

# Presentation to the OASIS

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Rio Grande Foundation

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# What is RGF?

New Mexico's only Free Market think tank, (501c3), non-partisan, but we consistently promote ideas of individual liberty and freedom here in NM;

Our ideas have been most influential in debates over taxes, spending, education, and transparency.



# Current Unemployment Rate

Rank	State	Rate
1	NORTH DAKOTA	3.7
2	SOUTH DAKOTA	4.4
3	NEBRASKA	4.6
4	NEW HAMPSHIRE	5.5
5	VERMONT	5.8
6	HAWAII	6.3
7	KANSAS	6.6
8	IOWA	6.8
8	VIRGINIA	6.8
8	WYOMING	6.8
11	OKLAHOMA	6.9
12	MINNESOTA	7.0
13	MONTANA	7.4
14	MARYLAND	7.5
14	UTAH	7.5
16	ARKANSAS	7.7
16	MAINE	7.7
18	ALASKA	7.8
18	LOUISIANA	7.8
18	WISCONSIN	7.8
21	TEXAS	8.1
22	COLORADO	8.2
22	NEW MEXICO	8.2
24	NEW YORK	8.3
25	DELAWARE	8.4
25	MASSACHUSETTS	8.4
27	ALABAMA	8.9
28	IDAHO	9.0
28	PENNSYLVANIA	9.0

# Foreclosure Rates by State

Rate Rank	State Name
--	<a href="#">U.S.</a>
32	<a href="#">Alabama</a>
28	<a href="#">Alaska</a>
2	<a href="#">Arizona</a>
19	<a href="#">Arkansas</a>
4	<a href="#">California</a>
11	<a href="#">Colorado</a>
16	<a href="#">Connecticut</a>
34	<a href="#">Delaware</a>
	<a href="#">District of Columbia</a>
3	<a href="#">Florida</a>
9	<a href="#">Georgia</a>
14	<a href="#">Hawaii</a>
7	<a href="#">Idaho</a>
8	<a href="#">Illinois</a>
17	<a href="#">Indiana</a>
42	<a href="#">Iowa</a>
38	<a href="#">Kansas</a>
40	<a href="#">Kentucky</a>
37	<a href="#">Louisiana</a>
39	<a href="#">Maine</a>
10	<a href="#">Maryland</a>
15	<a href="#">Massachusetts</a>
5	<a href="#">Michigan</a>
27	<a href="#">Minnesota</a>
45	<a href="#">Mississippi</a>
30	<a href="#">Missouri</a>
44	<a href="#">Montana</a>
46	<a href="#">Nebraska</a>
1	<a href="#">Nevada</a>
21	<a href="#">New Hampshire</a>
31	<a href="#">New Jersey</a>
25	<a href="#">New Mexico</a>
41	<a href="#">New York</a>
36	<a href="#">North Carolina</a>
48	<a href="#">North Dakota</a>
12	<a href="#">Ohio</a>
29	<a href="#">Oklahoma</a>
13	<a href="#">Oregon</a>
35	<a href="#">Pennsylvania</a>
22	<a href="#">Rhode Island</a>
20	<a href="#">South Carolina</a>
43	<a href="#">South Dakota</a>
23	<a href="#">Tennessee</a>
26	<a href="#">Texas</a>
6	<a href="#">Utah</a>
50	<a href="#">Vermont</a>
24	<a href="#">Virginia</a>
33	<a href="#">Washington</a>
49	<a href="#">West Virginia</a>
18	<a href="#">Wisconsin</a>
47	<a href="#">Wyoming</a>

# New Mexico is **THE** most reliant state on the federal government

State	Federal Spending per Dollar of Federal Taxes	Rank
<u>New Mexico</u>	\$2.03	1
Mississippi	\$2.02	2
Alaska	\$1.84	3
Oklahoma	\$1.36	15
Arizona	\$1.19	21
Utah	\$1.07	29
Texas	\$0.94	35
Colorado	\$0.81	41
Nevada	\$0.65	49



# Severance Taxes

State Severance Taxes							
	Collections in Millions	As a Percentage of State Tax Collections		Collections in Millions	As a Percentage of State Tax Collections		
State	2004			2007			
United States	\$593.5	1.1%	Rank	\$10,728.9	1.4%	Rank	Percent Change in Collections Between 2004 and 2007
Alabama	\$113.6	0.0%	12	\$144.2	1.6%	13	26.94%
Alaska	\$646.9	50.2%	1	\$2,216.0	64.4%	1	242.56%
Colorado	\$115.9	1.6%	13	\$136.9	1.5%	14	18.12%
Kansas	\$98.1	1.9%	11	\$132.3	1.9%	11	34.86%
Kentucky	\$187.1	2.2%	10	\$275.3	2.8%	10	47.14%
Louisiana	\$476.6	5.9%	7	\$904.2	8.3%	7	89.72%
Mississippi	\$53.8	1.0%	15	\$81.8	1.3%	15	52.04%
Montana	\$83.5	5.1%	9	\$264.7	11.4%	5	217.01%
Nevada	\$37.6	0.8%	16	\$62.2	1.0%	16	65.43%
New Mexico	\$587.6	14.7%	3	\$843.9	16.2%	4	43.62%
North Dakota	\$175.6	14.3%	4	\$391.3	21.9%	3	122.84%
Oklahoma	\$655.1	10.2%	5	\$942.1	10.6%	6	43.81%
Texas	\$1,896.8	6.2%	6	\$2,762.9	6.9%	9	45.66%
Utah	\$47.8	1.1%	14	\$101.5	1.7%	12	112.34%
West Virginia	\$204.1	5.4%	8	\$328.3	7.1%	8	60.85%
Wyoming	\$683.2	45.4%	2	\$803.6	39.7%	2	17.62%

