

PREFACE

The American economy is resurgent. Despite the familiar chorus of naysayers, the facts tell a different story. With decisive regulatory reform, meaningful tax relief, and a clear commitment to pro-growth economic policies, the Trump Administration has been yielding impressive results. The U.S. stock market is near an all-time high, and gross domestic product has grown strongly by more than 4 percent in recent quarters, all while inflation, interest rates, and unemployment remain stable. The American economy is once again demonstrating what it can achieve when government steps back and the American people step forward.

President Trump promised a sharp break with the decline of his predecessor's era—defined by outdated and counterproductive regulatory, tax, and trade policies. He has delivered. His pro-growth agenda has set the stage for America's impressive comeback as the world's "hottest" economy and served as a necessary corrective to the failed experiment of "Bidenomics," restoring confidence, competitiveness, and momentum.

This edition of the *Index of Economic Freedom* confirms what we see unfolding in real time: When economic freedom advances, prosperity follows.

The United States recorded the greatest improvement in the 2026 *Index* among advanced economies. America's score has risen by nearly three points from last year, reversing a five-year decline and marking the most significant improvement since 2001—one of the strongest gains in the *Index's* 32-year history.

That progress is not accidental. It reflects the Trump Administration's pragmatic pro-growth economic strategy—lowering the cost of doing business, advancing and spreading prosperity, and enhancing long-term competitiveness—which has placed our country at the dawn of a Golden Era. Today, by that "dawn's early light," we can clearly see the prosperous,

energetic future it portends even as many other countries remain stuck in a slow-growth trap.

But we must be clear: America is more than an economy. It is a nation. This Golden Era will be measured not only by stronger rankings and rising markets, but also by whether its promise is felt at the kitchen table by working families across this country.

Economic freedom is not an end in itself. It is a means to human flourishing—to what the Founders called the pursuit of happiness and what Aristotle described as *eudaimonia*. Conservatism seeks not merely efficiency, but the good, the true, and the beautiful.

Free markets must be part of our message of prosperity. As the *Index of Economic Freedom* has demonstrated year after year, prosperity, education, and the environment all thrive in countries that support free markets, the rule of law, private property, and limited government—particularly when institutions of civil society are flourishing.

Yet markets do not exist in a vacuum. Economic freedom must always serve families, communities, and the permanent things—ordered liberty, personal responsibility, and the dignity of work. Properly understood, economic freedom strengthens national security, nourishes civil society, and improves the quality of life for all citizens. It is a cornerstone of a healthy society. The *Index of Economic Freedom* remains one of the most important tools in defending and advancing that cornerstone.

This edition carries special meaning for The Heritage Foundation. In 2025, we lost our founder, Dr. Edwin J. Feulner—our longest-serving president, a statesman of the conservative movement, and the architect of an institution that reshaped American public policy. What began as a small outpost for conservative ideas became, under Ed's leadership, the intellectual arsenal of the Reagan Revolution and a battleship for liberty in the decades that followed.

Ed founded the *Index of Economic Freedom* in 1995 and never ceased to contribute his insights to and provide inspiration for this worldwide, country-by-country annual benchmark study, describing it as one of the “crown jewels” of The Heritage Foundation and frequently presenting its findings to policymakers here in Washington and across the world.

The rankings in this *Index* will change over time—we hope for the better—in all countries everywhere, but the fundamental message of the *Index* will not change. As Ed said in introducing the first *Index* in 1995, in striving for peace and prosperity, “Freedom is what counts most.”

In dedicating this edition of the *Index of Economic Freedom* to Ed, we at The Heritage Foundation will honor his life the best way we know how: by carrying his mission forward with courage, integrity, and resolve. We will never forget his leadership.

“Onward,” and on offense.

Kevin D. Roberts, PhD
President
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