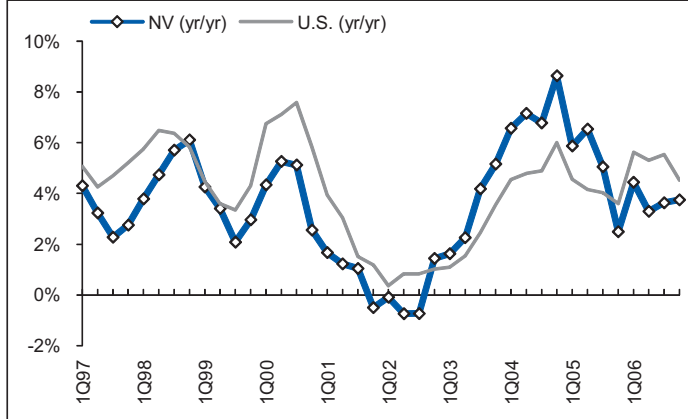


Economic Performance Rank 14 (1=best; 50=worst): Based on the state's performance (equal-weighted average) in the three important performance variables shown below. These variables are highly influenced by state policy.

Economic Outlook Rank (1=best; 50=worst): A forward-looking forecast based on the state's standing (equal-weighted average) in the 16 important state policy variables shown below. Data reflect state+local rates and revenues and any effect of federal deductibility.

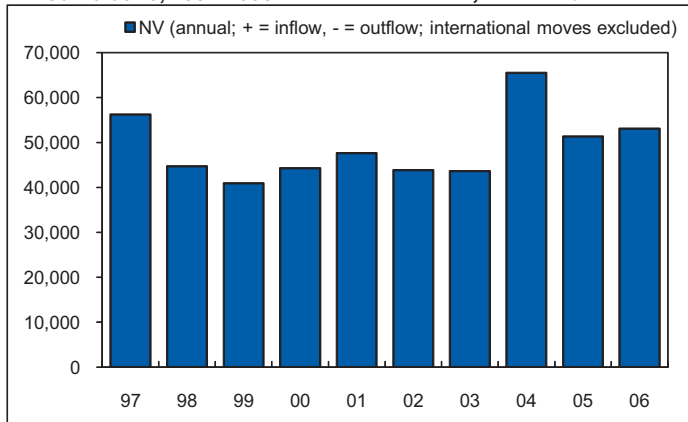
1) Personal Income Per Capita

Cumulative Growth, 1996-2006: 42.0% Rank: 48th



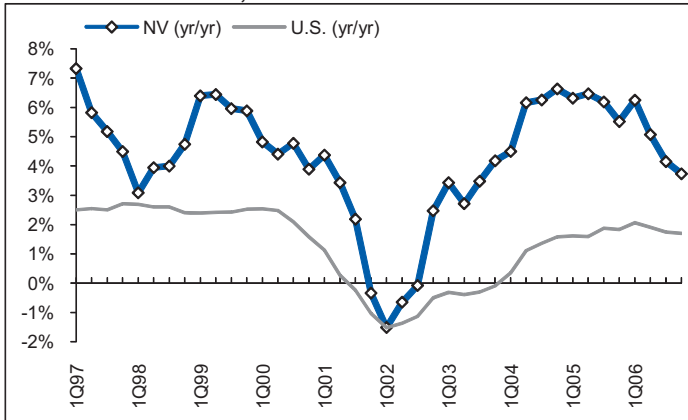
2) Absolute Domestic Migration,

Cumulative, 1997-2006: 491,325 Rank: 6th



3) Non-farm Payroll Employment

Cumulative Growth, 1996-2006: 52.0% Rank: 1st



1) Top Marginal Personal Income

Tax Rate: 0.00% Rank: 1st

2) Top Marginal Corporate Income

Tax Rate: 0.00% Rank: 1st

3) Personal Income Tax Progressivity:

(change in tax liability per \$1,000 income) **\$0.00 Rank: 2nd**

4) Property Tax Burden:

(per \$1,000 of personal income) **\$28.60 Rank: 18th**

5) Sales Tax Burden:

(per \$1,000 of personal income) **\$32.86 Rank: 39th**

6) Remaining Tax Burden:

(per \$1,000 of personal income) **\$43.51 Rank: 50th**

7) Estate/Inheritance Tax

Levied?: No Rank: 1st

8) Recent Legislated Tax Changes:

(2005 and 2006, per \$1,000 of personal income) **-\$0.17 Rank: 19th**

9) Debt Service as a % of

Total Tax Revenue: 10.7% Rank: 42nd

10) Public Employees Per 10,000

of Population (full-time equivalent): 414.0 Rank: 1st

11) State Liability System Survey:

(tort litigation treatment, judicial impartiality, etc.) **62.0 Rank: 28th**

12) State Minimum Wage:

(federal floor is \$5.85) **\$6.33 Rank: 28th**

13) Avg. Workers' Compensation Costs:

(per \$100 of payroll) **\$2.36 Rank: 22nd**

14) Right-To-Work State?:

(optional joining or supporting of a union) **Yes Rank: 1st**

15) Number of Tax Expenditure Limits:

(0=least/worst, 3=most/best) **2 Rank: 4th**

16) Education Freedom Index Score:

(vouchers, ease of private/home schooling, etc.) **1.40 Rank: 45th**