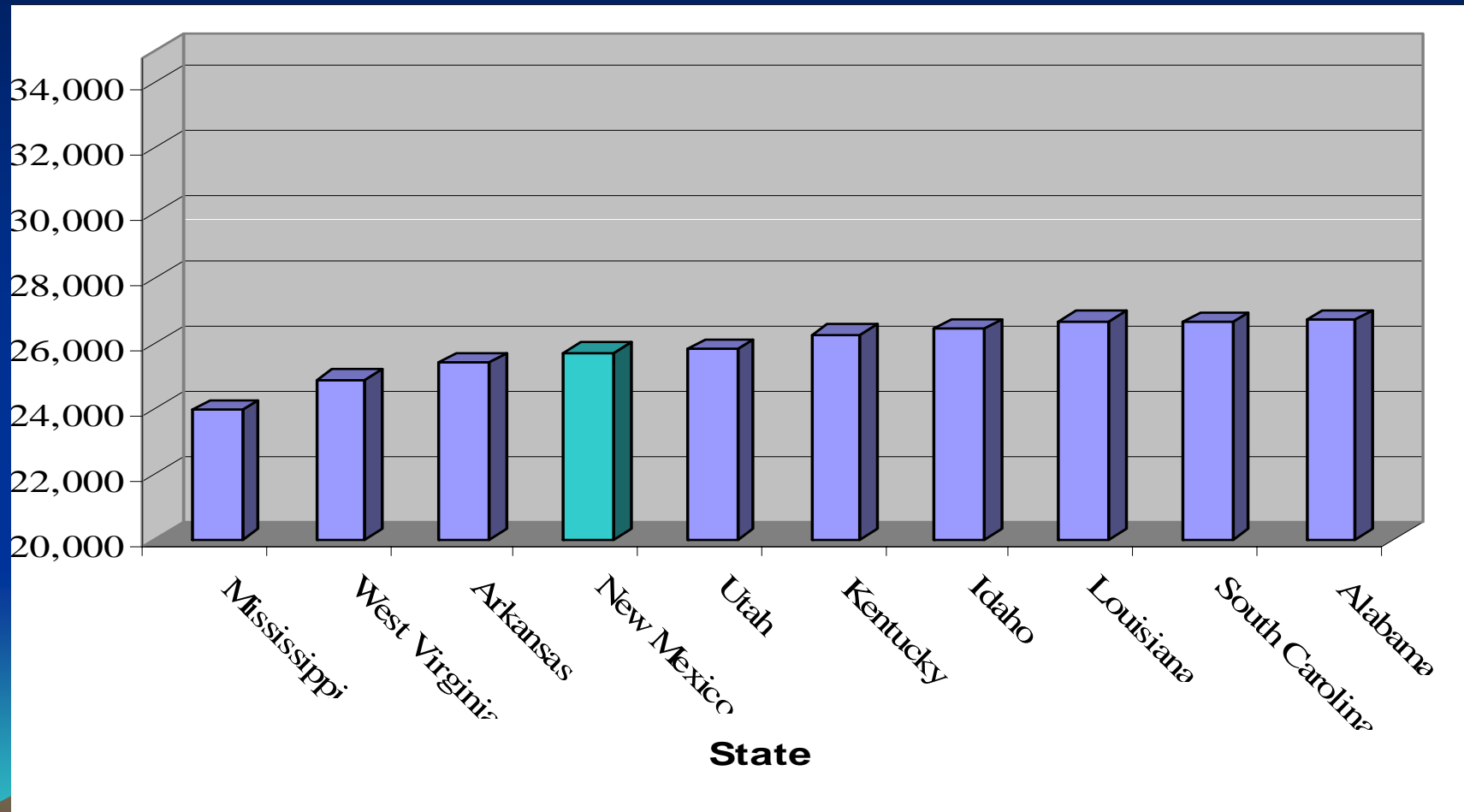
The other 34 states either have no severance taxes (15) or have severance taxes whose collections are less than 1% of total state tax collections (19).

# Tourism

	Travel Expenditures (Millions \$)			Population (Millions)	Per Capita Receipts	
	Domestic	International	Total		(\$)	Rank
<b>Alaska</b>	1,163.8	116.2	1,280.0	0.60	2,133.3	6
<b>Arizona</b>	5,866.8	1,297.4	7,164.2	3.94	1,818.3	10
<b>California</b>	43,981.8	11,530.0	55,511.8	31.20	1,779.2	13
<b>Colorado</b>	6,396.2	501.2	6,897.4	3.57	1,932.0	8
<b>Hawaii</b>	6,178.8	5,679.5	11,858.3	1.17	10,135.3	2
<b>Idaho</b>	1,536.1	57.0	1,593.1	1.10	1,448.3	22
<b>Montana</b>	1,445.8	151.4	1,597.2	0.84	1,901.4	9
<b>Nevada</b>	14,484.9	1,790.8	16,275.7	1.39	11,709.1	1
<b>New Mexico</b>	2,836.9	107.0	2,943.9	1.62	1,817.2	11
<b>Oregon</b>	3,937.9	272.2	4,210.1	3.03	1,389.5	27
<b>Utah</b>	2,845.6	468.5	3,314.1	1.86	1,781.8	12
<b>Washington</b>	5,590.0	805.1	6,395.1	5.26	1,215.8	34
<b>Wyoming</b>	1,129.8	123.9	1,253.7	0.45	2,786.0	5
<b>Total</b>	<b>97,394.4</b>	<b>22,900.2</b>	<b>120,294.6</b>	<b>56.03</b>	<b>2,147.0</b>	<b>1TT</b>

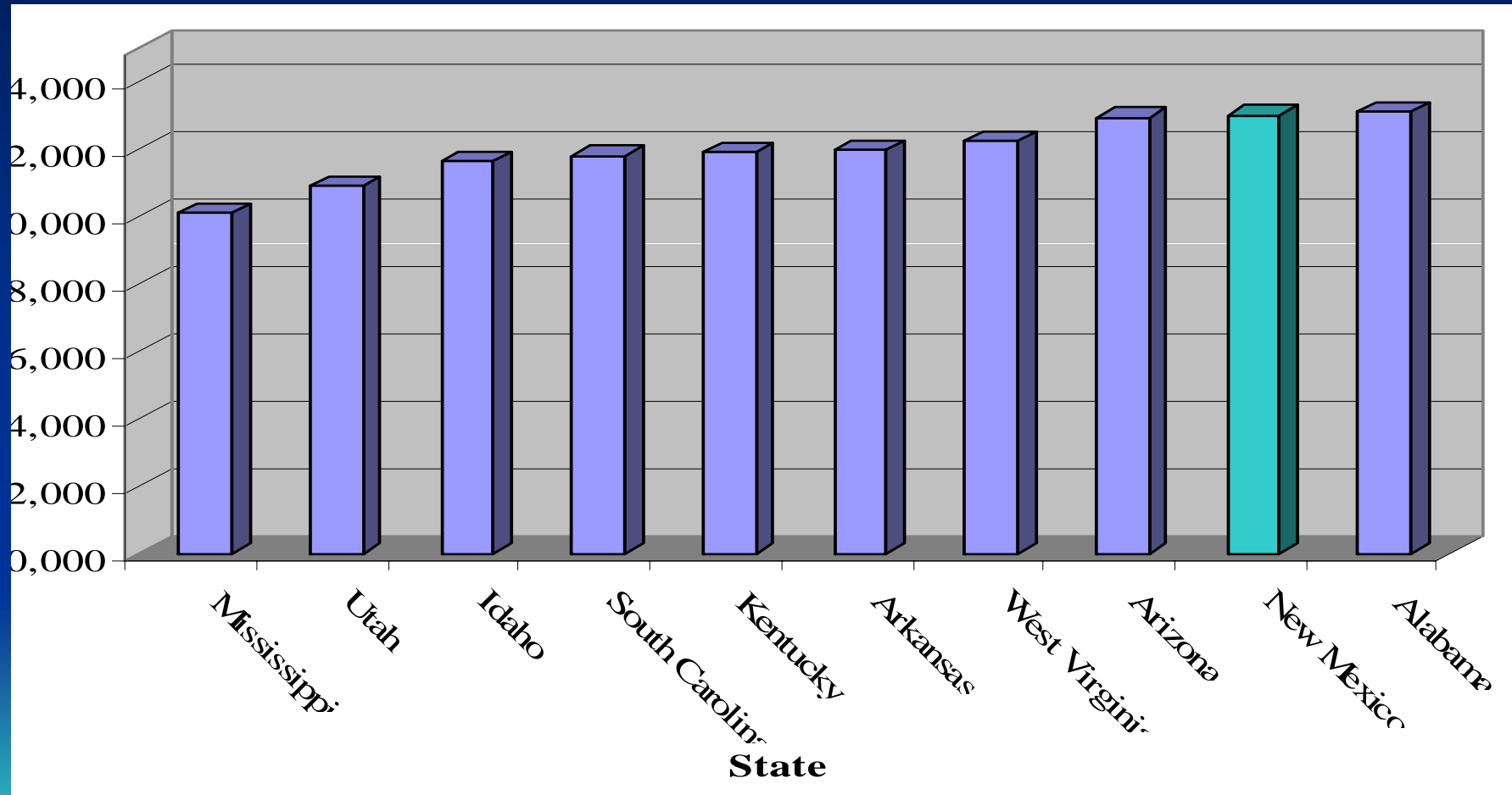
Last Updated: Wednesday, September 16, 2009 by the [Webmaster](#)

