NEW STUDY: CONSTITUTIONAL SPENDING LIMITS CAN WORK
BUT ALASKA’S DOES NOT

ANCHORAGE, Alaska — Alaska Policy Forum has released a new policy brief, comparing the effects of various tax and expenditure limits across the 50 states. The findings are clear: “States with lower taxes, reasonable regulatory burdens, and sensible budgeting demonstrate a record of opportunity growth that continues to attract new residents.”

Between 2008 and 2018, low-spending states outperformed high-spending states on several important economic health indicators, including growth in employment, personal income, and population. But not all states with tax and expenditure limits are low spending—the structure of a limit determines its effectiveness. While Alaska has a constitutional spending limit, it does not functionally limit spending, which has soared to over $13,000 per capita—more than twice the national average.

“By implementing a meaningful constitutional spending cap, Alaska could finally see much-needed economic growth. Industry and other job creators are drawn to the stability that a true cap on state spending would bring.”
— Bethany Marcum, Executive Director at Alaska Policy Forum

Over the past decade, nearly 40,000 residents have left Alaska for other states. A revised constitutional spending limit is the first step toward responsible budgeting and increasing economic opportunity, which will allow Alaskans to reach their goals and live their dreams in the Last Frontier. The policy brief, “Tax and Expenditure Limits: A 50-State Comparison,” is available online at http://alaskapolicyforum.org/2020/02/tel-50-state-comparison/.

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