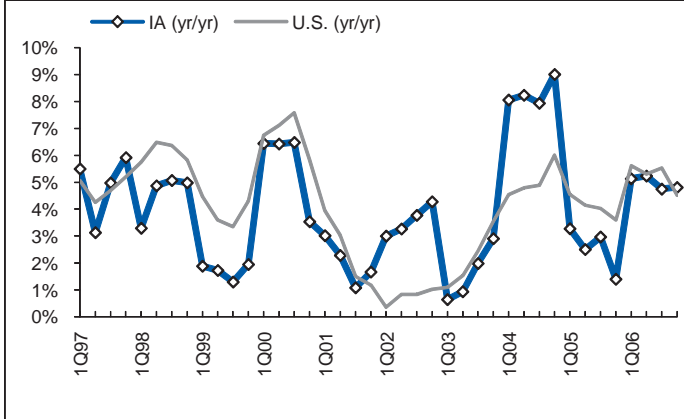


Economic Performance Rank 45 (1=best; 50=worst): Based on the state's performance (equal-weighted average) in the three important performance variables shown below. These variables are highly influenced by state policy.

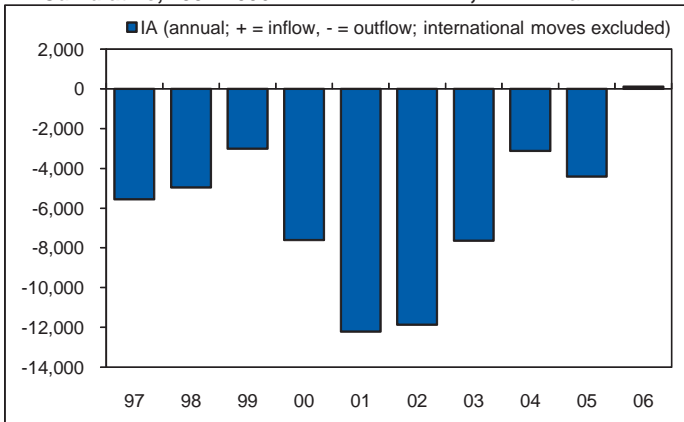
1) Personal Income Per Capita

Cumulative Growth, 1996-2006: 47.6% Rank: 36th



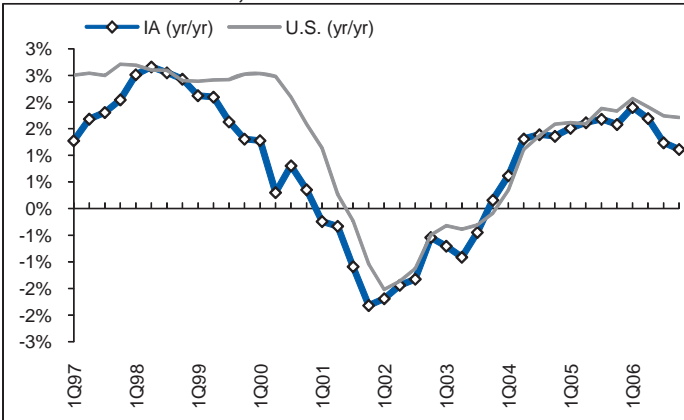
2) Absolute Domestic Migration,

Cumulative, 1997-2006: -60,263 Rank: 38th



3) Non-farm Payroll Employment

Cumulative Growth, 1996-2006: 8.6% Rank: 37th



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) Top Marginal Personal Income

Tax Rate: 5.84% Rank: 24th

2) Top Marginal Corporate Income

Tax Rate: 9.90% Rank: 46th

3) Personal Income Tax Progressivity:

(change in tax liability per \$1,000 income) **\$11.74 Rank: 37th**

4) Property Tax Burden:

(per \$1,000 of personal income) **\$36.40 Rank: 33rd**

5) Sales Tax Burden:

(per \$1,000 of personal income) **\$23.23 Rank: 18th**

6) Remaining Tax Burden:

(per \$1,000 of personal income) **\$18.89 Rank: 25th**

7) Estate/Inheritance Tax

Levied?: Yes Rank: 28th

8) Recent Legislated Tax Changes:

(2005 and 2006, per \$1,000 of personal income) **-\$1.50 Rank: 8th**

9) Debt Service as a % of

Total Tax Revenue: 5.3% Rank: 2nd

10) Public Employees Per 10,000

of Population (full-time equivalent): 623.5 Rank: 41st

11) State Liability System Survey:

(tort litigation treatment, judicial impartiality, etc.) **68.9 Rank: 4th**

12) State Minimum Wage:

(federal floor is \$5.85) **\$6.20 Rank: 25th**

13) Avg. Workers' Compensation Costs:

(per \$100 of payroll) **\$1.75 Rank: 7th**

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) **0 Rank: 29th**

16) Education Freedom Index Score:

(vouchers, ease of private/home schooling, etc.) **1.76 Rank: 32nd**