# Per-Capita Personal Income Has Historically Been Low





# But has improved in recent years...

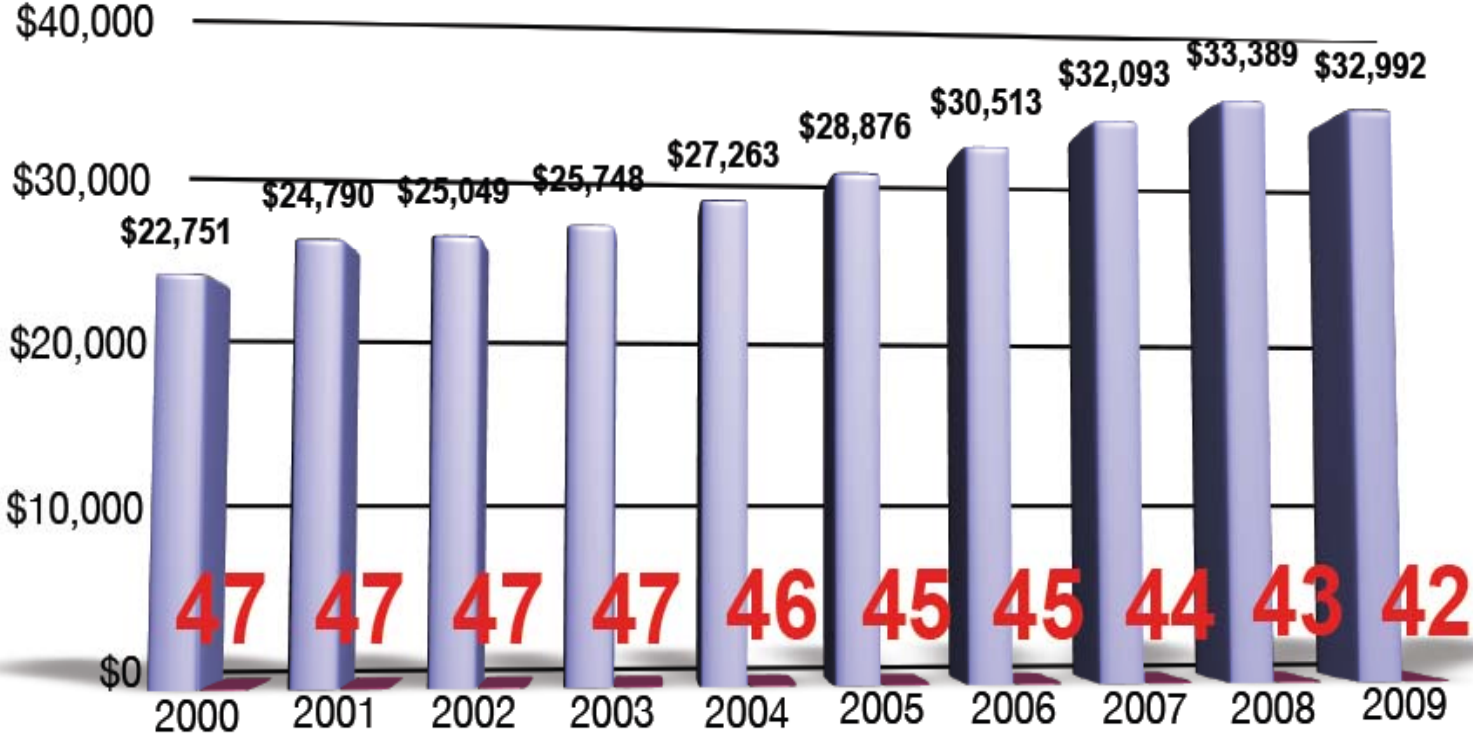


# Richardson's Tax Cuts

- Cut top income tax rate from 8.2% to 4.9%;
- Slashed capital gains tax in half;
- New Mexicans personal incomes jumped dramatically.

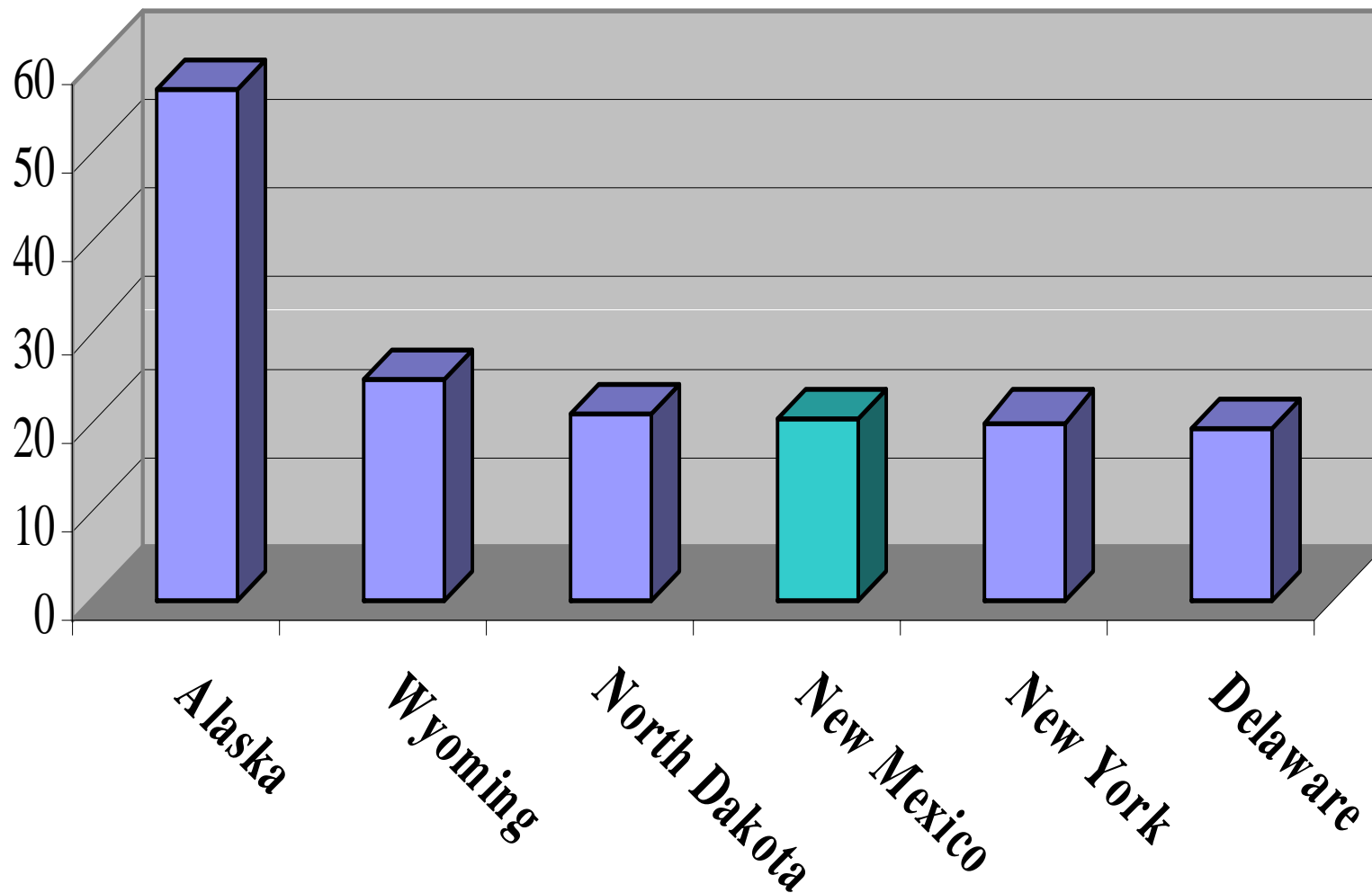


# New Mexico Personal Income



■ Per Capita Personal Income    ■ Income Rank (National)

