tax reforms are far from the abject failure that some would suggest. *Rich States, Poor States* demonstrates that in the long term, if coupled with appropriate spending reform, the much-maligned tax cuts will yield positive results. This year's edition of *Rich States, Poor States* also features a comprehensive "State of the States" analysis, highlighting the most notable changes in state fiscal policy in the last year. While the ongoing gridlock in Washington, D.C. prevents fundamental spending and tax reform, many states are pursuing admirable pro-growth policies.

As more states seriously consider market-oriented reforms, groups committed to big government continue to attack these pro-growth ideas. This edition of our report presents an argument for why free market policies stimulate economic growth and enhance prosperity. The "tax and spend" method, like the 11 obstacles to growth outlined in this edition, has been tried and has consistently failed. This edition of *Rich States, Poor States* will share with you the information you can use to avoid these obstacles.

"Governing on many of the economic policy principles advocated in Rich States, Poor States has led our state on a path to prosperity. The work done by Arthur Laffer, Stephen Moore and Jonathan Williams is second to none. There is always more work to be done, but I am confident that these priorities to rein in government spending, reduce regulations on business, keep taxes low for Arizonans and right the state's fiscal ship have combined to significantly improve Arizona's economic future."

– Arizona Governor Doug Ducey

As you read our latest edition of *Rich States, Poor States*, we urge you to keep in mind that states do not enact policies in a vacuum. We hope you find the policies and lessons contained in this publication useful as you strive to create greater economic opportunity for all.

I hope you enjoy,

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P.S. If you would like to host a *Rich States, Poor States* briefing in your state, please contact me.