

# How well do Arthur Laffer/ALEC's economic outlook rankings predict actual performance\*?

\*as measured by Laffer's own model - rank out of 50 states, from "Rich States, Poor States"



| State          | 2007-2012                |                      |                          |                       |                               |
|----------------|--------------------------|----------------------|--------------------------|-----------------------|-------------------------------|
|                | Average Performance Rank | Average Outlook Rank | Average Predicted Change | Average Actual Change | Average Yearly Laffer Error** |
| Alabama        | 23                       | 18                   | +6                       | -1                    | 7                             |
| Alaska         | 15                       | 31                   | -14                      | +7                    | 20                            |
| Arizona        | 9                        | 6                    | +4                       | -2                    | 6                             |
| Arkansas       | 17                       | 13                   | +5                       | +6                    | 3                             |
| California     | 37                       | 43                   | -9                       | -5                    | 5                             |
| Colorado       | 16                       | 5                    | +10                      | -4                    | 14                            |
| Connecticut    | 42                       | 37                   | +6                       | -1                    | 8                             |
| Delaware       | 28                       | 32                   | -5                       | -5                    | 3                             |
| Florida        | 6                        | 11                   | -6                       | -3                    | 6                             |
| Georgia        | 27                       | 9                    | +17                      | -3                    | 19                            |
| Hawaii         | 20                       | 43                   | -21                      | +6                    | 27                            |
| Idaho          | 12                       | 8                    | +2                       | -2                    | 7                             |
| Illinois       | 48                       | 45                   | +4                       | 0                     | 4                             |
| Indiana        | 47                       | 18                   | +31                      | 0                     | 31                            |
| Iowa           | 37                       | 27                   | +12                      | +4                    | 7                             |
| Kansas         | 38                       | 26                   | +12                      | -1                    | 13                            |
| Kentucky       | 31                       | 40                   | -10                      | -1                    | 9                             |
| Louisiana      | 33                       | 18                   | +17                      | +5                    | 13                            |
| Maine          | 20                       | 46                   | -26                      | -2                    | 24                            |
| Maryland       | 18                       | 26                   | -10                      | -2                    | 8                             |
| Massachusetts  | 40                       | 27                   | +13                      | -2                    | 15                            |
| Michigan       | 50                       | 24                   | +25                      | 0                     | 25                            |
| Minnesota      | 36                       | 38                   | -3                       | -4                    | 3                             |
| Mississippi    | 40                       | 19                   | +21                      | +2                    | 19                            |
| Missouri       | 39                       | 14                   | +23                      | 0                     | 23                            |
| Montana        | 3                        | 34                   | -30                      | +1                    | 30                            |
| Nebraska       | 30                       | 32                   | 0                        | +5                    | 5                             |
| Nevada         | 14                       | 13                   | +2                       | -1                    | 4                             |
| New Hampshire  | 26                       | 29                   | -5                       | -4                    | 4                             |
| New Jersey     | 41                       | 45                   | -6                       | -2                    | 4                             |
| New Mexico     | 7                        | 32                   | -24                      | +1                    | 25                            |
| New York       | 41                       | 50                   | -8                       | +2                    | 10                            |
| North Carolina | 24                       | 22                   | +2                       | -1                    | 2                             |
| North Dakota   | 11                       | 12                   | -1                       | +5                    | 6                             |
| Ohio           | 49                       | 42                   | +6                       | 0                     | 6                             |
| Oklahoma       | 9                        | 14                   | -5                       | 0                     | 5                             |
| Oregon         | 28                       | 41                   | -12                      | +1                    | 12                            |
| Pennsylvania   | 41                       | 41                   | +3                       | +4                    | 8                             |
| Rhode Island   | 32                       | 45                   | -15                      | -3                    | 12                            |
| South Carolina | 23                       | 25                   | -3                       | -2                    | 6                             |
| South Dakota   | 11                       | 3                    | +8                       | +2                    | 7                             |
| Tennessee      | 32                       | 9                    | +24                      | -1                    | 25                            |
| Texas          | 2                        | 15                   | -13                      | 0                     | 12                            |
| Utah           | 17                       | 1                    | +18                      | +2                    | 16                            |
| Vermont        | 19                       | 49                   | -31                      | -1                    | 30                            |
| Virginia       | 6                        | 5                    | 0                        | -1                    | 2                             |
| Washington     | 11                       | 29                   | -17                      | -1                    | 16                            |
| West Virginia  | 25                       | 32                   | -6                       | +5                    | 10                            |
| Wisconsin      | 41                       | 28                   | +13                      | -2                    | 15                            |
| Wyoming        | 2                        | 5                    | -2                       | +1                    | 4                             |

\*\*Average of yearly differences between outlook and performance

**Average Error: 11.8**