## State and Local Revenue as % of Personal Income



# New Mexico's Government Bureaucracy is Very Bloated

<b>State and Local Government Employees Per Capita</b>	<b>Rank</b>	<b>State</b>
25.61	1	Alaska
25.33	2	New Mexico
25.15	3	Wyoming
24.17	4	Mississippi
21.51	5	Oklahoma
20.64	6	West Virginia
20.47	7	Kansas
16.72		National Average

# And Government Workers Are Better Paid than their Private-Sector Colleagues

Compensation % Above/Below Private Sector	Rank	State
5.00%	25	Alaska
11.50%	10	New Mexico
1.60%	33	Wyoming
9.70%	13	Mississippi
3.00%	30	Oklahoma
29.70%	2	West Virginia
-9.30%	49	Kansas
2.20%		National Average

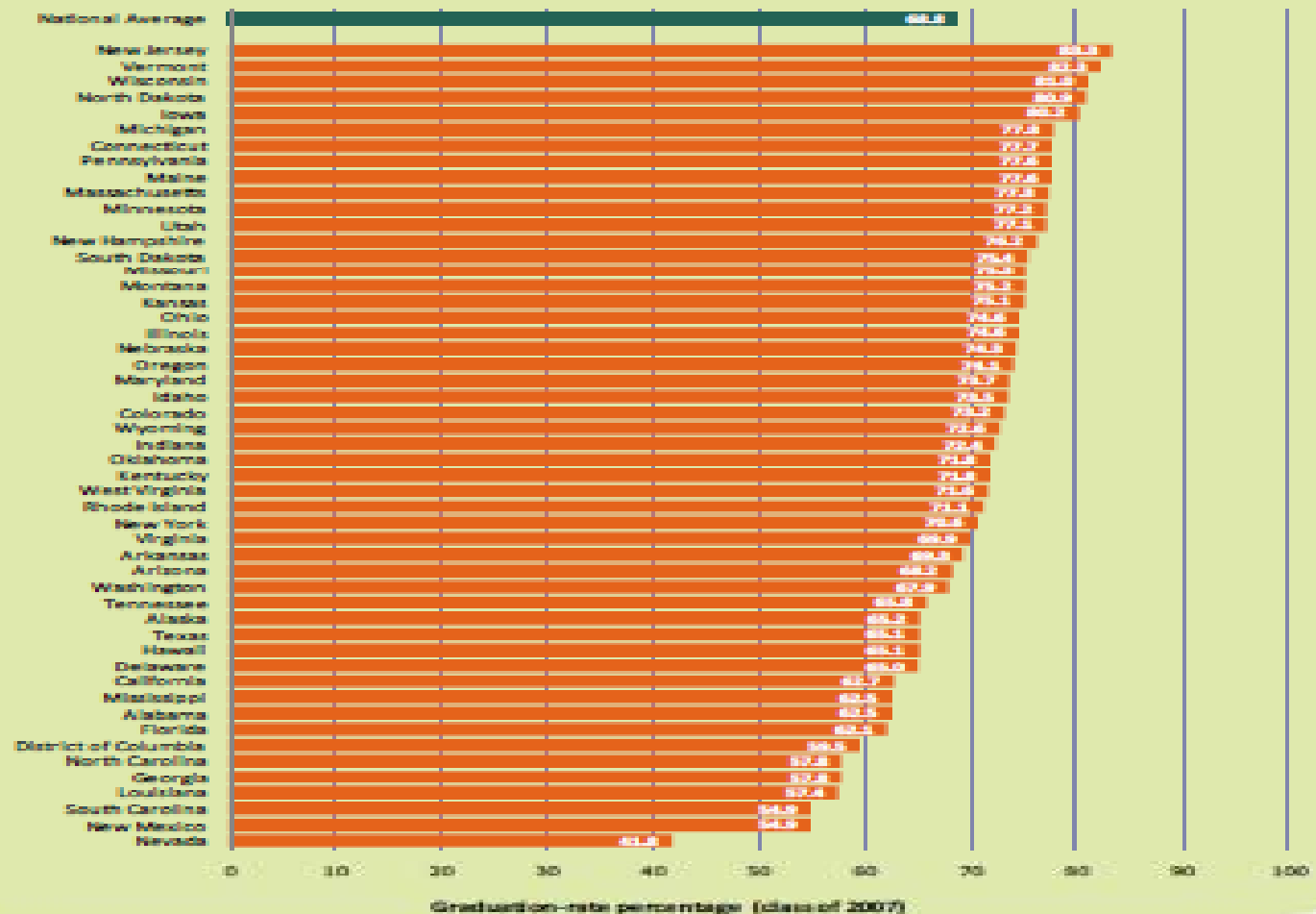
# What is New Mexico's Education Track Record?

- You can't believe the state's graduation numbers: remember August 2009, state released 54% graduation rate;
- Just over one year later, the state claims a graduation rate of 66.2%, but this is a five-year rate;
- According to a nationwide study called "Diplomas Count," New Mexico's graduation rate is 54.9 percent....



