Fiscal strength doesn't guarantee public goods delivery, US study finds

Wednesday 21 October, 2026

New York/DNA - A newly released study of US state government performance found strong partisan and regional patterns within three pillars of governance: democratic accountability, state capacity and public goods provision. Yet, the US states' outcomes differ in important ways from international comparisons, as the three governance dimensions show limited correlation, the researchers found.

The report, "*The Governance Performance of the Fifty States: The U.S. Berggruen Governance Index*", applies the research team's "governance triangle" from past global country rankings to the 50 US states. The report has now been presented to the public at Columbia University in New York.

"Unlike in the Berggruen Governance Index's cross-national comparisons, where the three dimensions are broadly correlated, in the 50 U.S. states they often run counter to each other," the authors conclude. "This may seem counterintuitive, as one might expect a well-governed state to finish high on all three and a poorly governed one to place low across all three."

The report concluded that state capacity and public goods provision are "essentially uncorrelated." Massachusetts, which has among the highest per capita incomes, was third in public goods but 49th in state capacity. Mining and agriculture-dependent Wyoming was 36th in public goods provision but No. 1 in state capacity.

- **Public goods provision**, which combines quality-of-life metrics such as health and educational outcomes with infrastructure and quasi-public goods that are often delivered by the private sector, saw four of the top five from the Northeast, while the bottom seven were in the South. All but one of the top 16 states were won by Democratic nominee Kamala Harris in the 2024 US presidential election. Nineteen of the bottom 20 went to Donald Trump.

- **Democratic accountability** measures election procedures, which vary widely among states, along with scores for civil society activity and government openness. These include among others lobbying disclosures and state auditor independence. The top 12 states were a geographical mix of the West, Northeast and Midwest. Nine of that dozen voted for Harris, though the state with the highest score was reliably Republican Montana. The 10 lowest-ranked states were all Southern, and the bottom 20 were all won by Trump in 2024.

- **State capacity** foremost indicates debt levels, along with budget processes and effective welfare-state delivery such as unemployment insurance. The top-ranked states were geographically diversified, but no Northeastern state was among the top 12. All major regions were represented in the bottom 10, including notoriously debt-laden Rhode Island, Illinois, Connecticut and New Jersey.

The three components produce four state groupings identified by the authors:

- 14 **fiscally sound and delivering states**, which are half Republican and half Democratic and swing states, based on the 2024 presidential race.

- 16 **strained but delivering states**, which are mostly Democratic.

- Nine **fiscally strong but poorly served states**, almost entirely Republican.

- 11 **low performing states**, including only one Democratic state.

The report was written by principal investigator Helmut K. Anheier with co-authors Joseph C. Saraceno and Edward L. Knudsen, all of the UCLA Luskin School of Public Affairs, and produced as a collaboration of the Luskin School with the Berlin-based Hertie School, supported by the Berggruen Institute, a Los Angeles think tank.

During a panel discussion held with the release of the report at Columbia University, economic historian Adam Tooze focused on the states with poor scores for provision of public goods. He pointed out that for

Media:



Related Sectors:

Government ::

Related Keywords:

Governance :: Economy :: Democracy :: Berggruen Governance Index ::

Scan Me:

many public goods that in Europe are assumed to be state-led, such as health care, education and utilities, in the US the private sector has a greater role.

“If you look at all of the states which are underperforming, it's the South, and the variable that's operating here is race,” said Tooze, a Columbia professor. “The reason why these states don't have large-scale public services is that white people who are richer don't want to pay taxes to redistribute income to black people. And it's not a secret; it's the logic of American politics.”

Among the 11 low performing states, the very worst performers are in the South: Louisiana, Mississippi, Alabama and Kentucky.

Joseph C. Saraceno said that the 14 states classified in the report as fiscally sound and delivering “provide a moderate level of public goods while also having state capacity, or this measure of fiscal room that they find to be comfortable, or have a rainy day fund as needed.”

The group of fiscally strong, poorly served states have strong balance sheets but little to show for it in quality of life. Arkansas, for example, ranks seventh in state capacity but 46th in public goods provision. Tooze said those states have better fiscal resilience and “rank high on their capacity score because basically they've never done anything. So unsurprisingly, when push comes to shove, they could do something if one supposed they had politics that would allow them to.”

Edward Knudsen, another researcher who worked on the previous global versions of the Berggruen Governance Index, pointed out that the strained but delivering states are heavily traditionally Democratic Party states that also score higher for democratic accountability. “In a lot of the Democratic leaning states, you have more ability for the population to demand public goods. They in turn are able to receive them. That places this fiscal stress,” Knudsen said.

The full report “*The Governance Performance of the Fifty States: The U.S. Berggruen Governance Index”* can be downloaded here: https://ucla.app.box.com/s/hcruhr43fyhfw0uondid2e6fviqopmww

Frank Fuhrig, DNA

This text and the accompanying material (photos and graphics) are an offer from the Democracy News Alliance, a close co-operation between Agence France-Presse (AFP, France), Agenzia Nazionale Stampa Associata (ANSA, Italy), The Canadian Press (CP, Canada), Deutsche Presse-Agentur (dpa, Germany) and Press Association (PA, United Kingdom). All recipients can use this material without the need for a separate subscription agreement with one or more of the participating agencies. This includes the recipient's right to publish the material in own products.

The DNA content is an independent journalistic service that operates separately from the other services of the participating agencies. It is produced by editorial units that are not involved in the production of the agencies' main news services. Nevertheless, the editorial standards of the agencies and their assurance of completely independent, impartial and unbiased reporting also apply here.

Caption: Panel discussion at Columbia University in New York: Speaking about the study "The Governance Performance of the Fifty States: The U.S. Berggruen Governance Index" were (from left): Prof. Helmut K. Anheier (UCLA), Prof. Robert Y. Shapiro, Prof. Adam Tooze (both Columbia), and Joseph C. Saraceno (UCLA).
(Picture: Jason DeCrow/AP Content Services for DNA)

Contact:

Democracy News Alliance

Christian Röwekamp

roewekamp.christian@dpa.com

Company Contact:

_

news aktuell

E. desk@newsaktuell.de
W. https://www.newsaktuell.de/

View Online

Additional Assets:

Newsroom: Visit our Newsroom for all the latest stories:
https://www.newsaktuell.pressat.co.uk