



UNITED STATES

| | |
|--|----------------|
| WORLD RANK: | REGIONAL RANK: |
| 25 | 3 |
| ECONOMIC FREEDOM STATUS: MOSTLY FREE | |

The United States' economic freedom score is 70.6, making its economy the 25th freest in the 2023 *Index*. Its score is 1.5 points lower than last year. The U.S. is ranked 3rd out of 32 countries in the Americas region, and its overall score remains above the world and regional averages.

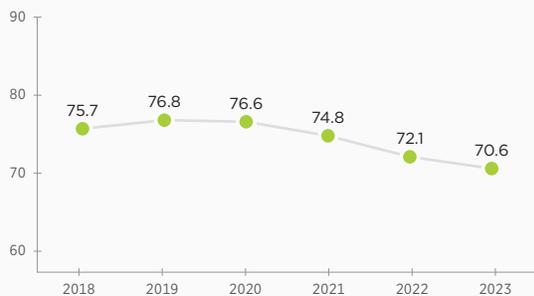
The U.S. economy faces enormous challenges. Big-government policies have eroded limits on government, public spending continues to rise, and the regulatory burden on business has increased. Restoring the U.S. economy to the status of "free" will require significant changes to reduce the size and scope of government.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -6.1

RECENT FREEDOM TREND



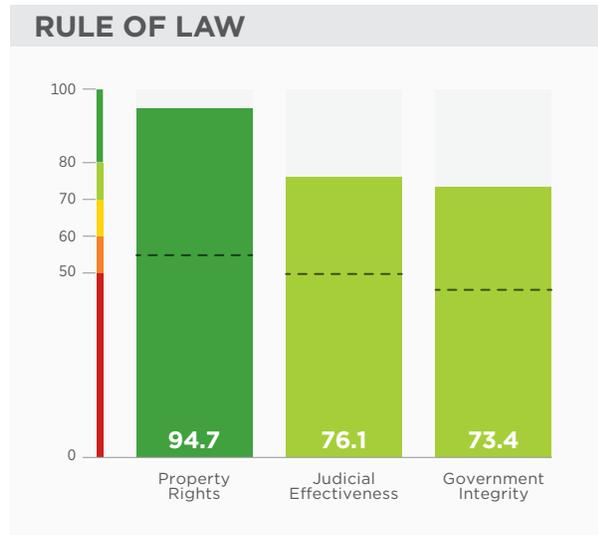
QUICK FACTS

- POPULATION:** 331.9 million
- GDP (PPP):** \$23.0 trillion
5.7% growth in 2021
5-year compound annual growth 1.9%
\$69,231 per capita
- UNEMPLOYMENT:** 5.4%
- INFLATION (CPI):** 4.7%
- FDI INFLOW:** \$367.4 billion
- PUBLIC DEBT:** 128.1% of GDP

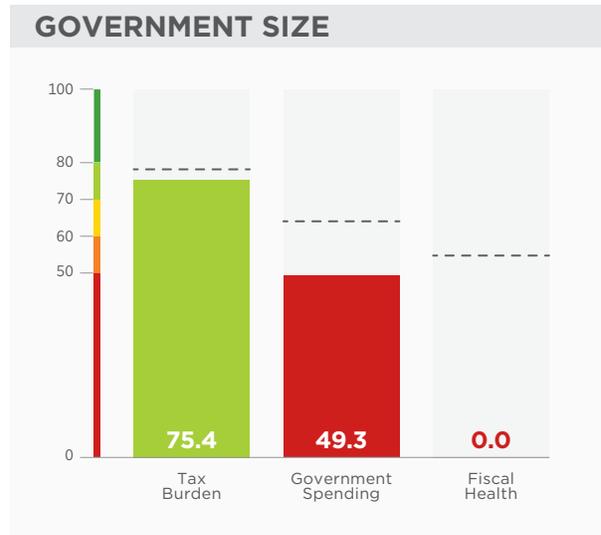
2021 data unless otherwise noted. Data compiled as of September 2022

BACKGROUND: The United States has one of the world's most dynamic economies but has been undergoing policy challenges that undermine its long-term economic competitiveness. Since assuming office in 2021, President Joseph Biden has pursued and implemented policies that have expanded the size and scope of the federal government. Unchecked deficit spending and government debt have accelerated, and inflation undercuts economic livelihood. The combination of uncertainty and poor policy choices has left the U.S. economic outlook in flux. The November 2022 election of a Republican Party majority in the House of Representatives could provide an opportunity to slow spending and debt growth.

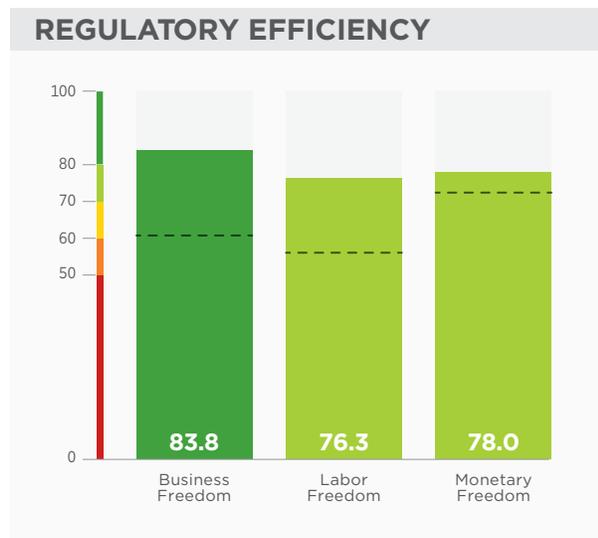
12 ECONOMIC FREEDOMS | UNITED STATES



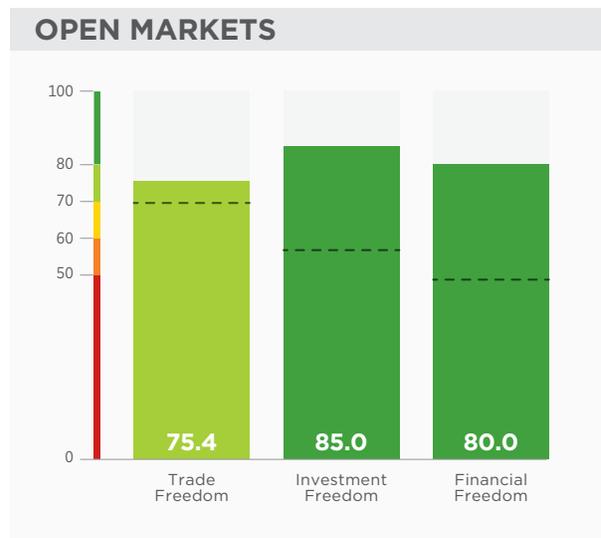
The overall rule of law is well respected in the United States. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 37 percent and 21 percent. The tax burden equals 25.5 percent of GDP. Three-year government spending and budget balance averages are, respectively, 41.1 percent and -10.3 percent of GDP. Public debt equals 128.1 percent of GDP.



The U.S. has a high level of business freedom, but regulations vary by state. Labor freedom is mostly high but varies from locality to locality. Massive government borrowing and the printing of money have aggravated inflation. Large deficits persist, and public debt is growing.



The trade-weighted average tariff rate is 2.3 percent, and layers of nontariff barriers add to the cost of trade. Investment freedom is hampered by ongoing interventionist, big-government policies. The financial sector, one of the world's most developed and competitive, continues to be resilient.