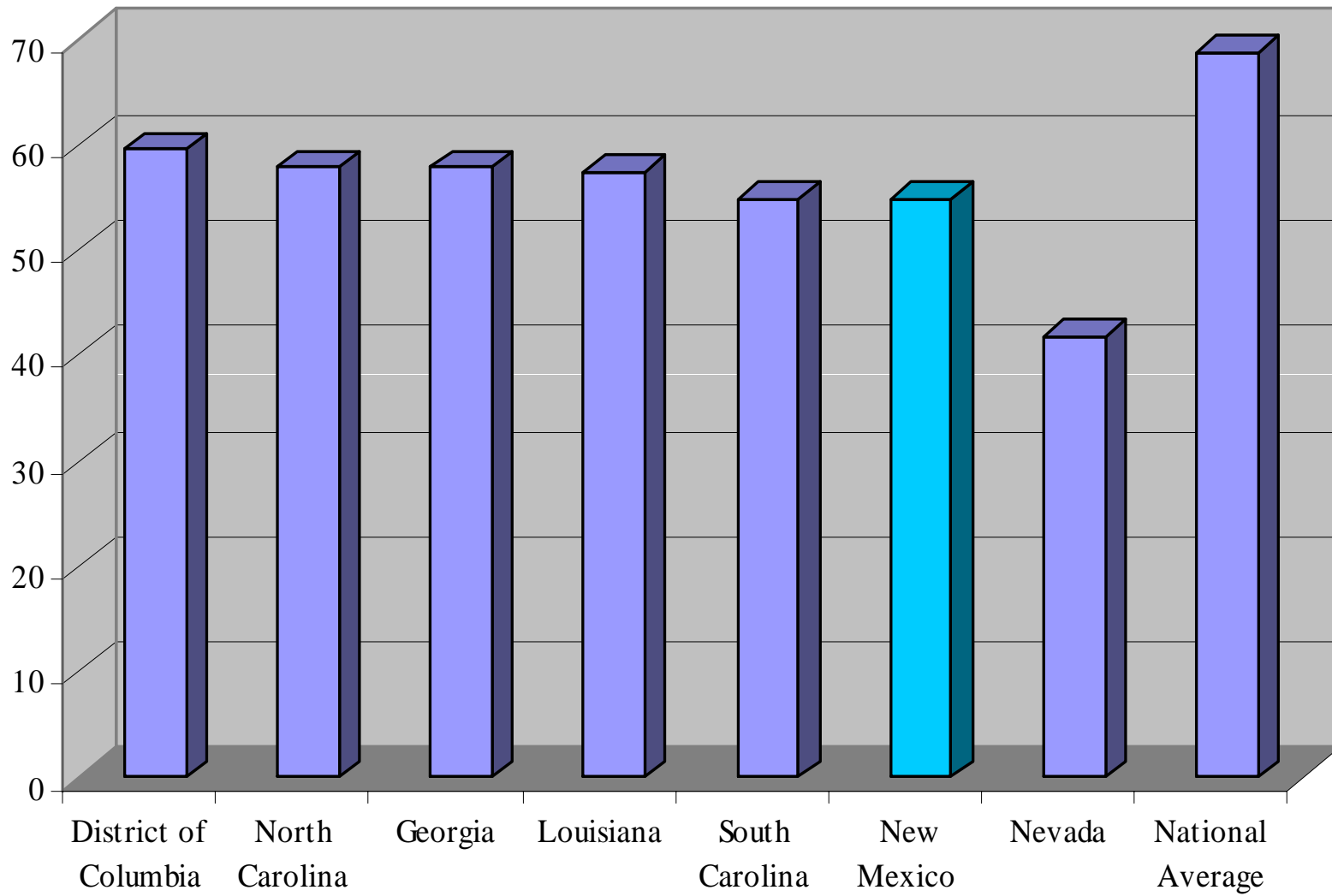
## Graduation in the United States

Slightly fewer than 69 percent of all public school students in the nation graduated from high school with a regular diploma in the class of 2007. A gap of more than 40 percentage points separates the best-performing and worst-performing states. The national leaders—Iowa, New Jersey, North Dakota, Vermont, and Wisconsin—each graduate at least 80 percent of their students. By contrast, the graduation rate falls below 50 percent in the District of Columbia, Georgia, Louisiana, Nevada, New Mexico, North Carolina, and South Carolina. Results reported in *Diplomas Count 2010* show that, from 2006 to 2007, the nationwide graduation rate dropped by four-tenths of a percentage point, the second consecutive year of declines following a decade of mostly solid improvements.





