



## PRESS RELEASE

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### **Puerto Rico remains the worst jurisdiction in the United States in economic freedom.**

**The Island is closer to Mexico than to the United States and Canada in the *Economic Freedom of North America 2023* report.**

Puerto Rico ranked last for the second consecutive year among the 51 U.S. jurisdictions included in *Economic Freedom of North America 2023*. This report, published by Canada's Fraser Institute, measures the degree of economic freedom in 93 provincial or state governments in Canada, the United States of America, and Mexico.

The report contains a subnational index and an all-government index for the three countries. In the U.S. subnational index, New Hampshire occupies the first position as the state with the highest economic freedom, with a score of 7.96 out of 10; and Florida, with 7.80, the second. Completing the top five freest states are Tennessee (7.73), Texas (7.64), and South Dakota (7.59).

At the bottom end of the index, Puerto Rico occupies position 51 with a score of 2.85. The state with the lowest score was New York with 4.09—43% higher than the Island—followed by California (4.27), Vermont (4.27), Oregon (4.56), and Hawaii (4.58). The scores are based on 2021 data, the most recent year with complete available information.

In addition to ranking below the United States in the all-government index, Puerto Rico fell 0.82 below the worst-ranked Canadian province (Newfoundland and Labrador) and only 0.08 above the best-ranked Mexican states (Baja California and Chihuahua). This means that, in terms of economic freedom, Puerto Rico is closer to Mexico than to the United States and Canada.

“Puerto Rico needs public policy reforms that improve the situation of economic freedom on the Island, that is, that facilitate individuals’ participation in the economic sphere, without undue government barriers or interference,” stated Ángel Carrión-Tavárez, Director of Research and Policy at the Instituto de Libertad Económica (Institute for Economic Liberty).

“Economic freedom is fundamental for the well-being and prosperity of individuals. Many of the socio-economic problems faced by residents of Puerto Rico, such as high unemployment, low

wages, dependency, and outward migration, are related to the lack of economic freedom on the Island,” Carrión-Tavárez added.

The *Economic Freedom of North America* report is co-authored by Dean Stansel, José Torra, Fred McMahon, and Ángel Carrión-Tavárez. This report is an offshoot of the Fraser Institute’s *Economic Freedom of the World* study, the result of more than a quarter century of work by more than 60 scholars including 3 Nobel laureates.

“Hundreds of independent studies have produced overwhelming evidence that higher levels of economic freedom are associated with more opportunity, more prosperity, greater economic growth and more jobs,” said Dean Stansel, Research Associate Professor, at Bridwell Institute for Economic Freedom, Cox School of Business, Southern Methodist University.

“The freest economies operate with comparatively less government interference, relying more on personal choice and markets to decide what’s produced, how it’s produced and how much is produced; as government imposes restrictions on these choices, there’s less economic freedom and less opportunity for prosperity,” added Fred McMahon, the Dr. Michael A. Walker Research Chair in Economic Freedom at the Fraser Institute and report co-author.

*Economic Freedom of North America* has been cited in more than 370 academic journal articles, policy studies, and books around the world. In just the past two years, it has been cited in over 60 publications, demonstrating the credibility and prestige of this report in the international community.

The inclusion of Puerto Rico in *Economic Freedom of North America* is the result of efforts by the Instituto de Libertad Económica, to ensure that the Island appears in studies and reports used to measure and compare the situation of various jurisdictions, and to establish the necessary public policy to improve people’s lives.

The *Economic Freedom of North America 2023* report was presented on the Island with the participation of the four co-authors at a public event attended by around a hundred business and political leaders. The event was made possible thanks to the sponsorship of the Puerto Rico Chamber of Commerce and other entities.

## **Contact**

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### **About the Puerto Rico Institute for Economic Liberty**

The Institute for Economic Liberty (ILE) is a 501(c)(3) non-profit, non-partisan, non-governmental organization created with the genuine desire to ensure that everyone on the Island has equal opportunities to unleash their maximum potential and create their own success. We believe that effort and merit should be rewarded and prosperity should be driven by people’s creativity, entrepreneurship, and innovation. We want to live in a Puerto Rico where everyone can be empowered to achieve their goals and progress in a free and open society. You can learn more about ILE at [institudodelibertadeconomica.org](http://institudodelibertadeconomica.org), as well as on Facebook and Instagram @ilepuertorico.