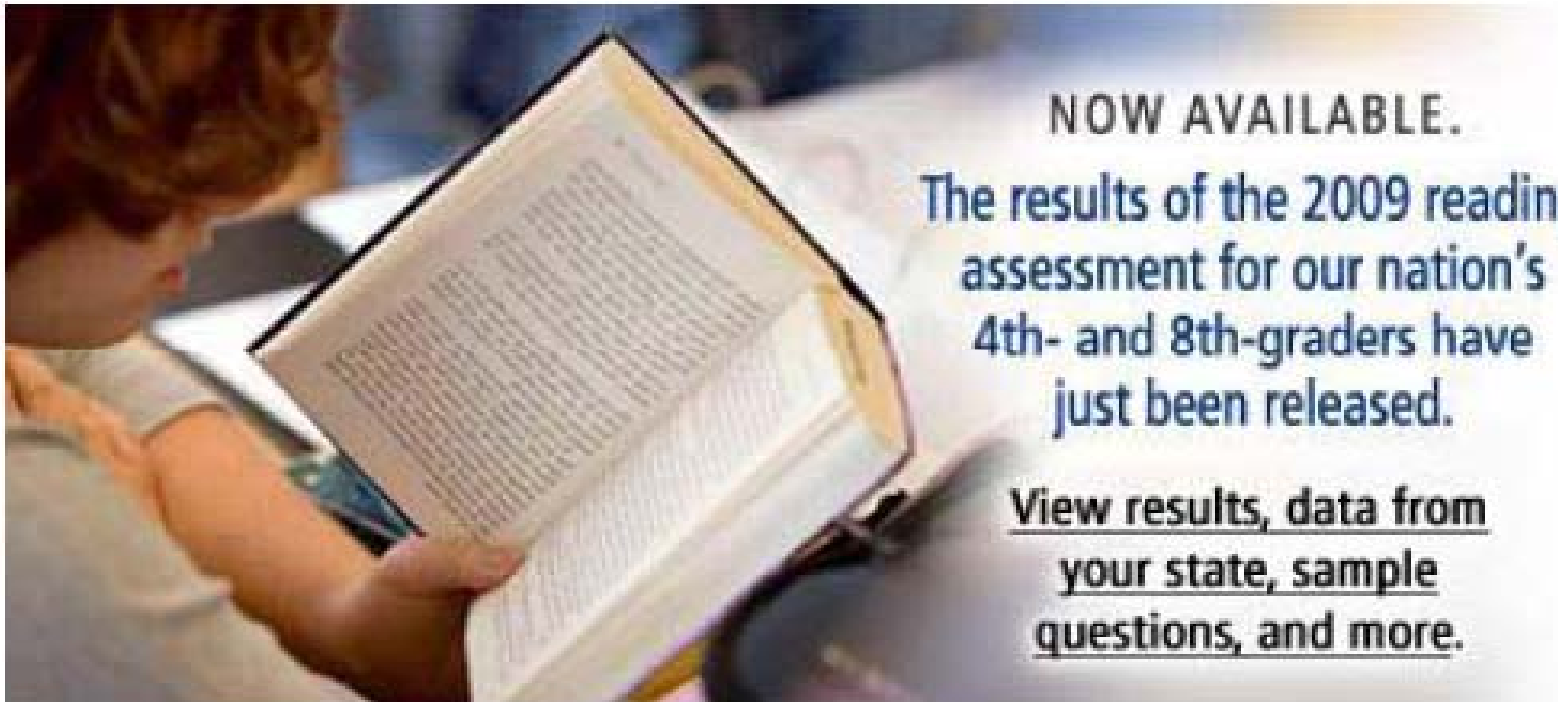
## State Graduation Rates



National Assessment of Educational Progress

# THE NATION'S REPORT CARD

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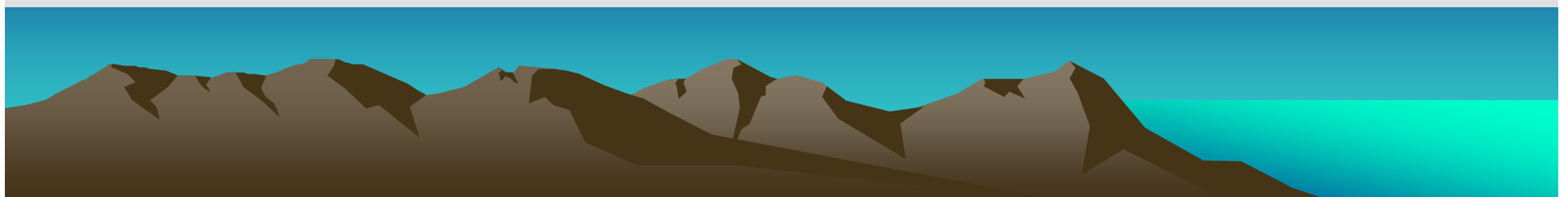
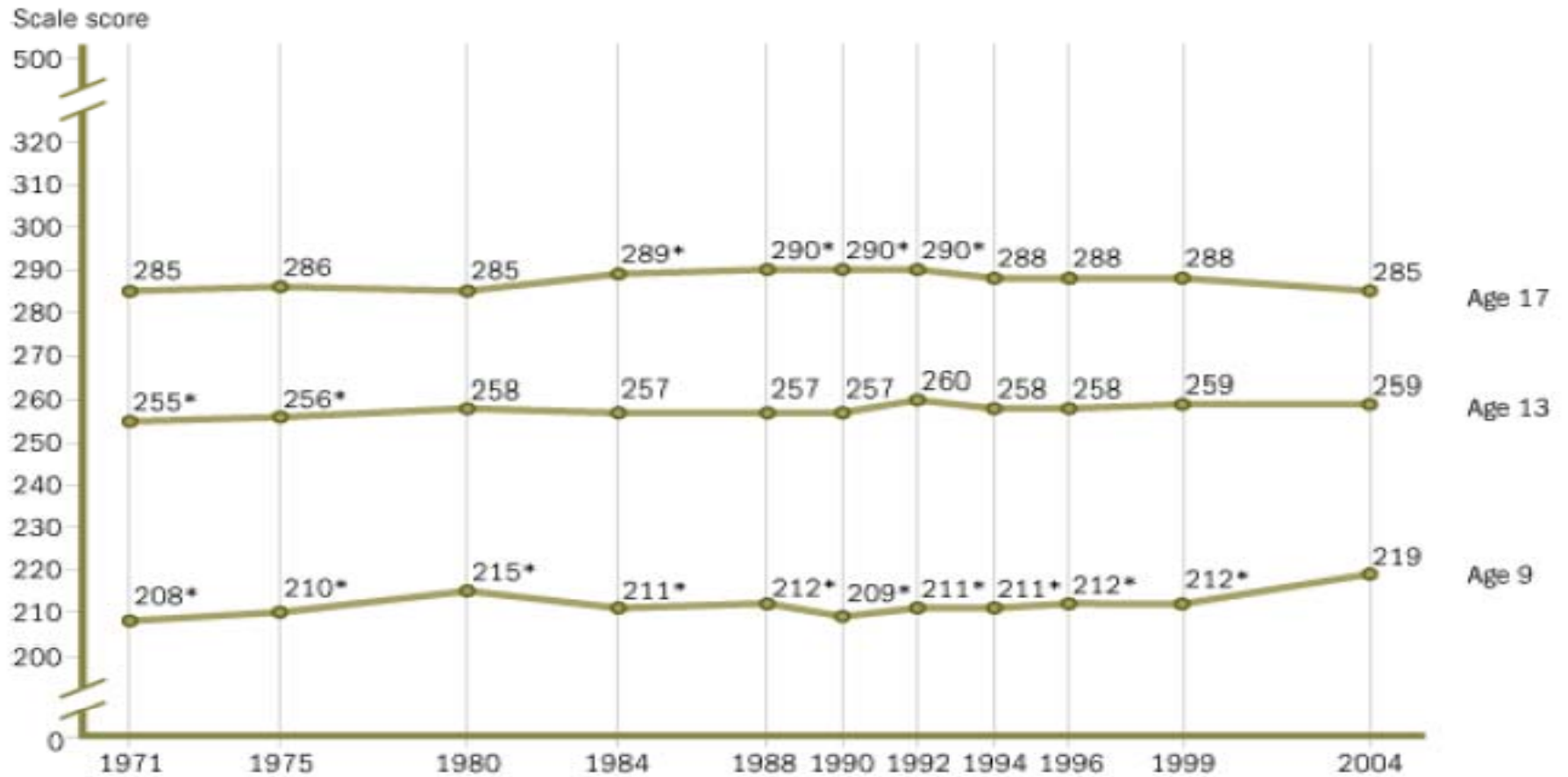
NOW AVAILABLE.

The results of the 2009 reading assessment for our nation's 4th- and 8th-graders have just been released.

[View results, data from your state, sample questions, and more.](#)



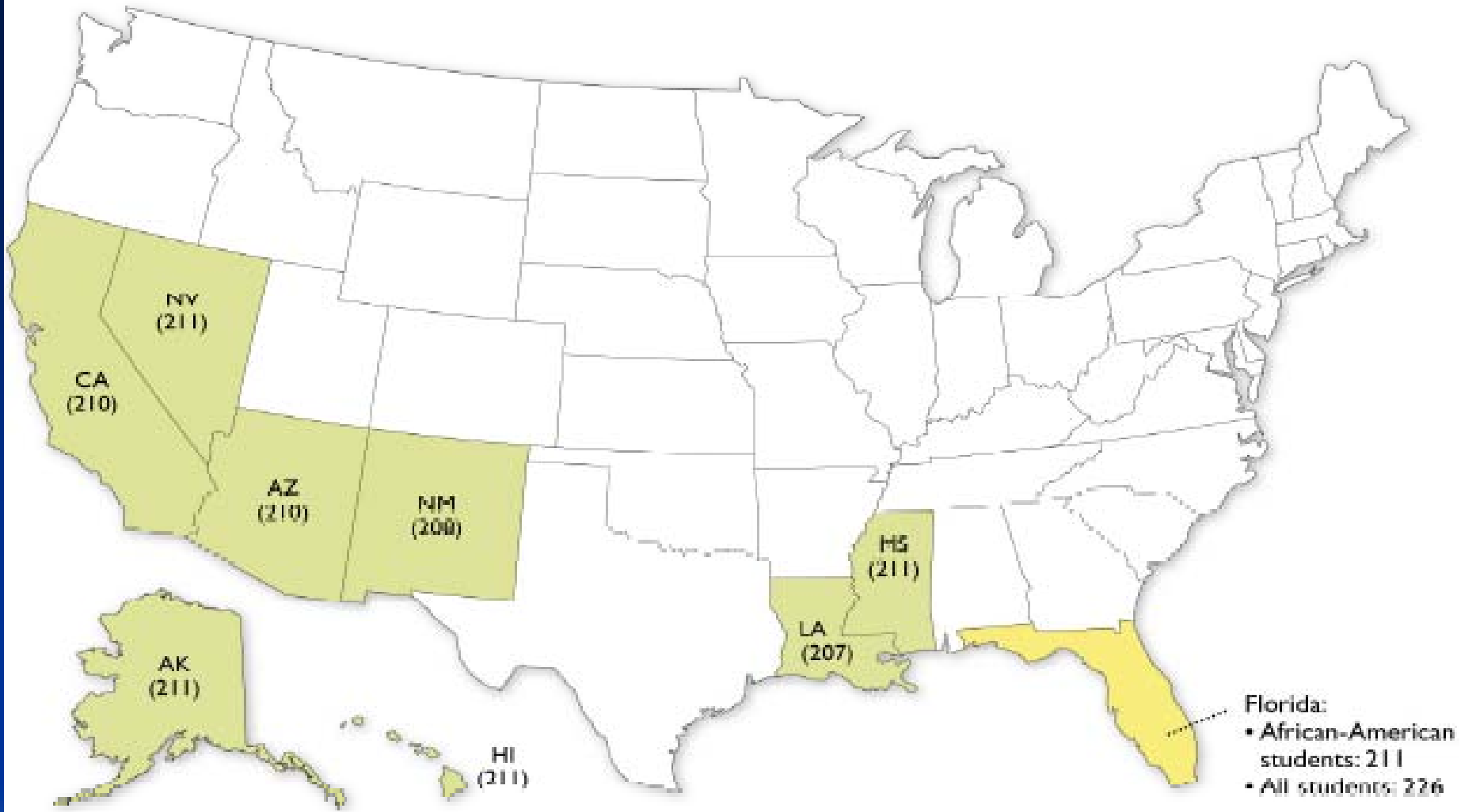
## National Long Term NAEP Reading Scores: Grades 4, 8 and 12 1971-2004



# 4<sup>th</sup> Grade Reading Scores Loom Large

- Up until 4<sup>th</sup> grade, children are learning to read;
- Beyond 4<sup>th</sup> grade, children are reading to learn in other subjects.

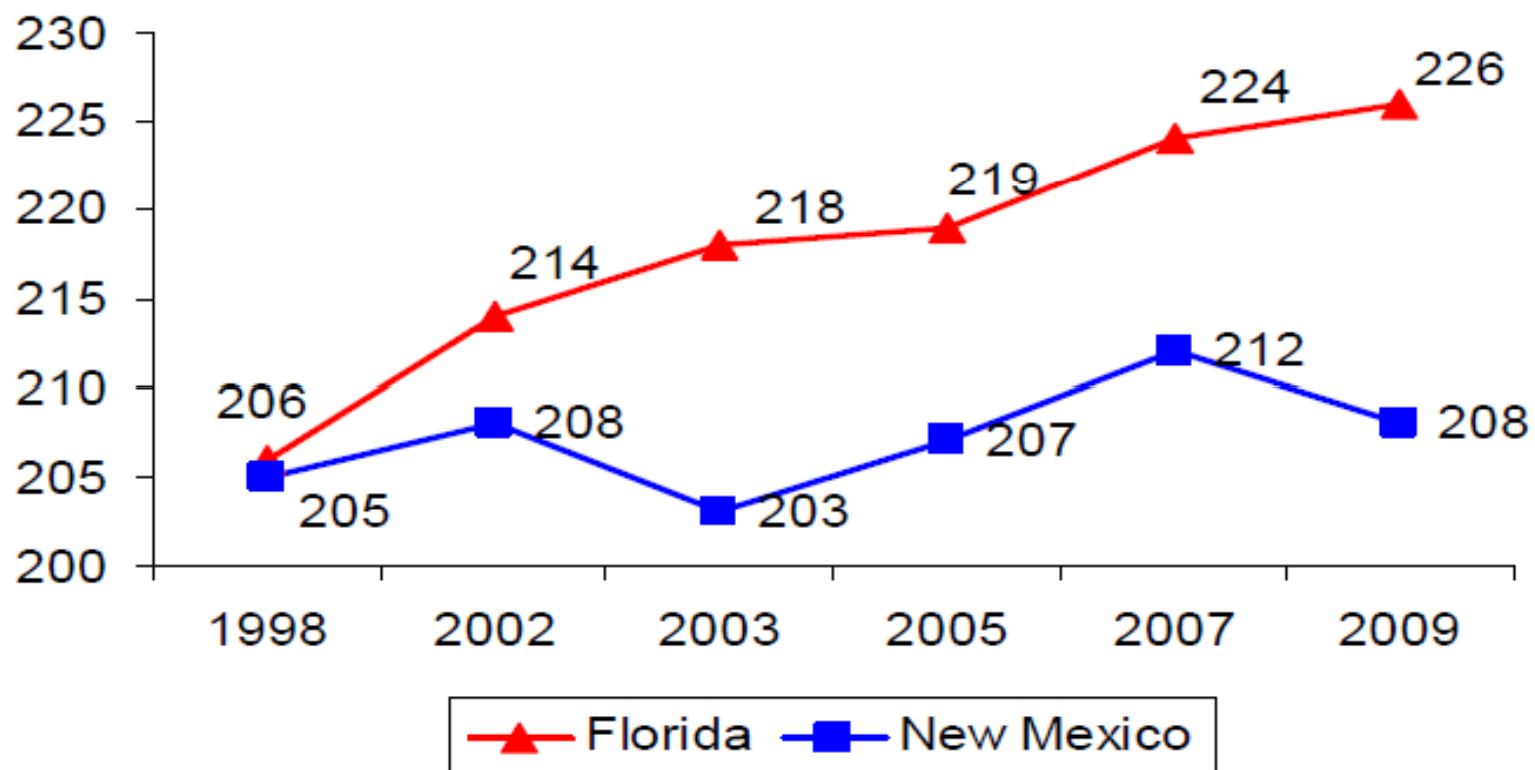




Source: National Assessment of Educational Progress.

 The Heritage Foundation

### 4th Grade NAEP Reading Scores, 1998-2009, Florida and New Mexico (All Students)

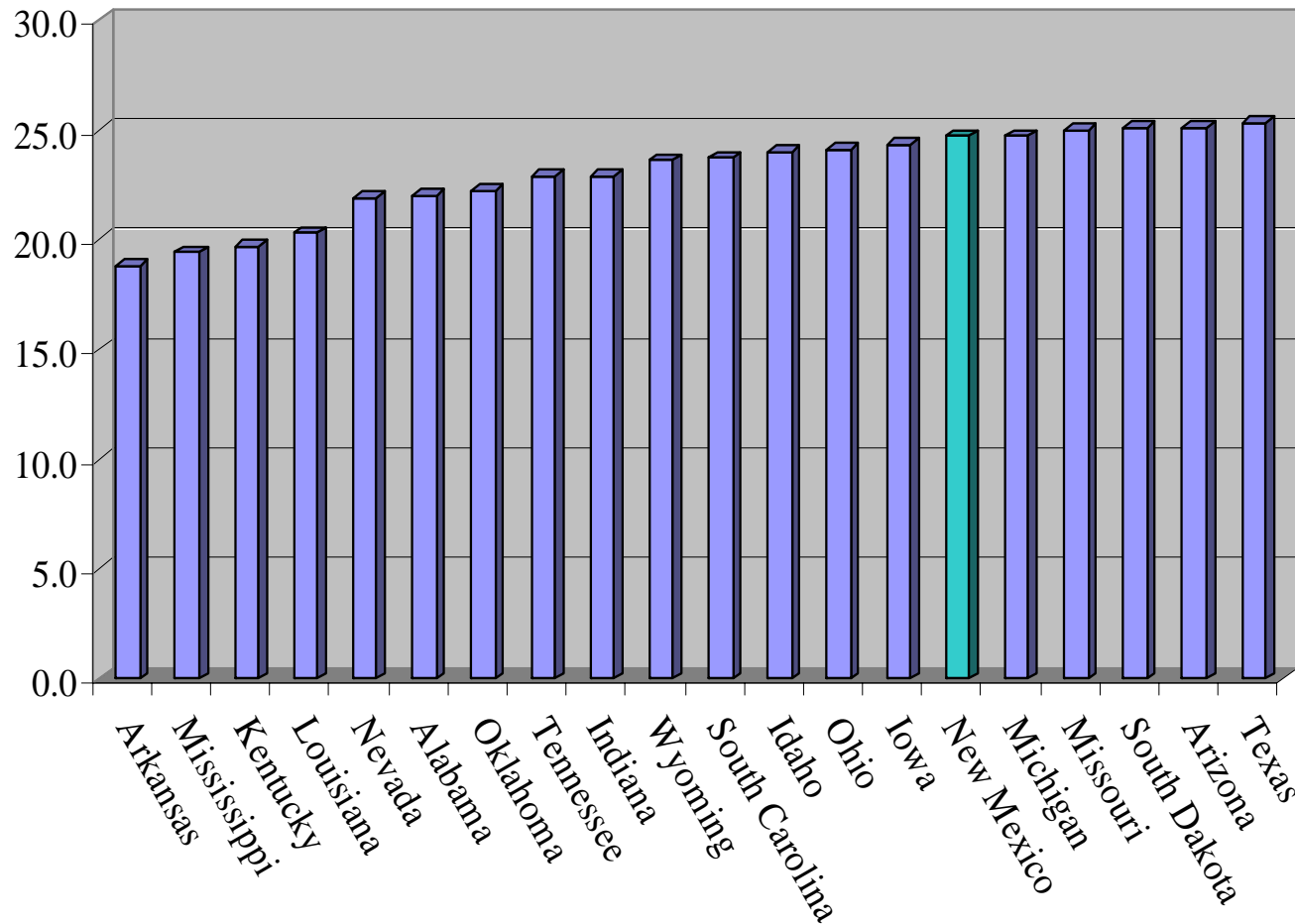


# Higher Education (approximately 15% of state budget)

Rank, per-capita higher ed spending	State	Per-capita higher ed spending	Rank, per-capita higher ed spending	State	Per-capita higher ed spending
1	Vermont	\$1,066	26	Colorado	\$668
2	North Dakota	\$1,041	27	California	\$668
3	Delaware	\$1,011	28	Texas	\$665
4	New Mexico	\$958	29	Minnesota	\$658
5	Wyoming	\$956	30	Kentucky	\$654
6	Utah	\$935	31	South Carolina	\$649
7	Iowa	\$927	32	Ohio	\$621
8	North Carolina	\$888	33	Idaho	\$607
9	Kansas	\$875	34	Connecticut	\$606
10	Alaska	\$864	35	Arizona	\$580
11	Michigan	\$822	36	New Hampshire	\$579
12	Nebraska	\$821	37	Illinois	\$578
13	Alabama	\$814	38	Louisiana	\$572
14	Wisconsin	\$813	39	New Jersey	\$562
15	Oregon	\$796	40	Rhode Island	\$559
16	Washington	\$742	41	South Dakota	\$555
17	Oklahoma	\$735	42	Massachusetts	\$551
18	Mississippi	\$732	43	Maine	\$541
19	Hawaii	\$728	44	Pennsylvania	\$534
20	Maryland	\$721	45	Missouri	\$529
21	Montana	\$708	46	<b>NEW YORK</b>	<b>\$506</b>
22	Virginia	\$697	47	Georgia	\$484
23	West Virginia	\$692	48	Tennessee	\$472
24	Indiana	\$685	49	Nevada	\$470
25	Arkansas	\$678	50	Florida	\$412
<b>U.S. Average</b>		\$640			
<b>N.Y.S. +/- U.S. average</b>		-21%			

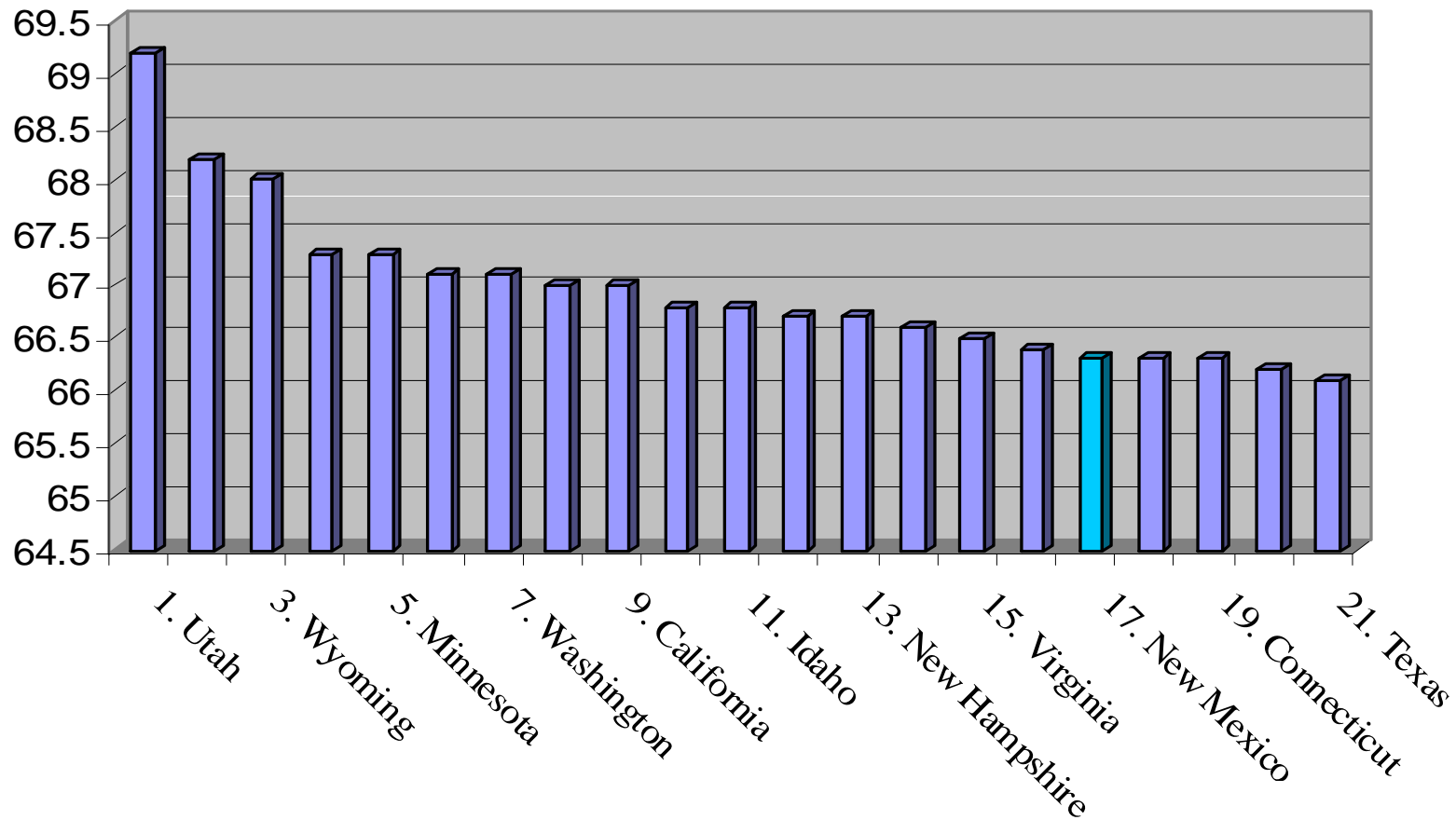
Source: Public Policy Institute Analysis of Census Bureau State and Local Government Finances: 2005-06

# College Diplomas 25 Yrs. & Up Ranked By State: New Mexico is 34th





# The Good News: New Mexicans are Relatively Happy!



# What Can we do to Improve NM?

- Reduce taxes and regulations across the board;
- Make our labor laws more efficient;
- Streamline government;
- Enact “The Florida Model” for education reform.





# RIO GRANDE FOUNDATION

LIBERTY • OPPORTUNITY • PROSPERITY

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